

# Survivability of Public Listed Companies In Malaysia

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Studies on the survival of companies are crucial, at least in the context of the Malaysian market, since companies' survival is seen to be of great concern for the regulatory bodies (i.e., Securities Commission Malaysia (SCM) and Bursa Malaysia). While past studies have found a higher chance of survival among Malaysian companies, this study discovers a declining trend of total active companies listed in Bursa Malaysia, especially those in the Main Market. While Main Market participants' performance is regarded as the benchmark of the Malaysian stock market performance (e.g., Kuala Lumpur Composite Index), a decline in the number of Main Market participants' may portray the consistent underperformance of the Malaysian stock market. This study employs the survival analysis method, specifically the Kaplan-Meier model, to examine the companies' survival rates and investigate whether there is a statistical difference between listing date, sector, and market. Acknowledging the common definition of surviving companies in past studies, this study regards surviving companies as companies with active status and at their ultimate performance (i.e., continuously fulfilling the listing requirements as public companies). Using 527 companies publicly listed in Bursa Malaysia from January 2000 to December 2014 (to observe companies' survival until early August 2021), this study reports public listed companies in Malaysia survival rate to be 63.90 percent after five years of listing and 57.90 percent after seven years of listing. Most non-surviving companies result from the inability to comply with the shareholding spread requirement and unsatisfactory financial conditions. Further investigation shows that the survival rate of companies differs according to their listing date and market. Comparison between the survival rate of the Main Market and ACE Market reveals that over the seven years post-IPO, companies listed in the Main Market have an 11.53 percent higher survival rate than companies listed in the ACE Market. As such, the results in this study should be of interest to the issuing companies, investors and policymakers as guidance to assess companies' survivability based on their listing date and market.

**Keywords:** *Initial Public Offering, Kaplan-Meier Model, Malaysian Market, Survival Rates*