

Independent Study Title	ANALYSIS OF CROSS BORDER M&A: EVIDENCE FROM ASEAN EXCHANGES
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## **ABSTRACT**

M&A in ASEAN is growing together with the upcoming event of ASEAN Economic Community (AEC) so this study wants to investigate the cross-border M&A deals in Malaysia, Singapore, and Thailand from 2009-2013. Firstly, we investigate whether these deals create significant cumulative abnormal return (CAR) since CAR reflects market expectation about the effect of the deals on the firms' future performance. The study finds positive and significant CAR which means investors expected that these deals would benefit the firms in the future. After that firms' long-term performances measure by ROA and ROE from before and after M&A are investigated. The study finds that firms' performance is significantly deteriorate after M&A. In addition, the effect of industry relatedness and methods of payments for M&A on CAR and firms' performance are also investigated. The study finds that acquiring firms in the related industry (horizontal and vertical M&A instead of unrelated) and paying for the acquisition by cash (instead of paying by other payment methods e.g. stock or mixed) positively and significantly affect firms' performance, while, they insignificantly affect CAR. This means that investors expect that these factors should not have an effect on firms' performance in the future, but in fact it does. Therefore, firms should include these factors into their consideration for their M&A.

**Keywords:** Cross border M&A, Abnormal return, Pre and post-performance