

## APPENDIX

### THE EFFECT OF PERFORMANCE AND CORPORATE GOVERNANCE TO RISK DISCLOSURE AMONG LISTED COMPANIES IN MALAYSIA

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#### ABSTRACT

The objective of this study was to determine the presence of risk information within the annual report of Malaysian non-financial listed companies and empirically extend the current literature of corporate governance and risk disclosure by incorporating an interaction effect in the model. The study found that listed companies in Malaysia experienced a positive upward trend in terms of risk disclosure practice for 10 years (2008-2017). A total of 166 companies were randomly extracted from Main Board of Bursa Malaysia from 2008 to 2017. This study used content analysis, descriptive statistics and multiple regression to explain the relationship between corporate governance and risk disclosure with the effect of the interaction variable. The study also found positive and significant relationship between board independence, board size and board gender with risk disclosure practice. It is also revealed that attainment discrepancies positively influence the relationship between corporate governance and risk disclosure practices among listed companies in Malaysia.

**Keywords:** risk disclosure, annual report, corporate governance, interaction variable, content analysis

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## Descriptive Statistics

	Mean	Std. Deviation	N
financialperformance	1322803,478	9412981,576	112
bid	10,5089	4,19566	112
bsize	5,3125	2,18937	112
Risk	5,0078E+18	2,67310E+19	112

## Correlations

		financialperform ance	bid	bsize	Risk
Pearson Correlation	financialperformance	1,000	-,186	-,149	,307
	bid	-,186	1,000	,911	,049
	bsize	-,149	,911	1,000	,110
	Risk	,307	,049	,110	1,000
Sig. (1-tailed)	financialperformance	.	,025	,058	,000
	bid	,025	.	,000	,306
	bsize	,058	,000	.	,123
	Risk	,000	,306	,123	.
N	financialperformance	112	112	112	112
	bid	112	112	112	112
	bsize	112	112	112	112
	Risk	112	112	112	112

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Risk, bid, bsize <sup>b</sup>	.	Enter

a. Dependent Variable: financialperformance

b. All requested variables entered.

### Casewise Diagnostics<sup>a</sup>

Case Number	Std. Residual	financialperformance	Predicted Value	Residual
102	6,753	6,97E+7	9759815,790	59938346,93
104	6,859	7,18E+7	10888287,66	60883819,29

a. Dependent Variable: financialperformance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,326E+15	3	4,419E+14	5,609	,001 <sup>b</sup>
	Residual	8,509E+15	108	7,879E+13		
	Total	9,835E+15	111			

a. Dependent Variable: financialperformance

b. Predictors: (Constant), Risk, bid, bsize

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5518552,297	2289860,836		2,410	,018
	bid	-438450,655	491696,110	-,195	-,892	,375
	bsize	-27818,585	946958,695	-,006	-,029	,977
	Risk	1,118E-13	,000	,317	3,496	,001

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	bid	,167	5,996
	bsize	,165	6,056
	Risk	,972	1,029

a. Dependent Variable: financialperformance

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	bid	bsize	Risk
1	1	2,954	1,000	,01	,00	,00	,01
	2	,942	1,771	,00	,00	,00	,97
	3	,093	5,650	,98	,04	,05	,00
	4	,012	15,591	,01	,96	,95	,02

a. Dependent Variable: financialperformance

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	,367 <sup>a</sup>	,135	,111	8876397,318	,135	5,609

**Model Summary<sup>b</sup>**

Model	Change Statistics		
	df1	df2	Sig. F Change
1	3	108	,001

a. Predictors: (Constant), Risk, bid, bsize

b. Dependent Variable: financialperformance