

**THE LONG RUN PERFORMANCE OF MALAYSIA INITIAL
PUBLIC OFFERINGS (IPOS) IN CONSTRUCTION AND
INDUSTRIAL PRODUCTS SECTOR:
GROWTH AND VALUE EFFECTS**

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**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

NOVEMBER 2007



"DECLARATION OF ORIGINAL WORK"

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
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JOHOR**

I, ADEELA BT OTHMAN (I/C Number: 840302-14-5128)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: *adeela*

Date: 5 Nov 2007

LETTER OF SUBMISSION

24 OCTOBER 2007

The Programme Coordinator
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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "THE LONG RUN PERFORMANCE OF MALAYSIA INITIAL PUBLIC OFFERINGS (IPOs) IN CONSTRUCTION AND INDUSTRIAL PRODUCTS: GROWTH AND VALUE EFFECTS" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA

Thank you

Yours sincerely



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ACKNOWLEDGEMENT

Alhamdulillah, praise to Allah S.W.T the Al Mighty and Merciful, because of the blessing that made possible for this project to be completed in time.

This thesis is prepared to fulfill the graduation requirement of Bachelor of Business and Administration (Honours) Finance. One semester of completing this thesis together with the classes to be attended as the requirement on the completion of BBA (Honours) Finance has given me opportunity to gain knowledge and being exposed to the current economic condition before continuing with the future endeavor challenges.

Foremost, I would like to take this opportunity to express my sincerely gratitude to all those efforts facilitated in the completion of this thesis. Without helped and support from various people, the completion of this study would not be made possible.

Firstly, I would like to express my deepest gratitude and thanks to my most respected thesis advisor, En.Basarudin Shah b. Basri, from whom I sought and received valuable guidance, comments, views, advices as well as encouragement based upon her own extensive experience. I am also grateful for her tolerance towards my weaknesses and ignorance in completing this thesis. I wish to express my special word of thanks and indebted to En.Muhamad Sukor bin Jaafar, who also responsible for the preparation of the contents and the flow of the thesis.

Special thanks are due to all staff of Uitm Johore library and Bursa Malaysia Library for their helped, guidelines and information regarding this study. To my colleagues, especially the BBA (Honours) Finance 06, thanks for all your constructive critics, Last but not least, special word of thanks and sincere gratitude to my beloved family, for the prayer and constant support for the beginning until the end of this study.

ADEELA BT OTHMAN

ABSTRACT

This project paper about the long run performance of Malaysian Initial Public Offerings (IPO) between two industries by using 30 selected companies listed at main board KLSE and period used between year 2000 to 2006. The comparisons are made to study the IPO performance after issue in public between industrial product companies and construction companies. The purpose of this study is wanted to investigate whether the growth and value effect on IPO performance in the listed companies in Malaysia.

By using Cumulative Adjusted Return method, the overall result provides evidence consistent with the previous study about the long run performance of IPO. The growth and value IPO will determine depends on the Price-book value ratio (P/BV), Price-earning ratio (P/E) and Price-Cash flows ratio (P/CF). This is to known whether investing in growth or value which better or outperformed after issued IPO in companies. The performance of Malaysian IPO issued by constructions companies and industrial product indicates that in the long run performance of IPO.

By using independent sample test in order to test the performance of which construction companies or industrial product companies perform better in market. Shows that, there is not significantly difference. Refers to this mean shows that the industrial product companies perform better than construction companies.