

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCING THE PERFORMANCE OF
GOVERNMENT-LINKED INVESTMENT COMPANIES
IN MALAYSIA**

**NADHIRAH FARZANA BINTI ROZMAN
2016653382**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


Name of Student : Nadhirah Farzana Binti Rozman

Student I.D. No. : 2016653382

Programme : Bachelor of Business and Administration (Hons)
Investment Management

Faculty : Business and Management

Thesis : Factors Influencing The Performance of Government-
Linked Investment Companies in Malaysia

Signature of Student :

Date : June 2018

ABSTRACT

Government-Linked Investment Companies (GLIC) is considered as one of a powerful engine to promote economic growth in Malaysia which could lead to rapid expansion of globalization. Ministry of Finance has become the most powerful player in the Malaysian economy which greatly impacts the economy by its state intervention and politics according to Free Malaysia Today, (2018). It could stimulate the economy of the country as it is one of the biggest substances to development. The Performance of GLIC in Malaysia is still uncertain due to external and internal factors of the economy and the firm itself. This research is undertaken with an aim to measure and identify influences on the performance of Government-Linked Investment Companies in Malaysia. This study focused on using data collection method from respective firm's annual report which the period of data analysis covers from 2010-2016. In addition, this study will be using return on asset as the dependent variable and firm size, leverage, and liquidity as the independent variables as measurement for the performance of Government-Linked Investment Companies in Malaysia. There are five companies selected in this study which are Khazanah Nasional Berhad, Kumpulan Wang Simpanan Pekerja, Lembaga Tabung Haji, Lembaga Tabung Angkatan Tentera, and Kumpulan Wang Persaraan. Evidence found from the previous studies by other researcher stating that the firm size, leverage, and liquidity carry a negative impact. However, in this study all independent variables outcomes are significantly related to performance although it carries a negative impact. Moreover, this study will be using the panel least square statistical method to test for the independent and dependent variables relationship.

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