

**Post-IPO Operating Performance of Venture and Non
Venture-Backed Companies in Malaysia**

Thesis Submitted to the Postgraduate Studies Othman Yeop Abdullah Graduate
School of Business

In Partial Fulfillment of the Requirement for the Degree

Of

Master of Science in Finance
University Utara Malaysia

By

SEKAR SUCI ASDITYANI

DECLARATION

I hereby declare that this thesis entitled “Post-IPO Operating Performance of Venture and Non Venture-Backed Companies in Malaysia” is based on my original research except for quotations and citations that have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at Universiti Utara Malaysia or other institutions.

Sekar Suci Asdityani

807351

Othman Yeop Abdullah Graduate School of Business

Universiti Utara Malaysia

06010 Sintok

Kedah

January, 2012

PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirement for Master of Science (Finance) Degree from University Utara Malaysia, I agree that the university library may make it freely available for inspection. I further agree that permission of copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or in her absence, by Dean of College of Business. It is understood that any copying and publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and University Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request for permission to copy or to make other use of materials in this thesis, in whole or part should be addressed to:

Dean
Othman Yeop Abdullah Graduate School of Business
University Utara Malaysia
06010 Sintok
Kedah Darul Aman

ABSTRACT

This study examines the changes in post-operating performance of venture-backed and non-venture IPO companies. Moreover, this study also expects to investigate the effect of venture capitalist and pre-IPO characteristics on post-IPO operating performance. The tests are conducted on a sample of 112 companies going public during 2002 to 2008 on MESDAQ market of Bursa Malaysia. Out of 112 IPOs, 22 were venture-backed and 90 were non-venture backed IPO companies.

A significant decline in operating performance subsequent to the initial public offering (IPO) is found. The evidence shows declining performance in the IPO year and up to three years following IPOs relative to the pre-IPO period. In contrast with the previous studies, the result reports that venture-backed IPO do not generate superior post-IPO performance to non-venture backed IPOs in Malaysia evidence. Additionally, there is a significant positive relation between post-IPO operating performance and changes in VC ownership, initial return, company age and company size and also significant negative relation between post-IPO operating performances with market capitalization. However no relation between post-IPO operating performance with VC dummy and company size of offering.

Keywords: Venture Capital, Operating performance, IPO, Malaysia.

ABSTRAK

Kajian ini mengkaji perubahan dalam prestasi operasi syarikat IPO yang disokong oleh pemodal teroka dan syarikat yang tidak disokong oleh pemodal teroka. Selain itu, kajian ini juga menjangkakan untuk menyiasat kesan pemodal teroka dan ciri-ciri sebelum penerbitan IPO kepada prestasi operasi selepas IPO. Ujian dijalankan kepada sampel 112 syarikat yang menerbitkan IPO pada tahun 2002 hingga 2008 di pasaran MESDAQ Bursa Malaysia. Daripada 112 syarikat IPO, 22 adalah syarikat IPO yang disokong oleh pemodal teroka dan 90 syarikat IPO tanpa sokongan pemodal teroka.

Kajian ini menunjukkan adanya penurunan yang signifikan dalam prestasi operasi selepas IPO. Bukti menunjukkan prestasi yang menurun di tahun IPO sehingga tiga tahun selepas IPO berbanding dengan tempoh sebelum IPO (pra-IPO). Berbeza dengan kajian sebelumnya, hasil menunjukkan bahawa syarikat Malaysia yang disokong oleh pemodal teroka tidak lebih unggul menjana prestasi operasi berbanding dengan syarikat tanpa sokongan pemodal teroka. Selain itu, terdapat hubungan positif yang signifikan antara prestasi operasi selepas IPO dengan perubahan dalam pemilikan modal teroka, pulangan awal, usia syarikat, saiz syarikat dan juga adanya hubungan negatif yang signifikan antara prestasi operasi selepas IPO dengan permodalan pasaran. Walaubagaimanapun tidak ada hubungan antara prestasi operasi selepas IPO dengan proksi modal teroka dan saiz terbitan syarikat.

Katakunci: Pemodal teroka, Prestasi Operasi, Penyenaiaan, Malaysia.

ACKNOWLEDGEMENT

In the name of Allah the most Gracious and the Most Merciful, Peace and blessings of Allah be upon Prophet Muhammad. All my effort depends for His sustenance and guidance, for bestowing on me the great strength, patience, and courage to complete this thesis.

I would like to express my sincerely gratitude to my supervisor, Dr. Nurwati Ashikkin binti Ahmad Zaluki who initially introduced me to such an interesting area of the study. Many thanks for being patient while reading drafts of my thesis and giving me constructive comments which were valuable to improve my research skill. I am very appreciates for her knowledgeable supervision. Not forgetting, Dr. Rokiah binti Ishak as my examiner for giving me precious advices.

Very special gratitude is addressed to my family. My mother, Trihastuti for her love, support, and pray. My father, Alm. Siswandi who always become my inspiration. I also thank to my sister, Raras and Arum for the happiness. I am so grateful to them who raised me to have a faith, confidence and power in myself. With love, I dedicate this work to you all.

Last but not least, thanks to all those friends who participated directly or indirectly in completing this thesis. Thanks again for their love and encouragement. May Allah SWT bless us. Amin.

TABLE OF CONTENTS

DECLARATION.....	i
PERMISSION TO USE	ii
ABSTRACT	iii
ABSTRAK	iv
ACKNOWLEDGEMENT.....	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES.....	x
LIST OF APPENDICES	x
CHAPTER 1: INTRODUCTION	1
1.1 Background of Study.....	1
1.2 Problem Statement	3
1.3 Research Questions	6
1.4 Research Objectives	6
1.5 Significance of Study	7
1.6 Scope and Limitation of the Study	8
1.7 Summary of Chapter	9
CHAPTER 2: VENTURE CAPITAL AND IPO MARKET IN MALAYSIA.....	11
2.1 Venture Capital.....	11
2.2 Initial Public Offering	17
CHAPTER 3: LITERATURE REVIEW	23
3.1 Introduction	23
3.2 Underlying Theory	24
3.2.1 Agency Cost Theory.....	24

3.2.2	Window of Opportunity and Market Timing Hypothesis	25
3.2.3	Window Dressing Hypothesis	26
3.3	Literature Review and Hypothesis Development	27
3.3.1	Operating Performance Post-IPO	27
3.3.2	Venture-Backed and Non-Venture Backed IPO.....	32
3.3.3	Control Variables: Other Factors Influencing Company’s Operating Performance.....	37
3.4	Summary of Chapter	47
CHAPTER 4: RESEARCH METHODS.....		48
4.1	Introduction	48
4.2	Source of Data and Data Collection Method	48
4.3	Sample Selection	51
4.4	Method	55
4.4.1	Research Design	55
4.4.1	Analysis Undertaken and Test Statistic Used.....	56
4.5	Justification of Variables	58
4.5.1	Measurement of Operating Performance.....	58
4.5.2	Measurement of Independent Variables and Control Variables	60
4.6	Research Framework of Venture Capital and Company Operating Performance	65
4.7	Summary of Chapter	66
CHAPTER 5: ANALYSIS AND FINDINGS.....		67
5.1	Introduction	67
5.2	Descriptive Statistics	67
5.3	Changes in Operating Performance of Venture-Backed and Non-Venture Backed IPO Companies	72
5.4	Correlation of Operating Performance, Venture Capital and Pre- Characteristics of IPO Companies	85
5.5	Post-IPO Operating Performance: Multivariate Analyses of Venture Capitalist and Pre-IPO Characteristics	88

5.6	Summary of Chapter	94
CHAPTER 6: SUMMARY AND CONCLUSIONS		96
6.1	Introduction	96
6.2	Overall View of the Study	96
6.3	Summary of the Result	97
6.4	Recommendation for Further Research	99
REFERENCES.....		101

LIST OF TABLES

Table 1.1: Kuala Lumpur Composite Index (KLCI) and Number of IPOs in Bursa Malaysia from 1997 to 2011	2
Table 2.1: Stage of Financing in Venture Capital	14
Table 2.2: Listing on Bursa Malaysia	19
Table 4.1: Number of IPO Companies in the MESDAQ Market in 2002-2008 ...	49
Table 4.2: MESDAQ IPO Companies by Industry	53
Table 4.3: Dependent Variables and the Measurement	60
Table 4.4: Independent Variables, Control Variables and the Measurement.....	64
Table 5.1: Descriptive Statistics for Operating Figure of Venture-Backed IPO and Non-Venture Backed IPO	69
Table 5.2: Characteristics of Venture-Backed IPO and Non-Venture IPO Prior or at the Offering	71
Table 5.3: The Median and Mean Changes in Operating Cash Flow to Total Assets (OCFTA)	75
Table 5.4: The Median and Mean Changes in Return on Assets (ROA)	78
Table 5.5: The Median and Mean Changes in Return on Sales (ROS)	81
Table 5.6: Correlation Matrix between Changes in Operating Performance, Venture Capital Variables and Pre-IPO Characteristics	87
Table 5.7: Multivariate Analysis between Venture Capital and Pre-IPO Characteristics with Post-IPO Operating Performance.....	90

LIST OF FIGURES

Figure 2.1: Conceptual Timeline for MAIN Market Listing Process	21
Figure 2.2: Conceptual Timeline for ACE Market Listing Process	22
Figure 4.1: Venture Capital Backed IPOs in MESDAQ Market	54

LIST OF APPENDICES

Appendix 1: The Procedure of Collecting Data Using Datastream Database	110
Appendix 2: List of IPO Companies Listed on MESDAQ Market (2002-2008)...	114
Appendix 3: List of Registered Venture Capital Corporations at August 2011	118
Appendix 4: List of Venture-Backed IPO Companies in 2002-2008	120

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Company performance is widely recognized as an indicator of management performance and a key for investment decisions (Mokhtar, Naser, and Karbhari, 2004). In the management perspective, company performance is used as a measurement to reflect management effectiveness and efficiency. Maintaining the sustainability of company performance is one of the critical things for the management to create investor confidence. Some previous studies (e.g. Jain and Kini, 1995; Coeakley, Hadass, and Wood, 2004; Siang, 2009) relate venture capital (VC) as one of the factors that could improve company performance. It is a well-known economic fact that venture capital significantly contributes to the success of start-up companies and to long-term economic growth.

In the Malaysian market, the number of IPO issuance increases in 2002. Based on the information available on Bursa Malaysia website as shown in Table 1.1, The Kuala Lumpur Composite Index (KLCI) has improved a lot since 2002 after the financial crisis. In 2002, KLCI increased from 646.32 points to 1445.03 points in 2007 as the highest index that has been recorded since 1990s. The total number of IPOs also increases from 20 new issues reported in 2001 to 51 new issues in 2002. After the 1997/1998 financial crisis that had given impact to Malaysian economy, the market stability and confidence took place in 2002.

The contents of
the thesis is for
internal user
only

REFERENCES

- Abdul Rahman, R., & Wan Abdullah, W. R. (2005). The New Issue Puzzle in Malaysia: Performance and Earnings Management. *Journal of Financial Reporting and Accounting* , 3, 91-110.
- Ahmad, Z., & Lim, S. M. (2001). Operating Performance of Initial Public Offerings in Malaysia. *The Malaysian Finance Association 7th Annual Conference*. University Sains Malaysia.
- Ahmad-Zaluki, N. A. (2008). Post-IPO Operating Performance and Earning Management. *Internal Business Research* , 1 (2), 39-48.
- Ahmad-Zaluki, N. A. (2005). *The Performance of Malaysian Initial Public Offerings and Earnings Management*. Unpublish Phd Thesis, University of Stirling .
- Ahmad-Zaluki, N. A., Campbell, K., & Goodacre, A. (2011). Earning Management in Malaysia IPOs: The East Asian Crisis, Ownership Control, and Post-IPO Performance. *International Journal of Accounting* , 46 (2), 111-137.
- Allen, F., & Faulhaber, G. (1989). Signaling by Underpricing in the IPO Market. *Journal of Financial Economics* , 23, 303-324.
- Arosa, B., Iturralde, T., & Maseda, A. (2010). Outsiders on the Board of Directors and Firm Performance: Evidence from Spanish Non-listed Family Firms. *Journal of Family Business Strategy* , 1 (4), 236-245.
- Azmi, M. F., & Singh, M. (2006). *Development of the Venture Capital Industry in Malaysia*. Retrieved July 13, 2011, from <http://www.eurekahedge.com>
- Baker, M., & Wurgler, J. (2002). Market Timing and Capital Structure. *Journal of Finance* , 57 (1), 1-32

- Benninga, S., Helmantel, M., & Sarig, O. (2004). *The Timing of Initial Public Offerings*. Working Paper, University Groningen.
- Ber, H., & Yafeh, Y. (2003). *Venture Capital Funds and Post-IPO Performance in Booms and Busts: Evidence from Israeli IPO's in the US in the 1990's*. Discussion Paper, Bank of Israel, Jerusalem.
- Berger, A., & Udell, G. (1998). The Economics of Small Business Finance: The Roles of Private Equity and Debt Markets in the Financial Growth Cycle. *Journal of Banking and Finance* , 22, 613-673.
- Bessler, W., & Seim, M. (2011). *Venture Capital and Initial Public Offerings in Europe: Underpricing, Performance, and Firm Characteristics*. Working Paper, University of Giessen.
- Bessler, W., Holler, J., & Seim, M. (2010). *Venture Capital and Private Equity in Germany*. D Cumming (ed): Private Equity-Fund Types, Risks and Returns, and Regulation, Wiley, 511-544.
- Bottazzi, L., & Da Rin, M. (2002). Venture Capital in Europe and the Financing of European Innovative Firms. *Economic Policy* , 17, 229-269.
- Boubaker, A., & Mezhoud, M. (2011). Impact of Managerial Ownership on Operational Performance of IPO Firms: French Context. *International Journal of Management Science and Engineering Management* , 6 (3), 191-197.
- Brav, A., & Gompers, P. (1997). Myth or Reality? The Long-run Underperformance of Initial Public Offerings: Evidence from Venture and Non-venture Capital-backed Companies. *Journal of Finance* , 52, 1791-1821.
- Brown, L. D., & Caylor, M. L. (2009). Corporate Governance and Firm Operating Performance. *Review of Quantitative Finance and Accounting* , 32 (2), 129-144.

- Cai, J., & Loughran, T. (1998). The Performance of Japanese Seasoned Equity Offerings, 1971-1992. *Pacific-Basin Finance Journal* , 6, 395-425.
- Cai, J., & Wei, C. J. (1997). The Investment and Operating Performance of Japanese Initial Public Offerings. *Pacific-Basin Finance Journal* , 5, 389-417.
- Carpenter, R. E., & Rondi, L. (2003). *The Growth and Performance of Newly Public Italian Firms*. Working Paper , UMBC, The Levy Economics Institute and Institute for Economic Research on Firms and Growth. National Research.
- Carter, R., Dark, F., & Singh, A. (1998). Underwriter Reputation, Initial Returns, and the Long-run Performance of IPO Stocks. *Journal of Finance* , 53, 285-311.
- Chaney, P. K., & Lewis, C. M. (1998). Income Smoothing and Underperformance in Initial Public Offerings. *Journal of Corporate Finance* , 4, 1-29.
- Chang, X., Lin, S. H., Tam, L. H., & Wong, G. (2007). *Investor Sentiment, Governance Mechanisms, and Post-IPO Performance in China*. Working Paper, University of Macau.
- Chi, J., & Padgett, C. (2006). Operating Performance and Its Relationship to Market Performance of Chinese Initial Public Offerings. *Chinese Economy* , 39 (5), 28-50.
- Coakley, J., Haddas, L., & Wood, A. (2007). Post-IPO Operating Performance, Venture Capital and the Bubble Years. *Journal of Business Finance and Accounting* , 34 (9 & 10), 1423-1446.
- Coakley, J., Haddas, L., & Wood, A. (2004). Post-IPO Operating Performance, Venture Capitalists and Market Timing. *EFMA Annual Conference*. Bocconi University.
- David, T. C. (2002). *A Study of the Relationship between Firm Age-at-IPO and Aftermarket Stock Performance*. Working Paper, School of Business, Glucksman Institute of Research.

- Dechow, P. M., Sloan, R. G., & Sweeney, A. P. (1996). Causes and Consequences of Earnings Manipulation: An Analysis of Firms Subject to Enforcement Actions by the SEC. *Contemporary Accounting Research* , 13, 1-36.
- DeGeorge, F., & Zeckhauser, R. (1993). The Reverse LBO Decision and Firm Performance: Theory and Evidence. *Journal of Finance* , 48, 1323-1348.
- Engel, D., & Keilbach, M. (2002). *Firm Level Implications of Early Stage Venture Capital Investment - An Empirical Investigation*. ZEW Discussion Paper, 2-82.
- Fama, E. F. (1998). Market Efficiency, Long-term Returns, and Behavioral Finance. *Journal of Financial Economics* , 49, 283-306.
- Fama, E. F., & French, K. (1993). Common Risk Factors in the Returns on Stocks and Bonds. *Journal of Finance Economics* , 33, 3-56.
- Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control. *Journal of Law and Economics* , 26, 301-325.
- Gasbarro, D., Bundoo, S., & Zumwalt, J. K. (2003). Underpricing and Aftermarket Performance of IPO Firms in Mauritius. *Journal of Emerging Market Finance* , 2 (3), 315-335.
- Goergen, M. (1998). *Corporate Governance and Financial Performance: A Study of German and UK Initial Public Offerings*. Cheltenham, UK: Edward Elgar Publishing.
- Gompers, P. (1996). Grandstanding in the Venture Capital Industry. *Journal of Financial Economics* , 43, 133-156.
- Gompers, P. (1995). Optimal Investment, Monitoring, and the Staging of Venture Capital. *Journal of Finance* , 50, 1461-1490.

- Gompers, P., & Lerner, J. (1999). *The Venture Capital Cycle*. Cambridge, MA, MIT Press.
- Gompers, P., & Lerner, J. (2001). The Venture Capital Revolution. *Journal of Economic Perspectives* , 15, 145-168.
- Gorman, M., & Sahlman, W. A. (1989). What Do Venture Capitalists Do? *Journal of Business Venturing* , 4, 231-248.
- Grinblatt, M., & Hwang, C. (1989). Signaling and the Pricing of New Issues. *Journal of Finance* , 44, 393-420.
- Guan, R. C., & Cheong, W. K. (1989). *Venture Capital in the Asia Pacific Region*. Singapore: Toppan Co. (S) Pte Ltd.
- Hamza, O., & Kooli, M. (2011). *Does Venture Capitalists Reputation Improve the Survival Profile of IPO Firms?* Working Paper, University Du Quebec a Montreal, Canada .
- Hasan, Z. A. (2009). *The Short-run Performance of Initial Public Offerings (IPOs) Backed by Venture Capitalists in Malaysia: MESDAQ Market 2002-2006*. Unpublished Project Paper, Universiti Utara Malaysia.
- Hellmann, T., & Puri, M. (2002). Venture Capital and the Professionalization of Start-up Firms: Empirical Evidence. *Journal of Finance* , 57, 169-197.
- Ho, C. S., & Hamzah, R. A. (2011). Pre-IPO Characteristics and Post-IPO Operating Performance in Malaysia. *Business Management Quarterly Review* , 2 (1), 54-64.
- Huang, S. G., & Song, F. M. (2002). *The Financial and Operating Performance of China's Newly Listed H-Firms*. Working Paper , School of Economics of Finance, University of Hong Kong.

- Jain, B., & Kini, O. (1994). The Post-issue Operating Performance of IPO Firms. *Journal of Finance* , 49, 1699-1726.
- Jain, B., & Kini, O. (1995). Venture Capitalist Participation and the Post-issue Operating Performance of IPO Firms. *Managerial and Decision Economics* , 16, 593-606.
- Jenkinson, T., & Ljungqvist, A. (2001). *Going Public: The Theory and Evidence of How Companies Raise Equity Finance* (Second Edition ed.). New York: Oxford University Press.
- Jensen, M., & Meckling, W. (1976). Theory of the Firm: Managerial Behavior, Agency Cost and Ownership Structure. *Journal of Financial Economics* , 3, 306-360.
- Kaplan, S. N. (1989). The Effects of Management Buyouts on Operating Performance and Value. *Journal of Financial Economics* , 24 (2), 217-254.
- Khurshed, A., Mudambi, R., & Goergen, M. (2007). The Long-run Performance of UK IPOs: Can it be Predicted? *Managerial Finance* , 33 (6), 401-419.
- Khurshed, A., Paleari, S., & Vismara, S. (2003). The Operating Performance of Initial Public Offerings: The UK Experience. *Australian Banking and Finance Conference*. Sydney.
- Kim, K. A., Kitsabunnarat, P., & Nofsinger, J. R. (2004). Ownership Performance in an Emerging Market: Evidence from Thai IPO Firms. *Journal of Corporate Finance* , 10, 355-381.
- Krigman, L., Shaw, W., & Womack, K. (1999). The Persistence of IPO Mispricing and the Predictive Power of Flipping. *Journal of Finance* , 54 (3), 1015-1044.
- Krishnan, C. N., Ivanov, V. I., Masulis, R. W., & Singh, A. K. (2011). Venture Capital Reputation, Post-IPO Performance and Corporate Governance. *Journal of Financial and Quantitative Analysis* , 46 (2), 1295-1333.

- Krishnan, C. N., Masulis, R. W., & Singh, A. K. (2007). Does Venture Capital Reputation Matter? The Evidence from Subsequent IPO Performance. *Economic Society Meetings*. India.
- Kutsuna, K., Cowling, M., & Westhead, P. (2000). The Short-run Performance of JASDAQ Companies and Venture Capital Involvement Before and After IPO. *International Journal of Entrepreneurial Finance* , 2, 1-25.
- Kutsuna, K., Okamura, H., & Cowling, M. (2002). Ownership Structure Pre- and Post-IPOs and The Operating Performance of JASDAQ Companies. *Pacific Basin Finance Journal* , 10, 163-181.
- Lee, P. M., & Wahal, S. (2004). Granstanding, Certification and the Underpricing of Venture Capital Backed IPOs. *Journal of Financial Economics* , 73, 375-407.
- Lee, P. M., Pollock, T. G., & Jin, K. (2011). The Contingent Value of Venture Capitalist Reputation. *Strategic Organization* , 9 (1), 33-69.
- Lerner, J. (1994a). The Syndication of Venture Capital Investments. *Financial Management* , 23, 16-27.
- Lerner, J. (1994b). Venture Capitalists and the Decision to Go Public. *Journal of Financial Economics* , 35, 293-316.
- Lin, T., & Smith, R. (1998). Insider Reputation and Selling Decisions: The Unwinding of Venture Capital Investment during Equity IPOs. *Journal of Corporate Finance* , 4, 241-263.
- Loughran, T., & Ritter, J. R. (1995). The New Issues Puzzle. *Journal of Finance* , 50, 23-51.
- Loughran, T., & Ritter, J. R. (1997). The Operating Performance of Firms Conducting Seasoned Equity Offerings. *Journal of Finance* , 52 (5), 1823-1850.

- MacMillan, I. C., Kulow, D. M., & Khoylean, R. (1989). Venture Capitalist Involvement in their Investments-extent and Performance. *Journal of Business Venturing* , 4, 27-47.
- Meggison, W., & Weiss, K. (1991). Venture Capital Certification in Initial Public Offerings. *Journal of Finance* , 46, 879-893.
- Metrick, A., & Yasuda, A. (2011). *Venture Capital and the Finance of Innovation*. United States of America: Wiley.
- Mikkelson, W., Partch, M., & Shah, K. (1997). Ownership and Operating Performance of Companies that Go Public. *Journal of Financial Economics* , 44, 281-307.
- Mokhtar, M. Z., Naser, K., & Karbhari, Y. (2004). Impact of ISO 9000 Registration on Company Performance-Evidence from Malaysia. *Managerial Auditing Journal* , 4, 509-516.
- Morsfield, S., & Tan, C. (2003). *Do Venture Capitalists Constrain or Encourage Earnings Management in Initial Public Offerings*. Unpublish Working Paper, City University of New York.
- Pagano, M., Panetta, A., & Zingales, L. (1998). Why Do Companies Go Public? An Empirical Analysis. *Journal of Finance* , 53, 27-64.
- Rindermann, G. (2003). Venture Capitalist Participation and the Performance of IPO Firms: Empirical Evidence from France, Germany, and UK. *EFMA Annual Conference*. Germany.
- Sapienza, H. J. (1992). When Do Venture Capitalists Add Value. *Journal of Business Venturing* , 7, 9-27.
- Schultz, P. (1993). Unit Initial Public Offerings. *Journal of Financial Economics* , 34, 199-229.

- Sun, M., & Fang, S. (2009). *The Role of Venture Capital in Listed Companies: Evidence from Mainland China*. China National Natural Science Fund Project, University of Electronic Science and Technology of China.
- Tapa, A. (2003). *The Impact of Types of Issues, Sectors, Lifespan and Different Economic Periods on the Short-run and Long-run Performance of IPOs*. Unpublish Working Paper, Universiti Utara Malaysia.
- Teoh, S., Welch, I., & Wong, T. (1998). Earnings Management and the Long-run Market Performance of Initial Public Offerings. *Journal of Finance* , 53, 1935-1974.
- Wan Hussin, W. N. (2006). IPO Valuation, Investor Protection and Deregulation: Evidence from Bursa Malaysia. *International Journal of Accounting, Governance and Society* , 1, 1-24.
- Wang, C. K., Wang, K., & Lu, Q. (2003). Effects of Venture Capitalists: Participation in Listed Companies. *Journal of Banking and Finance* , 27, 2015-2034.
- Wang, C. (2005). Ownership and Operating Performance of Chinese IPOs. *Journal of Banking and Finance* , 44, 421-449.
- Welch, I. (1989). Seasoned Offerings, Imitation Costs, and the Underpricing of Initial Public Offerings. *Journal of Finance* , 44, 421-449
- Wright, M., Jelic, R., & Saadouni, B. (2005). Performance of Private to Public MBOs: The Role of Venture Capital. *Journal of Business Finance and Accounting* , 32 (3-4), 643-682.
- Wu, T. S. (1993). The Long-run Performance of Initial Public Offerings in Malaysia. *Capital Markets Review* , 1 (1), 61-80.
- Yonezawa, Y., & Miyazaki, M. (1996). *Japan's Corporate Governance and Productivity*. In: Tachibanaki, T., Tsutsui, Y. (Eds.), *Japan's Capital Markets*. Tokyo, Japan: Nihon-Hyoronsha.