

The Effect of Corporate Disclosure Guide on Information Disclosure among Malaysian Public Listed Companies

Erlane K Ghani

Universiti Teknologi MARA, Malaysia

NurAzrin Mat Tarmezi

Universiti Teknologi MARA, Malaysia

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Abstract

This study examines information disclosure practices among public listed companies. Specifically, this study examines the effect of Corporate Disclosure Guide 2012 (CD Guide) on information disclosure among the public listed companies in Malaysia. This study used 318 annual reports over a three year period of 106 listed companies in Bursa Malaysia as the sample study. Using content analysis as the research instrument, this study found that majority of the public listed companies in Malaysia provides a high level of information disclosure score, an indication that they are providing continuous efforts to disclose more information following the introduction of the CD Guide 2012 by Bursa Malaysia. The findings in this study provide feedbacks to Bursa Malaysia on the effectiveness of the introduction of the CD Guide. In addition, the findings in this study also create awareness among companies towards the need for greater information disclosure, thus enhancing accountability.

Keywords: information disclosure, CD Guide, listed companies, Malaysia

1. Introduction

Corporate scandals in Enron, WorldCom and Countrywide Financial have raised global attention towards the need for companies to become more transparent and accountable by way of information disclosure. Alongside the United States and the European Union, the government of developing countries have also put initiatives to design the best disclosure systems in order to meet various purposes such as improving public services, reducing safety, health and financial risk, protecting civil rights as well as minimising corruption (Weil et al., 2006). However, in Malaysia, information disclosure and transparency concepts are not widely practiced (Razali and Mohd Adnan, 2012). The information disclosure concept evolves from the general openness to the “opposite of secrecy”, then from the “opposite of secrecy” to a greater disclosure of information worldwide (Gupta, 2010). These evolutions resulted from previous corporate scandals which caused the shareholders to lose their confidence and trust towards the corporate managers’ integrity in managing the companies.

Apart from the shareholders, the public also holds bad perceptions towards corporate managers of the companies and often question on the compensation packages offered to them (Kanagaretnam et al., 2013). According to Morgenson (2010) in 2007, Countrywide's share value had declined by 80% while its corporate manager enjoyed a compensation payment of \$103million. In the case of Enron, the collapse has led the market capitalization to drop by \$70 billion thus damaging a significant number of employees, pensioners as well as investors. On the other hand, the collapse of WorldCom was due to financial statement fraud and it has become the biggest bankruptcy filing in the U.S. history (Rezaee, 2005). With the power entrusted to the managers, the public perceived the managers to exploit companies' resources for their own self-interest at the expense of their shareholders' interest (Khan et al, 2005; Young and Tsai, 2008). With the recent corporate scandals in Taiwan too have caused investors to lose confidence in the fairness of the markets and subsequently, in the financial statements (Bin Lee, 2012).

In response to the corporate scandals occurring in the United States, the congress have become stricter by requiring companies' finances to be made more transparent to investors and analysts (Weil et al., 2006). A number of regulatory changes have taken place in response to the recurring corporate scandals since 2000. One of the regulatory changes is the Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act 2002 is an act "to protect investors by improving accuracy and reliability of corporate disclosures made pursuant to the securities laws and for other purposes" (SEC 2002). Detailed reporting of arrangements, obligations, off-balance sheet transactions and operations of special purpose vehicles are required by the Sarbanes-Oxley Act of 2002. Malaysia is also not an exception in implementing regulatory changes. Towards promoting transparency and accountability among companies in Malaysia, Bursa Malaysia has introduced CD Guide in 2012 to guide companies in providing high quality and standard information.

One could however pose a question, does the introduction of the CD Guide promotes greater transparency among listed companies by provision of more disclosure of information? If yes, how much information has been disclosed by the companies in Malaysia? This study attempts to address these issues. The remainder of this paper is structured as follows. The next section provides a review of relevant literature. Section 3 provides explains the CD Guide and section 4 outlines the research design. The results are presented in section 5. A summary and conclusion are provided in the last section.

2. Literature Review

Ozbay (2009) defined information disclosure as companies disclosing financial performance, risk management activities, business risks and operations information, on a timely manner to their present and potential shareholders. Greater information disclosure represents an increase in the number of timely and reliable information flow comprising economic, social and political

information. Other studies have extended the definition of information disclosure beyond the extent of the information being disclosed to incorporating others such as availability of the information being disclosed with respect to the internal workings and also companies' performance (Vishwanath and Kaufmann, 1999; Grimmelikhuijsen, 2012). Therefore, information disclosure relates to the availability of information of a company that allows the external parties to control and monitor the company's performance and decisions (Grimmelikhuijsen, 2012).

The way information is being disclosed plays an important role in avoiding misinterpretation by the users of the information. Ozbay (2009) and Weil et al. (2006) have identified four attributes in describing information disclosure in order to ensure that the information provided would not be misrepresented and irrelevant to the companies. The information disclosure attributes include accessing compatibility with decision making processes, relevance and comparable, comprehensive and also reliability. In terms of compatibility with decision making processes (Ozbay, 2009; Vishwanath and Kaufmann, 1999). It is important for the information to be made available in a useful format and accessible on a timely manner (Vishwanath and Kaufmann, 1999; Weil et al., 2006) as the aim of information disclosure is to convey information. Investors demand for timely information in order to understand the companies' governance as well as performance (Yeh et al., 2014). The useful format is associated with the way the information is presented (Kleindorfer and Orts, 1998; (Weil et al., 2006, Ozbay, 2009).

The information provider should also ensure that the information conveyed is relevant and comparable. The relevancy of the information disclosed is measured through the extent to which the information is associated with the decision to be made by investors, shareholders, public and depositors (Ozbay, 2009; Vishwanath and Kaufmann, 1999). The relevancy of the information disclosed is needed to avoid making wrong conclusions and decisions (Lehtonen, 2014). Meanwhile, comparability assists public authorities, investors and other decision makers to see any changes in the information whether it is trend analysis, industry analysis, place or changes in the source of the information itself. Investors are challenged and enter into great distress in order to classify the relevant information for them in making decisions with the overload of information disseminated by mass media (e.g. the Internet, television, radio). Therefore, it is important for the companies to ensure that the information being disseminated is with a high degree of relevancy and comparability.

In the context of information disclosure, information is said to have a comprehensive disclosure when it contains all necessary information covering all aspects of a company in assisting the decision makers in their decision-making process (Ozbay, 2009). Reliability on the other hand, is to ensure that the information disclosed by the company is of good quality, reliable, consistent, and represented in clear and simple terms (Vishwanath and Kaufmann, 1999). Companies should present information of their financial operations and figures that have been audited by independent external auditors in order to show that they are prudent in preparing that information. Involving the auditors or other professional experts would give signal that the

information disclosed is complete, good quality and on a timely manner (Ozbay, 2009). Reliability of the information disclosed enable investors to make better and intelligent decisions (Rezaee, 2005). It is important for the companies to ensure that the information being disclosed have a balance between reliability and conformity with regulatory that they are abide to (Weil et al., 2006). However, there is a lack of study that have examine the effect of implementation of a regulatory policy on information disclosure.

Within the accounting literature, there are various numbers of studies that have examined information disclosure such as Ozbay (2009), Khanna et al. (2004), Botosan and Plumlee (2002) and Poshakwale and Courtis (2005) among others. These studies often relate information disclosure practices to companies' performance. For example: Khanna et al. (2004) examined the disclosure practices of foreign companies interacting with the United States markets and provided evidence that there is an association between disclosure and company size, performance, and legal origin. Meanwhile, Ozbay (2009) examined the level of transparency and information disclosure practiced by the companies listed in the Istanbul Stock Exchange and found that companies with higher transparency scores reported higher financial performance due to the reduction in cost of capital. Bushman and Smith (2003) also examine the association between corporate disclosure practices and companies' performance. These studies however, were conducted in a non-Malaysia setting.

In Malaysia, studies that have examined information disclosure among public listed companies are sparse. There are studies examined information disclosure in terms of the level of information disclosure using customised transparency matrix. For example: Razali and Mohd Adnan (2012) conducted a research on transparency, on public listed companies in Malaysia. Their study investigated the level of transparency among the top listed property companies in Malaysia based on the customised transparency matrix (TM) and found that Malaysian property companies were within a "good level" range. Razali and Mohd Adnan found that the level of transparency is within the "good level" range when the companies disclose 50% and above of the information disclosure criterias. However, their study is limited to listed companies in the property industry. The findings of their study may not be similar if applies to other industries.

In sum, information disclosure brings greater benefits, not only to the public, market participants and other stakeholders, but also to the company itself. Greater information disclosure assists companies to easily raise external funds because greater information disclosure assists in reducing information asymmetry, thus increasing investors' and other market participants' confidence in making sound investment decisions due to lower businesses uncertainty (Rezaee, 2005). However, not many studies have examined the effect of implementation of a regulatory policy on information disclosure practices. This study aims to examine this issue using a Malaysian context.

3. Corporate Disclosure Guide (CD GUIDE)

On 22 September 2011, Bursa Malaysia has made various amendments to its Listing Requirements ("LR") and introduced a Corporate Disclosure Guide ("CD Guide"). The introduction of CD Guide aims in assisting listed issuers elevate their standards of disclosure. This guide is introduced as part of its ongoing efforts to promote high standards of corporate disclosure in enhancing a listed issuer's investability. In respect to the enhanced disclosure requirements in the quarterly financial reports and annual reports, all listed issuers must comply with the enhanced disclosures in the LR for the financial periods/years ending on or after 31 December 2011 (Bursa Malaysia, 2011). CD Guide sets out the guidance on listed issuers' continuing disclosure obligations and the corporate disclosure policy. It requires immediate disclosure of material information which provides guidance relating to assessment on materiality and when to make the announcement. The timing of the release of an announcement is also crucial. A listed issuer must be mindful of the overriding principle that material information must be announced immediately and not delayed or deferred (Bursa Malaysia, 2011).

CD Guide also emphasises on compliance of disclosure obligations in substance rather than in form and prescribes the minimum content to be included in certain announcements. A listed issuer must be mindful and ensure that the information contained in its announcement or circular is accurate and complete. CD Guide also sets out Bursa Securities' expectations on the application of the Corporate Disclosure Policy in the Listing Requirements. There are also principles prescribed on maintaining confidentiality of information, clarification, confirmation or denial of rumors or reports, unusual market activity, equal access to material information and responsibility for compliance and internal disclosure controls (Bursa Malaysia, 2011). It sets out guidance on what a listed issuer should do to comply with its disclosure obligations, in relation to certain specific events or circumstances such as for profit guidance, fraud or financial irregularity, announcement by external parties or authorities, announcement of material information for a listed issuer with multiple listings and disclosure of purpose and utilization of a general mandate (Bursa Malaysia, 2011).

Apart from providing guidance, CD Guide also amplifies the role of the board of directors in ensuring that financial statements are prepared in a timely manner and represent a true and fair view of the state of affairs of the listed issuer. These include disclosures of financial highlights and financial indicators, detailed analysis of the Group's operating segments and details of major components in the statement of cash flows. CD Guide also advocates inclusion of the Management Discussion and Analysis (MD&A) in the annual reports. General guidance is provided on the content of MD&A to include overview of business and operations, objectives and strategies, review of financial results and operating activities. There should also be forward looking statements in the MD&A providing analysis of the group's future performance as well as for each principal business segment (Bursa Malaysia, 2011).

4.0 Research Design

The main objective of this study is to examine the information disclosure practices among public listed companies in Malaysia. Specifically, this study aims to:

1. Investigate the level of information disclosure of Malaysian public listed companies.
2. Determine whether CD Guide does make changes in the level of information disclosure practiced by Malaysian public listed companies.

This study aims to achieve these objectives by way of content analysis.

4.1 Sample Selection

Public listed companies in the Bursa Malaysia are chosen as the sample in this study. Such sample is chosen because the companies listed in Bursa Malaysia are relatively big companies that have a large number of shareholders and actively trading in the market. Given their high volume of trade, it is thus appropriate to assume that these are companies that readily attract the interests of many investors. In addition, companies listed in Bursa Malaysia are actively involved in the buying and selling of shares and have greater numbers of market participants. Thus, transparency can be a good signal to investors in assisting them to make investment decisions. According to Razali and Mohd Adnan (2012), public listed companies are required to publish their own annual reports which can be a major tool for the transparency benchmark. A total of 106 of the 815 companies have been selected randomly, regardless of the industry, as sample for this study.

4.2 Data Collection

This study used an approach similar to the approach used by Razali and Mohd Adnan (2012). This study used secondary data and performed content analysis on the current annual reports available from year 2011 until 2013 since these 3 year period represents the latest annual reports available in the Bursa Malaysia at the time this study was conducted. By examining a total of 106 companies listed in Bursa Malaysia over a 3 year period, this yielded a sample of 318 annual reports in total. Three year period of annual reports were chosen because according to Bursa Malaysia (2011), all listed issuers must comply with the enhanced disclosures in the LR for the financial periods/years ending on or after 31 December 2011. The latest available annual report available was only for the year ended 2013.

The level of information disclosure was measured based on transparency matrixes (TM), which have been developed based on the JLL transparency index, which comprises of performance measurement, market fundamentals, listed vehicles, regulatory and legal environment and transaction process (JLL, 2010). JLL transparency index was previously developed in 1999, which is based on the questionnaire disseminated among senior JLL investment management

personnel who are working in each country in order to construct composite transparency indexes. As this study captures the need for Malaysia’s market and uses the same method of data collection, which is from the annual report, a 20-point criterion adapted from Razali and Mohd Adnan (2012) was utilised.

A 20-point criteria covering transparency within an annual report covers items such as company management, financial reports, statement of cash flow, risk analysis, market segmentation, shareholders information, future investment plans and dividend policies. It is common that companies often detailed out their information and provide comprehensive coverage of the companies’ information in their annual reports (Razali and Mohd Adnan, 2012). For each criteria being disclosed by the companies, a tick “v” will be given. Each tick “v” represents one score. The more tick “v” received by the companies, the greater score obtained by the companies and indicates the better information disclosure that the companies have. Table 1 presents the transparency matrix (TM) used in this study.

Table 1: Transparency Matrix

<i>Matrix : Annual reports</i>			
• Year published	• Financial report	• Shareholder information	• Statement of profit or loss and other comprehensive income
• Shareholder by type and Classes	• Remuneration and performance pay for directors	• Statement of financial position	• Dividend policy
• Companies' liabilities	• Companies' investment	• Market segmentation	• Competitors
• Risk analysis	• Future investment plan	• Ownership structure	• Accounting policy
• Audit committee	• Related party transactions	• Statement of cash flow	• Mission statement

5. Results

5.1 Level of Information Disclosure

The information disclosure score was calculated from the review of annual reports of the sample companies. 318 annual reports have been examined in order to extract 20 attributes from each annual report. In aggregate, 6,360 attributes have been created, which is 106 companies * 3 years * 20 attributes. Table 2 shows the most common information disclosure attributes that are being practiced by the public listed companies in Malaysia. Each of the attributes was also examined to provide a clear idea of the information disclosure index. The sign of “v” indicates the companies disclose the information whereas the sign of “x” indicates the companies do not disclose the information.

Table 2: Information disclosure matrix findings

No	Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
1	ACB	v	v	v	v	v	X	v	v	v	v	v	X	v	x	v	v	v	v	v	v	17
2	AHB	v	v	v	v	v	X	v	v	v	v	v	X	v	x	v	v	v	v	v	v	17
3	AAB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
4	AFGB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
5	AMHB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
6	APFTB	v	v	v	v	v	X	v	v	v	v	v	X	v	x	v	v	v	v	v	v	17
7	BIGIB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
8	BFB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
9	BPHB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
10	BKGB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
11	BHB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
12	CCCB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
13	CLHB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
14	CTPB	v	v	v	v	v	X	v	v	v	v	v	X	v	X	v	v	v	v	v	v	17
15	CFMB	v	v	v	v	v	X	v	v	v	v	v	X	v	X	v	v	v	v	v	v	17
16	CSHB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
17	DNB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
18	DEHB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
19	DCB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
20	DRBH B	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19
21	DLB	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
22	EWDG B	v	v	v	v	v	X	v	v	v	v	v	X	v	v	v	v	v	v	v	v	18
23	EB	v	v	v	v	v	v	v	v	v	v	v	X	v	v	v	v	v	v	v	v	19

	EHB																				
61	MB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
62	MXB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	19
63	MIB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	x	√	√	17
64	MHB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
65	MKHB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	19
66	MWEH B	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
67	NECSB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	19
68	OHB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	X	17
69	POB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
70	PHB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
71	PREIT	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	19
72	PHB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
73	PPTB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18
74	PDB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	18

Table 2: Continue...

No	Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
75	PJBB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
76	PKHB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
77	PNB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
78	PIB	√	√	√	√	√	X	√	√	√	√	√	X	√	x	√	√	√	√	√	√	17
79	PNHB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
80	RCMB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
81	SPSB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
82	SB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
83	SRB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
84	SOPB	√	√	√	√	√	X	√	√	√	√	√	X	√	x	√	√	√	√	√	√	18
85	SCGMB	√	√	√	√	√	√	√	√	√	√	√	X	√	x	√	√	√	√	√	√	18
86	SIB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
87	SLHMB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
88	SRCB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
89	SHLCB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
90	SDB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
91	SMIB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
92	SPMB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
93	STCB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18
94	SWB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
95	SCHB	√	√	√	√	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√	√	19
96	TILB	√	√	√	√	√	X	√	√	√	√	√	X	√	√	√	√	√	√	√	√	18

97	TGPB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	18
98	TMB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	19
99	TTCB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	x	✓	✓	✓	✓	17
100	TCB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	19
101	TREIT	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	17
102	UMWH B	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	19
103	WTCHB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	18
104	WHB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	18
105	YIB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	18
106	YTLPIB	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	18

Notes: Each number represents the item of disclosure: 1. Year published; 2. Financial report; 3. Shareholder information; 4. Statement of profit or loss and other comprehensive income; 5. Statement of cash flow; 6. Mission statement; 7. Statement of financial position; 8. Dividend policy; 9. Companies' liability; 10. Companies' investment; 11. Market segmentation; 12. Competitors; 13. Risk analysis; 14. Future investment plan; 15. Ownership structure; 16. Accounting policy; 17. Audit committee; 18. Related party transactions; 19. Shareholder by type and class; 20. Remuneration and performance pay for directors.

5.2 Information Disclosure Score

Figure 1 depicts the trend analysis on the average information disclosure score (in percentage) by Malaysian public listed companies from year 2011 until 2013. The results for 2011, 2012 and 2013 are 91.04%, 91.27% and 91.32% respectively. These results show that there is an increasing trend in terms of the percentage of information disclosure score, which indicates that the companies are improving indissemminating information to shareholders, the public and other market participants.

Figure 1: Trend Analysis for Average Information Disclosure Score

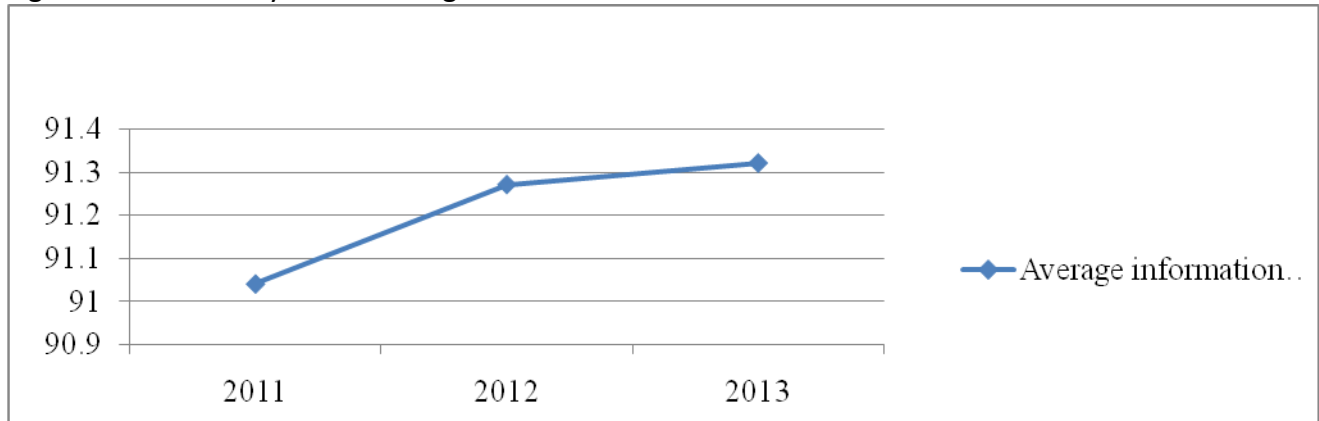


Table 3 presents the descriptive statistics for information disclosure score based on 106 public listed companies (*refer to Appendix 4 for SPSS output*). In this study, information disclosure scores comprise of 20 attributes. Overall, it can be summarized that public listed companies in Malaysia have a good level of information disclosure scores ($M = 3.26$, $SD = 0.68$). This can be further supported by the results of the descriptive analysis on the information disclosure score by public listed companies, which are presented in the following subsections.

Table 3: Descriptive Statistic – Information Disclosure Score

	N	Minimum	Maximum	Mean	Std. Deviation
Overall average for information disclosure Score	106	2	4	3.26	0.68

This is consistent with the findings obtained by Razali and Mohd Adnan (2012), in which the researchers reported that property companies in Malaysia have a good level of information disclosure when companies disclose at least 50% or half of the total information disclosure criteria. The minimum value of “2” indicates that at least Malaysian public listed companies disclose 17 information disclosure criteria out of 20. Meanwhile, the maximum value of “4” indicates that the maximum number of information disclosure criteria being disclosed by Malaysia public listed companies is 19 out of 20. None of the Malaysian public listed companies disclose about their competitors.

6. Summary and Conclusion

This study attempts to investigate the level of information disclosure and also examine the effect of CD Guide on the information disclosure practices among Malaysian public listed companies. CD Guide has been introduced by Bursa Malaysia in February 2012 in order to assist public listed companies on the information disclosure standard of quality and requirement. The

attributes of the information disclosure to be examined has been adopted from the study conducted by Razali and Mohd Adnan (2012). The results have been obtained based on 106 companies and it shows that public listed companies in Malaysia keep increasing the information to be disclosed even after the introduction of CD Guide. Overall, it is found that the level of information disclosure among Malaysian public listed companies is at a good level.

The average score keeps increasing, even slightly, year by year. It shows that companies are putting efforts in giving and providing more to the shareholders, public and other market participants, as they are aware of the advantages that they will obtain by being transparent. Easier sources of funding, attracting investors and many more benefits can be enjoyed by these companies as stakeholders are now very concerned on the activities and operations of the companies before they make any economic decisions.

In comparison to the findings of Razali and Mohd Adnan (2012) that have investigated the level of information disclosure among Malaysian property companies and found majority of the property companies in Malaysia have put their transparency indicator through the annual reports. The findings from this study prove that not only property companies in Malaysia have a good level of information disclosure (Razali and Mohd Adnan, 2012), but companies in other industries also have good levels of information disclosures. This shows that public listed companies in Malaysia take serious efforts in improving their level of information disclosure and this has been made easier with the introduction of CD Guide by Bursa Malaysia in improving the standards and quality of the information being disclosed.

In sum, the results of this study provide at least a feedback towards Bursa Malaysia's initiatives by introducing CD Guide to the public listed companies in Malaysia. Their efforts towards guiding and assisting companies in disclosing information with high quality and standards are successful. Majority of the companies keep improving their level of information disclosure since the introduction of the CD Guide, and even prior to that, they already have a good level of information disclosure. The findings in this study could enhance the awareness of other companies that are not at a higher level of information disclosure, on the benefits that they will obtain in terms of lower cost of capital, participation in a great competition in the financial market and many others. Even if they might not enjoy good financial performance in all aspects, having a lower cost of capital and ability to compete will ensure the sustainability of the companies in the industries.

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Corresponding Author

Erlane K Ghani, Accounting Research Institute, Universiti Teknologi MARA, Malaysia. Email: erlanekg@salam.uitm.edu.my

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