

-RESEARCH ARTICLE-

## **DIVIDEND POLICY, SIZE AND SHARE PRICE: TH PLANTATIONS BERHAD VERSUS PROFITABLE COMPANIES AT BURSA MALAYSIA**

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—Abstract—

This study is inspired by the motivation to investigate the theoretical relevance of dividend policy, firm size and share price of top businesses at Bursa Malaysia. Within the bird-in-hand theory on dividend and market share profitability hypothesis, this research adopts the Generalized Method of Moments (GMM) as an estimating model exploiting yearly data from 2015 through 2020. The empirical results from GMM clearly show that dividend per share (DPS) and size (as proxied by sales) do influence the performance (as proxied by closing share price) of the selected companies across the different sectors. As such, the dividend hypothesis and size are relevant in explaining changes in share values. Although DPS is our control variable, size does have a significant positive impact on a firm's success. However, the lag-closing price variable demonstrates otherwise. In a nutshell, the empirical evidence from this study reveals a breach of the Efficient Market Hypothesis which suggests that Bursa Malaysia is informationally inefficient in semi-strong form. Size is a crucial explanatory variable that impacts a firm's performance. TH Plantations Berhad should mimic the sales techniques implemented by these top businesses at Bursa Malaysia to sustain its long-term growth.

**Keywords:** Bird-in-Hand Dividend Theory; Size; Generalized Method of Moments; Panel Data Analysis; Efficient Market Hypothesis, TH Plantations Berhad

## 1. INTRODUCTION

Due to her tremendous economic growth in the 1980s and 1990s, Malaysia was branded an Asian Tiger. This remarkable economic performance was mainly attributable to the immense growth of the manufacturing and infrastructural sectors. The Malaysian economy is founded on an open economy in which domestic and international business groups participate in economic activity. Since the 1960s, Malaysia has transitioned from a raw materials producer to an industrial economy in which the manufacturing sector is the primary development engine. 2015 was challenging for Malaysia due to the steep decline in hydrocarbon and other commodity prices. As a significant exporter and producer of oil, natural gas, and palm oil, the Malaysian economy was negatively impacted by this commodity glut. The economic situation worsened when the Covid-19 outbreak shook the planet at the beginning of 2020. In response to this global pandemic, the Malaysian government-enforced harsh mobility restrictions to prevent the spread of the virus, bringing economic activity to a standstill. This adverse economic climate affects market sentiment, as foreign investors have begun withdrawing funds and reinvesting elsewhere. It seems inevitable that Malaysia's economic development will weaken in the future.

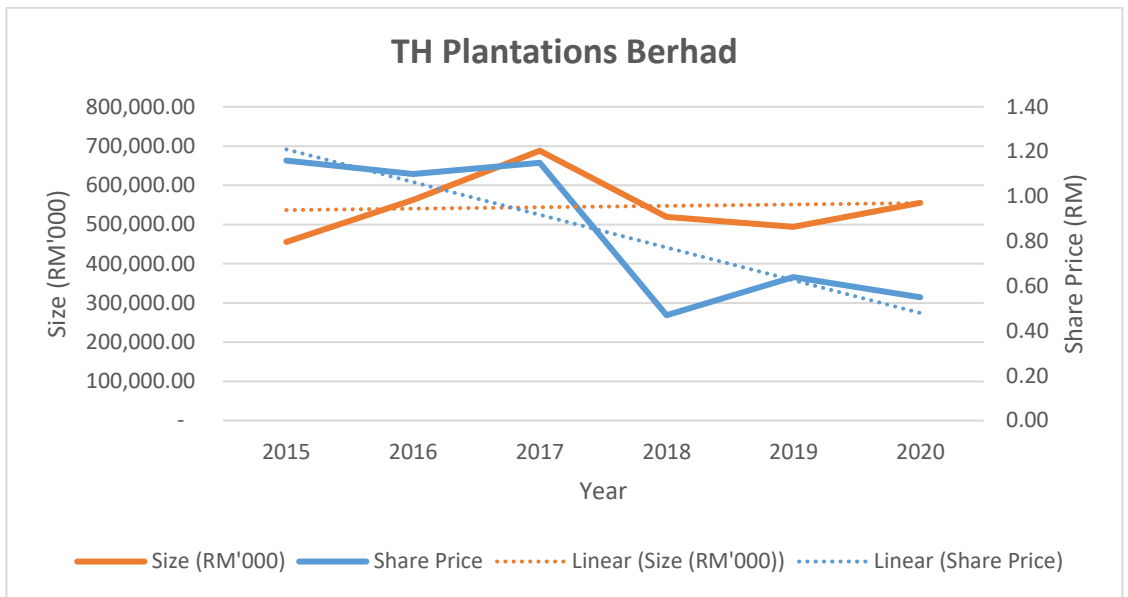
The circumstance mentioned above presents a formidable obstacle for most Malaysian businesses, particularly in sustaining their income development while preserving their market share. Every business must incur sales and overhead expenses, yet product and

service demand is dropping rapidly in domestic and foreign markets. Consequently, this situation necessitates that a firm's top management and the business owner adopt the appropriate value-protecting business strategies with care. Many businesses have gone bankrupt due to the challenging business climate, yet others can quickly adapt to the shifting conditions. It is exciting to see how some Bursa Malaysia companies can thrive in this turbulent environment and sustainably increase their earnings growth. This essay is structured as follows: The first portion contains a statement of the problem and a literature review. The section that follows covers the used data and technique. The conclusion and empirical findings are presented in the final section.

## 2. PROBLEM STATEMENT

In empirical corporate finance, sales and income growth are the primary factors determining a company's long-term worth (Hall & Weiss, 1967). Fundamentally, the company's closing price may be a more significant indicator of its strategic performance than the return on assets. It is maintained that a firm's market value accurately reflects the market's evaluation of future earnings streams that the company's assets can provide and investors' perceptions of projected returns (Fama & French, 1992). There is no doubt that sales growth, dividend payments, and share prices are tightly related, but additional examination of their impact across industries or economic sectors is required.

We must comprehend how different economic sectors and the size of a company may influence the performance of Bursa Malaysia-listed companies. Some economic sectors are recession-resistant, meaning they are less likely to be impacted by economic downturns. The healthcare and consumer products industries are two excellent examples. The size affects a company's profitability and market value (Dang, Li, & Yang, 2018). Some businesses operating at the optimal size can harness economies of scale and enjoy this competitive advantage. Numerous research has examined a variety of company size proxies, but this study focuses on the most used size metric: net sales (Moeljadi, 2014). Consequently, this article aims to determine the extent to which dividend payment and size influenced business value across industries throughout the examined time. Later, this study's findings will serve as a benchmark for enhancing the performance of Tabung Haji's principal subsidiary, Tabung Haji Plantations Berhad (THPLANT). It is interesting to highlight that Badan Pengelola Keuangan Haji Indonesia (BPKH) is deliberately embracing Tabung Haji's business strategies, particularly in protecting its investment value. The success of Tabung Haji in assisting Muslim community in Malaysia to perform their Hajj and to raise the Muslim economic wellbeing has been replicated by many Muslim countries.



**Figure 1:** THPLANT's Share Price Movements and Size Growth

Listed on Bursa Malaysia in April 2006, THPLANT has never exceeded expectations in recent years, as seen by its share price averaging only RM0.85 from 2015 through 2020. Using financial data from THPLANT's yearly reports, the company's sales performance and share prices are plotted on the two-axis graph shown in Figure 1. Observing the trend line in Figure 1, it is evident that the share price has experienced a decline over the investigated time, while sales growth has been negligible. The compound annual growth rate (CAGR) of sales from 2015 to 2020 is barely 4.04 percent. Maximizing the value of THPLANT is unquestionably one of the most crucial success criteria for Tabung Haji's long-term viability.

### 3. LITERATURE REVIEW

In addition to capital gains, dividends are a type of return investors anticipate for owning the company's shares. Diverse ideas in the literature have investigated dividend-related investor behaviour. A finance manager's primary responsibility is to develop the appropriate dividend policy to maximize the firm's long-term worth (Gordon, 1959). This study will discuss the Modigliani and Miller Theory, the Bird-in-Hand Theory, and the Dividend Signaling Theory, among other essential theories.

The first theory is based on the original dividend policy theory, also known as the M&M Theory (Miller & Modigliani, 1961). According to this theory, the profit distribution decision does not affect the market share price or the firm's market value. Still, it is affected only by reported profits and risk factors exposed. As a result, the firm's market valuation is only affected by its revenues and earnings and not by the decisions about profit distribution. In addition, they discovered that investors are generally indifferent

between dividends and capital gains as they believe that share prices will represent the firm's fundamentals. They explained that capital gains are based on the increase in the market price of shares held before (rather than after) the declaration of dividends and that if the firm has achieved profits and decided to distribute a portion of it as dividends, the market value of the shares will decrease by the amount of the dividends. In contrast, if the firm has decided to retain the profits as retained earnings, the market value of the shares will increase by the amount of retained earnings. This theory's validity is frequently contested with varying findings.

The second theory, the Bird-in-Hand Theory [Gordon \(1959\)](#), elaborated on and criticized the M&M Theory, which argued that there is no correlation between profit distribution strategy and share price or business value. This hypothesis states that a firm's dividend policy directly affects its market value by influencing the market share price. This is due to the more significant uncertainty associated with capital gains than the relative certainty related to dividends. As a result, investors are believed to prefer dividends over capital gains as a means of profit distribution.

The third hypothesis, the Dividend Signaling Theory, postulates that management utilizes the amount and payment of dividends as a signal to communicate with shareholders and potential investors about the firm's economic prospects. In other words, a more significant dividend payment despite reduced profits indicates that the company is optimistic about future profitability instead of merely being a distribution of profits. However, a lower-than-anticipated dividend while profits increase demonstrates that the company may not be confident in its future earnings potential, resulting in a decline in its share price as investors sell and shun the company's shares and a potential capital loss for other shareholders who are still holding on.

Choosing the appropriate dividend policy is crucial to protecting and enhancing business value due to these diverse ideas and the resulting disparate empirical findings. The effect of dividend policy on investor behavior is a contentious issue in finance, particularly in emerging economies ([Hafeez, Shahbaz, Iftikhar, & Butt, 2018](#)). ([Enekwe, Nweze, & Agu, 2015](#)) empirically tested the impact of dividend payouts on the performance of cement companies in Nigeria using three firm performance indicators, namely return on assets, return on capital employed, and return on equity, all three used as dependent variables, and dividend payout ratio as the only independent variable as a proxy for dividend policy. This study discovered a substantial correlation between the dividend payout ratio and the dependent variables evaluated. Subsequently, ([Chelimo & Kiprop, 2017](#)) investigated the influence of dividend policy on share prices for insurance companies headquartered in Kenya. The authors used dynamic regression analysis to determine the connection between dividend policy and stock prices. Results indicated that dividend distribution, dividend yield, earnings per share, and inflation have

comparable predictive values for the share price. The result is consistent with a much earlier study by [Nishat, Shaheen, and Hijazi \(2004\)](#), which indicated that dividend policy, as assessed by dividend yield and payout ratio, had a significant effect on share price volatility. Recent research by [Ebire, Mukhtar, and Onmonya \(2018\)](#) and [Habumugisha and Mulyungi \(2018\)](#) indicated that the dividend payout ratio significantly impacted firm performance. [Anandasayanan and Thirunavukkarasu \(2016\)](#) utilized dividend payout ratio and dividend yield to assess dividend policy and return on equity and assets to measure company performance, revealing a substantial relationship between dividend policies and firm performance.

In examining the effect of dividend policy on share price, which is a proxy for firm performance, it is intended to tie them to the Efficient Market Hypothesis, which states that investors cannot beat the stock market by making abnormal profits unless they invest in riskier assets. [Fama \(1970\)](#) published the seminal work on this topic, which remains controversial and of great interest to academic scholars and stock market specialists, despite the lack of convincing evidence regarding its infallibility. In the Malaysian stock market context, this work attempts to join other studies in discrediting the idea.

#### 4. DATA AND METHODOLOGY

This study analyzes the characteristics that significantly impact the performance of the most profitable companies in eight distinct categories at Bursa Malaysia. First, we gather raw data from Bursa Malaysia's database of each firm annual reports. The SAS program evaluates all panel data for the eleven most profitable corporations from 2015 through 2020. Except for Malaysia Airports Holdings Berhad, all selected companies' equities are Shariah-compliant. This study analyzes three significant variables: the company's closing price (CP), dividend per share (DPS), and net sales (SIZE). The DPS is classified as a control variable because it is irrelevant to this investigation. However, DPS remains a component of our model because it could impact our estimations. The Generalized Approach of Moments (GMM) is used in the estimate method, and the rationale for its application is given in the next paragraph.

[Table 1](#) displays the eleven most profitable firms picked from the primary market of Bursa Malaysia. Each company is assigned to its sector, and since 2015, they have consistently disclosed their final dividends. Each industry is distinct and possesses its competitive dynamics. To obtain a sense of what is happening in the industry, it is necessary to comprehend the level of competition in each area. The sector's prospects now depend on the rate of technical change, credit systems within the industry, and the impact of external influences outside industry participants' control ([Arh, Blažič, & Dimovski, 2012](#); [Popovič, Hackney, Tassabehji, & Castelli, 2018](#)).

In the case of the plantation industry, commodity price fluctuations commonly impact corporate earnings, and this pricing condition can be linked mainly to the impact of external forces. It is hardly surprising that regulatory organizations frequently analyze

this industry, resulting in direct government intervention. Due to many competitors in this plantation sector, the key to sustaining future profitability is operational efficiency and the company's capacity to use economies of scale (Zetterholm et al., 2018). The growth of the digital economy has some effect on the landscape of specific industries and economic sectors. The telecommunications and media industry offers an essential foundation for expanding the digital economy. Due to the high entry barrier and regulatory regulations, it is anticipated that this industry will remain lucrative. As a result of the continual demand for food, medical care, and pharmaceuticals, the consumer products and health care industries have been labelled recession-proof. Industrial products, construction, and real estate sectors are subject to economic cycles since their growth prospects depend on consumer spending, loan availability, and the capacity of manufacturers to invest in the future.

The Generalized Method of Moments (GMM) is an estimating technique that permits effective econometric estimators for panel data structures. This estimating technique was refined and popularized by (Hansen, 1982). Consequently, the GMM estimators are theoretically comparable to those based on the moment requirements proposed by (Huber; John D. Sargan, 1958).

**Table 1: Selected Top Companies from Bursa Malaysia**

NO.	MOST PROFITABLE COMPANIES AND THEIR SECTORS	
1.	UMW BERHAD	Consumer Products and Services
2.	SUNWAY BERHAD	Industrial Products and Services
3.	MRCB	Property
4.	MALAYSIA AIRPORTS	Transportation and Logistics
5.	MISC	Transportation and Logistics
6.	PHARMANIAGA	Health Care
7.	HARTALEGA	Health Care
8.	TOP GLOVE	Health Care
9.	HAP SENG	Plantation
10.	DIGI	Telecommunications and Media
11.	KERJAYA PROSPEK	Construction

In summary, the method of moments is a statistical technique for estimating the parameters of a population. The GMM approach is remarkable because it can handle semiparametric models with more significant moments, such as skewness and kurtosis (J. Denis Sargan, 1959). GMM is a generic method that reduces and simplifies the endogeneity problem. Endogeneity is a statistical concern when there is a correlation between parameters or independent variables and the model's error term. GMM addresses the issue of endogeneity by accounting for unobservable shocks in the cross-sectional components of the data set.



To verify the validity of our GMM estimators, we employ the Sargan test for homogeneity of instruments (to confirm the accuracy of estimates) (J. Denis Sargan, 1959). Homogeneity issues could occur from the following three scenarios: First, it occurs when variables omitted from the model are correlated with independent variables. Second, this issue could potentially arise if the independent variables are affected by measurement mistakes. Last but not least, the problem emerges when the independent variable contains elements of the dependent variable. When the independent variable is also the dependent variable, the problem may become worse. This misspecification issue is also known as the simultaneity issue. GMM replaces the impacted independent variable with a new instrument denoted  $z$  to solve the simultaneity problem. This  $z$  corresponds with the impacted independent variable but is unaffected by the model's dependent variable. In GMM, this  $z$  variable is referred to as an instrument. The GMM methodology, which led to the construction of efficient and unbiased econometric estimators for our tested model, now makes it abundantly evident that all potential issues in financial modeling are effectively addressed.

Figure 2 shows in detail the GMM methodological flow. The addition of panel data increases the number of observations. This data collection increases efficiency by compressing the multi-collinearity crises and expanding the degree of freedom between independent variables or explanatory factors. The performance of businesses varies according to their sectors and sizes. Cross-sectional statistics alone cannot adequately address this issue. Therefore, the panel data approach allows for resolving firm-specific effects that were not detected. In addition, variables and instruments are selected during a more accessible and flexible phase than when using cross-sectional data alone.

The GMM technique consists of the steps listed below. It begins with diagnostic testing and is followed by a unique GMM technique that eliminates deformation induced by fixed effects, simultaneity, and endogeneity. This work relates GMM to our data structure, which incorporates cross-sectional and time-series measures.

The linear GMM equation can be represented analytically as follows:

$$y_t = z_t \delta_0 + \varepsilon_t, \quad t = 1, \dots, n \dots\dots\dots (1)$$

Where  $z_t$  is an  $L \times 1$  vector of explanatory variables,  $\delta_0$  represents a vector of unknown coefficients, and  $\varepsilon_t$  defines a random error term. Elements of  $z_t$  in this model may interact with the error term  $\varepsilon_t$ . In the presence of endogenous variables in  $z_t$ , the least squares estimator of  $\delta_0$  is biased and unpredictable. Concerning the model, a  $K \times 1$  vector of instrumental variables  $x_t$  is assumed that many contain elements of  $z_t$ . In allowing  $w_t$  to represent the vector of unique and non-constant elements of  $\{y_t, z_t, x_t\}$ , it is assumed that  $\{w_t\}$  is a stationary and ergo dicstochastic process.

The instrumental variables  $x_t$  satisfy the set of  $K$  orthogonality conditions with the following equation:



$$E [g_t(w_t, \delta_0)] = E[x_t \varepsilon_t] = E [x_t (y_t - z_t \delta_0)] = 0 \dots\dots\dots (2)$$

where  $g_t(w_t, \delta_0) = x_t \varepsilon_t = x_t (y_t - z_t \delta_0)$ . Expanding (2), gives the relation

$$\Sigma_{xy} = \Sigma_{xz}\delta_0 \dots\dots\dots (3)$$

where:  $\Sigma_{xy} = E[x_t y_t]$  and  $\Sigma_{xz} = E [x_t z_{0t}]$ . For the identification of  $\delta_0$ , it is required that the  $K \times L$  matrix  $E[x_t z_{0t}] = \Sigma_{xz}$  be of full rank  $L$ . It is noted that if  $K = L$ , then  $\Sigma_{xz}$  is invertible, and  $\delta_0$  may be determined using  $\delta_0 = \Sigma^{-1}_{xz} \Sigma_{xy}$

A necessary condition for the identification of  $\delta_0$  is the order condition

$$K \geq L \dots\dots\dots (4)$$

The above equation expresses that the quantity of instrumental variables must be more noteworthy than or equivalent to the quantity of explanatory variables. If  $K = L$  then  $\delta_0$  is said to be (apparently) just identified. If  $K > L$ , then  $\delta_0$  is said to be (apparently) over-identified; if  $K < L$ , then  $\delta_0$  is not identified. To mitigate the endogeneity problem of both independent and explanatory variables, a two-step GMM technique is utilized to manage the correlation error over time by mitigating the effects of orthogonality conditions on errors and heteroskedasticity between businesses. Observed and unobserved firm-specific characteristics influence the performance of the company. Based on our defined model, these companies and time parameters alter. The following GMM model has been created following our model specification:

$$Y^*_{it} = \alpha_0 + \sum_k \beta_k X_{kit} + \alpha_i + \alpha_t + \varepsilon_{it} \dots\dots\dots (5)$$

$Y^*$  = the dependent variable (i.e. CP)

Where:

$i = 1, \dots, N$  and  $i \neq j$

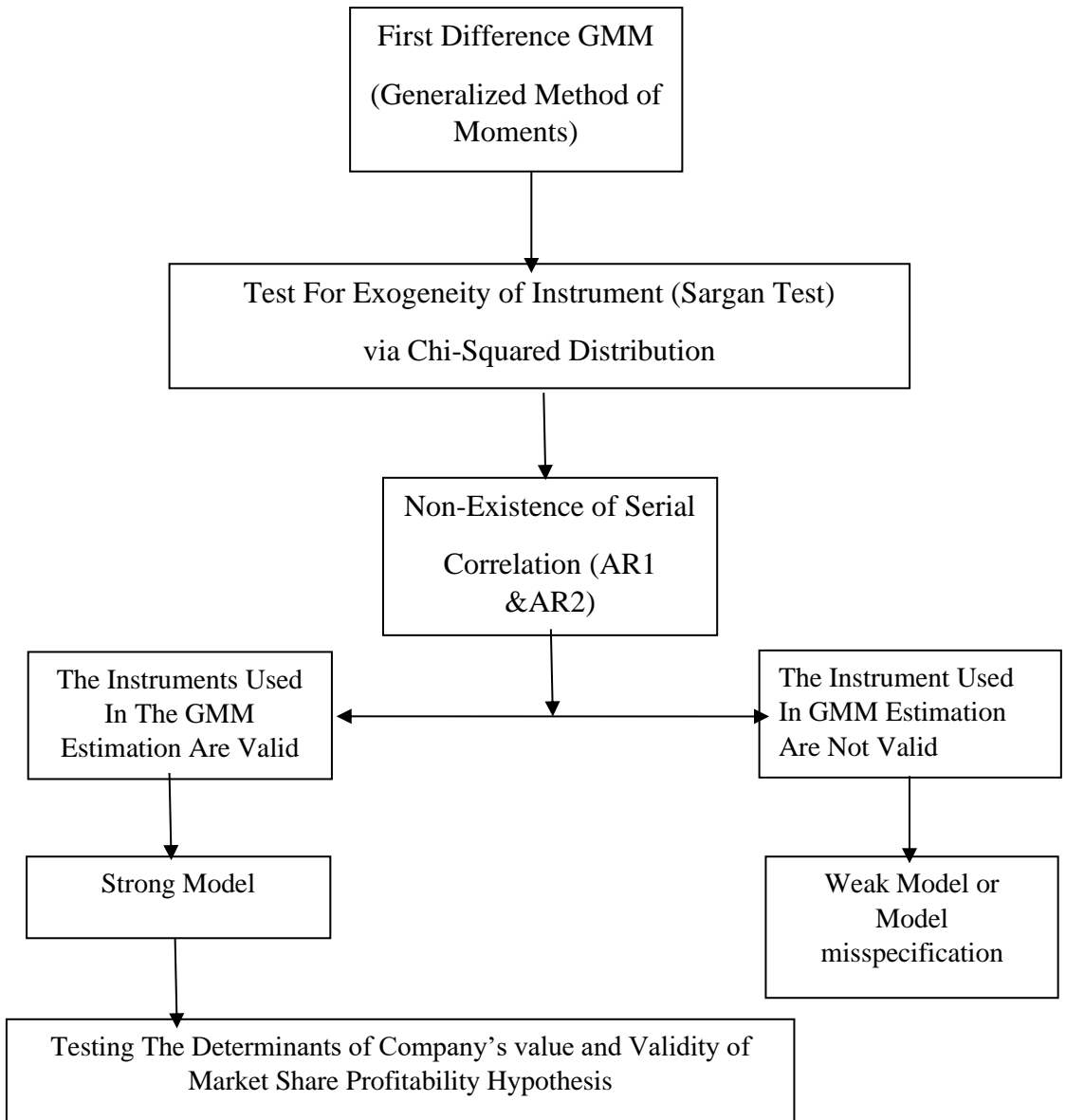
$X =$  the independent variables (i.e. DPS and SIZE)

Firm-specific characteristics are measured by  $\sum_k \beta_k X_{kit}$ , and the result from this estimation varies from time to time and from one firm to another.

$\alpha_i$  is the unobserved firm-specific effect,

$\alpha_t$  captures the time effect.

The diagnostic tests that evaluate the validity of the GMM panel data model are the test of exogeneity of instruments via Chi-squared distribution (also known as the Sargan test) and the test of the non-existence of serial correlation among the error terms (AR1 & AR2). Serial correlation is often recognized in time-series data but not in cross-sections. The first and second order serial correlation analysis (autocorrelation test) is conducted to prevent the problem of serial correlation.



**Figure 2:** Methodological Flow of Generalized Method of Moments (GMM)

The AR1 and AR2 must implement significant negative results and no evidence of second-order autocorrelation. The error is assumed to be independent of its past; it has no memory of its past values, as described by equations 6, 7, and 8 below.

Error term has a mean of zero:

$$E(e) = 0 \rightarrow E(y) = b_1 + b_2x \dots\dots\dots (6)$$

Error term has constant variance:

$$\text{Var}(e) = E(e^2) = \sigma^2 \dots\dots\dots (7)$$

Error term is not correlated with itself (no serial correlation):

$$\text{Cov}(e_i, e_j) = E(e_i e_j) = 0 \quad i \neq j \dots\dots\dots (8)$$

The autocorrelation coefficient must lie between -1 and 1:

$$-1 < \rho < 1,$$

Anything outside this range is unstable and unlikely for economic or financial models. John Denis Sargan proposed the Sargan test in 1958, also known as the Hansen test or J-test. It is used to check the homogeneity and consistency of the instruments. It seeks to investigate variables and determine if they are uncorrelated with certain residual sets. If the Sargan test is invalid, the model is deemed inadequate and unsuitable. Under flawed theories, the chi-square is used to assess the general validity of the instruments and the presence of overly-distinguishing constraints. The levels of flexibility are determined by computing the difference between the number of instruments and the number of regressors.

## 5. EMPIRICAL FINDINGS

This study's raw data are incorporated into SAS base programming. An algorithm is designed and coded into a SAS program to derive the empirical results from deploying a two-step GMM. Specifically, the GMM first difference transformation model is employed for this study, and the data structure details are explained in [Table 2](#) below.

**Table 2: Firm’s Value and Determinants (2015-2020)**

**Dependent Variable: LCP**

Estimation Method	GMM2
Number of Cross Sections	11
Time Series Length	6
Estimate Stage	2
Maximum Number of Time Periods (MAXBAND)	5

The results of the diagnostic test for Sargan are displayed in [Table 3](#). It is a test of the validity of instrumental variables that these variables are uncorrelated with a subset of residuals and are, thus, accepted as instruments in our estimated model. Under the null hypothesis, it is assumed that the instrumental variables are valid. As seen in [Table 3](#), it is evident that the p-value is more significant than 5%, indicating that the null hypothesis is accepted.

**Table 3: Sargan Test**

DF	Statistic	Prob > ChiSq
6	7.36	0.2889

Table 4 contains parameter estimates and tests of significance. Positive DPS (0.5720) and SIZE (0.5433) parameter estimations indicate positive connections between the variables and the closing price. Interestingly, these beneficial associations are statistically significant at the 5 and 10 percent levels. However, the lag closing price variable in the model appears minor. Statistically speaking, for every one percent increase in DPS, the company's closing price will increase by RM0.5720, assuming all other variables remain constant. In the example of SIZE, a million ringgit increase in sales will result in a 0.5433 ringgit increase in the closing price.

Table 5 presents the second diagnostic test from the first and second-order serial correlation analysis. Looking at the high p-value of 0.20 (more than the alpha ( $\alpha = 5\%$ )), this statistical result supports an absence of serial autocorrelation in our estimated model.

**Table 4: Parameter Estimates**

H <sub>0</sub> : Absence of significant relationship between a dependent variable and independent variable.					
H <sub>1</sub> : Presence of a significant relationship between the dependent and independent variables.					
Variable	DF	Estimate	Standard Error	t Value	Pr >  t
LCP_1	1	-0.10625	0.1174	-0.91	0.3708
LDPS	1	0.57209	0.2085	2.74	0.009**
LSIZE	1	0.54334	0.2054	2.64	0.0116*

\*\*significant at 1% level

\*significant at 5% level

**Table 5: AR(m) Test**

Lag	Statistic	Pr > Statistic
1	-1.28	0.20

The descriptive statistics of all the variables in the model are demonstrated in [Table 6](#) below. There are a couple of interesting findings revealed in this analysis. The average annual sales of all the 11 companies are about RM3.7 billion, suggesting that they belong to the large-firm category. The average closing price among them is quite moderate at RM4.50 and within an optimal trading range. Concerning dividend distribution, the average DPS is seen at a relatively high level of 11.12 cent.

**Table 6: Descriptive Statistics**

The MEANS Procedure						
Variable	Label	N	Mean	Standard Deviation	Minimum	Maximum
CP (RM)	Closing Price	66	4.5190	3.0109	0.48	12.14
DPS (cent)	Dividend Per Share	66	11.1257	11.2468	0.00	41.00
SIZE (RM mill)	Net Sales	66	3695.99	3275.15	18.60	14441.60

As expected, [Table 7](#) demonstrates a substantial positive and statistically significant association between DPS and CP. In addition, there is a substantial positive correlation between SIZE and CP. However, the strength of this positive association is relatively small at 0.3073. In panel data analysis, we analyze the changes in the tested variables over time and the differences in the variables between the observed persons or firms. To optimize its long-term worth, this organization must comprehend the relevance of SIZE in connection to THPLANT. Even though THPLANT is a member of one of Bursa Malaysia's most profitable industries, its share price is expected to fluctuate between RM0.47 and RM1.16 between 2015 and 2020.

**Table 7: Pearson Correlation Coefficients (P-value)**

Variable	CP	DPS	SIZE
CP	1	0.6552** (<0.0001)	0.3073* (0.0121)
DPS	0.6552 (<0.0001)	1	0.0964 (0.4415)
SIZE	0.3073 (0.0121)	0.0964 (0.4415)	1

\*\*significant at 1% level \*significant at 5% level

## 6. CONCLUSION

The market share profitability hypothesis appears to be extremely significant in empirical corporate finance for explaining changes in share prices. To suggest that

market share supremacy is necessary for continuous profitability would be an understatement. Therefore, it is essential to note that our empirical findings contradict the Modigliani-Miller dividend irrelevance theory, which holds that investors are indifferent to the source of their profits. The only aspect that matters is the company's anticipated future earnings. The statistical results from GMM demonstrate that company size influences the performance of the selected Bursa Malaysia companies across the eight sectors. Analyzing firm value among the most profitable publicly traded corporations has two significant consequences. First, the bird-in-the-hand dividend hypothesis is indisputable, as investors always prefer dividends to prospective capital gains from equity investments. This investor's perception is the actual market force that maintains the stock price of massive firms. Secondly, size is a factor in defining a company's future worth, and THPLANT must carefully consider this element to improve its future performance, contributing to its long-term viability. THPLANT should investigate how HAP SENG has sustained its sales growth pace in the plantation sector. It is nearly a certainty that the top management of THPLANT must be courageous enough to implement new business strategies to increase sales and swiftly react to shifting business circumstances. Notably, empirical data from this work weakens the Efficient Market theory at the semi-strong form level and contradicts earlier findings by Hadi, Yap, and Zainudin (2019). As it has been demonstrated that Bursa Malaysia is informationally inefficient, stock traders, hedge fund managers, and gamblers may exploit these inefficiencies to generate extraordinary gains on our local stock exchange.

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