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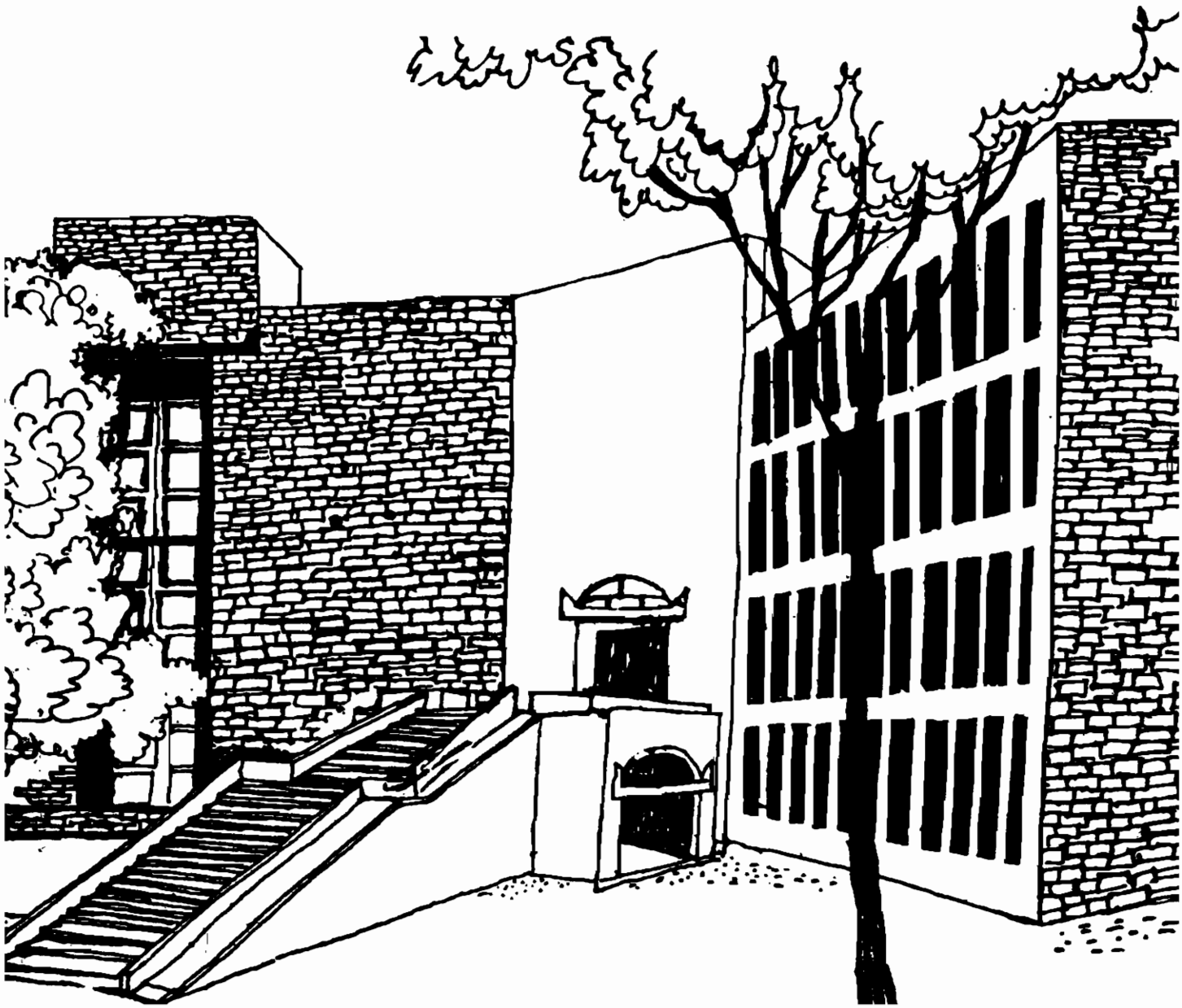

# BEHAVIOUR OF EXCESS STOCK RETURN AROUND EARNINGS ANNOUNCEMENT DAY: A TEST OF THE EFFICIENCY OF KUALA LUMPUR STOCK EXCHANGE

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# BEHAVIOUR OF EXCESS STOCK RETURN AROUND EARNINGS ANNOUNCEMENT DAY: A TEST OF THE EFFICIENCY OF KUALA LUMPUR STOCK EXCHANGE

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Abstract
This study is concerned with analyzing stock returns around periods of earnings announcements. Three hundred and sixty-four earnings announcement dates (events) were obtained from the annual earnings announcements of 91 stocks listed on the main board of KLSE for the years 1993 to 1996. For each event, market model parameters were estimated and adjusted for thin trading using daily return data for the period six months before the event. The estimated parameters were then used to estimate the residuals for the period 29 days before and 30 days after the announcements. The cumulative average residuals, CAR, was found to exhibit a significantly negative trend for more than a month after the announcement. Thus with respect to stocks in the sample, the KLSE does not adjust instantaneously to the release of earnings information and hence the KLSE is semi-strong inefficient.

## 1. Introduction

In a free-enterprise economy, the capital market plays a key role in generating long-term funds for business organizations. In order to ascertain the extent to which the stock market enhances an efficient resource allocation, a lot of ink has been shed on the efficiency of the stock market. According to Fama (1970), there are three classes of market efficiency. In its most basic form, called the weak form, efficiency of a stock market is gauged by the extent to which past patterns of stock returns could be used to forecast future returns. In a market that is efficient in the weak form, such a technical analysis is useless. The semi-strong form broadens the information set to include any publicly available information. Such publicly available information could be in the form of previous stock returns, earnings announcement, mergers and acquisition, etc. Thus, in a market that is semi-strong form efficient, an investor cannot, for example, make use of earnings announcement information, to gain

abnormal return. By the time the investor reacts, the market would have already adjusted to that piece of information. This study focusses attention on this aspect of market efficiency. Earning per share is central to the valuation of equity securities. The extent to which the stock market digests the information contained in earnings announcement is therefore important. The central role of earnings per share in the valuation of common stocks is not the only factor motivating this study. Another factor motivating this study is the dearth of empirical evidence concerning the stock markets response to earnings announcements in the capital markets of developing economies such as Malaysia.

## 2. Literature Review

Studies on analytically extensive developed capital markets have produced conflicting results. For example, Ball and Brown (1968), Castanias (1979), Cooper (1982), and Fama (1991) find support for the efficient market hypothesis. On the other hand, studies by Bodie (1976), Brown (1978), Litzenberger and Ramaswamy (1982), Jones and Litzenberger (1970) find evidence against it. Studies on the KLSE have also produced mixed results. Fauzias (1992) and Annuar Md Nassir, Ariff, and Shamsher (1993), report results that suggest evidence of efficiency of the KLSE while Chee and Gupta (1992) and Othman Yong (1987) found evidence against it.

Barnes (1986) conducts a test of the efficiency of the Kuala Lumpur Stock Exchange, using daily data for the six months to 30 June 1980, covering thirty companies. Despite the thin nature of trading in the exchange at the time as compared to other

more developed exchanges, he finds no evidence of serial correlation in the residuals This finding supports the weak-form efficiency hypothesis Similar results were obtained by Dawson (1984) who studied the trend toward market efficiency in the Hong Kong stock exchange.

Basu (1977) questions the validity of the efficient market hypothesis. In his study covering 1400 industrial firms trading on NYSE for the period September 1956 through August 1971. Basu uses the standard OLS technique and finds that price earnings ratio information is not fully reflected in security prices in as rapid a manner as postulated by the semi-strong form of the efficient market hypothesis. He observes that "contrary to the growing belief that publicly available information is instantaneously impounded in security prices, there seem to be lags and frictions in the adjustment process. As a result, publicly available price earnings ratios seem to possess information content and may warrant an investor's attention at the time of portfolio formation or revision" (p. 681).

Brown (1978) employs the use of residual analysis in his study of market efficiency for US daily data for the period 1963 to 1971. His results show that excess returns from purchase of securities at the time of the publication of EPS information substantially exceed transactions costs. The results also show that the adjustment process rather than being instantaneous, is about 45 market days His results therefore do not support the efficiency hypothesis Also rejecting the efficiency hypothesis is the work of Chu (1985) who studied the weekly price behavior of the

Singapore Stock Exchange for the period January 1975 to December 1979 His study seems to confirm the inefficiency of the Singapore stock market

Finnerty (1976) conducts a test for strong form of the efficiency hypothesis, using data for the period January 1969 to December, 1972 He analyses data on 30,000 insider transactions and finds that in the short run insiders are able to identify profitable as well as unprofitable situations Litzenberger and Ramaswamy (1982) examine whether dividend has any effect on stock prices Their results show significantly positive but nonlinear association between common stocks returns and dividend yields

Fauzias Mat Nor (1992) investigates the efficiency of the KLSE by examining the response of common stock return to corporate take-over announcement She uses daily data for the beginning of January, 1977 to December 31, 1989 The methodology adopted by Fauzias closely resembles that of this study but differ in one important respect As adopted in this study, Fauzias adjusted for thin trading, used the CAR and AR procedure, but did not regress the CAR on a time trend Her conclusion that the "KLSE is reasonably efficient" (p. 93) should thus be taken against the aforementioned limitation

Annuar Md Nassir, Mohamed Ariff and Shamsher Mohamad (1993) employed the unit root test to test for the efficiency of the KLSE They used both weekly and monthly closing prices of the sectoral indices of the KLSE and of the KLSE composite index.

They found that "the KLSE is weak form efficient though there are pockets of inefficiencies for some indices" (p. 57) The study by Annuar et al. though it employed the unit root test which has the advantage of taking care of time-trend and drift. had the shortcoming that it could only test for the weak but not for the semi-strong form. efficiency of the market The results obtained by Annuar and Shamsher differ from those of Othman Yong (1987) Othman Yong used weekly data for the period January 1977 to May 1985 and found a high degree of independence in price changes As observed by Annuar and Shamsher (1993) the study (Othman Yong's) was weakened by its inability to control for thin trading Closely related to the study of Othman Yong is that of Kok Kim Lian and Goh Kim Leng (1996) who utilized the weekly closely indices of six Asia-Pacific countries for the period 1981 to 1992 and found that "stock markets of the United States and Japan are weak form efficient while the smaller markets of Hong Kong, Australia, Malaysia, and Singapore exhibit varying degrees of market inefficiency" (p. 59).

Annuar and Shamsher (1993) studied the semi-strong form efficiency of the market using monthly data for 233 for the period January 1975 to December 1989. They corrected for thin trading and employed the Fama and MacBeth moving window technique. Their results led to the conclusion that "The evidence suggests that the market's reaction to the information contained in the announcement of earnings and dividends is almost, if not fully, reflected in share prices by the end of the announcement month, especially for the frequently traded samples" (p. 112) The conclusion should be interpreted with a grain of salt The use of monthly data has

the tendency to mask important daily variations in the stock returns. If the market took some days to adjust this delay would not necessarily be captured by monthly data

Othman Yong (1993) used daily and weekly indices of markets of Malaysia, Hong Kong, Australia, Japan and the United States to study the comovement of those indices. He used both parametric and non-parametric techniques of data analysis He found that "the information contained on the past movements of stock prices in other stock markets is not useful in predicting the future price movements in the Malaysian stock market" (p 79)

Mansor Md Isa and Ong Yew Jin (1992) tested for the efficiency of the KLSE using monthly data for the period 1978 to 1987 for 150 companies Though their results indicated evidence of efficiency, they cautioned that "there may be a possibility of earning above normal return by concentrating on firms with low market values of their common stocks" (p 36). A similar conclusion was reached by Mansor Md Isa and Kam Lee Ching (1996) when they studied the acquisition of Multi-Purpose Holdings Berhad. However, the work of Tay Kim Yong (1991) examining the firm-size and January anomalies showed that stock returns exhibited a seasonal pattern, a finding suggesting inefficiency of the market.

## 3 Data and Methodology

The present study uses the standard residual paradigm and a daily price differencing

interval to closely examine the market adjustment to EPS information. Annual earnings announcement dates for the years 1993 to 1996 were obtained for a sample of 91 stocks listed in the main board of KLSE. Appendix 1 shows the list of stocks in the sample. Sample selection was determined by availability of earnings announcement dates for four consecutive years, as well as of stock return data. Earnings announcement dates were extracted from the various issues of the Investors Digest. As the sample was selected based upon data availability it is likely to be biased in favour of large companies which have a greater tendency to publicize their earnings announcements than small companies. A comment from an anonymous referee suggests that this kind of bias is likely to lead to conclusions in support of market efficiency. An unbiased sample comprising small and large firms alike would likely lead to situations where "many people prospered from abnormal returns". Thus, the results of this study cannot be generalized to the entire market, as the sample is not representative of the population. Since there are 91 stocks each of which has four announcement dates for the years 1993 to 1996, the sample comprises 364 announcement dates (or events).

This study is concerned with a developing stock market's response to earnings announcement. There is the likelihood that some stocks at least may be thinly traded. Thus, the methodology adopted in the studies of the efficient market hypothesis (EMH) in developed capital markets cannot be straightforwardly applied without modification. In fact, earlier studies of the KLSE such as Fauzias (1992) have taken account of thin trading. The residual analysis to be adopted in this study will

therefore make an allowance for thin trading by making adjustment to beta as suggested by Scholes and Williams[1]. The residual analysis involves a number of steps First, the analysis involves estimating the coefficients of the market model during a time period when stock returns are expected to be in equilibrium As the announcement date approaches, rumour begins to circulate, causing abnormal movements in stock return. Thus, in order to avoid the well-known econometric problem of "errors in variables", the period around earnings announcement date is excluded from the estimation of the parameters of the market model

$$r_{jt} = \alpha_j + \beta_j r_{mt} + u_{jt}$$

and $r_{jt}$ = return on security j in time t, measured as $Ln(P_t/P_{t-1})$, where $P_t$ is the stock price in period t adjusted for dividends, rights, etc

$r_{mt}$ = return on the market in time t, measured as $Ln(I_t/I_{t-1})$, where $I_t$ = KLSE composite index in period t

$\alpha_j, \beta_j$ = parameters

$u_{jt}$ = the "error" term assumed to have zero mean and independent of $r_{mt}$.

The market model was estimated for each of the 364 events using 6 months daily data

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1 There are 364 event dates in the sample For each event date, estimates $\beta$, $\beta^-$ and $\beta^+$ and $\rho$ must be computed. This will enable the estimation of adjusted beta using the following formula suggested by Scholes and Williams:

$$\beta^* = \frac{\beta + \beta^- + \beta^+}{1 + 2\rho}$$

where $\beta^*$ is the adjusted beta, $\beta$ is the unadjusted beta, $\beta^-$ is the beta obtained by regressing current stock returns on one-period lag series of returns of the market, $\beta^+$ is the beta obtained by regressing current stock returns on one-period lead series of market returns, and $\rho$ is the correlation coefficient between current and one-period lag series of market returns

for the period prior to the corresponding event, leaving out two weeks just before the event The estimates for $\beta$ are

included in Appendix 2

The second step involved computing $\beta^+$, $\beta^-$, $\rho$ and $\beta^*$ as per the footnote 4. The results are provided in Appendix 2 The third step involved making use of $\alpha$ and $\beta^*$ to estimate stock returns for the period around the announcement date (30 days prior and 30 days after the announcement date). Subtracting the estimated from actual values yields the residuals. Thus, the residuals are obtained by purging the effects of market movements from individual stock return using the following formula

$$\varepsilon_{it} = r_{it} - (\alpha_i + \beta_i^* r_{mt})$$

The next step in the residual analysis is to calculate the average residuals (abnormal return), $AR_t$, using the formula:

$$AR_t = \frac{\sum_{i=1}^{N} \varepsilon_{it}}{n}$$

where n is the number of events (i.e. 364)

The date of announcement differed for each security and year. Averaging was performed relative to the date of publication of the annual EPS number The average residual is interpreted as the average estimated percentage deviation of the securities in the sample from their normal relationship with the market. Using $AR_t$, cumulative average residuals, CAR, was constructed (see Fama et al (1969)) using the formula:

$$CAR_T = \sum_{t=20}^{T} AR_t$$

Analysis of the AR and CAR around the event will provide the attempted test for the semi-strong efficiency of the market

4. Results and Analysis

Table 1 shows the results concerning thin trading The last two columns show the beta and adjusted beta computed to take account of thin trading. The detailed values of betas and adjusted beta are shown in Appendix 2 but are summarized below

Table 1: Adjusting for thin trading

| | Beta | | Adjusted Beta | |
|---|---|---|---|---|
| Interval | freq | % | freq | % |
| Less than 0 | 2 | 0.5 | 4 | 1.1 |
| 0-0.5 | 51 | 14.0 | 50 | 13.7 |
| 0.51-1.0 | 127 | 34.9 | 114 | 31.3 |
| 1.01-1.5 | 115 | 31.6 | 125 | 34.3 |
| 1.51-2 | 57 | 15.7 | 65 | 17.9 |
| More than 2 | 12 | 3.3 | 6 | 1.7 |
| Total | 364 | 100 | 364 | 100 |

Table 1 above shows the frequencies and relative frequencies of betas and adjusted betas. Each of the 91 stocks had four annual earnings report, making the total number of events 364. The distributions of beta and adjusted beta appear to be

normal. with 65 per cent of values falling between 0.5 to 1.5. Despite the bell-shaped nature of the distributions of adjusted and unadjusted beta. there are areas of differences between the two. From the table. the effects of thin trading can be gauged by observing the differences in the relative frequencies of betas and adjusted betas in various beta intervals. Betas of more than two appear to have been revised downwards so that with adjustment for thin trading this category of betas become less frequent. The relative frequencies of betas and adjusted betas also appear to differ in the two intervals ranging from 0.51 to 1.50. The interval 0.51 to 1 accounts for 34.9 per cent of unadjusted betas but for 31.3 per cent of adjusted betas. This contrasts with the interval 1.01 to 1.50 which accounts for 31.6 per cent of unadjusted betas but for 34.3 per cent of adjusted betas. Thus, no generalization can be made concerning the direction of adjustment because it seems to cause a downward revision of certain category of betas but an upward revision of other categories. The fact that relative frequencies differ for adjusted and unadjusted betas is however indicative of evidence of thin trading. Having adjusted for thin trading. the residual analysis proceeds in the usual fashion.

Table 2 shows the average residual. the corresponding t-statistic. and CAR (both daily and annual ) for -29 to +30 days around the event.

Table 2. AR. CAR and annualized values of CAR

| Day | AR (daily) | t-value | CAR (daily) | CAR (Annual) |
|---|---|---|---|---|
| -29 | -0.00098 | -0.03000 | -0.00098 | -0.30161 |
| -28 | 0.00097 | 0.03000 | -0.00001 | -0.00401 |
| -27 | -0.00216 | -0.08000 | -0.00217 | -0.54698 |
| ~~-26~~ | ~~0.00108~~ | ~~0.04000~~ | ~~0.00109~~ | ~~0.32838~~ |

| | | | | |
|---|---|---|---|---|
| -25 | 0.00074 | 0.02000 | -0 00035 | -0 12027 |
| -24 | 0 00050 | 0 02000 | 0 00015 | 0 05743 |
| -23 | -0.00118 | -0.03000 | -0 00103 | -0 31299 |
| -22 | -0.00078 | -0.02000 | -0 00181 | -0.48398 |
| -21 | 0 00027 | 0 01000 | -0 00154 | -0 43065 |
| -20 | 0 00088 | 0 03000 | -0 00066 | -0.21529 |
| -19 | -0.00014 | -0 01000 | -0 00080 | -0 25386 |
| -18 | 0 00040 | 0.01000 | 0 00040 | -0.13776 |
| -17 | -0 00047 | -0 02000 | -0 00087 | -0.27244 |
| -16 | 0.00074 | 0 03000 | -0 00013 | -0.04634 |
| -15 | -0.00112 | -0 04000 | -0 00125 | -0 36537 |
| -14 | 0.00080 | 0 03000 | -0 00045 | -0.14995 |
| -13 | 0 00238 | 0 10000 | 0 00193 | 1.02283 |
| -12 | 0 00116 | 0.04000 | 0 00309 | 2.08252 |
| -11 | 0.00000 | 0.00000 | 0 00309 | 2.07916 |
| -10 | -0.00006 | 0.00000 | 0.00303 | 2.01485 |
| -9 | 0.00075 | 0 03000 | 0 00378 | 2.95763 |
| -8 | 0.00031 | 0.01000 | 0.00409 | 3.43623 |
| -7 | 0.00090 | 0.04000 | 0.00499 | 5.15674 |
| -6 | -0 00101 | -0.03000 | 0.00398 | 3.27319 |
| -5 | 0.00010 | 0.00000 | 0.00408 | 3 43623 |
| -4 | 0.00198 | 0.09000 | 0.00606 | 8.11187 |
| -3 | -0.00021 | -0.01000 | 0.00585 | 7.44338 |
| -2 | -0.00126 | -0.05000 | 0 00459 | 4.33766 |
| -1 | ~~0.00153~~ | ~~0.06000~~ | ~~0.00612~~ | ~~8.31239~~ |
| 0 | 0.00220 | 0.08000 | 0.00832 | 19.66039 |
| 1 | -0.00202 | -0.07000 | 0.00630 | 8.92631 |
| 2 | -0.00013 | 0.00000 | 0.00617 | 8.46222 |
| 3 | -0.00243 | -0.08000 | 0.00374 | 2.92039 |
| 4 | -0.00047 | -0.02000 | 0.00327 | 2.30435 |
| 5 | 0.00224 | 0.09000 | 0.00551 | 6.44968 |
| 6 | -0.00010 | 0.00000 | 0.00541 | 6.18931 |
| 7 | 0.00047 | 0.02000 | 0.00588 | 7.51724 |
| 8 | -0.00014 | -0.01000 | 0.00574 | 7.10121 |
| 9 | -0.00183 | -0.08000 | 0.00391 | 3.16885 |
| 10 | 0.00245 | 0.10000 | 0.00636 | 9.16311 |
| 11 | -0.00051 | -0.02000 | 0.00585 | 7.44338 |
| 12 | -0.00151 | -0.05000 | 0.00434 | 3.87768 |
| 13 | 0.00032 | 0.01000 | 0 00466 | 4.48112 |
| 14 | 0.00053 | 0.02000 | 0.00519 | 5.65428 |
| 15 | -0 00142 | -0.06000 | 0.00377 | 2.97638 |
| 16 | -0.00026 | -0.01000 | 0.00351 | 2.62157 |
| 17 | 0.00046 | 0.02000 | 0 00397 | 3.28408 |
| 18 | -0.00409 | -0.12000 | -0.00012 | -0.03408 |
| 19 | -0.00131 | -0.05000 | -0.00143 | -0.40207 |
| 20 | 0.00052 | 0.02000 | -0 00091 | -0.27694 |
| 21 | 0.00040 | 0.02000 | -0 00051 | -0.16411 |
| ~~22~~ | ~~0.00015~~ | ~~0.01000~~ | ~~0 00066~~ | ~~0.20983~~ |

| | | | | |
|---|---|---|---|---|
| 23 | 0 00232 | 0.10000 | 0 00166 | 0 83934 |
| 24 | 0 00076 | 0.03000 | 0 00242 | 1 42422 |
| 25 | 0 00099 | 0 04000 | 0 00341 | 2 47321 |
| 26 | -0 00261 | -0 09000 | 0 00080 | 0 34188 |
| 27 | 0 00199 | 0 07000 | 0 00279 | 1 76671 |
| 28 | 0 00278 | 0 11000 | 0 00557 | 6 59714 |
| 29 | -0 00252 | -0 09000 | 0 00305 | 2 04462 |
| 30 | 0 00243 | -0 09000 | 0 00062 | 0 25178 |

An examination of the results in Table 2 above shows that none of the average residuals is significant at the conventional levels All the t-values are very small. suggesting no evidence of inefficiency. The insignificance of the t-values might tempt one to conclude that the KLSE is efficient. Though none of the t-values is significant. the plot of the AR and the CAR reveals a clear pattern Roughly 2 to 4 weeks before the announcement. the graph in Figures 1 and 2 appears to be quite stable. most of the time hovering around zero. However, about thirteen days to the release of EPS. this stable pattern is disrupted, as an upward trend begins to take shape This might be due to leakage of

information concerning the EPS before their official release. This upward trend continues until on the announcement date, (i e day 0) when the CAR reaches a peak. One day after the release of EPS figures, the upward trend in the CAR begins to be reversed A downward trend is set in motion, and the market doesn't quite look like returning to its previous "stable" level until after two weeks of the announcement The evidence reported here is therefore mixed. On the one hand we see the average residuals all not having significant t-values, and on the other hand, we see the CAR exhibiting an upwards trend before, and a downward trend after the release of the accounting numbers. While the former is suggestive of efficiency, the latter points towards the contrary. In a study testing the efficiency of the NYSE, Brown (1978) observes that a significant trend in the CAR is suggestive of market inefficiency. Following Brown's approach, the CAR series was regressed on day number, starting from day -20 through day 30. This period was taken because, as observed from the graph in Figures 1 and 2, it is the period of instability in the CAR. Brown (1978) suggested that the standard OLS technique would not be appropriate here because of autocorrelated errors. This study therefore uses an alternative to the standard OLS- the Cochrane-Orcutt iterative procedure. The results obtained from the Cochrane Orcutt procedure are given below:

$$CAR = 5.51 - .14DAY$$
$$(5.3) \quad (-2.38)$$

$R^2 = .413$

These results suggest a significant negative trend in the CAR and thus argue for the semi-strong inefficiency in KLSE.

Clearly, the AR suggests no evidence of inefficiency, while the CAR leads to a different conclusion Two possible explanations can be offered for this apparent contradiction. As earlier indicated, the AR and the CAR each has a different formula for derivation, and hence each leads to a different set of data series The differences in the series as well as in the formulae for their computation offer a statistical reasoning behind the observed differences in the conclusions emerging from the two tests. A second possible cause for the differences in the results emerging from the two tests is that the two tests differ in one methodological respect The testing for the significance of AR is based purely on the mean and standard deviation of the series. A high t-ratio is indicative of statistical significance. This is not the case with CAR. In order to test for the significance of the CAR, the series had to be regressed upon time, with time measured by the number of days after the announcement date. The reasons advanced for the differences in the conclusions emerging from the AR and CAR tests border on the differences in the testing procedures. More work is required perhaps in the realm of theoretical derivations to establish the link between sampling selection bias and the observed empirical differences between the results from the AR tests and those of the CAR

## 5 Conclusion

The evidence reported here appears to be mixed. While the AR is not significant, the

significantly negative trend of the CAR after the announcement of earnings is indicative of market inefficiency. The statistically significant trend in the sample CAR indicates that the market failed to adjust instantaneously to the new EPS information, so that excess returns could have been earned by acting on the EPS information as it appeared in the daily papers. This conclusion is consistent with other studies which show that the market does not instantaneously adjust to new information. This research is unable to offer a theoretical explanation for the differences in the conclusions arising from the significant CAR and the insignificant AR. However, the difference is not uncorrelated with the differences in the method for testing their significance. The test for the significance of AR is based upon a comparison of its mean and standard deviation; while the CAR tests utilizes a Cochrane Orcutt procedure. In the presence of serial correlation, this procedure provides more robust parameter estimates. Further work is required especially in the realm of theoretical development to examine the role of sampling bias in leading to opposing results from the two tests.

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|---|---|
| RPACIFIC | REKA PACIFIC BHD |
| BKATIL | BUKIT KATIL RUBBER ESTATES BHD |
| BRAYA | BANDAR RAYA DEVELOPMENT BHD BHD |
| BTOTO | BERJAYA SPORTS TOTO BHD |
| C&CBIN | CYCLE AND CARRIAGE BINTANG BHD |
| CCM | CHEMICAL COMPANY OF MALAYSIA BHD |
| CIHLDG | CI HOLDINGDS BHD |
| CIMA | CEMENT INDUSTRY OF MALYSIA BHD |
| CMSB | CEMENT MANUFACTURERS OF SARAWAK BHD |
| CTECK | CHIN TECK PLANTATIONS BHD |
| DNP | DNP HOLDINGS BHD |
| ESSO | ESSO MALAYSIA BHD |
| FFM | FEDERAL FLOUR MILLS BHD |
| FIMA | FIMA CORPORATION BHD |
| GBH | GOH BAN HUAT BHD |
| GENTIN | GENTING BHD |
| GHOPE | GOLDEN HOPE PLANTATIONS BHD |
| GKENT | GEORGE KENT (M) BHD |
| GNEALY | GNEALY PLANTATIONS BHD |
| GOPENG | GOPENG BHD |
| GPLUS | GOLDEN PLUS HOLDINGS BHD |
| GUINES | GUINESS ANCHOR BHD |
| GUTHRIE | GUTHRIE ROPEL BHD |
| HEXZA | HEXZA CORPORATION BHD |
| HLCRED | HONG LEONG CREDIT BHD |
| HUME | HUME INDUSTRIES BHD |
| IGB | IGB CORPORATION BHD |
| INCHEN | INCH KENNETH KAJANG RUBBER PLC BHD |
| JERAM K | JERAM KUANTAN BHD |
| KCB | KELANG CONTAINER INDUSTRIES BHD |
| KGHLDG | KHONG GUAN HOLDINGS BHD |
| KJOO | KIAN JOO CAN FACTORY BHD |
| KKELLAS | KINTA KELLAS PUBLIC LTD CO BHD |
| KRETAM | KRETAM HOLDINGS BHD |
| KSIDIM | KUALA SIDIM BHD |
| KUCHAI | KUCHAI DEVELOPMENT BHD |
| KULIM | KULIM (MALAYSIA) BHD |
| L&G | LAND & GENERAL BHD |
| LIEHOE | LIEN HOE CORPORATION BHD |
| LION | LION CORPORATION BHD |
| MAGNUM | MAGNUM CORPORATION BHD |
| MALEX | MALEX INDUSTRIES BHD |
| MARUICH | MARUICHI TUBE BHD |
| MAS | MALAYSIAN AIRLINE SYSTEM BHD |
| MAYBK | MALAYAN BANKING BHD |
| MBA | MALAYSIA BRITISH ASSURANCE BHD |

| | |
|---|---|
| MBF | MBf HOLDINGS BHD |
| MCBH | MCB HOLDINGS BHD |
| MCEMENT | MALAYAN CEMENT BHD |
| MECHMAR | MECHMAR CORPORATION BHD |
| MFCB | MEGA FIRST CORPORATION BHD |
| MFLOUR | MALAYAN FLOUR MILLS BHD |
| MHS | MALAYSIAN HELICOFTER SERVICES BHD |
| MISC | MALAYSIAN INTERNATIONAL SHIPPING CORPORATION BHD |
| MOX | MALAYSIA OXYGEN BHD |
| MPI | MALAYSIAN PACIFIC INSURANCE BHD |
| MUIB | MALAYSIAN UNITED INDUSTRIES BHD |
| MWATA | MALAYAWATA STEEL BHD |
| MWE | MWE HOLDINGS BHD |
| NANYANG | NANYANG PRESS (MALAYSIA) BHD |
| NEGARA | NEGARA PROPERTIES BHD |
| NSTP | THE NEW STRAITS TIME PRESS BHD |
| OYLIND | OYL INDUSTRIES BHD |
| PALMCO | PALMCO HOLDINGS BHD |
| PBB | PUBLIC BANK BHD |
| PCHEM | PACIFIC CHEMICALS BHD |
| PERLIS | PERLIS PLANTATIONS BHD |
| PGKALE | PENGKALEN HOLDINGS BHD |
| PMI | PAN MALAYSIA INDUSTRIES BHD |
| PPERAK | PARIT PERAK HOLDINGS BHD |
| RAHMAN | RAHMAN HYDRAULICS BHD |
| RENONG | RENONG BHD |
| RESORT | RESORT WORLD BHD |
| RHB | RASHID HUSSEIN BHD |
| ROTHM | ROTHMANS OF PALL MALL BHD |
| RVIEW | RIVER VIEW RUBBER ESTATES BHD |
| SANYO | SAYNO INDUSTRIES HOLDINGS BHD |
| SDRED | SELANGOR DREDGING BHD |
| SEADEV | SOUTH EAST ASIAN DEVELOPMENT CORPORATION BHD |
| SHELL | SHELL REFINING COMPANY BHD |
| SITATT | SITT TATT BHD |
| SJA | SOUTH JOHORE AMALGAMATED BHD |
| SPROP | SELANGO PROPERTIES BHD |
| TAIPIN | TAIPING CONSOLIDATED BHD |
| TCHONG | TAN CHONG MOTOR HOLDINGS BHD |
| TIME | TIME ENGINEERING BHD |
| TRIND | TRADE WINDS BHD |
| TV3 | SYSTEMS TELEVISION MALAYSIA BHD |
| UAC | UAC BHD |
| UMCCA | UNITED MALACCA RUBBER ESTATES BHD |
| UTDPLT | UNITED PLANTATIONS BHD |

Appendix 2

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| RPACIFIC | -.006815 | .063301 | .078360 | 1.47 | 1.32 |
| | .438887 | -.010548 | .263472 | .76 | .78 |
| | .034437 | .994300 | .284194 | 1.48 | 1.60 |
| | -.331174 | .267401 | .166408 | 1.58 | 1.14 |
| BKATIL | -.009150 | .014220 | .397815 | -.44 | -.24 |
| | .502232 | .060174 | .174601 | .90 | 1.08 |
| | .594370 | .541588 | .299141 | .60 | 1.09 |
| | .165867 | -.251592 | .186311 | .13 | .03 |
| BRAZA | -.107222 | .181923 | .230717 | 2.09 | 1.48 |
| | .365108 | .274801 | .143238 | 1.68 | 1.81 |
| | .473300 | .497949 | .238575 | 1.43 | 1.63 |
| | .500308 | .104405 | .123701 | 1.71 | 1.85 |
| BTOTO | .349645 | .144929 | .134970 | .94 | 1.13 |
| | .043337 | .656134 | .294713 | 1.03 | 1.09 |
| | .649393 | .662211 | .293120 | 1.33 | 1.66 |
| | .067530 | -.286348 | .066380 | .37 | .13 |
| C&CBIN | .262446 | -.001544 | .205454 | 1.18 | 1.02 |
| | .093170 | .133763 | .142188 | .67 | .70 |
| | .190690 | .279968 | .329883 | .67 | .69 |
| | -.151582 | .064016 | .150168 | .63 | .41 |
| CCM | .052812 | -.087635 | .255274 | .16 | .08 |
| | .269489 | .222630 | .162120 | .71 | .91 |
| | .169856 | .535446 | .277392 | 1.27 | 1.27 |
| | .602067 | -.023267 | .143851 | .62 | .93 |
| CIHLDG | .353860 | .328675 | .252151 | .90 | 1.05 |
| | .324343 | .397310 | .148515 | .40 | .86 |
| | .166674 | .022604 | .364580 | .22 | .24 |
| | -.003282 | -.099494 | .124523 | .12 | .02 |
| CIMA | .582582 | .405510 | .257780 | .80 | 1.18 |
| | .276168 | .288029 | .152538 | .90 | 1.12 |
| | .315560 | .145342 | .250313 | 1.03 | 1.00 |
| | .328919 | .077585 | .161712 | .83 | .94 |
| CMSB | -.080608 | .041999 | .097416 | .58 | 1.12 |
| | .077699 | .214627 | .120538 | .52 | .66 |
| | .113208 | .205450 | .257718 | .23 | .36 |
| | -.071448 | .160389 | .160716 | .70 | .60 |
| CTECK | .064648 | .174708 | .174358 | .88 | .83 |
| | .374173 | -.136367 | .139188 | 1.82 | 1.61 |
| | -.047336 | .227151 | .237361 | .90 | .74 |
| | .425810 | -.001092 | .120376 | .96 | 1.12 |
| DNP | .094549 | -.138484 | .205649 | 1.42 | .97 |
| | -.055505 | -.177346 | .120538 | 1.80 | 1.27 |
| | .033839 | .669035 | .234252 | 1.69 | 1.63 |
| | .242527 | -.173688 | .116203 | 1.72 | 1.46 |
| ESSO | .083505 | -.002792 | .238337 | .15 | .16 |
| | .020301 | -.034722 | .156725 | .74 | .55 |
| | .063362 | .185939 | .268125 | .31 | .36 |
| | .095379 | .004602 | .143851 | .43 | .41 |
| FFM | .603473 | .242205 | .254795 | .37 | .81 |
| | .428049 | -.025848 | .146229 | .56 | .75 |
| | -.119180 | .344750 | .260790 | .33 | .37 |
| | .288089 | -.178721 | .114659 | .26 | .30 |
| FIMA | -.396203 | -.313881 | .026218 | .92 | .20 |
| | .057608 | -.055993 | .077367 | .92 | .80 |
| | .201506 | .325391 | .168762 | .97 | 1.12 |
| | .262522 | -.117444 | .134287 | 1.31 | 1.15 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| GBH | .557385 | .204169 | .197505 | 1.41 | 1.56 |
| | .120275 | .109844 | .126964 | 1.17 | 1.12 |
| | .082757 | .669477 | .230227 | 1.62 | 1.63 |
| | .474457 | .050672 | .122219 | 1.18 | 1.37 |
| GENTIN | .533785 | .019406 | .270273 | .86 | .92 |
| | .077664 | .189671 | .141067 | 1.02 | 1.01 |
| | .289892 | .250719 | .269723 | 1.18 | 1.12 |
| | .192373 | .019950 | .128227 | .62 | .66 |
| GHOPE | .298766 | .642737 | .165983 | 1.02 | 1.47 |
| | .109184 | .171404 | .143149 | 1.77 | 1.59 |
| | .216079 | .375592 | .278478 | 1.09 | 1.08 |
| | -.165103 | .130731 | .139782 | 1.05 | .80 |
| GKENT | .529556 | .767226 | .203747 | .87 | 1.54 |
| | .219743 | .128019 | .140676 | .54 | .69 |
| | .091629 | -.093508 | .230917 | .57 | .39 |
| | -.130068 | -.194501 | .123804 | .64 | .25 |
| GNEALY | .269172 | .297421 | .372902 | .32 | .51 |
| | .172419 | .274050 | .148462 | .88 | 1.03 |
| | .393123 | .132597 | .361348 | .59 | .65 |
| | .099127 | .165465 | .134069 | .41 | .53 |
| GOPENG | .415590 | .625649 | .277359 | 1.19 | 1.44 |
| | -.282414 | -.168986 | .119027 | 1.48 | .83 |
| | .218104 | .592963 | .234252 | 1.67 | 1.69 |
| | .206229 | .172171 | .120376 | 1.47 | 1.49 |
| GPLUS | .032683 | .210744 | .204722 | .92 | .83 |
| | .439990 | .107258 | .121444 | 1.47 | 1.62 |
| | -.090567 | .377053 | .202938 | 1.66 | 1.38 |
| | .223056 | .328560 | .083369 | 1.87 | 2.07 |
| GUINES | .144589 | .130517 | .263337 | .28 | .37 |
| | .179077 | -.131885 | .120538 | .90 | .77 |
| | .065792 | -.023939 | .246146 | .79 | .56 |
| | .111588 | -.004926 | .160716 | .69 | .60 |
| GUTHRIE | .060730 | .405802 | .257780 | 1.09 | 1.03 |
| | .414835 | -.119069 | .158687 | 1.68 | 1.50 |
| | .094683 | .206610 | .267609 | .59 | .58 |
| | -.252083 | -.037846 | .114659 | .51 | .18 |
| HEXCA | -.655903 | .510962 | .036259 | 1.49 | 1.26 |
| | -.131286 | .083183 | .112204 | 1.90 | 1.51 |
| | .038342 | .664397 | .184564 | 1.89 | 1.90 |
| | .512350 | -.018926 | .104038 | 1.60 | 1.73 |
| HLCRED | -.105611 | 1.023355 | .255274 | 1.01 | 1.27 |
| | .310741 | .035571 | .152698 | .47 | .62 |
| | .246179 | .467613 | .267609 | .91 | 1.06 |
| | .524954 | .406283 | .127150 | .82 | 1.39 |
| HUME | .451418 | .502445 | .270273 | .79 | 1.13 |
| | .278696 | .078047 | .156645 | .69 | .80 |
| | .209903 | .188100 | .278478 | .83 | .79 |
| | .118916 | .074451 | .127150 | .69 | .71 |
| IGB | .186345 | -.165098 | .197505 | 1.12 | .82 |
| | -.030327 | -.068467 | .152308 | 1.47 | 1.05 |
| | .168867 | .517531 | .264465 | 1.31 | 1.31 |
| | -.261797 | .242628 | .120151 | 1.07 | .84 |
| INCKEN | .276268 | -.149170 | .259901 | .30 | .28 |
| | .301999 | -.155495 | .118888 | .86 | .81 |
| | .141583 | .141264 | .212071 | .67 | .67 |
| | .302818 | .348291 | .113346 | .29 | .77 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| JERAM K | .114005 | .550013 | .175392 | .31 | .72 |
| | .264266 | .068624 | .123328 | .29 | .50 |
| | .396115 | -.165746 | .211081 | 1.10 | .93 |
| | .119982 | .489057 | .152872 | 1.49 | 1.61 |
| KCB | .896475 | .741717 | .406407 | .78 | 1.33 |
| | .125427 | -.104890 | .154869 | 1.48 | 1.14 |
| | .328438 | .953261 | .361348 | 1.34 | 1.52 |
| | -.024085 | .230839 | .128227 | 1.74 | 1.55 |
| KGHLDG | -.348992 | .669179 | .213599 | .42 | .52 |
| | .386167 | -.008374 | .118888 | 1.45 | 1.47 |
| | .065157 | -.132870 | .211081 | .29 | .15 |
| | .039805 | -.016398 | .113346 | 2.06 | 1.70 |
| KJOO | .183732 | .352947 | .259686 | .54 | .71 |
| | .376270 | .019384 | .164176 | .92 | .99 |
| | .490772 | .035830 | .255181 | .79 | .87 |
| | -.072361 | .215222 | .059463 | .91 | .94 |
| KKELLAS | .715908 | .892803 | .257780 | 2.16 | 2.48 |
| | .340923 | .158195 | .152538 | 1.47 | 1.51 |
| | .177882 | .632698 | .250313 | 1.46 | 1.51 |
| | .226288 | .052524 | .161712 | 1.45 | 1.31 |
| KRETAM | -.273428 | .063656 | .172566 | .58 | .27 |
| | .132213 | .070413 | .126964 | 1.87 | 1.65 |
| | .197206 | .630594 | .230917 | 1.85 | 1.83 |
| | .396001 | .004450 | .109508 | 1.81 | 1.82 |
| KSIDIM | 2.383254 | -1.408835 | .272370 | .56 | .99 |
| | .299730 | -.050303 | .149475 | 1.85 | 1.62 |
| | .363015 | .380283 | .277392 | 1.27 | 1.29 |
| | .192991 | .077788 | .065521 | .83 | .98 |
| KUCHAI | .941221 | -.088597 | .175392 | .50 | 1.00 |
| | .365268 | -.096549 | .125914 | .59 | .68 |
| | .201869 | .433502 | .204028 | .97 | 1.14 |
| | .509497 | -.123419 | .117882 | .60 | .80 |
| KULIM | 1.156742 | .270032 | .178666 | .56 | 1.47 |
| | .456283 | -.124436 | .127958 | 1.79 | 1.69 |
| | .177370 | .347332 | .245711 | 1.14 | 1.12 |
| | -.016246 | .054224 | .171721 | .66 | .52 |
| L&G | .539078 | .262984 | .219595 | 1.08 | 1.31 |
| | .311282 | .325321 | .152396 | 1.00 | 1.25 |
| | .570223 | .199694 | .263932 | 1.48 | 1.47 |
| | .815116 | .223089 | .143851 | 1.80 | 2.20 |
| LIEHOE | -.152447 | -.122016 | .259686 | .71 | .29 |
| | -.189476 | .219504 | .162510 | .93 | .73 |
| | .022216 | .670906 | .234252 | 1.70 | 1.63 |
| | .206746 | .107595 | .130858 | 1.53 | 1.46 |
| LION | .137237 | .526168 | .224532 | .82 | 1.03 |
| | .089964 | .007186 | .124759 | .93 | .82 |
| | -.047292 | .179676 | .096666 | .79 | .77 |
| | .335188 | .016444 | .041041 | .78 | 1.05 |
| MAGNUM | .226660 | .490716 | .257780 | 1.74 | 1.62 |
| | .088094 | .319681 | .154669 | 1.10 | 1.15 |
| | -.004634 | .466246 | .233713 | 1.29 | 1.20 |
| | .174011 | .363070 | .138628 | 1.35 | 1.48 |
| MALEX | .147963 | .225735 | .257780 | .24 | .41 |
| | -.011337 | -.371122 | .149475 | .99 | .47 |
| | .327714 | -.316377 | .273119 | .37 | .24 |
| | .212398 | .060300 | .103484 | .30 | .47 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| MARUICH | .688936 | .010045 | .204722 | .35 | .75 |
| | .035398 | .348061 | .141067 | .61 | .78 |
| | .215614 | .060014 | .260790 | .19 | .31 |
| | .094204 | .138731 | .130174 | .15 | .30 |
| MAS | .235409 | .156224 | .168687 | .99 | 1.03 |
| | -.091015 | .167491 | .122078 | .80 | .71 |
| | .178893 | .099926 | .211865 | .58 | .60 |
| | .277179 | -.081560 | .120376 | .68 | .70 |
| MAYBK | .355306 | .597104 | .400440 | .88 | 1.02 |
| | .450719 | .315030 | .263802 | 1.29 | 1.35 |
| | .252857 | .164921 | .298941 | .99 | .88 |
| | .284509 | .294856 | .181316 | 1.07 | 1.21 |
| MBA | .277415 | -.719480 | .205649 | -.69 | -.80 |
| | -.163230 | .002273 | .113297 | .90 | .60 |
| | .441546 | .133704 | .211021 | .64 | .86 |
| | -.163876 | -.045026 | .059219 | .23 | .02 |
| MBF | .070421 | -.298325 | .173110 | 1.60 | 1.02 |
| | -.012204 | -.017512 | .120525 | 1.42 | 1.12 |
| | .064811 | .395948 | .212912 | 1.39 | 1.30 |
| | .455983 | .259156 | .109508 | 1.38 | 1.72 |
| MCBH | -.579544 | -.301610 | .085805 | 1.36 | .41 |
| | -.552903 | .500374 | .065193 | 2.01 | 1.73 |
| | .209702 | .107259 | .068547 | 1.82 | 1.88 |
| | .116506 | .408877 | .039207 | 1.59 | 1.97 |
| MCEMENT | .414850 | .497107 | .372178 | .80 | .98 |
| | .193761 | .015334 | .164457 | .81 | .77 |
| | .259048 | .351320 | .371428 | .58 | .69 |
| | -.027441 | .071453 | .124569 | .78 | .66 |
| MECHMAR | -.152780 | .223029 | .178666 | 1.00 | .79 |
| | .066219 | -.049513 | .140676 | 2.07 | 1.62 |
| | -.037712 | .644970 | .230917 | 1.76 | 1.62 |
| | .310779 | -.294282 | .068638 | 1.37 | 1.22 |
| MFCB | .237116 | -.205349 | .094394 | 1.03 | .89 |
| | -.250404 | .493849 | .077727 | 1.86 | 1.82 |
| | -.102418 | .827131 | .284194 | 1.42 | 1.37 |
| | .178908 | .154062 | .048724 | 1.15 | 1.35 |
| MFLOUR | .265830 | -.405873 | .243756 | .15 | .01 |
| | .162013 | -.021463 | .152698 | 1.61 | 1.34 |
| | .195514 | .480031 | .246412 | 1.34 | 1.35 |
| | .727314 | .077863 | .143851 | 1.10 | 1.48 |
| MHS | .308409 | -.783165 | .201413 | .34 | -.09 |
| | .421970 | .040124 | .162510 | 1.38 | 1.39 |
| | -.026859 | .581313 | .235156 | 1.49 | 1.39 |
| | .117568 | .117693 | .083369 | 1.50 | 1.48 |
| MISC | .088519 | .149342 | .269247 | .54 | .51 |
| | .002768 | .253392 | .159417 | 1.12 | 1.05 |
| | .194043 | .008550 | .260271 | .68 | .58 |
| | .074338 | .019206 | .161712 | .44 | .40 |
| MOX | .249570 | .343222 | .175392 | 1.53 | 1.57 |
| | -.013359 | .048202 | .124759 | 1.43 | 1.17 |
| | .296367 | .198299 | .213127 | 1.41 | 1.34 |
| | -.117494 | -.035587 | .134287 | 1.19 | .81 |
| MPI | .463771 | .401596 | .269247 | .51 | .90 |
| | .184947 | .132803 | .162510 | .74 | .80 |
| | .422324 | .112700 | .305434 | .59 | .70 |
| | .020408 | -.005727 | .119417 | .85 | .69 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| MUIB | .446818 | .305388 | .369924 | 1.14 | 1.09 |
| | -.022514 | .127640 | .147698 | 1.05 | .89 |
| | .573107 | .584551 | .361348 | 1.32 | 1.44 |
| | .271709 | .210416 | .140403 | .90 | 1.08 |
| MWATA | .008485 | .067340 | .031492 | 1.11 | 1.12 |
| | .167106 | .143785 | .174319 | .40 | .53 |
| | .167325 | .078445 | .160695 | 1.11 | 1.02 |
| | .126839 | .209579 | .055829 | .98 | 1.18 |
| MWE | .373792 | -.132112 | .169006 | 1.17 | 1.06 |
| | .025166 | .024866 | .119395 | 1.42 | 1.18 |
| | .135993 | .565907 | .201817 | 1.60 | 1.64 |
| | .274113 | .020248 | .126461 | 1.48 | 1.42 |
| NANYANG | .278049 | .386723 | .270273 | .55 | .79 |
| | -.036591 | .006781 | .156645 | .65 | .48 |
| | .095814 | .485617 | .278478 | .49 | .69 |
| | -.197532 | -.186944 | .124244 | .78 | .32 |
| NEGARA | .284701 | .022237 | .277359 | .11 | .27 |
| | .028724 | -.046732 | .146876 | .98 | .74 |
| | .291925 | .070355 | .329883 | .35 | .43 |
| | .086921 | -.142951 | .132663 | .46 | .32 |
| NSTP | .865316 | .763919 | .394779 | 1.18 | 1.57 |
| | .420496 | .283097 | .377418 | .82 | .87 |
| | .341359 | .288646 | .285881 | .70 | .85 |
| | .337738 | -.098716 | .155105 | .52 | .58 |
| OYLIND | .153626 | .123870 | .270273 | .32 | .39 |
| | .238037 | .428863 | .156645 | 1.16 | 1.39 |
| | .353232 | .259232 | .278478 | .58 | .76 |
| | .306444 | -.015398 | .124244 | .33 | .50 |
| PALMCO | -.061088 | -.015793 | .102409 | 1.23 | .96 |
| | .029948 | .108210 | .104873 | 1.51 | 1.36 |
| | .426495 | .789957 | .358948 | 1.30 | 1.46 |
| | .139629 | .163459 | .130493 | .70 | .79 |
| PBB | .574682 | .708074 | .373225 | 1.33 | 1.50 |
| | -.080792 | .066388 | .154869 | 1.28 | .96 |
| | .229301 | .516028 | .305434 | .76 | .94 |
| | .278581 | .035869 | .104038 | .82 | .94 |
| PCHEM | .270402 | -.268035 | .287406 | .64 | .41 |
| | -.026599 | .139023 | .120538 | .53 | .52 |
| | .285834 | .344685 | .203807 | 1.38 | 1.43 |
| | .480973 | .306201 | .120151 | 1.68 | 1.99 |
| PERLIS | .643221 | -.044528 | .215515 | .62 | .85 |
| | .129998 | .225669 | .146229 | .83 | .92 |
| | .082741 | .114512 | .091451 | .22 | .36 |
| | -.249681 | .008489 | .059463 | .67 | .38 |
| PGKALE | .048737 | .056602 | .137177 | 1.20 | 1.02 |
| | -.002125 | .275285 | .122839 | 1.53 | 1.45 |
| | .178555 | .251310 | .098887 | .85 | 1.07 |
| | .179923 | -.458204 | .045669 | .24 | -.03 |
| PMI | .404202 | .418029 | .165983 | 1.60 | 1.82 |
| | -.080845 | -.025900 | .062753 | 1.77 | 1.48 |
| | .096238 | .536620 | .212912 | 1.63 | 1.59 |
| | -.040587 | .182819 | .056589 | .88 | .91 |
| PPERAK | .180020 | -.006690 | .372902 | .12 | .17 |
| | .070082 | .300962 | .148462 | .61 | .76 |
| | .350360 | .499000 | .305434 | .61 | .91 |
| | .020420 | -.044400 | .128043 | .59 | .45 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| RAHMAN | .304812 | -.104164 | .219595 | .27 | .33 |
| | -.048032 | -.205751 | .140002 | 2.19 | 1.51 |
| | -.115723 | .826514 | .263255 | 1.69 | 1.57 |
| | .297924 | .248001 | .115343 | 1.87 | 1.96 |
| RENONG | .068475 | -.460483 | .096462 | 2.13 | 1.46 |
| | .117914 | .362179 | .129422 | 1.55 | 1.61 |
| | .308101 | .174683 | .091933 | 1.30 | 1.50 |
| | .245899 | -.104235 | .056301 | 1.31 | 1.31 |
| RESORT | .220979 | .544060 | .270273 | .96 | 1.12 |
| | .192073 | -.092049 | .141067 | .86 | .75 |
| | .270008 | .474017 | .269723 | 1.10 | 1.20 |
| | .457828 | .266086 | .128227 | 1.04 | 1.41 |
| RHB | .508366 | -.175599 | .065994 | .90 | 1.09 |
| | .173334 | .096753 | .078809 | 1.54 | 1.57 |
| | .087935 | .122668 | -.040128 | 1.72 | 2.10 |
| | .070885 | -.093111 | -.061420 | 1.11 | 1.24 |
| ROTHM | .314548 | .478119 | .205454 | .93 | 1.22 |
| | -.111274 | -.146525 | .158288 | .54 | .21 |
| | .071085 | .116446 | .230917 | .52 | .48 |
| | .054709 | .182126 | .152872 | .47 | .54 |
| RVIEW | .181197 | .439291 | .198054 | .82 | 1.03 |
| | .075688 | -.242697 | .126964 | 1.44 | 1.02 |
| | .394808 | .483169 | .219979 | 1.34 | 1.54 |
| | .457841 | .032712 | .129250 | .67 | .92 |
| SANYO | .164772 | -.172118 | .213599 | .75 | .52 |
| | .096602 | -.009552 | .141767 | .44 | .41 |
| | .445738 | .290902 | .213127 | 1.24 | 1.39 |
| | -.115733 | .277861 | .109508 | 1.44 | 1.31 |
| SDRED | -.378621 | .424247 | .045843 | 2.04 | 1.91 |
| | -.259489 | -.176242 | .043399 | 2.23 | 1.65 |
| | .261476 | .561406 | .176651 | 1.76 | 1.91 |
| | .273036 | -.309844 | .055829 | 1.43 | 1.26 |
| SEADEV | .614605 | -.031152 | .102212 | 1.09 | 1.39 |
| | -.008385 | -.035315 | .118880 | 2.02 | 1.60 |
| | .007492 | .601251 | .213867 | 1.81 | 1.70 |
| | .355389 | .194952 | .122046 | 1.44 | 1.60 |
| SHELL | .061924 | -.023364 | .371206 | .24 | .16 |
| | .105275 | .002733 | .148462 | .58 | .53 |
| | .029904 | .294149 | .305434 | .49 | .51 |
| | .271706 | .264642 | .180369 | .64 | .86 |
| SITATT | -.149811 | -.057122 | .033331 | 1.34 | 1.06 |
| | .152496 | .345509 | .092311 | 1.73 | 1.88 |
| | -.413885 | .043767 | .060572 | 2.16 | 1.60 |
| | -.020547 | .367302 | .045659 | 1.97 | 2.12 |
| SJA | .212670 | -.577801 | .020917 | 1.60 | 1.19 |
| | .039067 | .376673 | .129427 | 1.65 | 1.64 |
| | -.081317 | .559128 | .176301 | 1.43 | 1.41 |
| | .135774 | -.582316 | .056589 | 1.21 | .69 |
| SPROP | .089472 | -.296494 | .264500 | 1.72 | .99 |
| | -.283029 | -.079376 | .154669 | 1.67 | 1.00 |
| | .131822 | .638321 | .267447 | 1.50 | 1.48 |
| | -.038039 | .284810 | .117088 | 1.49 | 1.41 |
| TAIPIN | .869368 | -.391973 | .134970 | .23 | .55 |
| | .428951 | -.174330 | .164176 | .91 | .88 |
| | -.081093 | .199583 | .113915 | 1.11 | 1.00 |
| | -.303378 | .371547 | .041929 | 1.09 | 1.06 |

Appendix 2 Continued

| COMPANY | BLAG | BLEAD | COR | BETA | ADJBETA |
|---|---|---|---|---|---|
| TCHONG | .349665 | .811635 | .243756 | 1.46 | 1.97 |
| | .185096 | -.043833 | .158687 | 1.40 | 1.17 |
| | .194440 | .357376 | .267447 | 1.13 | 1.09 |
| | .449522 | .204415 | .143851 | 1.23 | 1.46 |
| TIME | .227481 | .211072 | .162181 | 1.37 | 1.37 |
| | .091429 | .239926 | .120538 | 1.21 | 1.24 |
| | .290841 | .336897 | .233713 | 1.14 | 1.20 |
| | .213414 | .431592 | .122779 | 1.95 | 2.09 |
| TRIND | .289636 | -.410796 | .255274 | .55 | .28 |
| | .248121 | -.040177 | .122078 | 1.12 | 1.07 |
| | .208982 | .621769 | .237361 | 1.18 | 1.36 |
| | .252239 | .305836 | .122534 | 1.27 | 1.47 |
| TV3 | .181067 | .035979 | .181182 | .61 | .61 |
| | .805641 | .135836 | .245004 | .57 | 1.01 |
| | .760161 | .481740 | .285881 | 1.23 | 1.57 |
| | .119106 | -.139115 | .181316 | .33 | .22 |
| UAC | .698321 | .241627 | .376764 | .34 | .73 |
| | .158484 | -.082242 | .142994 | 1.23 | 1.02 |
| | .347557 | .558934 | .353536 | 1.24 | 1.26 |
| | .392127 | .003000 | .128043 | .75 | .91 |
| UMCCA | .439797 | .030128 | .039217 | 1.19 | 1.54 |
| | .352215 | -.240719 | .076492 | 1.62 | 1.51 |
| | .050314 | .248350 | .168089 | 1.30 | 1.20 |
| | -.140897 | .138979 | .068638 | 1.82 | 1.60 |
| UTDPLT | .350742 | .074474 | .371206 | .77 | .69 |
| | .188197 | -.122078 | .147698 | 2.10 | 1.67 |
| | .117881 | .768034 | .366437 | 1.20 | 1.20 |
| | -.083936 | -.061957 | .129433 | 1.13 | .79 |