

MINORITY SHAREHOLDERS' SATISFACTION
ON CORPORATE TRANSPARENCY

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JULY 2019

Minority Shareholders' Satisfaction

On Corporate Transparency

A research project submitted in partial fulfillment of the
requirement for the degree of

Master of Business Administration

(Corporate Governance)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

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ACKNOWLEDGEMENT

It has been a long journey for the completion of this study and I could not go through the same without the support of my supervisor and my colleagues and those who participate in my questionnaires. I thus take this opportunity to express my gratitude towards the support of the people who have been supporting, guiding and assisting me to accomplish this research.

Assistant Professor Dr Tan Kok Eng is the person that I would like to thank the most of her utmost support and continuous encouragement during my journey and I would also thank for my family for their continuous support.

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ABSTRACT

The concept of transparency is not a new concept and it has been the interest of the corporate research literature for a few decades. This research paper is to study the relationship between the minority shareholders' satisfaction and the six key variables of disclosures that are corporate information disclosure, financial information disclosure, corporate governance disclosure, dividend disclosure, voting right disclosure and corporate transparency between female and male. From the findings of this study, overall the minority shareholders are satisfied on the corporate transparency of the public listed companies in Malaysia. This also indicates that the level of corporate transparency is quite high. This is mainly because most of the information measured in this research are mandatory to be disclosed. In conclusion, most minority shareholders from Klang Valley area are satisfied with the corporate transparency of the public listed companies in Malaysia.

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CHAPTER 1 INTRODUCTION

1.0 Introduction

In this Chapter 1, there will be an introductory chapter to this study and then followed by the background of the study. Problem statement will be included and followed by the discussion for the research objectives. Subsequently, the discussion will go through the sub-topic of hypothesis development, theoretical framework and significance of the studies will be discussed as well. In the end of this chapter, a brief description of this chapter will be provided. A short conclusion will be provided.

1.1 Study Background

Corporate transparencies are important in investment decision making especially for the minority shareholders where their resources are limited. Thus the significant of this study is to measure the satisfaction of Minority Shareholders in Malaysia, towards the transparency by the public listed companies. The transparency in this study is measure by disclosure in five (5) key areas of information, namely, (1) Company's Information, (2) Corporate Governance Disclosure, (3) Financial Information, (4) Dividend Disclosure, and (5) Voting Rights. This report also study the medium used to disseminate the disclosed information.

According to Gu and Hackbarth (2013), the financial crisis that started in 1997, is one of the key reasons for the legislators to make new rules in relation to better corporate disclosure. The Asian Financial Crisis in 1997 hit most of the countries in Asia such as Thailand, Indonesia, South Korea, and Philippines including Malaysia (Sundaram, 2006). The root cause lies in the excessive borrowing by the private sector, compounded by lax regulatory oversight by the central bank in Thailand (Punyaratabandhu, 1998). This eventually causes the devaluation of Thai currency then causing foreign investors to cease investment in Thailand resulting in the Asian Financial Crisis. Countless number of shareholders suffered from the Asian Financial

Crisis, especially the minority shareholders. There were many factors that led to the cause of the Asian Financial Crisis and lack of governmental and corporate transparency was one of the main factors (Morris, Pham, and Gray, 2011). This has led the legislators to mandate new rules that enforce more transparency and better governance (Gu and Hackbarth, 2013). Investors also begin to query on the effectiveness of the current rules and regulations in protecting the shareholders' interests (Abdul Hamid, Ting, and Kweh, 2016).

While in the United States (U.S.) and Europe, the corporate collapses such as Enron, WorldCom, Tyco and Parmalat due to corporate scandal were catastrophic to the shareholders (Di Miceli da Silveira, 2013). Poor corporate governance was the main cause of the corporate scandal to happen (Abdul Hamid et.al, 2016). Based on the Enron scandal, one of the poor corporate governance elements was the company's information, especially on the financial report was not transparent enough to the shareholders (Catanach and Rhoades, 2003).

In the Asian Financial Crisis and corporate scandals, the minority shareholders' interests are being expropriated by the directors which most of them are also the majority shareholders of the company. The majority shareholders have more power as compared to the minority shareholders due to the higher percentage of votes they own from their shares. Hence, they are able to exert dominant control over the company in any general meeting (Lim, 2018). Throughout the world, there are countless cases on minority shareholders' allegations against the majority shareholders (Miller, 1999). The main expropriation activities are giving false information on the financial performance so that the minority shareholders buy more shares in the company, does not declare dividend so that there are free cash flows for the director's own benefits, stop them from voting by giving insufficient notice, board does not have independent directors and directors are all related.

Corporate governance is a mechanism that contains processes and structures for the management of a company which helps to create shareholder value by ensuring the

protection of the individual and interests of all stakeholders (Hasan and Butt, 2009). According to the OECD (2004), good corporate governance consists of a number of elements and good disclosure practices and corporate transparency is one of the elements. Corporate transparency can be defined as the accessibility, timeliness, accuracy, and amount of the company's information disclosed to the external stakeholders (Yenkey, n.d.; Bushman, Piotroski, and Smith, 2004; Wilkin, 2009). In Malaysia, the corporate governance system using disclosure-based, highlighted by the Securities Commission Malaysia was introduced in 1995 (Abdul Hamid et. al, 2016). Then in year 2000, The Malaysia Code on Corporate Governance (MCCG) which a set of best practices for companies to adopt for better corporate governance especially on corporate transparency was created by the Securities Commission Malaysia. For public listed companies, it is compulsory to adopt the MCCG due to one of the requirements set out in the Listing Requirements.

In Malaysia, basically we have the Companies Act 2016 which is administrated and enforced by a statutory body known as Companies Commission of Malaysia (SSM) to protect the shareholders by controlling the officers of the company from performing fraudulent act. For public listed companies, there are another set of rules and regulations created by the Bursa Malaysia Berhad which require them to comply besides the Companies Act 2016. These set of rules and regulations are known as the Bursa Malaysia Listing Requirements (Listing Requirements) and are basically created to protect the shareholders, especially minority shareholders who are public individuals by requiring adequate disclosure from the public listed companies.

Besides the law, there are also a group established as a government initiative known as the Minority Shareholders Watchdog Group (MSWG). The group was set up to create awareness among minority shareholders of their three basis rights to seek information, voice opinion and seek redress (Ameer and Abdul Rahman, 2009). Studies have shown that companies that are targeted under the MSWG have better financial performance than companies that are not targeted under MSWG. For example, according to Ameer and Abdul Rahman (2009), there is significant

increases in the earnings and cash flows from operations in MSWG-targeted firms as compared to non-targeted firms one year after initial MSWG activism. This means that the minority shareholders' value plays a part on the performance of the company.

Companies that practice good corporate governance in terms of corporate transparency not only able to prevent the expropriation activities (Fung, 2014) but also creates value for the minority shareholders. According to the studies (as cited in Hur, Woo, and Kim, 2015), customer values affect satisfaction and values are function as a precedent for satisfaction judgments.

As discussed above, the importance of corporate transparency is to enable the shareholders from making the correct decision. This is especially for minority shareholders. (Sikavica and Tuschke, 2012) opined that minority shareholders' rights and interests are often being expropriate due to their limited power over the company's affair and less attention they have among the society. In the context of law, the minority shareholders are known as being oppressed when their rights and interests are being expropriated.

The controlling shareholders and directors expropriate the minority shareholders' rights and interests mainly via self-dealing transactions or known as related-party transactions (Riyanto and Toolsema, 2008; Lim, 2018). Related-party transactions are business transactions between a company and a party closely related to it such as directors or majority shareholders ("Related Party Transaction", 2013). However, related-party transactions are considered legal if the party follow the disclosure and approval procedures under the law even though the minority shareholders' interests are expropriated (Djankov, La Porta, Lopez-de-Silanes, and Shleifer, 2008).

There are two main activities that involve related-party transactions which are the tunneling activity and propping activity (Riyanto and Toolsema, 2008). Tunneling activity is when the lower-level company which is the subsidiary company transfer its resources to the higher-level company which is the holding company at a lower value.

This causes the minority shareholders of the subsidiary company to suffer loss by no or less dividend payment. While propping is the opposite of tunneling activity where the holding company transfer its resources to the subsidiary company when the subsidiary company is in financial distress. This causes the minority shareholders of the holding company to suffer loss by no or less dividend payment. In both of these activities, usually the controlling shareholders and directors in the subsidiary company and holding company are the same person.

Besides that, the minority shareholders' interests are also expropriated when the controlling shareholders or directors transfer the company's resources to himself or persons related to them at a price much lower than the market value or the controlling shareholders or directors sell his personal resources to the company at a price much higher than the market value (Lim, 2018). Both of these transactions are also an example of related-party transactions.

In a public listed company, the minority shareholders' rights and interests can be expropriated via the insider trading (Yong, 2012). Insider trading is when the people who have access to the company's non-public information such as the controlling shareholders and directors trade in order to maximize their benefit. For example, the controlling shareholder and director refrain from selling their shares or buy more shares when he knows that the share price is likely to increase. On the other hand, the controlling shareholder and director refrain from buying more shares or sell off their shares when he knows that the share price is likely to decrease (McGee, 2009). Hence, the minority shareholders that do not have access to the company's non-public information suffer losses as they might sell off their shares before the share price increases or buy more shares before the share price decreases.

For a closely held company where the minority shareholders are employees of the company, the company expropriates the minority shareholders' rights and interests by paying out their earnings via salary or other employment-related compensation instead of declaring dividend. This is due to the payment of salary or other

employment-related compensation are tax deductible for the company as business expense and the payment of dividend are not tax deductible (Moll, 2014). On the other hand, the minority shareholders receive lesser amount of the earnings as income tax is imposed on the salary that they received.

1.2 Problem Statement

The studies on corporate transparency are inconclusive. The relation between corporate transparency, corporate governance and company's performance are still ambiguous. There were studies that show both positive and negative associations between the elements of corporate transparency, corporate governance and company's performance.

Corporate transparency is important in ensuring the minority shareholders in their decision making. Minority shareholders do not have rights to control the day-to-day management of the company (Gibbins, Richardson, and Waterhouse, 1990). In order for the minority shareholders to make appropriate decisions, the company must provide adequate and timely information (Jhunjhunwala, 2011). Special attention from regulators was given to the quality of disclosed information as a significant element of corporate governance. The level of corporate transparency by better disclosure and timely reporting is regarded as the consequence of good governance procedure which helps to decrease the information asymmetry between the management and shareholders (Mohd Hassan, Rashidah, and Mahenthiran, 2008).

Companies with a better corporate governance system are able to prevent the controllers of the company from misusing the shareholder funds especially minority shareholder's monies through questionable practices (Zunaidah and Fauzias, 2008). The lack of transparency thus can lead to expropriation of the minority shareholders by the directors and majority shareholders. Companies that tend to expropriate the

minority shareholders often have poor disclosure of information and transparency. One of the examples of expropriation is that both the directors and controlling shareholders refused to declare dividends despite the financial performance is good and without the minority shareholders' knowledge.

As protecting the minority shareholders is the main reason of the improved corporate governance standards, there is no study in Malaysia to date and to the best of my knowledge that measures the satisfaction level of minority shareholders on corporate transparency. The studies nowadays mainly focus on the impact of variables of disclosure on the performance of the companies.

Even though there have been improvements on the corporate governance standards, and rules and regulations emphasizing on corporate transparency after the Asian Financial crisis in 1997, there were still many companies in Malaysia that are lack of corporate transparency. According to Standard and Poors (2004), most companies in Malaysia do not have global disclosure practices. In April 2017, the Securities Commissions introduced the revised version of the MCCG to align with the global best standards and practices. Besides that, the Listing Requirements also has been continuously updated to emphasize more on corporate transparency. However, according to the news report from Malaysian Institute of Corporate Governance (MICG) on 8 August 2017, the corporate transparency levels in Malaysia were still low. Despite the mandatory disclosure practices, the corporate transparency level is still low not to mention the voluntary disclosure.

The evolution of technologies has changed the way information is disseminated. The regulators' requirement on the way of disseminating the disclosed information by companies also changed due to the change in technologies. In this area, there is also no study in Malaysia to date and to the best of my knowledge on which media is mostly used by the minority shareholders to obtain the disclosed information. Thus, this is the second problem that will be addressed in this study.

1.3 Research Questions

Six research questions are created for this research study:

- 1) What is the minority shareholders' satisfaction level on corporate information disclosure?
- 2) What is the minority shareholders' satisfaction level on financial information disclosure?
- 3) What is the minority shareholders' satisfaction level on corporate governance disclosure?
- 4) What is the minority shareholders' satisfaction level on dividend disclosure?
- 5) What is the minority shareholders' satisfaction level on voting right disclosure?
- 6) What is the media mostly used by the minority shareholders to obtain the disclosed information?

1.4 Research Objectives

1.4.1 General Objective

The main objective of this research is to study the level of satisfaction of the minority shareholders on the corporate transparency.

1.4.2 Specific Objective

The second objective of this research is to find out the association between the minority shareholders' satisfaction and corporate information disclosure. The third objective is to find out the association between the minority shareholders' satisfaction and financial information disclosure. The fourth objective is to find out the association between the minority shareholders' satisfaction and corporate governance disclosure. The fifth objective is to find out the association between the minority shareholders' satisfaction and dividend disclosure. The sixth objective is to find out the association between the minority shareholders' satisfaction and voting rights disclosure. The seventh objective of this research is to find out which media is mostly

used by the minority shareholders to obtain the disclosed information by the public listed companies.

1.5 Significance of Study

Minority shareholders are very vulnerable to the abuse by the majority shareholders who usually are also the directors of the company. Minority shareholders' access to the information of the company is mainly by way of accessing to the company's disclosures. Corporate transparency is thus important in investment decision making especially for the minority shareholders where their resources are limited and preventing expropriation activities.

Thus, this study measures the satisfaction of minority shareholders in Malaysia, towards the transparency of the public listed companies. The transparency in this study is measure by disclosure in five (5) key areas of information, namely, (1) Company's Information, (2) Corporate Governance Disclosure, (3) Financial Information, (4) Dividend Disclosure, and (5) Voting Rights. This research also studies the medium used to disseminate the disclosed information as well as the gender's role in determining the satisfaction of corporate transparency.

This study can contribute as a guide for the regulators to understand the current situation of the minority shareholders' satisfaction on the key variables of disclosures and thus to determine whether the current legislations and policies are sufficient in ensuring the protection of minority shareholders. From this study, the regulators will be able to ensure that the company will have the key variables of disclosure. Besides that, this study also helps the regulators to determine the need to improve the way of disseminating the disclosed information. This study also serves as a guide for the regulators to build a platform for the minority shareholders to rate and review on the current laws and regulations on corporate transparency.

On the company's side, this study helps the companies to know which media is mostly used by the minority shareholders to obtain the disclosed information. Besides that, this study also enable the company to have a better understanding when constructing the company's policies and disclosing information. This study also serves as a guide for the companies to build a platform for the minority shareholders to rate and review on their corporate transparency.

This study will also contribute to the scholarly study in the area of measuring minority shareholders' satisfaction on the same and other key variables of disclosures. This study will serve as the foundation for future research by other academia and stakeholders in this area of study.

1.6 Conclusion

In conclusion, the background study, research problem & questions, objectives, hypotheses development and the importance of study are stated above. On next chapter discussion on the past researchers studies and identified the potential hypotheses and presented the theoretical framework that adopted for this research project.

CHAPTER 2 LITERATURE REVIEW

2.0 Literature Review

2.1 Introduction

In this Chapter 2 entitled literature review, the discussion will be on the introductory discussion to the theories in this study and 4 key areas of concept of minority shareholders, which are corporate governance, corporate transparency, minority shareholders' rights and interests, minority shareholders' protection as well as the concept of satisfaction as this project paper studies the relationship of minority shareholders' satisfaction and the 6 key variables which will be discussed in later part of this Chapter (in sub-chapter 2.8).

2.2 Theoretical Background

There will be two theories in this study which are agency theory and shareholder theory. The agency theory is described in this sub sub-chapter 2.2.1 and the shareholder theory is described in this sub sub-chapter 2.2.2.

2.2.1 Agency Theory

The first theory in this study is the agency theory. In a company, there is a formation of a relationship in the form of agreements which one party (the principal) engages another (the agent) to conduct a service on his behalf by delegating certain authority of decision-making (Jensen and Meckling, 1976). The principal is the shareholders while the agent is the directors. Typically, the shareholders and directors have different interests and goals. People are opportunistic which they constantly strive to maximize their own interests. Hence, the agency problem arises when the directors maximize their own interests rather than the shareholders' interests, especially at the expense of the shareholders. The agency problem leads to the generation of costs, known as agency cost. These costs are remaining expenses incurred by the shareholders to control the directors' behavior that causes failure to maximize the

shareholders' wealth (Fontrodona and Sison, 2006). Hence, the main concern from the agency theory is to develop mechanisms to balance the interests between the directors and shareholders thereby lowering the agency cost.

2.2.2 Shareholder Theory

The second theory in this study is the shareholder theory. This theory was developed by Milton Friedman, an economist which stated that the shareholders' perception on the responsibility of the company is to generate and maximize the profits for the shareholders. The main purpose people buy shares in a company is to gain the maximum return in the form of dividends or share price increased from their investment (Danielson, Heck, and Shaffer, 2008). In this theory, the main focus is to have mechanisms that enable to create and maximize the shareholders' value in an ethical manner.

2.3 Corporate Governance

According to Benjamin (2014), corporate governance has emerged to become the key investment assessment tool as there are ample empirical research findings exhibiting a positive correlation between corporate governance and financial ratios and valuations as well as share-price performance. This positive relationship between corporate governance and company's performance is supported by studies conducted by Alves and Mendes (2002), Drobetz, Schillhofer, and Zimmerman (2003), and Gemmill and Thomas (2004).

Shareholders basically do not have the rights to control the management of their investing company and have limited access to the company's information. There are two main categories of shareholder which are the majority shareholders and minority shareholders. Majority shareholders are those investors who holds at least 5% of shares in a public company whilst minority shareholders are those who holds less than 5% of shares in a public company. The majority shareholders have more power

as compared to the minority shareholders due to the percentage of votes they own, which directly depending on the percentage of shares. Due to this voting right, they are able to exert dominant control over the company in a general meeting (Lim, 2018). Hence, the majority shareholders are also known as controlling shareholders, which most of the cases are also directors of the company.

There are many cases of the minority shareholders' interests being expropriate by the controlling shareholders (Abdul Hamid et al., 2016). For example, the controlling shareholder of a listed company sells his assets to the company at a value over the market price without the minority shareholders knowledge in order to expropriate wealth. The main reason being is the lack of corporate governance especially on corporate transparency.

Corporate governance consists of a number of mechanisms and elements. The main element of corporate governance is corporate transparency which involves the extent of information disclosed. In order for the disclosed information to effectively reach the target receivers, the medium used to disseminate the disclosed information plays an important role. Corporate transparency will be meaningless if the target receivers are unable to receive the disclosed information.

However, the relationship between corporate governance and company's performance is actually complicated according to the studies conducted by Dalton and Dalton (2011), McGuire, Dow, and Ibrahim (2012), and Fogel and Geier (2007). On the other hand, Bhagat and Black (2001) and Klein (2015) found out that the studies on this area are inconclusive.

2.4 Corporate Transparency

Transparency is a method through which information is made available, visible and understandable about current circumstances, decisions and actions (The Willard Report, 1998). Transparency is the basic step towards attaining trust. There are four elements of transparency which are accuracy, adequacy, timeliness, and accessibility. When the information disclosed is not in accordance with these four elements, naturally the perception will be the company is hiding something hence, trust is not formed.

Accuracy is when the information disclosed is exactly or almost exactly described the situation in a truthful manner. However, if the information disclosed is correct and truthful but does not have the key information, the information is said to be “half-truths” which affects the transparency (Devin, 2016).

Adequacy is when the information disclosed, both non-financial and financial information is sufficient to make decisions. Companies are not expected to disclose information that may affect the competitive position of their company but only information that is sufficient for the shareholders to make decisions. Hence, the idea of materiality was applied by many countries in order to differentiate the minimum information that should be disclosed. As per the Bursa Listing Requirements, material information is the information that affects the price, value or market activity of the company's shares or affects the decision of the shareholders or investors in making his decisions.

Timeliness is the time that the information disclosed is not too far from the actual situation which enables sufficient time to make decisions. Timeliness is essential especially for financial reporting. According to Grant (1980), timeliness affects the amount of information disclosed. Companies that timely disclose the information often contains more information. Besides that, timeliness enables to prevent the management from expropriation due to their advantage of having the information in advance (Park, Song, Yang, Hossain, and Koo, 2013).

Accessibility is when the information can be easily reached and obtained. Transparency is considered not achieved if the company discloses the information but the stakeholders are unable to obtain the information due to restrictions. Keeping the information out of the external's sight causes the production of biased information hence, reduces transparency (Granados, Gupta, and Kauffman, 2010). In the decision making process, access to information combined with knowledge decreases the probability in making wrong decisions (Rodriguez-Pallares and Perez-Serrano, 2017).

Corporate transparency is essential for those multinational companies which operate through a system of subsidiaries, associate companies, joint ventures and other type of holding under a variety of jurisdictions. The public and scrutineers are unable to know these hidden entities without transparency. Hence, when the public and scrutineers do not have a clear and complete picture on the company's structure, many material information tend to be undisclosed so that the company can easily conduct fraudulent and expropriation activities (Fung, 2014).

Corporate transparency is the main element of a strong corporate governance framework as it provides a foundation for decision making by the external parties. Special attention from regulators was given to the quality of disclosed information as a significant element of corporate governance. The level of corporate transparency by better disclosure and timely reporting is regarded as the consequence of good governance procedure which helps to decrease the information asymmetry between the management and shareholders (Mohd Hassan et al., 2008). Shareholders have more ability to observe and check the management's activities via transparency (Hermalin and Weisbach, 2012). Besides that, most companies with good operating performance often have good corporate governance, especially on corporate transparency (Gu and Hackbarth, 2013). Companies with a better corporate governance system are able to prevent the controllers of the company from misusing the shareholder funds especially minority shareholder's monies through questionable practices (Zunaidah and Fauzias, 2008).

On the contrary, over disclosure may cause more agency problem when directors compensate themselves more for the disclosure efforts (Hermalin and Weisbach, 2012). Besides that, over disclosure also increases the risk of revealing some private information which consists of opportunistic purpose (Kothari, Shu, and Wysocki, 2009).

According to the studies (as cited in Holland, Krause, Provencher, and Seltzer, 2018), the stakeholders' view of the company's effort on transparency, perception of transparency, and the evaluation of transparency that sides the stakeholders enables corporate transparency to be successfully achieved. According to Rawlins (2008), there are four aspects of perceived corporate transparency which are company participation level, providing fundamental information, accountability of the company on the disclosed information, and the level of secrecy in providing the information. Hence, the stakeholders' perception of transparency is also essential to be considered to minimize the difference between perceived and actual transparency.

Disclosing information is assumed as an interaction activity between the company and stakeholders as it creates on-going dialogue by aiding the stakeholders to understand the company's practices (Madsen, 2009). Companies that are more transparent have stronger market efficiency, that the market price reflect all relevant public and private information.

2.5 Minority Shareholders' Rights and Interests

Basically, minority shareholders have the same rights as the majority shareholders. Minority shareholders also have the right to own a share certificate or any document that reflect that they are the shareholders of the company as a proof. They also have the right to sell off or transfer their shares. In terms of company's profits, they are entitled for declared bonus or dividends based on the percentage of shares they own

in the company. While during the liquidation of the company, they are entitled to claim their proportionate share of the remaining assets after payment of all other claim has been made. Although they do not have much control over the company's affairs, they are still entitled to receive adequate and timely information on the company's affairs before and after it has been approved via circulation of resolutions. As for company's affairs that require voting during a meeting, they are entitled to receive notice of the meeting which includes meeting date, time, venue and agenda. They also have the rights to take action against the company or the officers of the company if they notice that they have been oppressed via applying to court (Jhunjhunwala, 2011).

2.6 Minority Shareholders' Protection

In Malaysia, the SSM serve as the main statutory body to protect the shareholders via the enforcement and administration of the Companies Act. The Companies Act 1965 was replaced by the Companies Act 2016 since the beginning of 2017, which gives more protection to the shareholders especially the minority shareholders (Mohd Sulaiman, and Rachagan, 2017). Section 345 of the Companies Act 2016 serve as a protection for the minority shareholders when they are being oppressed. Basically, the minority shareholders can apply to court when they are being oppressed by the controlling shareholders or directors. The court, with enough evidence, will order the unfair transaction or resolution to be altered or cancelled, regulate the conduct of the affairs of the company in future, order other shareholders or the company to buy back the shares of the minority shareholders being oppressed, or order the company to be wound up depending on the severity of the oppression.

For public listed companies, besides complying with the Companies Act, they need to comply with another set of rules and regulations created by the Bursa Malaysia Berhad; which is the Listing Requirements. The Listing Requirements is created basically to protect the shareholders, especially minority shareholders who are public

individuals by ensuring the public listed company practice appropriate and sufficient disclosure of the company's information.

The Securities Commission (SC) was created in 1993 with a goal of protecting the shareholders in Malaysia (Othman and Borges, 2015). They emphasized on the practice of good corporate governance amongst the companies involved in the capital market. The MCCG was created by the SC which consists of best practices that companies must adopt, especially public listed companies as it is one of the requirements set out in the Listing Requirements.

In the year of 2000, the government begin to set up a group, which is the MSWG to protect the minority shareholders through shareholder activism. It was also set up to create awareness among minority shareholders of their three basic rights which are to seek information, voice opinion and seek redress (Ameer and Abdul Rahman, 2009). The group monitors and provide the information and report of the annual general meetings and extraordinary general meetings of all companies. In case of the minority shareholder have any issues with the public listed company and requires clarification, the group assists the minority shareholder by writing letters to the public listed company and receive the reply letters to the questions raised by the minority shareholders and the group. As most of the minority shareholders are working adults that do not have time to attend the annual general meetings and extraordinary general meetings, MSWG also provide proxy-voting services to the minority shareholders. The group also provides various information through research publications such as Malaysian Corporate Governance Reports, Dividend Surveys, and Malaysia-ASEAN Corporate Governance Reports and periodic newsletters on issues related to the minority shareholders. Besides that, MSWG also conduct educational program which is the MSWG's Investor Education program. MSWG indeed, to a certain extent, enable to resolve the problem of information asymmetries for the minority shareholders in Malaysia (Kuek, 2014).

2.7 The Concept of Satisfaction

According to the Cambridge dictionary, satisfaction is defined as “a pleasant feeling that you get when you received something that you wanted or when you have done something that you wanted to do”. There have been limited studies regarding on the shareholders satisfaction especially on minority shareholders. Hence, customer satisfaction studies have been used as a guide for measuring minority shareholders’ satisfaction level as the concept is similar. It was found that there are three conducts by the management that lead to satisfaction of the stakeholders which are timeliness, providing truthful information, and ability to understand and feel the need of fair treatment for individuals (Strong, Ringer, and Taylor, 2001). Strong et al. (2001) also found out that procedural justice, which means fairness of the method used to distribute or attain results is closely related to satisfaction instead of distributive justice. When the company tries to be fair during decision making is perceived by the stakeholders, they tend to be more satisfied even though the decisions are not as expected.

Based on Hur et al. (2015), values have an impact on the satisfaction level. Shareholder value are values created from good results of business operation, increased profits, dividends, and share price and delivered to the shareholders (Stout, 2013). Good corporate governance mechanisms increases shareholders value and enhances the company’s financial performance (Ibrahim, Ahmad, Khan, 2017). Hence, shareholders’ satisfaction level is related to the shareholders value created from good corporate governance.

There are also many other factors such as demographics, exposure to media, expectation level and so forth that may affect the satisfaction level. Rianthong (2004) found out that demographics such as age, gender, education, and income affect the satisfaction level on the disclosed information. However, Jullobol, Pongput,

Kamolsakulchai, and Akkharaphasirisakul (2012) further studied that demographics have no influence on the satisfaction level on the disclosed information.

2.8 Key Variables of Disclosures

The five key variables of disclosures that are related to this study are explained in seriatim, which are corporate information disclosure, financial information disclosure, corporate governance disclosure, dividend disclosure and voting rights disclosure.

2.8.1 Corporate information disclosure

Corporate information consists of the key information of the company. This would include the vision, mission and values statement of the company as well as the organization chart of the company. Other corporate information would include the strategic plans of the company and the management structure of the company.

The vision, mission, and values are important in the sustainability of the company culture and makes it resistant to impact (Altiok, 2011). In terms of the vision statement of the company, vision is the company's future picture which should be realistic based on the market condition, competitive environment, technological environment, economic, regulatory, societal conditions, and the company's resources and abilities. Having a company vision enables the management to set specific goals and objectives and subsequently strategies to achieve the vision. From the research done by Kotter and Heskett (2000), their results suggested that companies with vision have a consistent increase on sales, profit ratio, and share price.

While mission is the company's explanation on its existence and activities, and a manifesto that differentiates the company from other companies to the external parties. Mission statement balances the requirements of the competing shareholders

of the company. The findings from the studies on the association between company's mission statement and company performance are inconclusive (Bart, Bontis, and Taggar, 2001; Peyrefitte and David, 2006). The studies from Smith, Heady, Carson, and Carson (2003) and Musek (2008) shows that mission statement does affect the company's performance. According to Smith et al. (2003), company performance increased approximately 50% after a mission statement was created and implemented. While according to Musek (2008), companies that have a clear and strong vision and mission statement perform better than those that do not have. On the other hand, Dermol (2012) found that there is a weak association between mission statement and company performance.

Besides that, companies that have strong core values have outstanding market activity. Companies that consist of a process to continuously identify their values have a positive effect on company's performance (Musek, 2008). However, in the study conducted by Gorenak and Kosir (2012), their results show a weak relationship between company values and company performance.

An organization chart is known as the "anatomy of the organization" (Dalton, Todor, Spendolini, Fielding, and Porter, 1980). Based on Dalton et al. (1980), studies have shown that the organization structure has a positive effect on the performance of the company. The flow of information throughout the organization structure indirectly affects the performance of the company. An incorrect organizational structure can inhibit the flow of information causing lower performance (O'Connell, 2018). Hence, shareholders are also concern on the organization chart of the company.

A strategic plan is the process of defining the strategy, and making decisions on allocating its resources to achieve the goals and objectives. Kwee et al. (2010) found that corporate governance is an important antecedent in adjusting the strategic direction and coping with the changing business environment. The MCCG 2017 has

recommended that the company's strategic plan developed by the management should be able to create long-term values and consists of strategies on social, economic, and environmental to support sustainability. Hence, the strategic plan of the company enables the shareholders to evaluate the company's ability to create long-term values and sustain. Studies have shown that companies that engaged in strategic planning have higher financial performance than those companies that do not engaged in strategic planning (Ansoff, Miller, and Cardinal, 2001; Herold, 2001; Taiwo and Idunnu, 2007). However, there is a study that shows no relationship between strategic planning and financial performance (Akinyele, 2007).

It is important to know the management of the company as to ensure there are no duality roles of the Chairman of the board and the executive director. The reason is that the combined role of the Chairman and executive director enhances the power of the individual and conflict of interest is created. Separation of the roles decreases the likelihood of self-dealing by the director (Zunaidah and Fauzias, 2008). The separation roles of the Chairman and the executive director have a positive impact on the company's performance (Peng, 2004).

On the contrary, da Costa and Martins (2019) found out that the duality roles of the Chairman and executive director does not affect the company's performance. Previous studies conducted by Uadiale (2010), Iyenger and Zampeli (2009), and Chen, Lin, and Yi (2008), also found that there is no relationship between duality roles of the Chairman and executive director and company's performance. While according to Callaghan (2005), duality roles of the Chairman and executive directors causes lesser dividends. Besides that, the profile of the directors are required to be disclosed so that to ensure the directors have adequate experience and qualifications to manage the company.

2.8.2 Financial Information Disclosure

The main information that the shareholders and potential investors need the most is the financial information of the company. Disclosure of financial information enables the shareholders and potential investors to make decisions on whether to hold, sell, or buy the shares of the company. In order for them to make a precise risk assessment on the investment opportunities, the financial information disclosed have to be timely and reliable. Hence, policies that adopt the international accounting standards have to be implemented when preparing and presenting the financial information (Crawford, 2013).

Before the international accounting standards was established by the International Accounting Standards Committee (IASC) in 1973, there were no proper regulations and guidelines on financial accounting and reporting. This leads to many cases of fraudulent financial reporting and also expropriation activities resulting in shareholders suffer losses. In April 2001, a new body, the International Accounting Standards Board (IASB) was formed to replace the IASC and established the improved regulation of financial accounting and reporting known as International Financial Reporting Standards (IFRS) by adopting the standards established by IASC (Ong, 2018). Basically, the financial information required in the financial report based on the IFRS are the balance sheet, income statement, cash flows statement, equity statement, and notes to the financial statements. The balance sheet shows the assets, liabilities and equity of the company, the income statement shows the revenues, expenses, profits or losses of the company, the cash flow statement shows the flow of cash resulting from business operations, company investment and financial activities, and the equity statement shows the changes in equity. The notes to the financial statements are the detailed condition and explanation of each elements of the statements (Hutsalenko and Marchuk, 2019). In Malaysia, the financial accounting and reporting standard is introduced by the Malaysian Accounting Standards Board (MASB) and known as Malaysian Financial Reporting Standards (MFRS) which is in compliance with the IFRS.

The external auditors were mandatory to be engaged by companies to inspect and ensure the financial information needed to be disclosed are free from material misstatements and represents the true financial position of the company.

In Malaysia, under the Companies Act 2016, all companies limited by shares are mandatory to submit their audited financial report to the SSM. For public listed companies, besides submitting the audited financial report to the SSM, they are also required to make an announcement with the audited financial report attached in the Bursa Malaysia's website. Besides that, the audited financial report has to be included in the company's annual report. Public listed companies are also required to disclose the financial information that covers three months of the year, known as quarterly financial report by making an announcement.

A financial policy is the company's internal policy on the regulation and oversight of the accounting and financial system. The company's financial policy is used when making financial decisions by the management. The finances of the company are more stable by having a financial policy. Most of the companies do not disclose their financial policy unless they voluntarily disclose it. Companies that disclose their financial policy to the customers enables them to understand the company's payment choices and the feasibility for compliance. In addition, financial analysis policy is also said to be able to increase the satisfaction level of the customers. A good financial policy helps the company to easily solve the financial issues and avoid financial breaches. Besides that, a good financial policy also increases the shareholders' confidence (Examples.com, n.d.).

In the financial report of the company, it is compulsory to have at least one preceding period and one preceding year of the financial information as a comparison purpose under the MFRS. On the other hand, the company's annual report usually contains a financial highlights section which consists of the financial performance of the company for the current financial year end and for over the last few years. The information are mostly presented in bar or pie charts. The information provided in

this section are usually the company's total revenues, operating profit, operating cash flow, earnings per share, return on equity, and total assets. The financial highlights also serve as a comparison purpose but in a yearly manner. These comparison enables the shareholders to judge on the performance of the management and to forecast the financial performance of the company in order for them to make decisions.

2.8.3 Corporate Governance Disclosure

In fact, corporate governance was introduced during the era of Dutch Republic in the 17th century (Frentrop, 2003). There is no standard definition of corporate governance. According to the Organization for Economic Co-operation and Development (OECD) (2004), corporate governance is defined as “a set of relationships between the company's board, its shareholders and other stakeholders and the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined”. While the Cadbury Committee in 1995 defined corporate governance as “the system by which companies are directed and controlled”. In Malaysia, according to the High Level Finance Committee Report (1999), the definition for corporate governance is “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders”. When the definitions are simplified, corporate governance is defined as a system of rules, practice, and processes that directs and controls the company by having a balanced interest of the company's stakeholders which are the shareholders, management of the company, customers, suppliers, government and the community (Investopedia, 2019).

According to the OECD (2004), there are six elements of corporate governance. The first element is ensuring the foundation for an effective corporate governance

framework. Under this element, OECD stated that “the corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities”. The second element is rights of shareholders and their main functions, which “the corporate governance framework should protect and facilitate the exercise of shareholders’ rights”. The third element is fair treatment of shareholders, which “the corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights”. The fourth element is role of stakeholders, which “the corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises”. The fifth element is disclosure and transparency. Under the disclosure and transparency element, OECD stated that “the corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company”. The last element is responsibilities of the board, which “the corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board’s accountability to the company and the shareholders”.

Basically, there are two main mechanisms in corporate governance which are the internal and external corporate governance control. The internal corporate governance control focuses on the board of directors (roles and responsibilities, board structure, and remuneration), ownership structure, internal control system and internal audit functions, capital structure, and constitution and corporate policy. Whilst the external corporate governance control focuses on the market’s control over the company which are law and regulations, financial institutions, and other external stakeholders.

2.8.3.1 Internal corporate governance

2.8.3.1.1 Board of directors

The board of directors are elected by the shareholders to manage and control the company on behalf of them with fiduciary duties. The fiduciary duties of a director are to act in good faith, exercise power in bona fide, exercise discretion, avoid conflict of interest and self-dealing, and ensure integrity in financial reporting. The directors are responsible for the long-term success of the company and delivering sustainable values to the stakeholders by setting the strategic direction of the company and continuous control. They also need to provide good governance and ethical practices in the company (MCCG, 2017). Every company is required to have a board charter, which outlines the roles and responsibilities of the directors, division of power and responsibilities between the executive director and Chairman, and between the committees which are Audit Committee, Nomination Committee and Remuneration Committee.

The board not only consists of executive directors but is also required to consist of independent directors. These directors are independent of management and does not have any business with the company or relationship with the executive directors of the company, which may interfere with the exercise of autonomous judgement or the capability to act in the best interests of the company (Listing Requirements, 2019). Under the MCCG (2017), at least half of the board must consist of independent directors and for larger companies, a majority of the board must consist of independent directors. While under the Listing Requirement, at least two directors are independent directors or one-third of the board consists of independent directors.

By having independent directors in the board enables the board to be more effective as the independent directors play a role as a check and balance mechanism. The existence of independent directors on board helps to reduce agency problems as they represent the shareholders' interest by monitoring the decisions implemented by the executive directors (Dharmastuti and Wahyudi, 2013). Besides that, the existence of

independent directors on board decreases the chance of fraud in financial reporting (Beasley, 1996). According to Duchin, Matsusaka, and Ozbas (2010), their study proves that the transparent company's performance increases if there are outsiders in the board. However, if the number of independent directors in the board is insufficient, they are unable to exert their power and function. On the contrary, there are studies show that there is no relationship between the existence of independent directors and company's performance (Abdul Rahman and Mohamed Ali, 2006; Garg, 2007; Johari, Saleh, Jaafar, and Hassan, 2008; Fitriya Fauzi and Locke, 2012). According to Abdul Rahman and Mohamed Ali (2006) and Johari et al. (2008), the existence of independent directors on board does not affect the earnings management, even though it follows the proportion required by the law and regulation. While Garg (2007) study that the existence of independent directors did not increased the company's performance because of the lack of monitoring by the independent directors.

The maximum number of years that a director can be an independent director in the board is nine years. After the ninth year, he will be re-designated as a non-independent director if he continues to be a director in the board. The reason being is that regulators have found out that usually at the ninth year of being an independent director, the director starts to lose his ability to make independent judgement due to the growth of relation with the management over the years. However, if the board decides to retain the independent director that has served for nine years, justification should be made and shareholders' approval is required. The justification process involves assessments which needed to be disclosed to the shareholders for them to make decisions. And then on the twelfth year, if the board still decides to retain him as an independent director, a two-tier voting process during the general meeting for shareholders' approval is required. Hence, the Listing Requirement mandate that the details of both the executive directors and independent directors to be disclosed in the company's annual report and website so that the shareholders are able to know the number of independent directors in the board, the independent directors' term of office, and so forth.

The gender diversity in the boardroom is also part of the corporate governance. Companies are required to have female directors on board due to the increase focus on gender equality. There is also a positive connection between the financial performance and gender of the board members. According to Post and Byron (2015), the company's financial performance is better by having female directors in the board as compared to those companies that only have male directors in the board. It was found that female directors are more engaged when monitoring, careful when making decisions, not too aggressive and less likely to take risks as compared to male directors (Khaw and Liao, 2018). According to Terjesen, Sealy, and Singh (2009), there are increasing pressures from the various stakeholders be it the regulators as well as the employers and other related parties for participation of women representation in the board of directors. The underlying principle generally draws on the business case as well as the moral justice which required a fairer society in equal participation.

All the directors, being executive director or independent director, are paid with a remuneration for discharging their duties. However, there are many cases where directors, especially executive directors drawing excessive remuneration despite the financial performance of the company is poor; making the financial performance worst. Hence, the law requires that the directors' remuneration has to be approved by the shareholders during annual general meeting before the company can pay out their remuneration. Besides that, the MCCG also requires the company to disclose the directors' remuneration and recommends that a remuneration committee be formed to justify, set and recommend the directors' remuneration. A remuneration policy should also be created and one of the main content in the policy is that the directors' remuneration must linked to their experience, level of responsibility, individual and the company's performance (Lim and Yen, 2011).

2.8.3.1.2 Ownership structure

There are two types of shareholders which are the institutional and individual shareholders. The institutional shareholders have a more powerful influence in the management of the company than the individual shareholders. This is due to the high percentage of shares they own and they are expert in obtaining information and monitoring the management (Dharmastuti and Wahyudi, 2013). The huge amount of shares that the institutional shareholders own makes them not so easy to sell off or buy in shares. Hence, their interest is not only on the financial performance of the company but also their strategies and activities (Chang, 2004). Without the presence of institutional shareholders, the decisions made by the management tend to side the management more than the shareholders especially when there is an agency problem.

The family owned and non-family owned business also forms the ownership structure of the company. The type of ownership that a family owned business has is the owner-managed ownership. In Malaysia, most of the public companies have this type of ownership. This means that the executive directors are also the shareholder of the company. When the executive directors own a large portion of the shares in the company, the consequences of their decisions and actions in either destroying or generating value for the company are borne by them too. Hence, the owner-managed ownership structure enables to reduce the agency costs. However, if the executive directors only own a small portion of shares in the company, they tend to go after personal benefits rather than maximizing the company's value (Jensen and Meckling, 1976).

Basically, a proper ownership structure helps to reduce the agency cost which arise from the conflict of interests between the management and shareholders. Studies have shown that the ownership structure does affect the financial performance of the company (Rahmani et al., 2010; Asadi and Bahlevan, 2016; Al-Thuneibat, 2018).

Under the Bursa Listing Requirements, the public listed companies are compulsory to disclose the information on the directors' shareholding and institutional shareholders.

On the contrary, according to Wiwattanakantang (1999), his study found that there were no significant relationship between the directors' shareholding and the company's debt ratio. While, the study conducted by Fosberg (2004) found that there were a negative significant relationship between directors' shareholding and leverage employed in capital structure. The basis for this is that directors will prefer his personal incentives over the interests of shareholders. This proposition is supported by another study carried out by Bathala, Moon, and Rao (1994) which also found a significant negative association between firm debt and managerial ownership.

2.8.3.1.3 Internal control system and internal audit functions

The internal control system consists of policies and procedures in order to achieve three main company objectives which are efficient and effective operation, reliable financial reporting, and the company is in line with all the relevant government regulations. The internal control system also evaluates and controls the company's risks, which are mainly the operational risk, information risk, and compliance risk (Lai, Li, Lin, and Wu, 2017). However, some big companies form a separate team known as the risk management team solely to evaluate and control the risks of the company. Studies have shown that weak internal controls reduce the operation's efficiency and effectiveness hence, causing the poor financial performance of the company. The internal audit function helps to evaluate and improve the internal control system by reporting the weaknesses of the internal control processes to the Audit Committee of the company and the management take appropriate actions to improve the internal control system.

2.8.3.1.4 Capital Structure

The main concern for the shareholders in the financial information of the company is the capital structure. The capital structure enables the shareholders and other concerned parties such as the potential investors and financial institutions to see whether the company use debts excessively, which may lead to bankruptcy. Hence, corporate governance is taken into consideration when the management makes the financial decision in determining the capital structure (Naseem, Malik, Zhang, and Ramiz-Ur-Rehman, 2017). Besides that, shareholders always expect that the company is able to achieve optimal capital structure in order to maximize the company's market value. However, optimal capital structure is almost impossible to achieve due to adjustment costs (Khan and Kouser, 2019).

2.8.3.1.5 Constitution and Company Policies

The company's constitution, known as the memorandum and articles of association before the new Companies Act (Companies Act 2016) came into effect serves as a document of company rules that both the directors and shareholders agreed to follow. The rules in the company's constitution must not contradict with the Companies Act 2016. Under this new Act, companies are not required to have a constitution. However, those companies that do not adopt a constitution will fully follow the Companies Act 2016. Hence, the company's constitution is also served as a contract between the directors and shareholders. If the directors breach the company's constitution, the shareholders have the right to take legal actions against the directors.

On the other hand, company policies are the internal rules on the operation of the company such as the employee code of conduct, health and safety rules, whistleblowing policy, and etc. These policies are an important part of the company's internal control. Without company policies, the operations in the company will be uncontrollable. For example, if the company does not have an employee code of conduct, the employee that steals money from the company will not have any action

taken against him resulting in business loss. If there are no health and safety rules, the workplace becomes prone to accidents. Hence, without company policies, shareholders and potential investors will see the company as an unreliable company. Besides that, these policies have to be audited from time to time in order to have a strong internal control. However, most of the companies do not disclose their company policies as this is not a requirement in any of the company law, rules and regulations unless they are voluntarily disclosed by the directors.

2.8.3.2 External corporate governance

Financial institutions, as an external party helps to improve the corporate governance of the company too. Especially banks, they are delegated monitor for the companies that take up their banking facilities. Loans create a bonding mechanism between the management of the company and shareholders (Jensen and Meckling, 1976). The loan agreements makes the management of the companies liable on the loans taken hence, the interests of the management of the company is aligned with the shareholders' interests which is to maximize the company's values for a better financial performance; and are less likely to conduct expropriation activities.

Corporate social responsibility (CSR) is one of the elements in corporate governance. Stanwick and Stanwick (1998) have reviewed and summarized the studies that examined the effects of CSR on financial performance and they found that there is a weak positive relationship between CSR on financial performance. Alniacik, Cigerim, Akcin, and Byram (2011) has concluded that positive information on company CSR has made the employment desirability higher as well as an increase in purchase and investment intentions.

Nowadays, CSR has been a main priority for the young customers. They are more likely to buy products from company with strong CSR. Environmental friendly

products are more preferred among young customers and they are willing to pay more for these products (Robertson, Blevins, and Duffy, 2013). A study has proven that companies with strong CSR are more profitable than those companies with weak CSR. Most of the young people nowadays are very active in social activism. These young social activists are able to force the companies to improve their CSR policies (Rodriguez-Fernandez, 2016). Studies have found out that companies that expect to have a better financial performance tend to practice good CSR and disclose more CSR information during the current term (Jain, Jain, and Rezaee, 2016; Lys, Naughton, and Wang, 2015).

Under the Listing Requirements, public listed companies are mandatory to report their CSR activities in the annual report. However, in 2015, Bursa Malaysia Berhad introduced the sustainability reporting to replace the CSR reporting. The sustainability reporting is in reference with the UN Sustainable Development Goals (SDG) and Task Force on Climate-related Financial Disclosures (TCFD). There have been an increase of stakeholders that are interested to know the effort done by the companies in handling the risks and opportunities in term of economic, environment, and social. Companies that practices sustainability in their business and sustainability reporting are probably able to gain competitive advantage. The context of sustainability are economic, environmental, and social (ESS). In terms of economic, the company discloses the economic impact created by their businesses on its stakeholders, local, national, and global stage. While in terms of environmental, the company discloses the impact on the land, air, water, and ecosystems from their businesses. For the social context, the company discloses the impact created by their businesses on the employees, customers, suppliers, communities, and so forth.

The main mechanism that enable the companies to improve their corporate governance is the law. In Malaysia, the Companies Act, Bursa Listing Requirements, and Malaysia Code on Corporate Governance are the main rules and regulation that forces the companies to have a better corporate governance in order to protect the

shareholders' interests. Besides the law that focus on corporate governance to protect the shareholders especially minority shareholders, there is a group known as Minority Shareholder Watch Group (MSWG) to protect the minority shareholders. The MSWG basically helps the minority shareholders to monitor the companies by reviewing their annual reports, resolutions and circulars, attending their general meetings, and obtaining more company's information if required. A study have shown that companies monitored by the MSWG have higher stock returns compared to companies not monitored by MSWG (Ameer and Abdul Rahman, 2009).

2.8.3.3 Voluntary Disclosure

According to (Hooghiemstra, 2000), voluntary disclosures have a significant and positive effect on both the perception of the company and its market value. Apart from mandatory disclosure, the directors are also encouraged to practice voluntary disclosure. Based the studies in Williams (2008), academics and professionals have started to call for more voluntary disclosure as a manner to distinguish themselves from rivals, provide more appropriate information than is necessary, and provide positive financial and social results.

Voluntary disclosures often have wider forces on the society, politics, and economy, producing more values that result in more informed decision making. In this era, there are an increased people with ideology such as customers combined information to decided on buying or not the company's products, employees go through the company's information when looking for a job, environmentalist use the company's information to measure the company's emissions standard, and communities go through the company's information to measure the amount of tax imposed (Engardio, 2007).

By practicing voluntary disclosure, it enables the company to have competitive advantage and also brand equity. Reebok International was a good example that practices voluntary disclosure. The company partnered with the Fair Labour Association and was provided with an independent audit report on following the international code of conduct for workers. The company then placed the report on its website and even announce the details in its 10-K report and the news. This voluntary disclosure enhances the company's identity as a transparent and socially responsible company. Hence, helping the company to be different from its competitors through information with social implications.

Studies have shown that there is a relationship between the quality of the earnings report and voluntary disclosure but in both direct and inverse variation (Dichev, Graham, Harvey, and Rajgopal, 2013; Francis, Nanda, and Olsson, 2008; Sengupta, 1998; Penno, 1997). Based on the studies by Dichev, et al. (2013) and Sengupta (1998), companies that have lower quality of the earnings report tend to reveal more information. On the other hand, according to Francis et al. (2008) and Penno (1997), companies that have higher quality of the earnings report tend to reveal more information. There is a study stated that voluntary disclosures create proprietary cost as the information disclosed for the rivals and potential rivals are considered private that reduces the company's competitiveness and profitability (Verrecchia, 2001).

In Malaysia, based on the study conducted by Embong (2014), there has been an increased in voluntary disclosure level in public listed companies from year 2006 to 2010. While in the most recent study conducted by Talpur, Lizam, and Keerio (2018), the voluntary disclosure level in public listed companies also increased from 2012 to 2015. Their study also found out that there is a positive correlation between the size of the company and voluntary disclosure level.

2.8.4 Dividend Disclosure

Dividend payment is a form of reward to the shareholders from the company in achieving the shareholders' wealth maximization goal by distributing a portion of the profits (Yusof and Ismail, 2016). Corporate governance elements and mechanisms affects the dividend payments. Studies have shown that there is a positive association between companies that practice good corporate governance and have a high corporate governance score and dividend payments (Farinha, 2003; Mitton, 2004; Brown and Caylor, 2004). According to La Porta, Lopez-De-Silanes, Shleifer, and Vishny (2000), dividend payments play an important role in the agency problem between the management and shareholders. Better disclosure quality has been proven to reduce the level of agency problem by forcing the management to pay dividends. Companies that give out larger dividends is connected with high disclosure quality as shareholders have better information on the surplus cash flow of the company and demand for higher dividend payouts (Lin, Kuo, and Wang, 2016). Besides that, dividend payments can serve as a tool to protect the minority shareholders from being expropriate by the directors and controlling shareholders (Adjaoud and Ben-Amar, 2010).

On the other hand, there have been studies that suggest companies to payout higher dividends as paying dividend enables the company's value to increase. The reason being is that companies that pay dividend provide shareholders with cash inflows and reduces the unsureness of the future cash flows since the risks are lesser for dividend payment than capital gains (Al-Najjar and Kilincarslan, 2019). Dividend payment affects the satisfaction level of the shareholders. Based on the study conducted by Riaz (2010), shareholders that received dividends for three consecutive years are more satisfied on the dividend policy, voting rights, disclosure and transparency on information related to financial performance, and the board structure.

Dividend policy consist of the matters that the management need to take into consideration and practices that the management need to follow when deciding on the

dividend payout. The basis of the dividend payout is not disclosed by most of the companies. Basically, the decision on dividend payout is affected by the profits, size of the company, investment opportunities, delayed dividends, and free cash flows (Dewasiri, Yatiwelle Koralalage, Abdul Azeez, Jayarathne, Kuruppuarachchi, and Weerasinghe, 2019). An example of a dividend policy disclosure is by Bursa Malaysia Berhad. In their dividend policy, they have mentioned their expectation on the percentage of their yearly dividend payment and factors that affect their decision on the dividend payment which includes the level of available cash and cash equivalents, retained profits and return on equity, and the projected level of capital expenditure and other investment plans. However, under the Companies Act 2016, dividend can only be paid out if the company is solvent, which means that the company is able to pay their debts that due within the twelve months after dividends have been paid out to the eligible shareholders.

Under the Bursa Listing Requirements, the company is required to declare the dividend payment and to be approved by the shareholders in a general meeting before proceeding on paying out the dividends. The declaration made is to allow the shareholders to determine if the company is at the right financial state to pay out dividends, to avoid the company being insolvent after paying dividends.

On the contrary, according to John and Knyazeva (2006), companies that have good corporate governance practices have lower level of dividend payment due to the company has been already perceived to low agency problem. The findings from the study conducted by Jiraporn and Ning (2006) shows that there is a negative relationship between the shareholders' rights and dividend policy.

2.8.5 Voting Rights Disclosure

Basically, there are two types of shareholders which are ordinary shareholders which the shares they own are ordinary shares and preferred shareholders which the shares they own are preferred shares. Preferred shareholders do not have voting rights. Shares with voting rights can be sold at a higher price compared to shares without voting rights hence, voting rights increase the value of the shares (Coffee, 1999). The information of voting rights are mostly disclosed in the company's constitution. For companies that do not have a constitution, the information of voting rights will follow the provisions in the Companies Act 2016.

The voting rights attached to the shares provide a mechanism for the shareholders to participate in certain matters of the management and discipline them if they fail to perform (Khan and Habib, 2018). The voting rights give the shareholders voting power. For minority shareholders, this voting power is an alternative to legal protection for them (La Porta et al., 2000). They will use this voting power to protect their interests during general meeting and if fail, they will only proceed to the court for remedy. However, minority shareholders' votes have little impact due to the cumulative voting system which the number of votes a shareholder have depends on the number of shares he or she owns.

The laws and regulations on shareholders voting is important for producing meaningful votes (Iliev, Lins, Miller, and Roth, 2015). The shareholders are able to exercise their voting rights on only certain matters according to the laws and regulations. This means that only certain matters stated in the laws and regulations require shareholders' approval.

2.8.5.1 Voting Method

Traditionally, before the emergence of technology, the shareholders voting method in a general meeting is by show of hands, which means that one shareholder will have one vote. By using this voting method, the shareholders can only appoint one proxy to vote on behalf of him. However, it was found out that there were cases that the voting result from the show of hands voting was manipulated where the proxies' votes were not calculated into (Winter, 2016). Though, there are still a number of companies using this method as it is still legal under the Companies Act 2016. The shareholders have the right to ask the company to conduct the voting by way of poll, except for the matter on electing the chairperson and adjourning the meeting. However, the demand have to be made by either at least five shareholders that have voting right or by shareholders that have at least ten percent of the total voting rights of all shareholders.

On the other hand, under the MCCG (2017), companies are advisable to use electronic poll voting so that it provides more convenience and flexibility for the shareholders to participate and vote. Besides that, the electronic poll voting method enables the company to have a more efficient voting process. The voting results from electronic poll voting are more accurate and providing more transparency. The time require to calculate the votes are reduced. It is also more environmental friendly due to the reduction in the use of papers. Electronic poll voting provides more accessibility for shareholders that are unable to attend the general meeting and for those disabled shareholders.

The type of voting method practiced by the companies effects the earnings management.

2.8.5.2 General Meetings

There are two types of general meeting which is the annual general meeting and extraordinary general meeting. All public listed companies are mandatory to conduct an annual general meeting per year to present the audited financial report to the shareholders and seek the shareholders' approval on the re-election of the retiring directors, fixing of remuneration of the directors, appointment of directors, and any other resolutions that require the shareholders' approval. The main purpose of conducting an annual general meeting is to enable the shareholders to have a better understanding on the company's businesses and enable them to exercise their rights to ask questions, provide suggestions, and vote. The annual general meeting is the only time that the board is able to communicate and engage with the shareholders. However, communication with shareholders in the annual general meeting is the main challenge as most of the shareholders, especially minority shareholders are working adults whom rarely able to attend the annual general meeting which must be held on normal business days and hours. Besides that, some companies conduct the annual general meeting at its factory or office which is located in a remote area in order to reduce the costs needed to conduct the annual general meeting. This causes inconvenience to the shareholders to attend the annual general meeting. With the emergence of technology, the MCCG require companies to use technology in conducting general meetings especially when the general meeting is conducted in inaccessible locations in order to increase shareholders participation.

On the other hand, the extraordinary general meeting is also known as a special general meeting. This meeting is conducted with a shorter notice. The purpose of this meeting is to seek the shareholders' approval on the company's urgent transactions; transactions that could not wait to be approved on the next annual general meeting. Same as the annual general meeting, the company should use technology to increase shareholders participation when conducting the extraordinary general meeting.

2.8.5.3 Pre-emptive Right

To the best of my knowledge, there are no studies on the association of pre-emptive right and corporate transparency. If a company needs to issue new shares that rank equally in terms of voting and distribution rights to the existing shares, the newly issue shares must be offered in proportion to the existing shareholders including minority shareholders first. In addition, if the existing shareholder refuse the offer and opt to sell the shares, it must be sold in proportion to other existing shareholders. This is known as the pre-emptive right that the shareholders have. The main reason shareholders are given this right is to prevent equity dilution. The effect of equity dilution is that it decreases the ownership percentage, voting rights, and the value of the shares of the existing shareholders (Donovan and Ho, 2018). The information on pre-emptive right is under the Companies Act 2016 and in the company's constitution, if the company have a constitution and chooses to spell out.

On the voting rights disclosure, most minority shareholders are satisfied on the voting method, disclosure of voting agreements by law or regulation, number of general meetings per year, and issuance of class of shares. On the other hand, most minority shareholders are dissatisfied on the disclosure of pre-emptive right. This is mainly because the information on pre-emptive right are only available in the company's constitution or the Companies Act which is not available in any medium use to disclose the information. The company's constitution is only available to the shareholders upon request or enclosed with the Circular to Shareholders if there are amendments to the company's constitution. While many are unaware about the Companies Act and even if they are aware, most of them are not legal literacy.

2.9 Information media

There are numerous ways to store and deliver information. Before the internet era, information was delivered via printed media such as newspapers, magazines, and billboards, broadcast media such as radio and televisions, conducting training

programs or seminars, and word of mouth which is spreading of information from an individual to another individual verbally. Today, with the existence of the internet, information are mostly delivered via websites and social media. In promoting corporate transparency, the medium used for disseminating information should enable to provide cost-effective, timely, and fair access of information (OECD, 2004).

2.9.1 Website

As of August 2016, the number of websites around the world reached 1.7 billion (“March 2018 Web Server Survey,” 2018). Basically, there are many types of website such as e-commerce websites, community websites, brand websites, corporate websites, and informational websites (Agrebi and Boncori, 2017).

Using website as a medium for delivering information enables the company to reduce cost as the cost for communicating with various media outlets has been reduced and it is cheaper than delivering information through printed media and etc. The time required to deliver the information also reduces as there is no need for printing and giving out the brochures, newspapers and etc. Most importantly, disseminating information through website enables the information to reach more people (Fisher and Arnold, 2002). Though, the website have to be user-friendly in order to create accessibility for the information receiver.

For public listed companies, they are compulsory to have a company website as they are required to disclose the mandatory information in their website by the Bursa Listing Requirements and MCCG 2017. Besides the company website, the public also can obtain information through the regulatory bodies’ websites. The website created by SSM, Bursa Malaysia Berhad and SC are informational websites as they provide information on the rules and regulation that the company and its officers need to comply. On the other hand, the website created by MSWG serves as an informational and also community website; where it provides information for the minority

shareholders and also enables the minority shareholders to interact in the forum created in their website.

2.9.2 Social Media

Social media is defined as a web-based platform that enables individuals to connect and interact with content and other users, and generate and distribute contents on the platform (Treem, Dailey, Pierce, and Biffel, 2016). There is a wide variety of social media, being the well-known ones are YouTube, Flickr, LinkedIn and Facebook (Hensel and Deis, 2010). According to Statista (2017), the number of social media users in worldwide has reached 1.96 billion and is expected to increase and reached approximately 2.5 billion in 2018.

The main advantages of using social media to disseminate information is the low costs. For example, sharing the information in Facebook does not require any charges but only the monthly internet cost. Another advantage of using social media to disseminate information is that it enables to increase the number of connections between individuals in a short time (Hensel and Deis, 2010).

However, the use of social media to disseminate information by public listed companies are still low. This is due to the management of the company has absolute discretion for the information released via social media. Besides that, the limitation of the some of the social media causes the inappropriateness for the company to disseminate the information via that social media. For example, Twitter only allows 140 text characters to be posted and Facebook consists of big chunks of text data (Dorminey, Dull, and Schaupp, 2015)

2.9.3 Traditional Print Media

Before the internet was created, information was disseminated via printed media such as newspapers, magazines, brochures, posters, and etc.

Despite the emergence of various types of media, the information provided in newspapers are still perceived as believable and trustworthy and newspapers still able to provide accessibility to local and ethnic audiences (Nyilasy, King, Reid, and McDonald, 2011). On the other hand, magazines are upscale, which is more expensive than newspapers and involve selected audiences. For example, information in a female magazine are mostly read by females who are in the average and high class of income.

There are findings showed that printed media especially magazine does contains more information compared to broadcasting such as television advertising; and the individual that receives the information feel more satisfied (Stern, Krugman, and Resnik, 1981; Soley and Reid, 1983). Besides that, print media enables the individual that receives the information to select the information to attend to therefore, providing more control in processing the information disseminated (Nysveen and Breivik, 2005).

For public listed companies, they are still compulsory to print the Annual Report booklet and Circulars under the law and regulation.

Certain information is mandatory to be advertised in newspapers, both in Malay and English language under the Companies Act 2016. Companies are mandatory to advertise the notice of general meeting in newspapers too.

2.9.4 Intermediaries

Brokers are known as intermediaries of the shareholders and the companies by providing service in buying and selling shares for the shareholders. They also provide information of the public listed companies through their market report.

The MSWG are also considered as intermediaries of the minority shareholders and the companies. However, information is only provided to those who subscribed with them. There are three types of subscribers which are institutional subscribers, corporate subscribers, and retail subscriber. Retail subscribers consist of individual shareholders, which are minority shareholders. The number of retail subscribers has increased from 797 as at year 2016 to 1192 as at year 2018 (Annual Report, 2016; 2018). The main information provided for public in their website is regarding on the annual and extraordinary general meetings of the public listed companies.

2.10 Hypotheses Development

It can be concluded that minority shareholders' rights have been deprived. Majority shareholders are those investors who hold at least 5% of shares in a public company whilst minority shareholders are those who holds less than 5% of shares in a public company. The majority shareholders are generally having more power as compared to the minority shareholders due to the percentage of votes they own, which directly depending on the percentage of shares. Also, the majority shareholders are also the directors of the company. Hence, they are able to exert dominant control over the company in a general meeting (Lim, 2018).

Such protection to the minority shareholders can be done through proper corporate governance, which consists of a number of mechanisms and elements.

The main element of corporate governance is corporate transparency which involves the extent of information disclosed. In order for the disclosed information to effectively reach the target receivers, the medium used to disseminate the disclosed information plays an important role. This study focuses on the satisfaction level of the minority shareholders in Malaysia, towards the transparency by the public listed companies. The transparency in this study is measure by disclosure in five (5) key areas of information, namely, (1) Company's Information, (2) Corporate Governance Disclosure, (3) Financial Information, (4) Dividend Disclosure, and (5) Voting Rights. This report also study the medium used to disseminate the disclosed information.

Timeliness is essential especially for financial reporting. According to Grant (1980), timeliness affects the amount of information disclosed. Companies that timely disclose the information often contains more information. Besides that, timeliness enable to prevent the management from expropriation due to their advantage of having the information in advance (Park et al., 2013). According to (Devin, 2016), if the information disclosed is correct and truthful but does not have the key information, the information is said to be "half-truths" which affects the transparency.

Hence this study will examine the association between minority shareholders' satisfaction and corporate information disclosure. The expected result is that there is an association between minority shareholders' satisfaction and corporate information disclosure

Hypothesis 1:

There is an association between minority shareholders' satisfaction and corporate information disclosure.

In order for them to make a precise risk assessment on the investment opportunities, the financial information disclosed have to be timely and reliable. Hence, policies that adopt the international accounting standards have to be implemented when preparing and presenting the financial information (Crawford, 2013). Hence this study will examine the association between minority shareholders' satisfaction and financial information disclosure. The expected result is that there is an association between minority shareholders' satisfaction and financial information disclosure.

Hypothesis 2:

There is an association between minority shareholders' satisfaction and financial information disclosure.

In fact, corporate governance was introduced during the era of Dutch Republic in the 17th century (Frentrop, 2003). There is no standard definition of corporate governance. According to the Organization for Economic Co-operation and Development (OECD) (2004), corporate governance is defined as "a set of relationships between the company's board, its shareholders and other stakeholders and the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined". While the Cadbury Committee in 1995 defined corporate governance as "the system by which companies are directed and controlled". In Malaysia, according to the High Level

Finance Committee Report (1999), the definition for corporate governance is “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders”. When the definitions are simplified, corporate governance is defined as a system of rules, practice, and processes that directs and controls the company by having a balanced interest of the company’s stakeholders which are the shareholders, management of the company, customers, suppliers, government and the community (Investopedia, 2019). Hence, this study will examine the association between minority shareholders’ satisfaction and corporate governance disclosure. The expected result is that there is an association between minority shareholders’ satisfaction and corporate governance disclosure

Hypothesis 3:

There is an association between minority shareholders’ satisfaction and corporate governance disclosure.

According to La Porta et al., (2000), dividend payments play an important role in the agency problem between the management and shareholders. Better disclosure quality has been proven to reduce the level of agency problem by forcing the management to pay dividends. Companies that give out larger dividends is connected with high disclosure quality as shareholders have better information on the surplus cash flow of the company and demand for higher dividend payouts (Lin et al., 2016). Thus, this study will examine the relationship between minority shareholders’ satisfaction and dividend disclosure. The expected result is that there is an association between minority shareholders’ satisfaction and dividend disclosure.

Hypothesis 4:

There is an association between minority shareholders’ satisfaction and dividend disclosure.

Due to this voting right, they are able to exert dominant control over the company in a general meeting (Lim, 2018). Hence, the majority shareholders are also known as controlling shareholders, which most of the cases are also directors of the company. There are many cases of the minority shareholders' interests being expropriated by the controlling shareholders (Abdul Hamid et al., 2016). For example, the controlling shareholder of a listed company sells his assets to the company at a value over the market price without the minority shareholders' knowledge in order to expropriate wealth. The main reason being is the lack of corporate governance especially on corporate transparency. Hence this study will examine the relationship between minority shareholders' satisfaction and voting right disclosure. The expected result is that there is an association between minority shareholders' satisfaction and voting right disclosure.

Hypothesis 5:

There is an association between minority shareholders' satisfaction and voting right disclosure.

According to Post and Byron (2015), the company's financial performance is better by having female directors in the board as compared to those companies that only have male directors in the board. It was found that female directors are more engaged when monitoring, careful when making decisions, not too aggressive and less likely to take risks as compared to male directors (Khaw and Liao, 2018). Hence, this study will examine the relationship between the minority shareholders' satisfaction level on corporate transparency between female and male. The expected result is that There is no difference on the minority shareholders' satisfaction level on corporate transparency between female and male.

Hypothesis 6:

There is no difference on the minority shareholders' satisfaction level on corporate transparency between female and male.

CHAPTER 3 RESEARCH METHODOLOGY

3.0 Research Methodology

3.1 Introduction

This Chapter 3 will provide a framework of the research methodology used in this report. This chapter also defines the data collection method as well as the sampling design. It also discusses about the research questionnaires and data analysis for this research. This chapter is important as it offers a pathway to collect and analyses data and information to continue the research.

3.2 Data Collection Method

According to Sekaran and Bougie (2012), data collection is a crucial element in which the data gathered could make a major effect to the thoroughness and viability of the investigation. Data can be in the form of primary or secondary sources. Primary data is the information acquired first hand by the researcher, while secondary data is the information collected from existing sources. In this research, only primary data has been collected via questionnaires and there is no secondary data used in this research.

In this research, the quantitative method was used to collect the data from primary sources. Questionnaires are used to collect the data to find out the minority shareholders' satisfaction level on the corporate transparency in Malaysia. In the questionnaire, a 5-point scale were used with 1 being "strongly dissatisfied", 2 being "dissatisfied", 3 being "neutral", 4 being "satisfied", and 5 being "strongly satisfied" to measure the level of satisfaction of the independent variables.

The target number of respondents in this study will be 300 minority shareholders residing in Malaysia because according to Hair et al (2008), a sample of size of at least 200 is only able to produce a reliable data. Electronic questionnaires are used as it is a much cheaper and faster way to collect data and easier for the respondents as

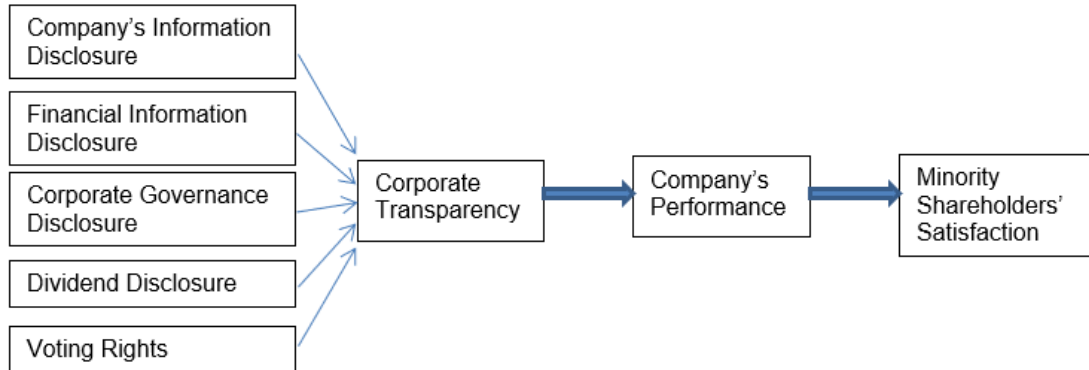
they can fill in the questionnaires at anytime and anywhere they want. Besides that, the respondents tend to be more honest when filling in electronic questionnaires as the researcher is not physically with them which may affect the respondents answer. The questionnaires are developed in an electronic form via Google Forms.

Although the electronic questionnaires are sent to 300 minority shareholders, there are only 208 respondents and the data collected from 8 respondents were excluded due to the questionnaire was filled in incomplete or incorrectly hence, causing a data balance from only 200 respondents. The data from 200 respondents is able to produce a reliable data based on Hair et al (2008).

3.3 Sampling Design

A minority shareholder is defined as a person who owns less than 5% of the public listed company's total shares. The target population is the minority shareholders in Malaysia. Before the questionnaires are sent to them, they have been asked if they are a minority shareholder in Malaysia. The non-probability sampling technique is used in this research as it is impossible to obtain the contact information of the minority shareholders in Malaysia from the relevant bodies. This is because the relevant bodies that have the details and contact information of the minority shareholders in Malaysia could not provide the details and contact information due to the privacy rights and data protection under the Personal Data Protection Act (PDPA).

3.4 Theoretical Framework



3.5 Research Method

The dependent variable is the satisfaction level of the minority shareholders. The independent variables being measured are the basic company's information, financial information, corporate governance disclosure, dividend disclosure, and voting rights disclosure. These variables are the elements of corporate transparency. Most studies have proved that corporate transparency affects the company's performance and the shareholders' satisfaction level is determined by the company's performance.

The data collected will be analyzed using a statistical software known as SPSS. The descriptive statistics was used to summarize the satisfaction level on each independent variables and overall satisfaction level on corporate transparency of the minority shareholders in Malaysia. The reliability of the variables is tested using the Cronbach's Alpha test. The Independent Sample T-Test is used to test on whether there are differences in satisfaction level on corporate transparency between female and male respondents. Lastly, the Correlation analysis is used to test the hypothesis 1 to 5 as stated in sub chapter 2.11 in this study.

3.5.1 Variables

The basic company's information consists of the mission, vision, and values of the company, organisation chart, management of the company, strategic plan of the company, and corporate policy. These basic company information are proved to have an effect on the company's performance which affects the satisfaction level by Dalton et al. (1980), Kotter and Heskett (2000), Ansoff et al. (2001), Herold (2001), Smith et al. (2003), Peng (2004), Taiwo and Idunnu (2007) and Musek (2008).

The main concern for the minority shareholders is the financial information of the company. The financial information consists of the accuracy of the information, timeliness of the information, accessibility of the information, periodic public information, historic accounts and financial highlights, and financial policy. These are the mandatory requirements under the law and regulation of SSM, Bursa Malaysia, and SC when reporting the financial information to the public.

The corporate governance disclosure consists of director's voluntary disclosure, director's shareholdings, number of independence director in the board, number of institutional investors, and corporate social responsibility policy. Corporate governance is the main thing that helps to protect the minority shareholders' rights and interests. These corporate governance mechanisms are also required to be followed and disclosed by the companies under the laws and regulations. These variables are also used because studies have proven that these mechanisms affects the company's performance hence, affecting the satisfaction level (Hooghiemstra, 2000; Duchin, Matsusaka, and Ozbas, 2010; Rahmani et al., 2010; Asadi and Bahlevan, 2016; Al-Thuneibat, 2018; and Rodriguez-Fernandez, 2016).

Shareholders' main interest and goal on the company is to increase performance so that the company enable to pay dividends to them as a form of reward. However, the basis of the dividend payment is not clearly disclosed. This leads to one of the expropriation activity where companies that perform do not pay dividend or pay lesser dividend to the shareholders. Hence, the dividend disclosure which consists of

dividend payment, and dividend policy is used to measure the minority shareholders' satisfaction level.

Lastly, the voting rights disclosure consists of voting method, voting agreements by laws or regulations, number of general meetings per year, issuance of class of shares, and pre-emptive right. These are part of the voting rights attached to the minority shareholders.

3.5.2 Descriptive Analysis

The data from 200 respondents is able to produce a reliable data based on Hair et al (2008). Hence, the data from only 200 respondents are used to analyzed in this study.

Before conducting further analyses, the first analysis is to test whether the variables in the questionnaires are reliable or not. In order to test the reliability of the variables used in the questionnaire, the Cronbach's alpha test is used. Basically, the formula for Cronbach's alpha test is as per below:

$$\alpha = \frac{N\bar{c}}{\bar{v} + (N - 1)\bar{c}}$$

Where N is the number of items, c is the average inter-item covariance among the items and v is the average variance. In this study, the SPSS software is used to run the Cronbach's alpha test.

Some studies have stated that personal traits affect the satisfaction level (Rianthong, 2004). Hence, the demographics data collected in this study are gender, ethnicity, age, state of origin, marital status, education level, occupation, income range. These demographics data are analyzed by using percentage basis to understand the composition of the respondents. The gender data is chosen to test on whether personal traits affect the satisfaction level.

3.5.3 Correlation Analysis

In order to test the relationship between the minority shareholders' satisfaction and the five key variables, where the five hypotheses, hypothesis 1 to 5 is constructed, the correlation analysis is used. The formula used in the correlation analysis is as per below:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where r is the correlation coefficient, n is the number of observations, x is the first variable and y is the second variable. In this study, the SPSS software is used to run the correlation analysis.

3.5.4 Independent t-Test

Hypothesis 6, where there are no differences in satisfaction level on corporate transparency between female and male respondents is tested using the independent t-test. The formula used in the independent t-test is as per below:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{S_{\bar{X}_1 - \bar{X}_2}}$$

Which,

$$S_{\bar{X}_1 - \bar{X}_2} = \sqrt{\left(\frac{N_1 s_1^2 + N_2 s_2^2}{N_1 + N_2 - 2} \right) \left(\frac{N_1 + N_2}{N_1 N_2} \right)}$$

In this study, the independent t-test is run by the SPSS software.

CHAPTER 4 RESULTS AND DISCUSSION

4.0 Results and Discussion

4.1 Introduction

In this Chapter 4, the final analyzed results of the questionnaires will be tabulated and presented in subtopic entitled descriptive statistics and then followed by the analysis of the results of the key variables namely Satisfaction on Corporate Information Disclosure, Satisfaction on Financial Information Disclosure, Satisfaction on Corporate Governance Disclosure, Satisfaction Level on Dividend Disclosure, Satisfaction Level on Voting Rights Disclosure and then followed by a subchapter of discussion of its impact to the current legal/policy frameworks and ways to improve the same.

4.1 Reliability Test

Based on the Cronbach's Alpha test (Appendix 1), the reliability coefficient for twenty-three variables is 0.960, which is in the range of 0 and 1. This means that the internal consistency of the variables are excellent, indicating the questionnaire is reliable.

Table 4.1: Cronbach's Alpha Test

Number of Items	Cronbach's Alpha
23	0.960

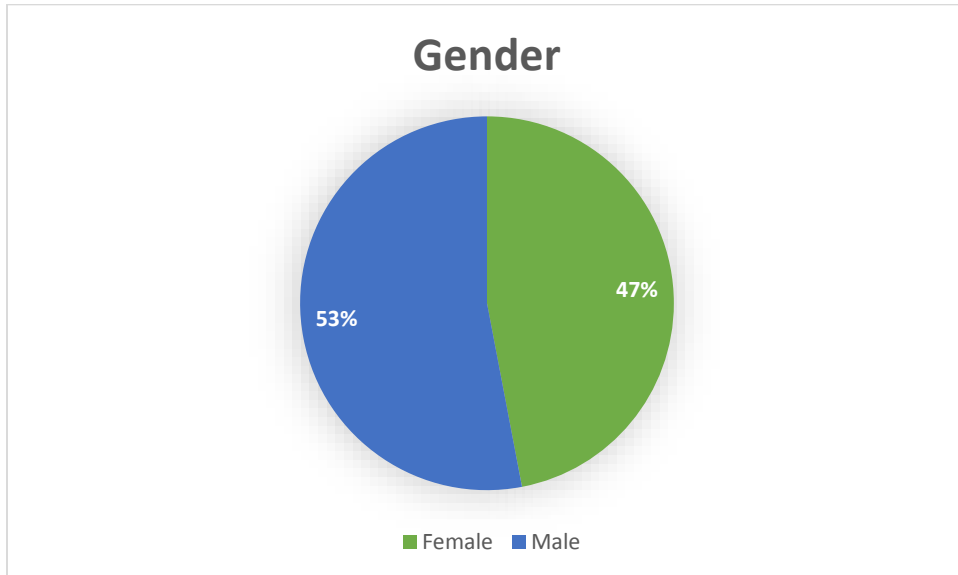
4.2 Descriptive Statistics

The demographics data collected are gender, ethnicity, age, state of origin, marital status, education level, occupation and income range.

4.2.1 Gender

Based on the 200 respondents from the questionnaire distributed, 106 are male which represents 53% and 94 are females which represents 47% as per Figure 4.1 below.

Figure 4.1: Gender



4.2.2 Ethnicity

For the ethnicity, 140 out of 200 respondents are Chinese, 32 are Malay, and 28 are Indian.

4.2.3 Age

While for the age group, 7 out of 200 respondents come from age group 18-24 years old, 124 out of 200 respondents come from age group 25-39 years old which represents 62%, 60 out of 200 respondents come from age group 40-59 years old which represents 30%, and 9 out of 200 respondents come from age group above 60 years old which represents 4.5%.

4.2.4 State of Origin

The respondents are originally from the states summarized in Table 4.2 below. There are 13 states in Malaysia and the data collected from the 200 respondents consists of respondents from all 13 states. Hence, the 200 respondents are appropriate for conducting this study (Hair et al., 2008). The respondents are mostly from Selangor which consist of 62 respondents (31%), followed by Kuala Lumpur which consist of 46 respondents (23%), and Negeri Sembilan which consist of 9 respondents (4.5%).

Table 4.2: Percentage of State of Origin

State	Number of respondents	Percentage (%)
Selangor	62	31
Kuala Lumpur	46	23
Negeri Sembilan	9	4.5
Malacca	7	3.5
Johor	16	8
Pahang	19	9.5
Perak	21	10.5
Terengganu	4	2
Penang	5	2.5
Kedah	5	2.5
Perlis	1	0.5
Sabah	4	2
Sarawak	1	0.5
Total	200	100

4.2.5 Marital Status

For the marital status, 93 out of 200 respondents are single which represents 46.5%, 95 out of 200 respondents are married which represents 47.5%, 7 out of 200 are divorcee which represents 3.5%, and 5 out of 200 respondents are widow which represents 2.5%.

4.2.6 Education Level

For the education level, 41 out of 200 respondents have a postgraduate education which represents 20.5%, 122 out of 200 respondents have an undergraduate education which represents 61%, 12 out of 200 respondents have a professional qualification which represents 6% and 25 out of 200 respondents have a SPM, STPM, A-levels, or Diploma education which represents 12.5%.

4.2.7 Occupation

Based on the occupation filled in by the respondents, 196 out of 200 respondents are working adults, 3 out of 200 are retirees, and 1 out of 200 is a housewife.

4.2.8 Income Range

The income range for the 200 respondents are summarized in Table 4.3 below:-

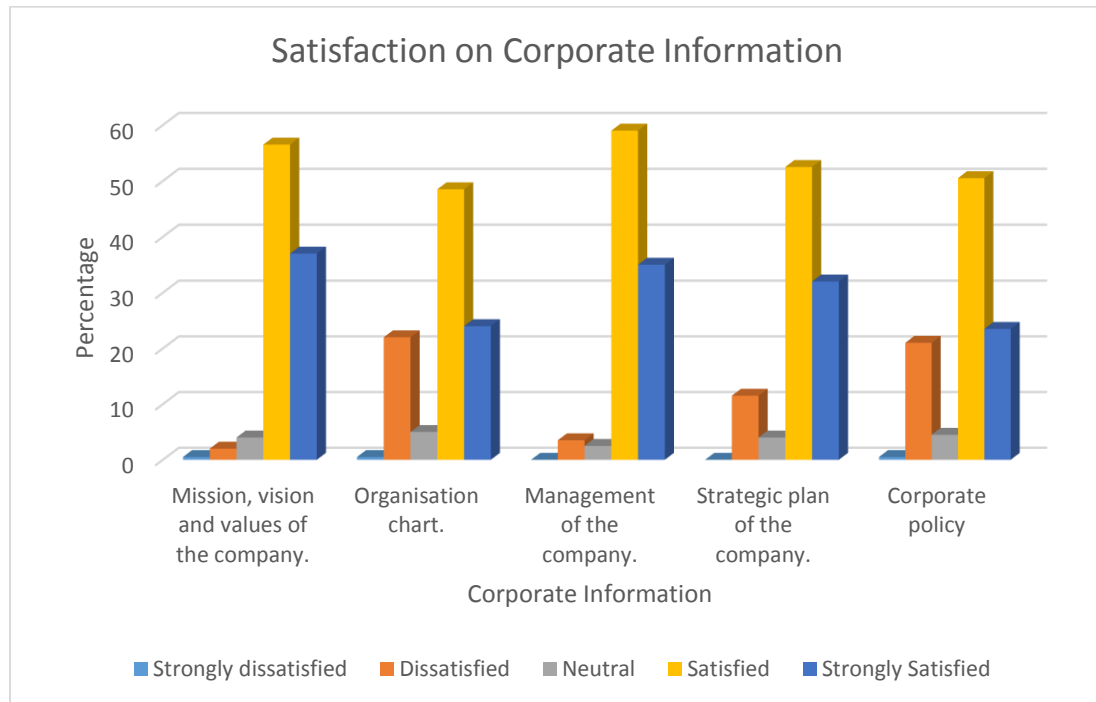
Table 4.3: Percentage of Income Range

Income Range	Number of respondents	Percentage (%)
< RM2000	3	1.5
RM2000-RM3000	19	9.5
RM3001-RM4000	33	16.5
RM4001-RM5000	53	26.5
RM5001-RM6000	27	13.5
RM6001-RM7000	23	11.5
RM7001-RM8000	11	5.5
RM8001-RM9000	4	2
RM9001-RM10000	9	4.5
>RM10001	18	9

4.3 Discussion on the Results on the Key Variables

For the corporate information disclosure, by using percentage as a measurement, the satisfaction level on the disclosure of the company's mission, vision and values, organisation chart, management of the company, strategic plan, and policies are summarized in Figure 4.2 below.

Figure 4.2: Satisfaction on Corporate Information Disclosure



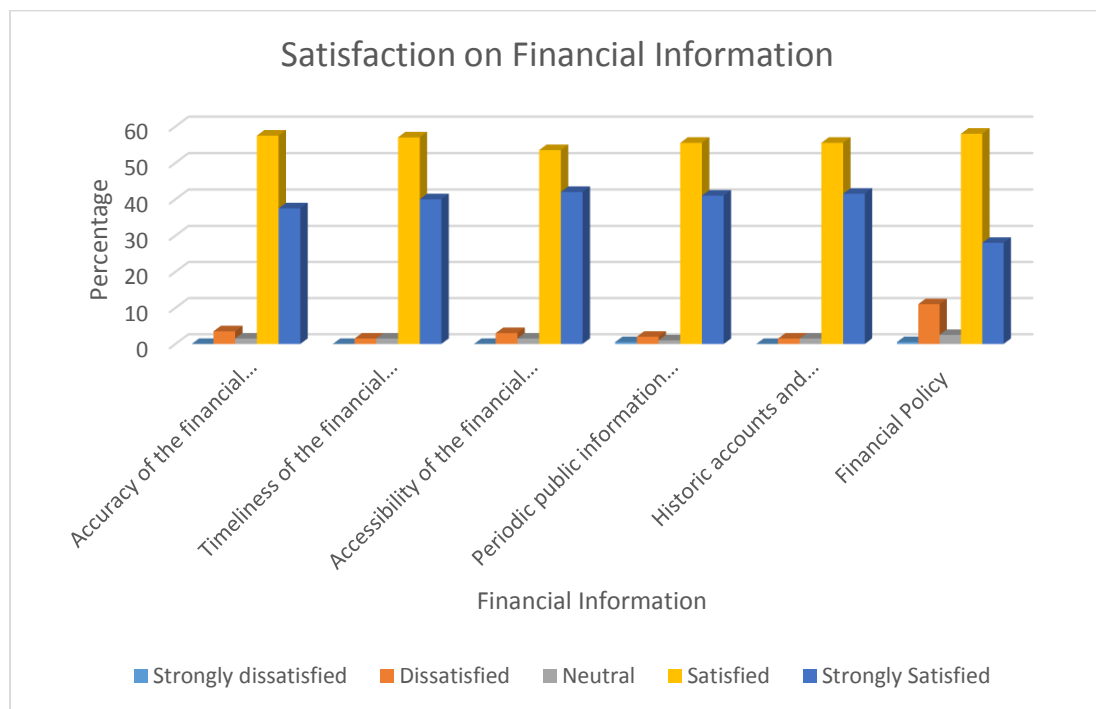
Based on the results, most of the minority shareholders in are satisfied with the disclosure of the company's information in terms of the mission, vision and value of the company, organization chart of the company, the management of the company, strategic plan of the company, and company policies.

This result indicates that most of the public listed companies are disclosing the company's information sufficiently. This is because they realize that by disclosing these company information do indeed increases the company's performance and enable the company to gain competitive advantage in terms of investors' preference.

This is supported by the studies conducted by Dalton et al. (1980), Kotter and Heskett (2000), Ansoff et al. (2001), Herold (2001), Smith et al. (2003), Peng (2004), Taiwo and Idunnu (2007) and Musek (2008).

As for the financial information disclosure, by using percentage as a measurement, the satisfaction level on the accuracy, timeliness, accessibility of the disclosed financial information, periodic public information, historic accounts and financial highlights, and financial policy disclosed are summarized in Figure 4.3 below.

Figure 4.3: Satisfaction on Financial Information Disclosure



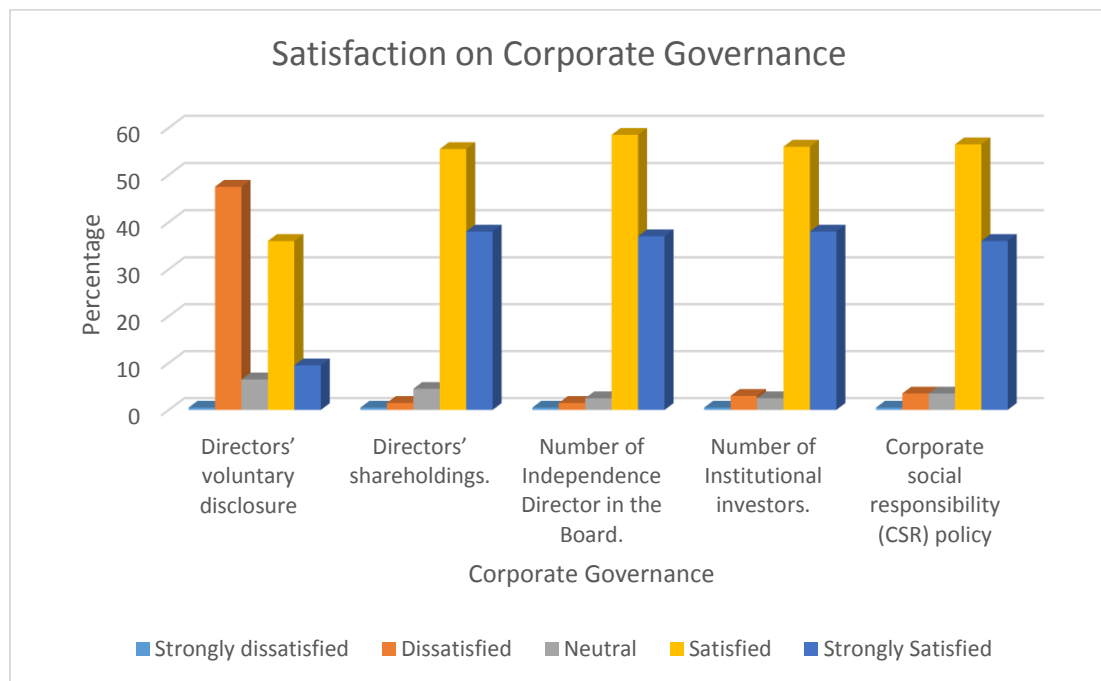
From the results indicated, most minority shareholders are satisfied in terms of the accuracy, timeliness, accessibility of the financial information, periodic public information, historic accounts and financial highlights, and financial policy.

Financial information is crucial for financial decision of shareholders. Thus, the shareholders need information that is accurate, timely, accessible, and periodical,

historical information as well as financial policy to make decisions. The result from this study indicates that the mandatory financial information disclosures based on the financial reporting standards enable the minority shareholders to have accurate, timely, accessible, periodical, and historical information as well as financial policy to make correct financial decisions. Hence, this also means that the current law and regulations on financial information disclosure is effective in providing sufficient financial information for the minority shareholders to make correct financial decisions. The result on financial policy supports the statement by Examples.com as explained in the literature review.

For the corporate governance disclosure, by using percentage as a measurement, the satisfaction level on the directors' voluntary disclosure, disclosure on the directors' shareholdings, number of independent directors in the board, number of institutional investors, and CSR policy are summarized in Figure 4.4 below.

Figure 4.4: Satisfaction on Corporate Governance Disclosure



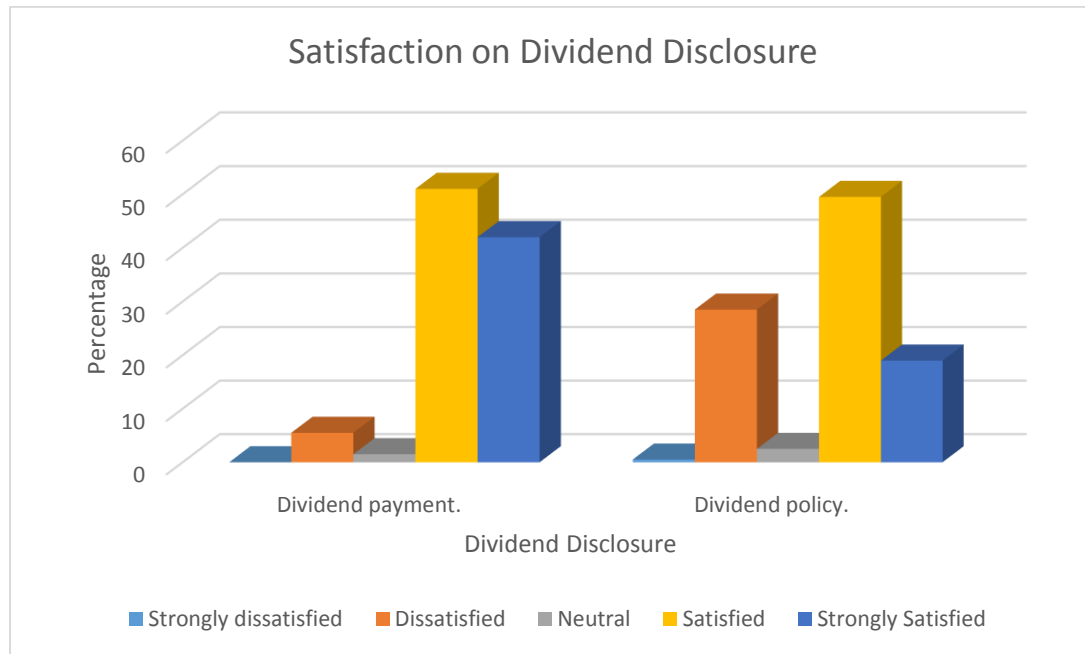
The results obtained from this study shows that most minority shareholders are not satisfied with the directors' voluntary disclosure. This represents that most companies are reluctant to voluntarily disclose more information and that they choose to only disclose those information required to be disclosed under the laws and regulations. Although there has been an increased in the voluntary disclosure level in public listed companies in Malaysia as per the findings from the studies conducted by Embong (2014) and Talpur et al. (2018), this study shows that the voluntary disclosure level is still not up to the satisfaction of the minority shareholders.

As for the information on directors' shareholdings, number of independent directors in the board, number of institutional investors, and CSR policy, most minority shareholders are satisfied with the disclosure of these information. As mentioned earlier in the literature review that values created through company performance affects the shareholders' satisfaction level. When the corporate governance mechanisms has an effect on the company's performance, values that are created affects the shareholders' satisfaction level. Hence, the results support the studies conducted by Duchin, Matsusaka, and Ozbas (2010), Rahmani et al. (2010), Asadi and Bahlevan (2016), Al-Thuneibat (2018), and Rodriguez-Fernandez (2016).

The regulators need to encourage the directors to disclose voluntary additional information and these directors can be rewarded with the honorary recognition by the regulators as being the most transparent directors, and etc. This voluntary program can also be incorporated into the company's corporate social responsibility framework of the listed companies and the independent directors be tasked to monitor the progress of this voluntary disclosure program. Education and awareness programs can be conducted by the regulators to encourage voluntary disclosures.

For the dividend disclosure, by using percentage as a measurement, the satisfaction level on the disclosure of dividend payment and dividend policy are summarized in Figure 4.5 below.

Figure 4.5: Satisfaction on Dividend Disclosure



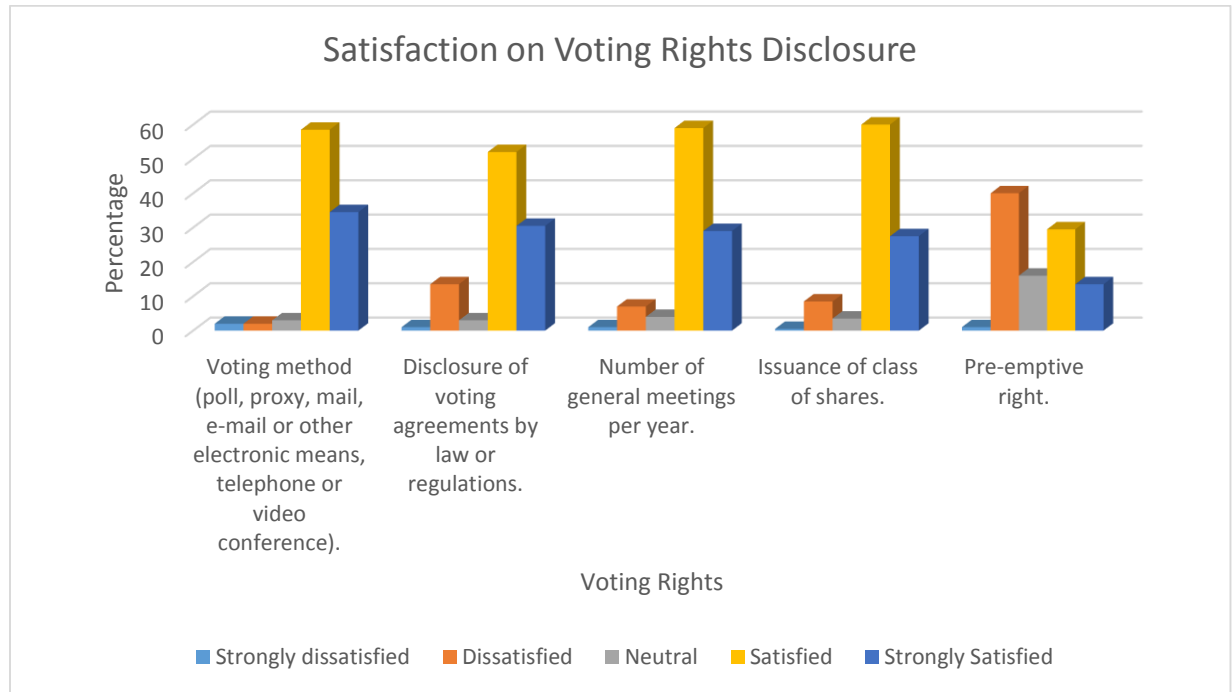
The results show that most minority shareholders are satisfied with the disclosure of information on the dividend payment and dividend policy.

Information of the dividend payment and dividend policy are only disclosed when the company decided to pay dividends. Hence, this indicates that shareholders that receive dividend payment are basically satisfied with the information provided and dividend policy as per the study conducted by Riaz (2010). The results also support the studies conducted by Farinha (2003), Mitton (2004), and Brown and Caylor (2004) that corporate governance associates with dividend payments, and La Porta et al. (2000) that disclosure of information reduces agency problem by having dividend payment.

On the voting rights disclosure, by using percentage as a measurement, the satisfaction level on the disclosure of voting method, voting agreements by laws or

regulations, number of general meetings per year, issuance of class of shares, and pre-emptive right are summarized in Figure 4.6 below.

Figure 4.6 Satisfaction on Voting Rights Disclosure



The results show that most minority shareholders are satisfied on the voting method, disclosure of voting agreements by law or regulation, number of general meetings per year, and issuance of class of shares. This indicates that most public listed companies in Malaysia complied with the law and regulation and even the guide on having an appropriate voting method, disclosed the voting agreements by law or regulation, having sufficient number of general meetings per year, and disclosed information on issuance of class of shares.

On the other hand, most minority shareholders are dissatisfied on the disclosure of pre-emptive right. This is mainly because the information on pre-emptive right are only available in the company's constitution or the Companies Act which is not available in any medium use to disclose the information. The company's constitution is only available to the shareholders upon request or enclosed with the Circular to

Shareholders if there are amendments to the company's constitution. While many are unaware about the Companies Act and even if they are aware, most of them are not legal literacy.

Based on the mean values of female and male for the twenty-three variables in Table 4.3 below, the values between female and male are very near. This indicates that female and male have almost the same satisfaction level on corporate transparency. The historic account and financial highlights rank the highest satisfaction for female. While the timeliness of the information rank the highest satisfaction for male.

To further confirm on the hypothesis, H6, which there is no difference on the minority shareholders' satisfaction level on corporate transparency between female and male, the Independent Sample T-Test is used. Based on the Independent Sample T-Test result in Table 4.4 below, the sig. (2-tailed value) of the variables are less than 0.05 hence, the hypothesis 6 is accepted.

This means that there is no difference on the minority shareholders' satisfaction level on corporate transparency between female and male. This is to conclude that gender does not play a role in determining the minority shareholders' satisfaction level. This result supports the study conducted by Jullobol et al. (2012) where demographics such as gender does not influence the satisfaction level on disclosed information. Be that as it may, this study also found out that female minority shareholders are slightly more satisfied on the disclosure of historic accounts and financial highlights while the male minority shareholders are slightly more satisfied on the timeliness of the financial information, however such discrepancy is insignificant as a whole, and it does not affect the facts the conclusion that gender does not play a role in determining the minority shareholders' satisfaction level.

Table 4.3: Mean, Rank and Standard Deviation

Variables	Total Mean	Female			Male		
		Standard Deviation	Mean	Rank	Standard Deviation	Mean	Rank
Mission, vision and values of the company.	4.27	0.636	4.3	5	0.718	4.25	10
Organisation chart.	3.74	1.005	3.85	19	1.124	3.63	20
Management of the company.	4.25	0.716	4.3	6	0.633	4.22	13
Strategic plan of the company.	4.05	0.888	4.09	14	0.926	4.02	16
Corporate policy	3.76	1.023	3.76	20	1.085	3.75	19
Accuracy of the financial information.	4.29	0.761	4.26	10	0.578	4.32	7
Timeliness of the financial information.	4.35	0.675	4.32	3	0.508	4.39	1
Accessibility of the financial information.	4.34	0.736	4.32	4	0.591	4.37	3
Periodic public information (eg: Earnings announcement)	4.35	0.681	4.34	2	0.633	4.35	4
Historic accounts and financial highlights	4.37	0.683	4.35	1	0.508	4.39	2
Financial Policy	4.02	0.871	4.07	15	0.91	3.97	18
Directors' voluntary disclosure	3.06	1.096	3.06	23	1.132	3.07	23
Directors' shareholdings.	4.29	0.743	4.24	11	0.597	4.33	5

Number of Independence Director in the Board.	4.30	0.75	4.27	8	0.53	4.33	6
Number of Institutional investors.	4.28	0.778	4.27	9	0.632	4.29	9
Corporate social responsibility (CSR) policy	4.24	0.805	4.22	12	0.648	4.25	11
Dividend payment.	4.29	0.768	4.28	7	0.748	4.31	8
Dividend policy.	3.58	1.113	3.56	21	1.111	3.59	21
Voting method (poll, proxy, mail, e-mail or other electronic means, telephone or video conference).	4.22	0.85	4.2	13	0.694	4.23	12
Disclosure of voting agreements by law or regulations.	3.97	1.026	3.96	18	0.951	3.99	17
Number of general meetings per year.	4.08	0.867	4.04	16	0.809	4.11	14
Issuance of class of shares.	4.06	0.874	4.01	17	0.799	4.09	15
Pre-emptive right.	3.14	1.08	3.07	22	1.161	3.21	22

Table 4.4: Independent Sample T-Test

Variables	Mean		t	df	Sig. (2-tailed)
	Female	Male			
Mission, vision and values of the company.	4.3	4.25	0.447	198	0.655
Organisation chart.	3.85	3.63	1.445	198	0.15
Management of the company.	4.3	4.22	0.848	198	0.397
Strategic plan of the company.	4.09	4.02	0.515	198	0.607
Company policy	3.76	3.75	0.004	198	0.997
Accuracy of the financial information.	4.26	4.32	-0.689	198	0.492
Timeliness of the financial information.	4.32	4.39	-0.805	198	0.422
Accessibility of the financial information.	4.32	4.37	-0.519	198	0.604
Periodic public information (eg: Earnings announcement)	4.34	4.35	-0.093	198	0.926
Historic accounts and financial highlights	4.35	4.39	-0.422	198	0.673
Financial Policy	4.07	3.97	0.814	198	0.417
Directors' voluntary disclosure	3.06	3.07	-0.014	198	0.989
Directors' shareholdings.	4.24	4.33	-0.901	198	0.369
Number of Independence Director in the Board.	4.27	4.33	-0.705	198	0.481
Number of Institutional investors.	4.27	4.29	-0.265	198	0.791
Corporate social responsibility (CSR) policy	4.22	4.25	-0.304	198	0.761
Dividend payment.	4.28	4.31	-0.324	198	0.747

Dividend policy.	3.56	3.59	-0.194	198	0.847
Voting method (poll, proxy, mail, e-mail or other electronic means, telephone or video conference).	4.2	4.23	-0.222	198	0.824
Disclosure of voting agreements by law or regulations.	3.96	3.99	-0.237	198	0.813
Number of general meetings per year.	4.04	4.11	-0.596	198	0.552
Issuance of class of shares.	4.01	4.09	-0.708	198	0.48
Pre-emptive right.	3.07	3.21	-0.836	198	0.404

In the correlation test, if the correlation coefficient (R) is zero (0), it indicates that there is no relationship between the dependent and independent variables. Meanwhile, if R is +1, it indicates that there is a strong and positive relationship and if R is -1, it indicates there is a strong negative relationship negative.

Based on the correlation test in Table 4.5 below, the association between minority shareholders' satisfaction and corporate information disclosure is 0.898, which indicates a very strong and positive association. This means that hypothesis 1 is accepted which there is an association between minority shareholders' satisfaction and corporate information. The association between minority shareholders' satisfaction and financial information disclosure is 0.906, which indicates a very strong and positive association. This means that hypothesis 2 is accepted which there is an association between minority shareholders' satisfaction and financial information disclosure. The association between minority shareholders' satisfaction and corporate governance disclosure is 0.934, which indicates a very strong and positive association. This means that hypothesis 3 is accepted which there is an association between minority shareholders' satisfaction and corporate governance disclosure. The association between minority shareholders' satisfaction and dividend disclosure is 0.794, which indicates a strong and positive association. This means that

hypothesis 4 is accepted which there is an association between minority shareholders' satisfaction and dividend disclosure. While the association between minority shareholders' satisfaction and voting right disclosure is 0.912, which indicates a very strong and positive association. This means that hypothesis 4 is accepted which there is an association between minority shareholders' satisfaction and voting right disclosure.

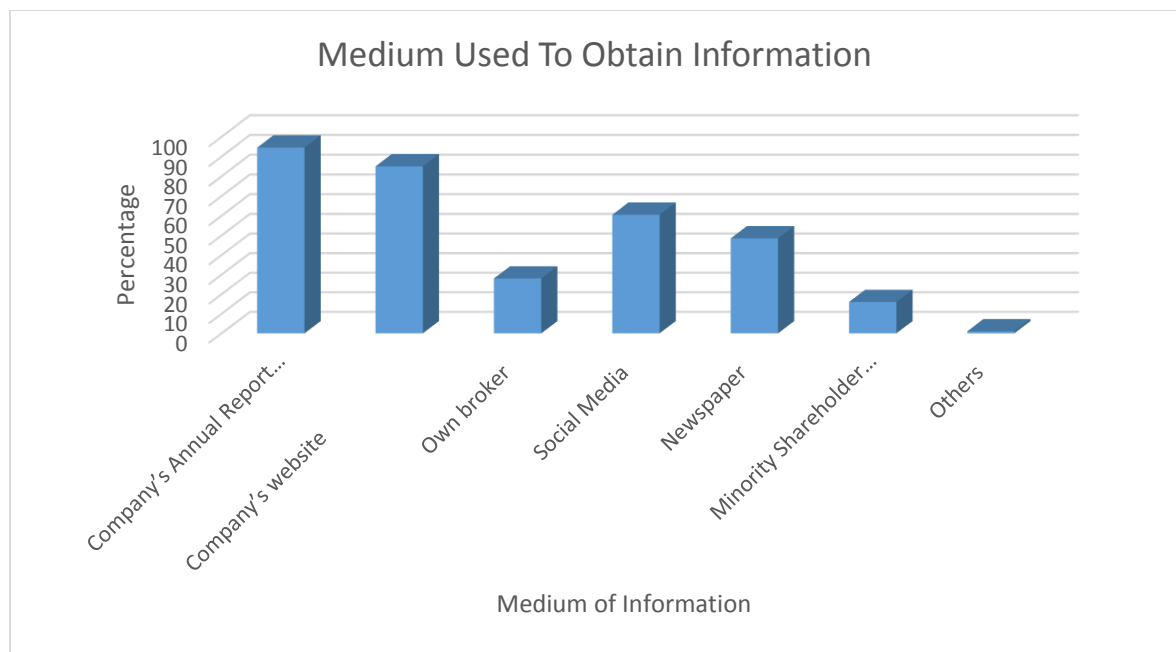
Table 4.5: Correlation test

Key Variable	R value	R² Value
Corporate Information Disclosure	0.898	0.807
Financial Information Disclosure	0.906	0.821
Corporate Governance Disclosure	0.934	0.872
Dividend Disclosure	0.794	0.630
Voting Rights Disclosure	0.912	0.832

4.4 Medium Used to Obtain the Information

The medium used to obtain the information mainly is summarized as per Figure 4.7 below. The highest percentage is the company's Annual Report booklet which represents 94.5%. Second is the company's website represents 85%, followed by social media which is 60.5%, newspaper which is 48.5%, own broker which is 28%, and MSWG which is 16%. Others is 1% which 0.5% is via word of mouth and 0.5% is via the company's blog.

Figure 4.7: Medium Used to Obtain Information



The medium mostly used to obtain information by the minority shareholders is the annual report booklet. The annual report booklet is mandatory for disseminating information for the shareholders since before the emergence of technology. Besides that, the content of the annual report booklet is controlled by the regulatory bodies. Hence, the annual report booklet is perceived as a medium that contains the most and reliable information. This supports the studies of Stern, Krugman, and Resnik (1981), and Soley and Reid (1983) which individuals are more satisfied when information is obtained via printed media as it contains more information. In the conclusion, the annual report booklet is the most preferable medium for obtaining information.

CHAPTER 5 CONCLUSION

5.0 Conclusion

5.1 Introduction

Minority shareholders' interest is important in terms of corporate governance as they have the least resources and access to information. Thus, transparency is important in corporate governance in order for the dissemination of essential information for investment decision making.

The concept of transparency is not a new concept and it has been the interest of the corporate research literature for a few decades (Forssbaeck & Oxelheim, 2006). Corporate transparency is also essential for those companies which operate through a system of subsidiaries, associate companies, joint ventures and other type of holding under a variety of jurisdictions.

The public especially the minorities' shareholders are unable to know these hidden entities without transparency. Thus, timely, accurate and sufficient disclosures are essential for the companies.

5.2 Discussion of Major Findings

5.2.1 Minority Shareholders' Satisfaction on Corporate Transparency

The information disclosure is assumed as an interaction activity between the company and stakeholders as it creates on-going dialogue by aiding the stakeholders to understand the company's practices (Madsen, 2009). Companies that are more transparent have stronger market efficiency, that the market price of the company's share reflects all relevant public and private information.

From this research, most minority shareholders are satisfied with the corporate transparency of the public listed companies in Malaysia because of most of the companies comply with the laws and regulations on disclosure of information.

Based on the results, most of the minority shareholders are satisfied with the disclosure of the company's information, financial information disclosure, corporate governance disclosure, disclosure of information on the dividend payment and dividend policy and voting rights disclosure.

This also indicates that the level of corporate transparency is quite high. This is mainly because most of the information measured in this research are mandatory to be disclosed. The current legislations and legal frameworks for disclosure seem to be adequate based on the results of this study. The current regulatory requirements under the Companies Act 2016 are that all companies limited by shares are mandatory to submit their audited financial report to the Companies Commission of Malaysia, known as Suruhanjaya Syarikat Malaysia (SSM) in Malay language. For public listed companies, besides submitting the audited financial report to the SSM, they are also required to make an announcement with the audited financial report attached in the Bursa Malaysia's website. Besides that, the audited financial report has to be included in the company's annual report. Public listed companies are also required to disclose the financial information that covers three months of the year, known as quarterly financial report by making an announcement.

5.2.2 Minority Shareholders' Satisfaction on Corporate Transparency

The limitation of this research is the corporate transparency index was not included in this research to study the perceived transparency of the minority shareholders.

5.3 Implications of Study

It seems from the results that generally the minority shareholders are satisfaction with the disclosures thus strict regulatory enforcement may not be necessary. Currently the laws and regulations in Malaysia has served as the most powerful corporate governance control mechanism in improving corporate transparency. There is still very low initiative on director's voluntary disclosure. Regulatory bodies need to provide more awareness, information, and guidance on voluntary disclosure to the directors. As the laws and regulations keep improving, there is a need to conduct continuous research to measure the satisfaction level of the minority shareholders.

5.4 Limitation of Study

The limitations of this study are that this study do not take into consideration the impact of demographic as we expect the urban respondents may have lower satisfaction than the rural respondent. Another limitation is that this study is confined to Malaysian companies in Malaysia. This study will be more fruitful if public listed companies from the developed nations are included as the regulatory regime for disclosure are generally higher in the developed nations.

5.5 Recommendations

Based on the findings of this study, we recommend that the regulators can have more stringent regulations and policies to ensure the protection of minority shareholders. We also recommend that the board of directors take proactive measures to ensure timely and accurate disclosure of key information to the public and its shareholders. From the academic perspective, study on satisfaction of minority shareholders' satisfactions can be done on a country to country comparative basis as it is important to compare the minority shareholders' satisfactions on disclosures in stock markets of a developing nation and a fully developed nation such as Singapore, UK etc where the stock market regulations are more mature in these type of developed nations.

However, further research can be done by future researcher for a larger pool of respondents for a better representative result. Further research can be done on the different group of respondents namely the urban's respondent and the rural's respondent and etc.

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APPENDICES

Appendix 1

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.960	.967	23

Appendix 2

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MissionVisionValue	200	1	5	4.27	.679
OrgChart Management	200	1	5	3.74	1.073
StaretgicPlan	200	2	5	4.25	.672
CompanyPolicies	200	2	5	4.05	.906
Valid N (listwise)	200	1	5	3.76	1.054

Appendix 3

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AccuracyFI	200	2	5	4.29	.669
TimelinessFI	200	2	5	4.35	.592
AccessibilityFI	200	2	5	4.34	.662
PeriodicFI	200	1	5	4.35	.654
HistoricFI	200	2	5	4.37	.596
FinancialPolicy	200	1	5	4.02	.891
Valid N (listwise)	200				

Appendix 4

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Voluntary	200	1	5	3.06	1.112
DirShareholding	200	1	5	4.29	.669
IndependentDir	200	1	5	4.30	.642
InstitutionalInvestors	200	1	5	4.28	.703
CSRPolicy	200	1	5	4.24	.725
Valid N (listwise)	200				

Appendix 5

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DividendPayment	200	2	5	4.29	.756
DividendPolicy	200	1	5	3.58	1.109
Valid N (listwise)	200				

Appendix 6

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
VotingMethod	200	1	5	4.22	.769
VotingAgreemts	200	1	5	3.97	.984
GeneralMeetings	200	1	5	4.08	.835
ShareClass	200	1	5	4.06	.834
PreemptiveRights	200	1	5	3.14	1.123
Valid N (listwise)	200				

Appendix 7

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
MissionVision Value	female	94	4.30	.636	.066
	male	106	4.25	.718	.070
OrgChart	female	94	3.85	1.005	.104
	male	106	3.63	1.124	.109
Management	female	94	4.30	.716	.074
	male	106	4.22	.633	.061
StaretgicPlan	female	94	4.09	.888	.092
	male	106	4.02	.926	.090
Company Policies	female	94	3.76	1.023	.106
	male	106	3.75	1.085	.105
AccuracyFI	female	94	4.26	.761	.079
	male	106	4.32	.578	.056
TimelinessFI	female	94	4.32	.675	.070
	male	106	4.39	.508	.049
AccessibilityFI	female	94	4.32	.736	.076
	male	106	4.37	.591	.057
PeriodicFI	female	94	4.34	.681	.070
	male	106	4.35	.633	.061
HistoricFI	female	94	4.35	.683	.070
	male	106	4.39	.508	.049
Financial Policy	female	94	4.07	.871	.090
	male	106	3.97	.910	.088
Voluntary	female	94	3.06	1.096	.113
	male	106	3.07	1.132	.110
DirShareholding	female	94	4.24	.743	.077
	male	106	4.33	.597	.058
IndependentDir	female	94	4.27	.750	.077
	male	106	4.33	.530	.051

Institutional Investors	female	94	4.27	.778	.080
	male	106	4.29	.632	.061
CSRPolicy	female	94	4.22	.805	.083
	male	106	4.25	.648	.063
Dividend Payment	female	94	4.28	.768	.079
	male	106	4.31	.748	.073
DividendPolicy	female	94	3.56	1.113	.115
	male	106	3.59	1.111	.108
VotingMethod	female	94	4.20	.850	.088
	male	106	4.23	.694	.067
VotingAgreemts	female	94	3.96	1.026	.106
	male	106	3.99	.951	.092
General Meetings	female	94	4.04	.867	.089
	male	106	4.11	.809	.079
ShareClass	female	94	4.01	.874	.090
	male	106	4.09	.799	.078
Preemptive Rights	female	94	3.07	1.080	.111
	male	106	3.21	1.161	.113

Appendix 8

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898 ^a	.807	.802	.27009

a. Predictors: (Constant), CompanyPolicies, Management, OrgChart, StaregticPlan, MissionVisionValue

Appendix 9

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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1	.906 ^a	.821	.816	.26061
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a. Predictors: (Constant), FinancialPolicy, AccuracyFI, HistoricFI, AccessibilityFI, PeriodicFI, TimelinessFI

Appendix 10

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934 ^a	.872	.869	.21963

a. Predictors: (Constant), CSRPolicy, Voluntary, IndependentDir, DirShareholding, InstitutionalInvestors

Appendix 11

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.630	.627	.37093

a. Predictors: (Constant), DividendPolicy, DividendPayment

Appendix 12

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.912 ^a	.832	.828	.25167

a. Predictors: (Constant), PreemptiveRights, VotingMethod, ShareClass, VotingAgreemts, GeneralMeetings