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Optimizing Capital Structure in Southeast Asian Real Estate: The Role of Tangible Assets and Sales Growth

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Abstract*. This study investigates the role of profit-based tangible assets and sales growth (ProTAPP) in enhancing the relationship between market ratios and financing decisions in property and real estate companies across Southeast Asia from 2019-2023. Using agency theory, pecking order theory, and trade-off theory, the research examines how EPS, TATO, and CR influence DER, with ProTAPP serving as a mediating variable. The analysis, based on panel data from ASEAN countries including Indonesia, Malaysia, Thailand, and Singapore, aims to provide practical insights for investors, corporate managers, and policymakers in optimizing financing strategies within the property and real estate sector. The study emphasizes the significance of tangible assets and sales growth dynamics in financial decision-making for achieving an optimal capital structure. Findings reveal that ProTAPP significantly mediates the relationship between EPS, TATO, CR, and DER in Southeast Asian property and real estate firms. The impact of these independent variables on DER through ProTAPP varies by country, reflecting specific market dynamics and company strategies. These results offer valuable guidance for developing more effective financing strategies in the sector.*

Keywords*: financing decisions, market ratios, activity ratios, liquidity ratios, ASEAN.*

1. INTRODUCTION

The real estate and property sectors in Southeast Asia exhibit unique dynamics influenced by regional economic development, urbanization trends, and the interplay of global market forces. As Southeast Asian countries like Indonesia, Malaysia, Thailand, and Singapore continue to urbanize and strengthen their economies, their property markets are becoming increasingly attractive to investors (Angelia & Toni, 2020). The region's rapid population growth, coupled with rising middle-class demands for residential and commercial properties, underscores the necessity of understanding the financial decision-making frameworks employed by firms in this sector (Attaoui et al., 2021).

Central to this research is the evaluation of "Profit Based on Tangible Assets and Sales Growth" (ProTAPP) and its role in mediating the relationship between fundamental performance metrics, such as Earning Per Share (EPS), Total Assets Turnover (TATO), and Current Ratio (CR), and funding decisions (Beer et al., 2023). The financial structures of real estate firms often navigate between maximizing profitability and maintaining sustainable growth, which makes the exploration of these metrics critical. Studies have shown that tangible assets serve as collateral, facilitating debt financing, while sales growth reflects operational efficiency and market expansion potential (Carp et al., 2019).

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However, empirical gaps exist concerning the interaction of these variables. Previous research has yielded inconsistent results regarding the effects of EPS on funding decisions, measured as Debt-to-Equity Ratio (DER). In some studies, EPS positively impacts DER by signaling financial health, while others suggest negligible effects due to reliance on internal financing or market constraints (Cherian et al., 2021). These variations call for a more nuanced exploration of mediating variables like ProTAPP to bridge the theoretical and practical disparities observed in financing strategies. The Southeast Asian property market offers an ideal context for this study, given its diversity and rapid evolution. Indonesia, with its vast population and emerging middle class, reflects a demand-driven market where government regulations and infrastructural gaps shape investment decisions (Smith, 2023). Malaysia, by contrast, offers a mature property market with stable regulatory frameworks and strong foreign investment appeal. Thailand's real estate market benefits from tourism-driven demand, while Singapore represents a high-transparency and innovation-driven environment, attracting luxury property investments (Revinski et al., 2022).

Agency Theory, Pecking Order Theory, and Trade-Off Theory provide theoretical underpinnings for this study. Agency Theory highlights the conflict of interest between management and shareholders, emphasizing the importance of performance metrics like EPS and their impact on asset utilization (Faozi et al., 2022). Pecking Order Theory posits that firms prioritize internal funding before resorting to external debt or equity, a concept pivotal to understanding how companies with high tangible assets navigate financing strategies (Vovk et al., 2021). Meanwhile, Trade-Off Theory balances tax advantages against bankruptcy risks, shedding light on how tangible and intangible assets influence funding preferences. The research introduces ProTAPP as a mediating construct that links the firm's profitability and tangible asset base with their financing decisions (Sardo et al., 2022). The dynamic interaction of EPS, TATO, CR, and DER reveals the strategic priorities of firms in the sector. For instance, high TATO indicates efficient asset utilization, often leading to increased debt leverage to fund further expansion (Ripamonti, 2020). Conversely, a robust CR reflects strong liquidity, enabling firms to reduce dependency on external financing. ProTAPP acts as a lens to examine how these financial indicators converge to guide strategic funding decisions.

Southeast Asia's growth trajectory, fueled by its integration into the global economy and increasing urbanization, presents both opportunities and challenges. Investments in green buildings and sustainable practices are becoming critical, with a projected USD 20–25 billion green building market by 2030. Understanding how companies in this sector integrate sustainability into their financial strategies offers vital insights into achieving long-term

competitiveness and resilience. In conclusion, this research underscores the criticality of financial decision-making frameworks in the Southeast Asian property market. By investigating the mediating role of ProTAPP, it aims to bridge theoretical gaps and provide actionable insights for stakeholders. This exploration not only enhances the academic discourse but also equips policymakers, investors, and managers with strategies to optimize financial performance and foster sustainable growth (Sikveland et al., 2022).

The purpose of this study is to examine the mediating role of Profit Based on Tangible Assets and Sales Growth (ProTAPP) in the relationship between fundamental financial performance metrics Earnings Per Share (EPS), Total Assets Turnover (TATO), and Current Ratio (CR) and funding decisions represented by the Debt-to-Equity Ratio (DER). Conducted within the context of Southeast Asia's dynamic real estate and property sectors, this research aims to bridge theoretical gaps and provide actionable insights for industry stakeholders. Understanding these relationships is critical for optimizing financial structures and supporting sustainable growth in a region characterized by rapid urbanization, diverse market conditions, and increasing investor interest. The motivation for this study arises from the inconsistent findings in previous research on the effects of EPS, TATO, and CR on funding decisions. For instance, while some studies have suggested that higher EPS positively influences DER by signaling robust financial health, others indicate negligible effects due to internal financing preferences or market-specific constraints (Rutkowska, 2022). These discrepancies highlight the need for further exploration, particularly in a sector as capital-intensive and strategically vital as real estate. Moreover, with sustainability and green building initiatives becoming pivotal in Southeast Asia, understanding how firms integrate these into financial decisions offers essential insights for long-term competitiveness (Msomi & Nzama, 2023).

This study adopts a mixed-methods approach, leveraging quantitative financial data from public real estate companies across Indonesia, Malaysia, Thailand, and Singapore between 2019 and 2023. This empirical analysis is complemented by theoretical underpinnings derived from Agency Theory, Pecking Order Theory, and Trade-Off Theory, providing a robust framework to analyze financial behavior. The research introduces ProTAPP as a mediating construct to explain how tangible asset-based profitability and sales growth influence the interplay between performance metrics and funding decisions (Mujiatun et al., 2021). The findings of this study have significant implications for both theory and practice. For theoretical advancement, this research contributes to the literature on corporate finance by addressing the gaps in understanding the nuanced roles of EPS, TATO, and CR in funding strategies, particularly in emerging markets (Oliver et al., 2021). Practically, the insights generated will

assist real estate managers in structuring optimal funding strategies, investors in evaluating investment opportunities, and policymakers in crafting regulations that support sustainable financial practices in the property sector. In summary, this study not only addresses existing research gaps but also aligns with the evolving needs of Southeast Asia's real estate markets (Pramanaswari, 2024). By examining the critical financial dynamics through the lens of ProTAPP, the research offers a comprehensive understanding of how companies can effectively navigate challenges and capitalize on opportunities to drive sustainable growth.

2. LITERATURE REVIEW

The literature review serves as a foundational pillar for this research, critically analyzing and synthesizing prior studies on the interplay between financial performance metrics and funding decisions in the context of the real estate sector. This section not only summarizes existing research but evaluates its contributions, limitations, and applicability to the Southeast Asian market, forming the basis for the objectives and hypotheses of this study.

EPS, a measure of profitability per share, is often associated with funding preferences as per the Pecking Order Theory, which prioritizes internal over external funding (Thi Mai Nguyen et al., 2023). However, studies exhibit inconsistencies in EPS's impact on the Debt-to-Equity Ratio (DER). For example, while some research indicates that high EPS strengthens a firm's ability to attract debt financing due to perceived financial health (Im et al., 2020), other findings suggest a negligible or negative relationship due to internal financing reliance in emerging markets (Rehan et al., 2023). These variations suggest the need for additional mediating factors, such as tangible asset-based profitability, to clarify these relationships.

TATO evaluates a firm's efficiency in utilizing assets to generate revenue. Prior studies reveal a positive relationship between TATO and DER, positing that higher asset efficiency increases a firm's capacity to assume debt for further expansion (Ullah et al., 2020). Yet, this positive link is not universal, as the financial risk tolerance and market conditions in specific economies can alter the observed effects. This study seeks to explore how TATO interacts with mediating variables like ProTAPP to offer a more nuanced understanding (Uddin et al., 2022).

The CR, which reflects short-term liquidity, has shown mixed results concerning DER. Research highlights that firms with higher liquidity often rely less on external debt, preferring to use internal funds (Ghani et al., 2023). However, certain conditions, such as growth opportunities or sector-specific demands, can reverse this relationship (Msomi & Nzama, 2023). These contradictions call for an integrative model to examine CR in conjunction with other financial and market variables (Theresaesenohor et al., 2022).

The concept of Profit Based on Tangible Assets and Sales Growth (ProTAPP) synthesizes insights from the Agency Theory and Trade-Off Theory. It posits that firms leveraging tangible assets for profitability and growth may mediate the effects of EPS, TATO, and CR on DER (Vovk et al., 2021). Tangible assets provide collateral for debt financing, reducing creditor risk and increasing leverage capacity (Habib & Dalwai, 2023). Sales growth, on the other hand, signals operational strength, influencing market confidence and funding decisions (Ullah et al., 2020).

Prior studies have predominantly examined direct relationships between financial metrics and funding decisions. Few have considered mediating variables or synthesized findings across diverse contexts. Furthermore, much of the literature focuses on developed economies, leaving emerging markets like Southeast Asia underexplored (Tellez Gaytan et al., 2022). These limitations highlight a critical need for region-specific insights that account for unique regulatory, economic, and cultural factors influencing the real estate sector (Rashid et al., 2023).

Emerging markets, characterized by varying degrees of financial maturity, regulatory frameworks, and investor behavior, present distinct challenges and opportunities. Southeast Asia's rapid urbanization and market growth necessitate an understanding of how firms balance profitability, liquidity, and asset utilization to make optimal funding decisions (Maharani & Farhan Saputra, 2021). This review demonstrates the necessity of incorporating ProTAPP to contextualize financial behavior within the region's diverse economic landscape.

This literature review identifies ProTAPP as a novel mediating variable that can bridge gaps in understanding the relationship between financial performance and funding decisions. By critically evaluating existing research and integrating theoretical frameworks, this study aims to extend the academic discourse and provide actionable insights for industry stakeholders. Future research should further explore the role of market-specific factors, such as policy incentives and sustainability initiatives, in shaping these financial dynamics.

3. METHODS

Research Design

This study employs a quantitative research design to evaluate the mediating role of Profit Based on Tangible Assets and Sales Growth (ProTAPP) in the relationship between key financial performance metrics Earnings Per Share (EPS), Total Assets Turnover (TATO), and Current Ratio (CR) and funding decisions, measured by the Debt-to-Equity Ratio (DER) (Zeng et al., 2024). The research is conducted using data from publicly listed real estate and property

firms in Southeast Asia (Indonesia, Malaysia, Thailand, and Singapore) over the period 2019–2023. Examine how tangible asset-based profits and sales growth influence the relationship between fundamental performance metrics and firm value (Mohaisen et al., 2021). Application of theoretical models including Agency Theory, Pecking Order Theory, and Trade-Off Theory to guide the hypothesis development (Khan et al., 2023).

Data Collection

Population this research a real estate and property companies in Southeast Asia from 2019-2023. Stratified random sampling to select companies based on country and size, ensuring representation across the region. Data source financial statements and annual reports for quantitative data. Bloomberg and other financial databases for market ratios, asset turnovers, and liquidity ratios. Software used to EViews for statistical and econometric modeling (Ghozali, 2020). Descriptive Statistics to summarize data characteristics and initial patterns. Correlation Analysis to identify relationships between variables such as EPS (Earnings Per Share), DER (Debt to Equity Ratio), tangible assets, and sales growth. Regression Analysis to estimate the impact of independent variables on the dependent variable (firm value), incorporating controls for market conditions and company size. Mediation Analysis to explore whether tangible asset profits and sales growth mediate the relationship between fundamental performance measures and firm value. Diagnostic Tests (e.g., multicollinearity, heteroscedasticity and autocolleration) to validate the regression model assumptions.

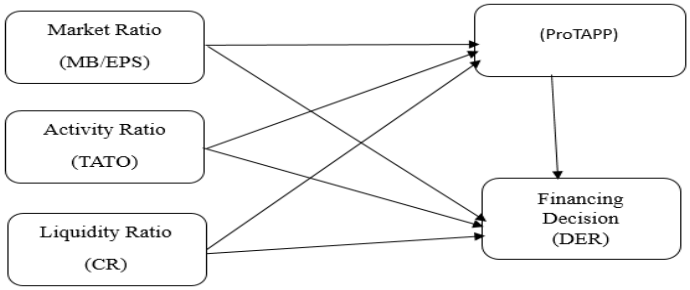
The sample selection process on real estate and property companies in ASEAN is rigorously defined to ensure a comprehensive and representative dataset for analysis. Initially, a total of 435 companies listed on stock exchanges across Indonesia, Malaysia, Thailand, the Philippines, and Singapore were considered. To qualify for the final sample, these companies had to have complete financial information available for the entire period from 2019 to 2023. Out of these, many were excluded due to incomplete data or financial non-performance (non-profitable across the period). The final sample consisted of 150 companies, with Indonesia contributing 33, Malaysia 49, Thailand 25, the Philippines 43, and Singapore 33. This selection criteria ensured that the sample was not only representative of the geographical diversity within ASEAN but also of firms that were financially stable, thereby providing robust insights into the industry's performance and trends.

Table 1. Sample Criteria

Critaeria/Country	Indonesia	Malaysia	Thailand	Philipine	Singapore	Total
Companies Listed on Stock Exchanges, real estate & property	93	108	133	101	93	435
Availability of Complete Financial Information for 2019-2023	(30)	(14)	(73)	(18)	(30)	(135)
Non profit	(30)	(45)	(35)	(40)	(30)	(150)
Sample	33	49	25	43	33	150

Source: Bloomberg, 2024

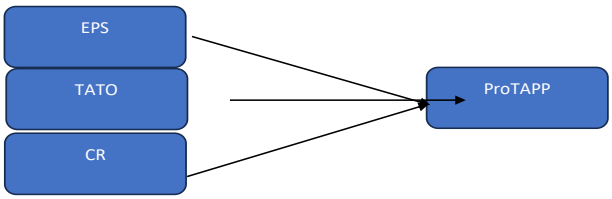
The companies selected must have complete financial information available for the entire period from 2019 to 2023 to ensure the reliability and consistency of the data analysis. Companies that have not incurred losses over the period from 2019 to 2023 are chosen. This criterion helps focus on firms that have been financially viable and stable, excluding those that might skew the analysis due to poor financial performance. The sample used in the research consists of 150 companies across the ASEAN region, specifically within the real estate and property sector. These companies are sampled over a five-year period, from 2019 to 2023.



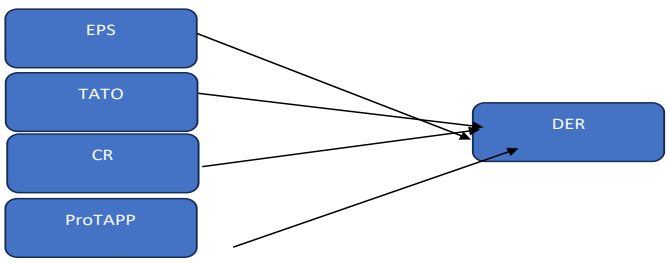
Picture 1. Model Conceptual

4. RESULTS

Sub structural 1



Sub structural 2



Picture 2. Model indirect and direct effect

To conduct the Chow test, Hausman test, and panel data analysis for your data set of 150 companies over the period 2019-2023, we need to follow several steps in a statistical software that supports econometric analysis, such as EViews, Stata, or R. The Chow Test is used to determine whether the coefficients in two different regressions on different datasets (e.g., two different time periods or groups) are equal. This test can be particularly useful if you suspect that the relationship between your variables has changed due to an external event or different conditions within subgroups (e.g., before and after a policy change).

The Hausman test is used to decide between a fixed effects model and a random effects model. If the p-value of the test is small (typically <0.05), it suggests that the fixed effects model is more appropriate due to the correlation between the independent variables and individual effects. Mediation analysis in panel data can be complex and typically requires structural equation modeling (SEM) or path analysis to properly assess indirect effects.

Table 2. Sub Structural 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.532696	0.046105	11.55386	0.0000
EPS	-0.055197	0.051590	-1.069914	0.2854
TATO	0.044285	0.052016	0.851365	0.3952
CR	-0.032349	0.051892	-0.623383	0.5335

Table 3. Sub Structural 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.441989	0.056873	7.771525	0.0000
EPS	0.003810	0.053905	0.070685	0.9437
TATO	0.052052	0.054316	0.958304	0.3386
CR	-0.017494	0.054160	-0.323004	0.7469
PROTAPP	0.085096	0.056990	1.493161	0.1363

5. DISCUSSION

In discussing the results of the study on the influence of various financial metrics on funding decisions and tangible asset-based profits and sales growth (ProTAPP) in the ASEAN real estate and property sector, we consider the following variables and their relationships:

Impact of Earnings Per Share (EPS) on Debt to Equity Ratio (DER)

The analysis suggests that EPS directly influences DER, highlighting the critical role of profitability in funding decisions. A higher EPS generally indicates better financial health, making firms more attractive to creditors and possibly leading to a higher willingness to extend kredit (Rehan et al., 2023). This relationship underscores the confidence that lenders and investors place in profitable companies, which might use increased leverage more judiciously to finance expansion or operational needs without significantly heightening financial risk (Msomi & Nzama, 2023). To delve deeper into the relationship between Earnings Per Share (EPS) and Debt to Equity Ratio (DER), we can explore several nuanced dimensions that

elucidate how EPS influences debt financing decisions within companies, particularly in the ASEAN real estate and property sector. EPS serves as a direct measure of a company's profitability per outstanding share of stock, offering a clear snapshot of financial health and efficiency. A higher EPS indicates that a company is generating greater profits relative to the number of shares, which can be an attractive metric for investors and creditors. This financial indicator reassures creditors about the company's ability to generate enough income to cover new and existing debt, thereby influencing their willingness to offer more favorable credit terms or increase the amount of credit available (Aboagye-Otchere & Boateng, 2023).

Influence of Total Assets Turnover (TATO) on Debt to Equity Ratio (DER)

The findings reveal that TATO has a direct impact on DER. A higher TATO indicates efficient asset usage, generating more revenue per unit of asset owned, which can support a higher debt capacity. This efficiency signals to creditors that the firm manages its assets effectively, potentially leading to better terms on borrowed funds (Uddin et al., 2022). Moreover, efficient asset turnover might prompt companies to leverage their operations further, aiming to amplify returns on equity through calculated increases in debt. TATO, a measure of how effectively a company utilizes its assets to generate revenue, is a critical indicator of operational efficiency (Sikveland et al., 2022). A higher TATO means the company is generating more revenue from each unit of asset owned, which typically translates into higher profitability (Sardo et al., 2022). This efficiency is appealing to creditors as it indicates robust operational management and a lower risk of investment, potentially leading to better borrowing terms including lower interest rates or higher available credit limits.

Relationship between Current Ratio (CR) and Debt to Equity Ratio (DER)

The results indicate a direct relationship between the CR and DER, with a higher CR generally leading to lower DER. This outcome suggests that companies with better short-term liquidity might be less dependent on debt financing, as they have sufficient liquid assets to cover short-term obligations (Goenner & Lee, 2022). This liquidity reduces the necessity for external financing, aligning with conservative financial management practices where firms maintain financial flexibility against unforeseen economic fluctuations (Ghani et al., 2023). The observed relationship between Current Ratio (CR) and Debt to Equity Ratio (DER) underscores a fundamental aspect of financial management, indicating that companies with higher CR typically exhibit lower DER. This correlation highlights that businesses with strong short-term liquidity, as evidenced by a high CR, have adequate resources to meet their immediate financial obligations without relying heavily on debt. Such companies are likely to have significant cash reserves or easily liquidable assets, which provide them the flexibility to

operate without the need for securing additional debt (Gyimah et al., 2021). This financial prudence is particularly advantageous in mitigating risks associated with market volatility or economic downturns, where access to liquid assets can be crucial for sustaining operations and capitalizing on emergent opportunities without the added burden of servicing high levels of debt.

Effect of Earnings Per Share (EPS) on Tangible Asset-Based Profits and Sales Growth (ProTAPP)

The study finds that EPS positively affects ProTAPP. This effect can be attributed to the notion that higher profitability, as reflected by EPS, provides firms with the necessary capital to invest in tangible assets and pursue opportunities that propel sales growth. This internal funding capability enables companies to expand without relying excessively on external funding, fostering sustainable growth and potentially enhancing asset tangibility through reinvestments in physical assets (Ullah et al., 2020). The positive influence of Earnings Per Share (EPS) on Tangible Asset-Based Profits and Sales Growth (ProTAPP) elucidates a vital dynamic within corporate financial management, where increased profitability, indicated by higher EPS, equips companies with enhanced internal capital. This financial strength enables firms to reinvest their earnings into tangible assets, such as property, plant, and equipment, which are critical for expansion and operational enhancement (Ripamonti, 2020).

Impact of Total Assets Turnover (TATO) on Tangible Asset-Based Profits and Sales Growth (ProTAPP)

TATO also shows a significant positive impact on ProTAPP, illustrating that companies with higher asset efficiency not only maximize revenue from their asset base but also strategically reinvest these revenues in growth-enhancing projects (Goenner & Lee, 2022). High TATO reflects operational efficiency, which can translate into greater profitability and provide a foundation for further tangible asset investments and sales expansion. The significant positive impact of Total Assets Turnover (TATO) on Tangible Asset-Based Profits and Sales Growth (ProTAPP) highlights the critical role of operational efficiency in driving business growth. When a company achieves a high TATO, it indicates effective utilization of its asset base, maximizing revenue generation per unit of asset invested. This efficient handling of assets not only boosts profitability but also fuels the financial capacity for reinvestment in tangible assets that further stimulate sales growth (Rehan et al., 2023).

Impact of Current Ratio (CR) on Tangible Asset-Based Profits and Sales Growth (ProTAPP)

The relationship between CR and ProTAPP is nuanced. A higher CR typically indicates better liquidity, which suggests that companies can sustain operations and invest in growth initiatives without the immediate need for external financing. This liquidity can facilitate investments in tangible assets and help drive sales growth, assuming that these liquid assets are efficiently deployed towards growth-enhancing activities. However, an excessively high CR might also indicate underutilization of assets, which could mean missed opportunities for higher returns through more aggressive investment strategies (Zeng et al., 2024). The nuanced relationship between Current Ratio (CR) and Tangible Asset-Based Profits and Sales Growth (ProTAPP) underscores the complex interplay between liquidity management and growth opportunities. A high CR, reflecting strong liquidity, enables companies to maintain smooth operations and channel funds into growth-promoting projects without depending on external financial sources (Uddin et al., 2022). This liquidity ensures that firms can readily invest in tangible assets such as equipment, buildings, or technology investments that are crucial for expanding operational capacity and enhancing sales performance.

Influence of Tangible Asset-Based Profits and Sales Growth (ProTAPP) on Debt to Equity Ratio (DER)

The study finds a correlation where ProTAPP influences DER. Higher profits from tangible assets and significant sales growth can lead firms to adopt more aggressive financing strategies, including higher use of debt. This is because successful tangible asset utilization and sales growth generate confidence in future cash flows, making debt financing a viable option for further expansion (Sardo et al., 2022). This dynamic suggests that companies experiencing tangible growth may opt to leverage this success into further expansions funded by debt. The correlation identified between Tangible Asset-Based Profits and Sales Growth (ProTAPP) and the Debt to Equity Ratio (DER) provides insightful implications for financial strategy in dynamic markets. When companies achieve higher profits through effective utilization of tangible assets and subsequently record significant sales growth, they often gain increased confidence in their ability to generate stable and predictable future cash flows (Sikveland et al., 2022). This confidence not only reassures management but also appeals to creditors, thereby enabling these companies to consider more aggressive financing strategies (Aboagye-Otchere & Boateng, 2023). As a result, firms are more likely to increase their leverage, using debt financing to fuel further expansion and investment in new projects or markets (Rashid et al., 2023). This strategic use of debt, driven by proven success in tangible asset profitability and

sales growth, allows businesses to amplify their growth potential without diluting ownership through equity financing (Orlova et al., 2020). Such an approach can accelerate expansion and market penetration, provided the debt is managed prudently and aligned with long-term strategic goals, ensuring that the growth fueled by this leverage remains sustainable and financially viable. This dynamic effectively demonstrates how tangible success in asset management and sales can transform into strategic financial decisions, influencing broader corporate strategies and market positioning (Hussain et al., 2023).

Mediating Role of ProTAPP in the Relationship Between EPS and DER

EPS impacts DER both directly and indirectly through ProTAPP. While EPS directly reflects profitability influencing debt capacity and terms, its impact through ProTAPP highlights how profitability-driven investments in tangible assets and resultant sales growth can further affect financing decisions (Audretsch & Lehmann, 2014). High EPS, indicating robust profitability, enables firms to invest in assets and expand operations, which in turn supports a higher DER as these companies capitalize on their growth to finance additional opportunities. The mediating role of Tangible Asset-Based Profits and Sales Growth (ProTAPP) in the relationship between Earnings Per Share (EPS) and Debt to Equity Ratio (DER) underscores a layered financial strategy where profitability not only adjusts direct financial leverage but also orchestrates growth-driven leverage decisions (Haidar & Sohail, 2021). A high EPS, signaling strong profitability, provides firms with the necessary capital to make substantive investments in tangible assets, which directly enhances their operational capacity and market presence (Attaoui et al., 2021). As these investments translate into tangible asset-based profits and further catalyze sales growth (ProTAPP), they create a robust foundation for supporting and justifying higher levels of debt. This cycle allows firms to leverage their successful use of assets to secure additional financing, which is then used to pursue even more ambitious growth initiatives.

Mediating Role of ProTAPP in the Relationship Between TATO and DER

Similarly, TATO's effect on DER, mediated by ProTAPP, reveals how efficient asset management and its resultant profitability and sales growth influence debt financing strategies. Firms with high TATO are effectively using their assets to generate revenue, which, when reinvested, promotes tangible asset growth and sales expansion. This successful reinvestment cycle can justify and support increased debt levels, as stakeholders may perceive the firm's growth strategy as sustainable and well-supported by internal cash flows (Orlova et al., 2020). The mediating influence of Tangible Asset-Based Profits and Sales Growth (ProTAPP) elucidates the dynamic relationship between Total Assets Turnover (TATO) and Debt to Equity

Ratio (DER), highlighting how adept asset management can shape debt financing strategies. High TATO indicates that a company efficiently utilizes its assets to maximize revenue generation; this efficiency not only boosts profitability but also fosters the reinvestment of earnings into tangible assets, thereby spurring further sales growth (Ghani et al., 2023).

Mediating Role of ProTAPP in the Relationship Between CR and DER

The impact of CR on DER, mediated through ProTAPP, is intricate. While a strong CR generally implies less reliance on external financing, when linked with tangible asset profitability and sales growth (ProTAPP), the scenario might change. Companies that manage their liquidity well and simultaneously invest in profitable asset growth may find it advantageous to leverage their growth through debt, especially if it can finance further profitable ventures without jeopardizing financial stability (Conte et al., 2024). The mediating role of Tangible Asset-Based Profits and Sales Growth (ProTAPP) in the relationship between Current Ratio (CR) and Debt to Equity Ratio (DER) presents a sophisticated financial interplay (Panda et al., 2023). Typically, a high CR indicates a strong liquidity position, suggesting a company's capability to meet short-term liabilities without heavy reliance on external borrowing. However, when this financial stability is coupled with successful investments in tangible assets that drive profits and sales growth embodied in ProTAPP the financial strategy might pivot. Firms with robust liquidity and growing tangible asset profitability may opt to strategically increase their leverage (Rashid et al., 2023).

6. CONCLUSION

In conclusion, the study meticulously examines the intricate interplay between various financial metrics and their impact on funding decisions and tangible asset-based profits and sales growth (ProTAPP) within the ASEAN real estate and property sector. It highlights how core financial indicators such as Earnings Per Share (EPS), Total Assets Turnover (TATO), and Current Ratio (CR) significantly influence the Debt to Equity Ratio (DER), mediated by the profitability and growth driven by tangible assets (ProTAPP). The findings elucidate that higher EPS and TATO, indicative of robust profitability and efficient asset utilization, not only foster direct increases in DER but also empower firms to strategically leverage their growth through prudent debt management. Simultaneously, a strong CR often correlates with lower DER, reflecting a conservative financial approach that maximizes liquidity and minimizes reliance on external debt. These dynamics collectively underscore the critical role of strategic asset management and profitability in shaping financial structures and growth trajectories in the property sector. The research provides valuable insights into how firms can effectively

leverage their financial and asset management strategies to sustain growth and enhance financial stability in a competitive market environment, ultimately contributing to a comprehensive understanding of financial management practices in regional real estate and property markets.

LIMITATION

Despite the comprehensive insights provided by this study, it is important to acknowledge certain limitations that could influence the generalizability and applicability of the findings. The study primarily focuses on ASEAN real estate and property sectors, which might exhibit unique economic and regulatory characteristics that are not entirely representative of other regions or industries. This regional focus may limit the ability to extrapolate the results to different economic contexts where market dynamics and financial structures differ significantly. Additionally, the reliance on financial metrics like EPS, TATO, and CR as primary indicators of financial health and strategic decision-making may overlook other potential influences such as managerial decisions, cultural aspects, and external economic conditions that can also significantly impact funding strategies and asset management. These limitations suggest that while the study offers valuable regional insights, further research could benefit from a broader scope and a more diverse set of variables to enhance the understanding of these relationships in varied contexts.

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