

# AN EMPIRICAL STUDY ON THE PRACTICABILITY OF INTERNET FINANCIAL REPORTING BY PUBLIC LISTED COMPANIES IN MALAYSIA

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## ABSTRACT

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Over the years, the Internet promises many exciting developments either in the technical field, business area or in the entertainment field. Recently, companies have begun to use the Internet to provide information about themselves, for marketing purposes, research and development to find out consumer behaviour and market segmentation, and so on. The performance of the Internet financial reporting in Malaysia is still not satisfactory. Kammaruddin<sup>1</sup> states that the companies in Malaysia are not exploiting the Internet.

This research attempts to study the users' perception towards to quality of the Internet financial reporting by the public listed companies (PLCs) in Malaysia through questionnaires, and then from the analysis and online survey, the research will suggest on how the companies can improve their websites to cover the needs of the users. This is imperative because it is believed that users or customers are on the top priority of the company's goal, which is the customers' satisfaction, in this case- the investors.

Out of 100 questionnaires distributed, the response rate was 82 per cent. Online survey was also conducted not in partial of the research to have a general idea of the performance of Malaysia's PLCs' websites. It is found that historical information is not as important as information on future performances and plans, which the companies should emphasize more when including financial information on their website. The users would prefer websites which are easy to access, easy to understand, fast to download and downloadable for free.

Public Listed Companies should provide more information on their websites, instead of including too much promotional information for users. Information such as historical data, future prospects and plans, the objectives and the results of business activities should be provided. Besides, companies should also focus to improve the ability for users to download the data for free, segmental analysis, the quality of the information provided and also the speed of receiving the data on the Internet.

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<sup>1</sup> Mazida K., "Firms not exploiting the Internet, says report", 13 Feb 2002, New Straits Times: Business Section, Page B3