UNIVERSITI TEKNOLOGI MARA

THE LEVEL OF COMPLIANCE AND EFFECTIVENESS OF CORPORATE GOVERNANCE REPORTING: AN EMPIRICAL STUDY ON MALAYSIA'S PUBLIC LISTED COMPANIES

DEBBIE DORA ANAK FREEDLINE BABA

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ABSTRACT

The primary focus of this study is to examine the level of disclosure of corporate governance and its reporting in the annual reports among the top 250 Public Listed Companies (PLCs) in Malaysia. The subsequent part of this study is to ascertain the level of compliance of the corporate governance standards (MCCG) on corporate governance reporting and the disclosure index of the top 250 Public Listed Companies (PLCs). Apart from that, the study also conducted to examine as to whether there is relationship between corporate governance reporting and firm's performance. This study found that, there is no specific pattern of corporate governance reporting and disclosure index which means all selected companies complied with the basic requirements stated by the Code (MCCG 2000 and 2007). There is negative relationship between corporate governance reporting and firm's performance and it is not significantly related to performance which is consistent with previous studies. Thus, the findings provide that the level of awareness on the importance of corporate governance reporting on performance by Malaysia's public listed companies are still lacking in spite of the improvement in the corporate governance after the implementation of the corporate governance code.

Keywords: *compliance, disclosure, corporate governance reporting, corporate governance disclosure index and performance.*

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