

# DETERMINANT OF VOLUNTARY DISCLOSURE BY MALAYSIAN PUBLIC LISTED COMPANIES

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## ABSTRACT

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This study investigated the potential relationship between the firm-specific characteristics and the extent of voluntary disclosure of the listed companies. The firm-specific characteristics, which were functioning as independent variables were categorized into three groups, namely structure-related (firm size), market related (type of industry, audit firm size, and listing status), and performance-related (profitability and liquidity). A un-weighted voluntary disclosure index, as dependent variable in this study, and relevant scoring approach was utilized to measure the extent of voluntary disclosure as provided in the annual reports of the sample firm's annual reports during year 2002/2003.

Using multiples regression analysis, it was found that there was a significant association between firm size, type of industry, return on equity, profit margin and the extent of voluntary disclosure of the Malaysian public listed companies. The results indicates that the results have shown that the amount of voluntary information disclosure in annual reports and accounts increased with firm size, type of industry, profit margin, and return on equity. These findings were consistent with the predictions of theoretical framework and foundation used in this study; however, no support was found for the significance of other variables, namely leverage, ownership structure, audit firm size, listing status and liquidity.

In short, the study contributes to the enhancement of knowledge regarding corporate financial reporting and disclosure practices under the new reporting regime in Malaysia, and provides a basis for the conduct of future research in this area.