

ANNOUNCEMENTS EFFECT OF CORPORATE NAME CHANGE: FAILED VS NON-FAILED FIRMS

By

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ABSTRACT

The corporate name is the identity and pride of a corporate entity. A name change is an important corporate event and done only if the benefits out weights the costs. This study attempts to investigate whether a corporate name change has a wealth effect on the company's shareholders. It investigates the wealth effects of name change announcement concurrent with announcements of reorganisation and restructuring of the firm. Event study methodology was employed to examine the above issues with respect to failed and non-failed firms for the period from 1980 to 1996. A positive share price reaction was observed with respect to the announcements of name change of failed firms that complete the reorganisation and restructuring. Share prices start reacting at least three days before the announcement day, with significant positive abnormal returns on the day of announcement and normal returns in the post announcement period. However, there is no wealth effect observed in announcements of name change of non-failed firms.

1. INTRODUCTION

Corporate name is an identity of an organisation and is a pride for the business owner and shareholders. In general, it is considered as an asset and therefore has a value attached just as any other asset of the company. When a company decides to change its name, a professional advice is usually solicited which adds value to the name. The value attached to a corporate name might change over time and it is expected that no firm would change its corporate name unless it is beneficial to the stakeholders of the firm. It is also likely that corporate name change serves as a signal to convey favourable information about the management's strategy on the future direction of the firm. Name changes

could also reflect a change in the firm's business activities, firm restructuring, reorganisation and mergers. It is claimed that the name change signals an expected improvement in the profit performance of the firm through higher employee morale and/or increase in consumer preference for the firm's products. Therefore in a fairly efficient market, name change announcements could have a wealth effect on the firm's shareholders.

A change of name might be due to merger or divestment exercise such as Leader Cable Industries Bhd merged with Universal Cable Malaysia Bhd and changed its name to Leader Universal Bhd. Change of name could also be initiated to avoid confusion with another company that have same name, for example, Kamunting Industries Bhd. changed its name to KIB Textiles Bhd due to their name is alike to Kamunting Corporation Bhd. A change to a shorter name by descriptive acronym is usually initiated for ease of recognition like Arab Malaysian Merchant Bank Bhd changed to AMMB Holdings Bhd, Ipoh Garden Bhd to IGB Corporation Bhd and First Allied Corporation Bhd to FACB Bhd. A Company with a new field of business might change its name to poster a new image in the hope to introduce their new activity to the public. For example, in 1993, Far East Asset Bhd. began its new 'sports toto' business through acquiring Sports Toto (M) Bhd and changed its name to Berjaya Sports Toto Bhd.

The conflict of identity crisis, that is frequent changes in corporate name, has been identified as one of the common basis for corporate name change. Sometimes, besides the effort to find a new identity, firms revert back to their old name due to difficulty of getting a new name that is more acceptable to the shareholders and reflects the commitment of the firm. For example, Lien Hoe Industries Bhd changed its name to Peak Hua Industries Bhd in 1984 and later changed it back to Lien Hoe Corporation Bhd in the same year. Another justification for corporate name change is to avoid focussing on one particular ethnic group which constraints on the effort to increase market share or to enter a new market. For example, to cater the need of multiculturalism, Bian Chiang Bank Bhd. changed its name to Bank of Commerce Bhd in 1979 in view of expanding their business on a national scale.

The process of changing a corporate name is painstaking, risky, and costly (Bosch and Hirsch, 1989). Changing business name incur high costs in the form of consultants fees, redesigning the logo and graphics, reprinting the company forms, letterhead, name cards etc., and to change the staff uniforms, repainting the vehicles and building of the company. In Malaysia, there is no reported data on the costs of changing name, but the literature documents that it cost Esso USD2 million to change its name to Exxon in 1972 (McQuade, 1984). For Navistar, just the cost of redoing signs at its headquarters and dealerships and reissuing stationery was estimated to cost 13 to 16 million dollars (Bennett, 1986).

Name changes and name change advertising could represent an investment in "intangible capital" designed to alter popular perceptions regarding the corporate identity (Hirschey, 1985). Horsky and Swyngedouw (1987) mentioned that there are risks in changing name. The firm, under its old name, has accumulated some goodwill in the form of name recognition, company image, and customer purchase behaviour. A name change may cause the firm to lose some of this goodwill. This would correspond to an inward shift in the demand curve and consequently revenue reduction. However, it is possible that if a company is in difficulty or financially distressed, corporate name change supported by serious effort to mitigate those problems might have a positive wealth effect.

This paper attempts to investigate the wealth effect of name changes by observing security price reaction surrounding the announcement date. It investigates the market response to the announcement of intangible capital investment.

2. REVIEW OF LITERATURE

The documented literature on this issue is scarce and the available literature reports inconclusive findings. In his pioneering work, Howe (1982) investigates the change of name of 121 firms listed on the New York Stock Exchange and the American Stock Exchange for the period from 1962 to 1980. Using event study approach with weekly stock returns, no statistically significant stock-price reaction was associated with name changes.

Horsky and Swyngedouw (1987) studied the effect of name change on profit performance of firms and the type of firms that have a positive effect. Using a sample of 58 corporations that changed their names in 1981 to 1985 it was reported that most of the name changes are associated with improved performance. The greatest improvement occurred for industrial firms, which had poor performance prior to the change. The contention those new names do enhance demand for the firms products was not supported.

Bosch and Hirschey (1989) examined the wealth effects of the name changes on samples that have other concurrent announcements, plus other announcements that they consider as may be "contaminated" by concurrent reference to previously reported organisation. Using 79 companies for the period from 1979 to 1986, this study reports a positive market reaction to name change announcements and the effect is statistically weak except for those firms having previously undergone major corporate restructuring. They concluded that the valuation effects of name changes are only modest and transitory.

Harawa (1993) studied on the semi-strong-form efficiency with respect to the corporate name change announcements in the Wall Street Journal. The results support the semi-strong-form efficiency hypothesis of the stock market where the substantial amount of the information of the forthcoming announcement of news of corporate name-change is available to investors before the actual publication of the news in the Wall Street Journal. Stock prices start reacting at least four days before the announcement and no significant price response in the post-announcement period.

Karpoff and Rankine (1994) studied the wealth effect of name change on 147 announcements for the period from 1979 to 1987. They found that weak positive stock price reaction to the announcement and suggest that findings are sensitive to sample selection. They concluded that the results cast doubt on two purported motives for name changes: that they convey information to the market about changes in firm's line of business or that they signal management's private information about the firm's future performance. Finally, the conclusion suggests that though corporate name changes may serve a useful purpose, they have small valuation effects or tend to be anticipated by investors.

In more recent study, Koku (1997) investigates the effectiveness of corporate name change signalling in the service industry. Analysing 28 firms from the Wall Street Journal for the period from 1980 to 1990, they found that firms which announced the name change together with other managerial decisions and regularly release news on other firm specific activities fared much better than firms which did not release such information.

3. METHODOLOGY

The sample of firms used in this study was divided into two groups: failed and non-failed firms. Failed firms were selected based on the following criteria:

1. Firms that are protected under section 176 of the Companies Act 1965,
2. Firms that are approved to undertake restructuring scheme to revive their financial conditions and,
3. Firms that are under receivership status.

The non-failed closely matched firms were selected randomly. Thirty-three failed firms were found for the period of 1984 to 1997 and after checking the availability of the required data, 18 firms were available for analysis. The same number of non-failed firms was used as a control

group for comparative analysis. Many more than 36 (total samples used) publicly traded firms changed their name during this period. However, in this study, we only observed the effect of corporate name change between Malaysian failed and non-failed firms only. The samples announcements were fairly distributed over the thirteen years-observed periods.

The daily share prices were gathered from the daily dairy of the KLSE. The determination of the effective date of the name change was confirmed through the announcement made to the KLSE and the statutory document filed with KLSE. The price reaction to the announcements were analysed for twenty days surrounding the announcement.

The methodology employed in this study followed that of Brown and Warner (1985). The abnormal return (AR) for the common stock of firm j on day t , was calculated as follows,

$$AR = OR - ER$$

Here, observed return (OR) is the rate of return on security j for day t . The observed return is calculated as,

$$OR = \left[\left(\frac{P_t}{P_{t-1}} \right) - 1 \right]$$

Expected return (ER) is the rate of return on the composite index on day t . The expected returns were calculated using the market regression model for the j^{th} security. The expected return for the j^{th} security is computed as,

$$ER = \alpha + \beta R_{mt}$$

Where,

α = The average returns on stock i when the market index equals zero.

β = The slope of the characteristic line and measures the stock systematic risk.

$R_{m,t}$ = Return on market index in period t

$$R_{m,t} = \left[\left(\frac{CI_t}{CI_{t-1}} \right) - 1 \right]$$

The test statistics on the significant of name change is obtained using t-test. The null hypothesis to be tested in this study is that the announcement of corporate name change has no significant effect on the shareholders wealth. To determine the t-statistics for daily wealth of corporate name changes is calculated as follows,

$$t = \frac{A V_t}{\sqrt{\frac{\sigma}{n}}}$$

Where,

AV_t = Average risk adjusted return for the day -20 to +20.

σ = The standard deviation.

n = The total number of sample.

The significance of the period abnormal returns was tested using t-test, which describes as follows,

$$CAR_t = \frac{CAR_{jt}}{SE(CAR_{jt})}$$

Where,

$$SE(CAR_{jt}) = \sqrt{T \times \sigma_{AR}^2 + 2(T-1) \times \sigma_{t,t-1AR}}$$

$\sigma_{t,t-1AR}$ = The variance of the abnormal return over the cut off point

σ_{AR}^2 = The covariance between the current and lag period return

T = Number of days in the CAR statistics

The significance of daily average abnormal returns was further tested using a non-parametric binomial statistic calculated as,

$$Z = \left[\frac{A - E}{\sqrt{NP(1 - P)}} \right]$$

Where A is the actual number of positive abnormal returns; E, equal to NP, is the expected number of positive abnormal returns; N is the number of observations; and P is the expected percentage of positive prediction errors. Under the null hypothesis of no effect, $P=0.5$, this binomial statistic is more conservative than the t-statistic test and does not require the assumption of normality.

RESULTS

The distribution of abnormal returns for the pre-announcement period (-10, 0), the post announcement period (+1, +10), and for day $t=-3$ (three business days before the announcement which shows initial positive market reaction) and day $t=0$ are shown in exhibits 1, 2 and 3.

Over the 10-days pre-announcement period, the failed firms experienced insignificant cumulative abnormal returns at 127% (t statistics=0.95). Seventy-two percent of the failed firms have positive abnormal returns ($Z=1.89$ significant at the 10% level). The share prices of the failed firms start moving positively three days before the announcement and an extraordinary significant positive abnormal return is documented for the failed firms on the announcement day ($AR = 129\%$, $t=13.28$ significant at 1% level). In the post announcement period the returns to failed firms were normal. Only 44% of the failed firms recorded positive abnormal return ($Z=-0.47$) in this period. Overall period (-10, +10)), 67% of the failed firms experienced positive cumulative abnormal return, though not significant. The cumulative abnormal return remains stable after the extraordinary adjustment at the announcement day, which also the day where most of the firms re-quoted their shares on the KLSE (see figure 1 for graphical illustration).

The non-failed firms recorded significant low abnormal return (no effect) 10 days before the announcement day with negative cumulative abnormal return at -11% ($t=-5.27$ significant at 1% level). Only 28% of the non-failed firms recorded positive cumulative abnormal return ($Z=-1.88$ significant at 10% level) in this period. Positive but normal cumulative abnormal return (3%) was observed 10 days after the announcement of name changes ($t=1.18$). Sixty-one percent of the non-failed firms showed insignificant positive abnormal return ($Z=0.94$) in the post announcement period. No significant results were observed 3 days before the announcement day and also on the announcement day. Overall, low negative but significant cumulative abnormal return were observed in this sample ($CAR=8\%$, $t=-2.57$), and 44% of these firms showed positive cumulative abnormal return ($Z=-0.47$).

Exhibit 1: Summary of the Average Abnormal Return for the Failed and Non-failed Firms

Panel A: Time Series of Average Daily Abnormal Return											
Failed Firms						Non-Failed Firms					
Days	AR	t	CAR	% tve AR	Z-Stat	Days	AR	t	CAR	% tve AR	Z-Stat
-10	0.00	-0.04	0.00	33	-1.41	-10	0.01	0.42	-0.03	44	-0.47
-9	0.02	0.22	0.02	78	2.36	-9	-0.01	-0.51	-0.04	17	-2.83
-8	-0.03	-0.28	-0.01	33	-1.41	-8	-0.01	-0.31	-0.05	39	-0.94
-7	0.00	0.04	0.00	56	0.47	-7	0.00	-0.14	-0.06	61	0.94
-6	-0.04	-0.41	-0.04	28	-1.89	-6	-0.01	-0.21	-0.06	44	-0.47
-5	0.01	0.12	-0.03	39	-0.94	-5	-0.01	-0.34	-0.07	39	-0.94
-4	-0.07	-0.71	-0.10	22	-2.36	-4	0.00	-0.16	-0.08	39	-0.94
-3	0.04	0.38	-0.07	72	1.89	-3	0.00	-0.06	-0.08	44	-0.47
-2	0.00	0.05	-0.06	44	-0.47	-2	-0.01	-0.35	-0.09	39	-0.94
-1	0.04	0.43	-0.02	50	0.00	-1	-0.01	-0.19	-0.09	61	0.94
0	1.29	13.28	1.27	67	1.41	0	-0.02	-0.78	-0.11	39	-0.94
1	-0.02	-0.19	1.25	39	-0.94	1	0.00	0.00	-0.11	39	-0.94
2	-0.02	-0.21	1.23	39	-0.94	2	0.02	0.69	-0.10	39	-0.94
3	-0.01	-0.09	1.22	44	-0.47	3	0.00	-0.02	-0.10	44	-0.47
4	0.02	0.25	1.25	78	2.36	4	0.00	0.14	-0.09	78	2.36
5	-0.01	-0.05	1.24	44	-0.47	5	0.00	0.00	-0.09	44	-0.47
6	0.00	0.02	1.24	67	1.41	6	0.00	-0.05	-0.09	67	1.41
7	0.09	0.90	1.33	61	0.94	7	0.00	-0.12	-0.10	61	0.94
8	-0.03	-0.27	1.30	17	-2.83	8	0.00	-0.11	-0.10	17	-2.83
9	-0.01	-0.08	1.30	28	-1.89	9	-0.01	-0.33	-0.11	28	-1.89
10	-0.02	-0.23	1.27	33	-1.41	10	0.03	0.96	-0.08	33	-1.41

Panel B: Cumulative Abnormal Returns**Part 1: Failed Firms Group**

Period	CAR	t-statistics	% Positive AR	Z-Statistics
(-10, 0)	1.27	0.95	72%	1.89
(+1, 10)	0.01	0.06	44%	-0.47
(-10, +10)	1.27	1.02	67%	1.41

Panel B: Cumulative Abnormal Returns**Part 2: Non-Failed Firms Group**

Period	CAR	t-statistics	% Positive AR	Z-Statistics
(-10, 0)	-0.11	-5.27	28%	-1.88
(+1, 10)	0.03	1.18	61%	0.94
(-10, +10)	-0.08	-2.57	44%	-0.47

Exhibits 2 and 3 show the frequency distribution of the average abnormal return for the failed and non-failed firms during the whole period observe (-10, +10). Large number of the failed firms recorded positive abnormal return greater than 10%. For example, in 10 days before the announcement day, 72% (10 firms) have abnormal returns greater than 10% ($Z = 1.89$).

Exhibit 2: Frequency Distribution and Descriptive Statistics for Abnormal Return During the Announcement Period for the Failed Group of 18 Name Change Observations

Range	Period (-10, 0)	Day $t = -3$	Day $t = 0$	Period (+1, +10)	Period (-10, +10)
Panel A: Frequency Distribution					
$0.10 \leq AR$	10	3	9	4	10
$0.08 \leq AR < 0.10$	2	0	0	1	0
$0.06 \leq AR < 0.08$	0	0	0	2	0
$0.04 \leq AR < 0.06$	1	3	0	0	1
$0.02 \leq AR < 0.04$	0	3	3	0	0
$0.00 \leq AR < 0.02$	0	4	0	1	1
$-0.02 \leq AR < 0.00$	1	1	1	1	0
$-0.04 \leq AR < -0.02$	2	0	2	2	0
$-0.06 \leq AR < -0.04$	1	2	1	0	0
$-0.08 \leq AR < -0.06$	1	0	0	1	1
$-0.10 \leq AR < -0.08$	0	2	0	0	0
$AR < -0.10$	0	0	2	6	5
Panel B: Descriptive Statistics					
n-Statistics	0.95	0.38	13.28	0.06	1.02
Percentage Positive	72%	72%	67%	44%	67%
Z-Statistics	1.89	1.89	1.41	-0.47	1.41

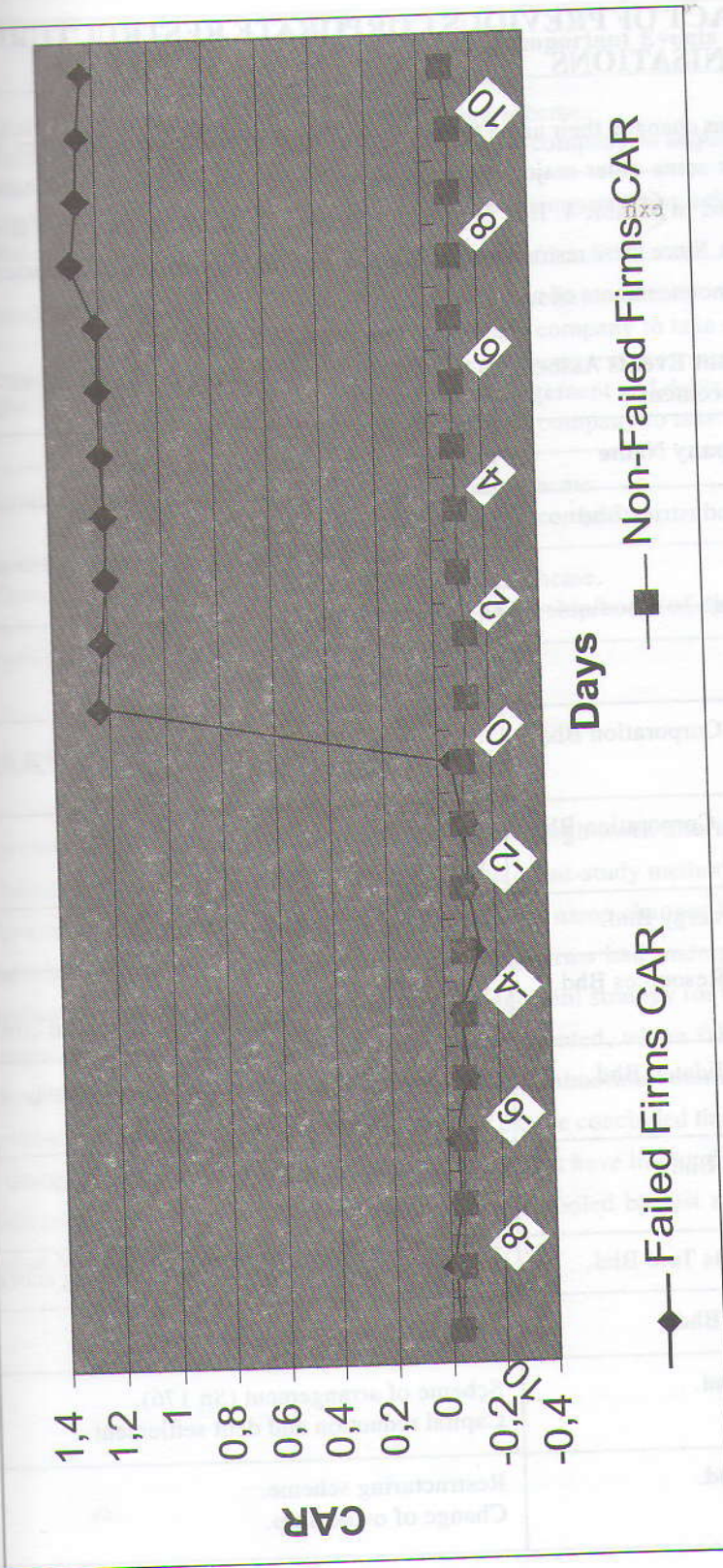
On average, the announcement of name change seems to have a significant effect on the market value of the failed firms with an extraordinary positive abnormal return at the announcement day. The non-failed firms did not experience any significant positive abnormal return for the same period. The effect can clearly be observed in figure 1 which shows the CAR plots for both groups of firms. Given the nature of the of the name change process as illustrated in exhibit 4, and the individual firm's reaction to the name change, it is likely that these results are influenced by each company expected performance and future strategy.

One possible reason for the extraordinary effect is that most of the failed firms have been suspended from active trading at the bourses quite sometime and the shares were being re-quoted together with announcement of management strategies for the future and name change. The market value of these counters was re-valued to reflect its current potential economic value based on the new information. This notion is further substantiated by the fact that those failed firms with unclear and unpromising strategies or lack of profitable restructuring business plan were not able to increase their shareholder's wealth at re-quotations.

Exhibit 3: Frequency Distribution and Descriptive Statistics for Abnormal Return during the Announcement Period for the Non-Failed Group of 18 Name Change Observations

Range	Period (-10, 0)	Day t = -3	Day t = 0	Period (+1, +10)	Period (-10, +10)
Panel A: Frequency Distribution					
$0.10 \leq AR$	3	1	0	6	5
$0.08 \leq AR < 0.10$	0	0	0	0	1
$0.06 \leq AR < 0.08$	0	0	0	0	0
$0.04 \leq AR < 0.06$	0	1	0	1	0
$0.02 \leq AR < 0.04$	0	2	2	2	1
$0.00 \leq AR < 0.02$	2	4	5	2	1
$-0.02 \leq AR < 0.00$	1	6	4	0	1
$-0.04 \leq AR < -0.02$	3	2	2	2	1
$-0.06 \leq AR < -0.04$	2	0	2	2	1
$-0.08 \leq AR < -0.06$	0	1	1	0	0
$-0.10 \leq AR < -0.08$	1	0	1	0	0
$AR < -0.10$	6	1	1	3	7
Panel B: Descriptive Statistics					
t-Statistics	-5.29	-0.06	-0.78	1.18	-2.57
Percentage Positive	28%	44%	39%	61%	44%
Z-Statistics	-1.88	-0.41	-0.94	0.94	-0.47

Figure 1: Graphical CAR for Failed and Non Failed Firms during the Announcement Period



4.1 THE IMPACT OF PREVIOUS CORPORATE RESTRUCTURING AND REORGANISATIONS

Eighteen failed firms changed their name following a scheme of arrangement, merger, acquisition, sell-off, spin-off or some other major corporate restructuring together with profitable business strategy as presented in exhibit 4. It is important to note that the name change was initiated to reflect these changes. Since these restructurings were successfully implemented, the market responded positively to the announcements of name change.

Exhibit 4: Important Events Associated the Failed Firms During Name Changes Announcement

No.	Company Name	Important Events
1.	Olympia Industries Bhd	Reconstruction scheme Incorporate new company and close old company. Debt equity conversion
2.	Insas Bhd.	Under receivership. In restructuring process.
3.	Mega First Corporation Bhd.	Scheme of arrangement-reconstruction. Capital reduction and debt settlement.
4.	Uniphoenix Corporation Bhd.	Scheme of arrangement (Sn 176). Capital reduction and debt settlement.
5.	Advance Synergy Bhd.	Restructuring scheme.
6.	Diversified Resources Bhd.	Restructuring scheme. Incorporate new company to acquire old company.
7.	Larut Consolidated Bhd.	Equity and financial restructuring scheme. Debt equity conversion.
8.	RJ Reynolds Bhd.	Restructuring scheme. Debt equity conversion.
9.	Berjaya Sports Toto Bhd.	Capital reconstruction and restructuring scheme.
10.	Faber Group Bhd.	Capital reconstruction scheme.
11.	Lion Land Bhd.	Scheme of arrangement (Sn 176). Capital reduction and debt settlement.
12.	MBf Land Bhd.	Restructuring scheme. Change of ownership.

Company Name	Important Events
Kuala Lumpur Industries Holdings Bhd.	Restructuring scheme. Incorporate new company to acquire old company.
Leader Universal Holdings Bhd.	Equity and debt reconstruction scheme (Sn 176)
Landmarks Bhd.	Capital reconstruction scheme. Incorporate new company to take over old company.
UMW Holdings Bhd.	Scheme of arrangement and debts reschedule. Incorporate new company to take over old company.
Talam Corporation Bhd.	Restructuring scheme. Change holding company.
Damansara Realty Bhd.	Restructuring scheme. Change of ownership/board of directors.

SUMMARY AND CONCLUSIONS

This study investigates the shareholders wealth effects through stock returns behaviour of failed and non-failed firms that changed their names. Using an event-study methodology on daily prices twenty-days surrounding the announcement, suggests that name changes have no wealth effect on the shareholders of the firm unless the announcing firms had undergone restructuring or reorganisation of some form coupled with a clear management strategy for the future. The results were selective to the promising business strategy implemented, where failed firms with strong future business strategy recorded an extraordinary positive abnormal return. In all instances, post announcement period had no wealth effect. Overall, it can be concluded that the valuation effects of name change are observed only for those failed firms that have initiated a viable business plan for the future. It also suggest that the market cannot be fooled by just a name change, such a change must be backed by serious efforts towards recovery.

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Appendix

List of Samples (Failed Company)

No.	Company Name	Effective Date
1.	Damansara Realty Bhd Kesang Corporation Bhd	25.05.1993
2.	Olympia Industries Bhd Duta Consolidated Bhd	12.03.1992
3.	Insas Bhd Paper Products Malaya Bhd	03.11.1987
4.	Mega First Corporation Bhd Everpeace Corporation Bhd	25.04.1991
5.	Uniphoenix Corporation Bhd Amalgamated Properties & Industries Bhd	11.06.1990
6.	Advance Synergy Bhd Batu Lintang Rubber Co Bhd	04.06.1992
7.	Diversified Resources Bhd Peerless Assets Bhd Imatex Bhd	19.09.1991
8.	Larut Consolidated Bhd Larut Tin Fields Bhd	24.06.1992
9.	RJ Reynolds Bhd Juara Perkasa Corporation Bhd	17.01.1991
10.	Berjaya Sports Toto Bhd Far East Asset Bhd	28.05.1993
11.	Faber Group Bhd Faber Merlin Malaysia Bhd	06.12.1990
12.	Lion Land Bhd Supreme Corporation Bhd	20.11.1991
13.	MBf Land Bhd Sri Hartamas Corp Bhd	14.02.1997
14.	Kuala Lumpur Industries Holdings Bhd Kuala Lumpur Industries Bhd	05.04.1991

No.	Company Name	Effective Date
15.	Leader Universal Holdings Bhd Universal Cable Holdings Bhd	27.08.1991
16.	Landmarks Bhd Landmarks Holdings Bhd	08.01.1990
17.	UMW Holdings Bhd UMW Management Services Bhd	31.07.1987
18.	Talam Corporation Bhd Talam Mines Bhd	29.01.1986

Sources: Kuala Lumpur Stock Exchange

Appendix

List of Samples (Non-Failed Company)

No.	Company Name	Effective Date
1.	IOI Properties Bhd Lam Soon Huat Development Bhd	13.01.1995
2.	MMC Engineering Group Bhd Kuala Kampar Tin Fields Bhd	03.08.1992
3.	Aokam Perdana Bhd Aokam Tin Bhd	16.12.1991
4.	Reka Pacific Bhd Berjaya Industrial Bhd	08.08.1997
5.	Dayapi Industries (M'sia) Bhd Dragon & Phoenix Bhd	16.01.1984
6.	FACB Industries Inc. Bhd Kanzen Bhd	26.11.1997
7.	Kinta Kellas PLC Kinta Kellas Investment PLC	04.01.1993
8.	Fraser & Neave Holdings Bhd Malaya Glass Bhd	20.03.1996
9.	Camerlin Group Bhd Malex Industries Bhd	30.07.1997
10.	Mechmar Corporation (Malaysia) Bhd Mechmar Bestobell Bhd	14.07.1989
11.	Technology Resources Industries Bhd Roxy Electric (Malaysia) Bhd	07.03.1991
12.	Neico Industries (M) Bhd Sanyo Industries Bhd	29.09.1997
13.	Jaya Tiasa Holdings Bhd Berjaya Textiles Bhd	13.03.1995
14.	Arus Murni Corporation Bhd Inchcape Timuran Bhd	04.11.1997
15.	Phileo Allied Bhd Linatex Process Rubber Bhd	07.10.1994

No.	Company Name	Effective Date
16.	Westmont Industries Bhd Westmont Bhd	30.09.1995
17.	Pernas International Holdings Bhd Pernas International Hotels & Properties Bhd	11.09.1996
18.	United Malayan Land Bhd United Malayan Flour Mills Bhd	15.03.1996
Sources: Kuala Lumpur Stock Exchange		