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RESEARCH ON FACTORS AFFECTING THE LEVEL OF DISCLOSURE IN THE ANNUAL REPORTS OF LISTED FIRMS ON HO CHI MINH STOCK EXCHANGE (HOSE)

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CHAPTER 1. INTRODUCTION

i. The necessity of the thesis

Information Disclosure by listed firms plays a very important role in the functioning of an efficient capital market. On the one hand, a question that has always been of interest to the researchers is why more and fewer disclosures are made. What factors have affected the level of disclosure information of listed firms. On the other hand, *"The annual report is an annual publication that provides comprehensive information on the company's business and financial performance in the previous year."* Thus, the annual report occupies an extremely important position.

The thesis is based on the following reasons:

First, it comes from the importance of information disclosure

Secondly, in Vietnam, there is no study to adequately evaluate the information disclosure in the annual reports of listed companies for Ho Chi Minh City Stock Market only

Thirdly, the level of information disclosure and the factors influencing the level of disclosure information in each study differed due to the different study sites, periods and samples.

Fourth, research results are the basis for the Managers to make decisions, and play an important role for investors to use information in decision making. In addition, a scientifically-based recommendation will help improve the level of information disclosure to the stock market.

Therefore, the research "**Research on Factors Affecting the**

Level of Information Disclosure in Annual Reports of Listed Firms on Ho Chi Minh Stock Exchange (HOSE)" is necessary in the current period.

ii. Research objective

The objective of the thesis is to studying the factors and evaluating the level of information disclosure in the annual report of listed companies at a certain historical period, in the context of a changing in the regulation of information disclosure of listed company. Specifically: (1) Evaluating the level of information disclosure in annual reports; (2) Identify and assess the influence of factors on the level of information disclosure of listed companies at this time.

iii. Research questions:

The thesis focuses on the following questions:

(1) What is the current status of information disclosure in the annual reports of listed firms on HOSE?

(2) What is the identifing and assessing the influence of factors on the level of information disclosure in the annual reports of listed companies on HOSE ?

iv. Object and scope of the research

- Factors affecting on the level of disclosure in the annual report of listed firms.

- Survey of annual reports in 2013 and compare the results of 26 annual report of 2017 listed companies on Ho Chi Minh Stock Exchange, not including banks, finance companies, insurance

companies and listed firms for more than 1 year as of 2013.

Survey of 2013 annual reports of listed firms on HCMC Stock Exchange, not excluding banks, finance companies, insurance companies and listed firms for more than 1 year as of 2013.

v. Research methodology

This research employs a mixed methodology in which the main method is quantitative research.

vi. Scientific significance and contributions of the thesis

Theoretically: (1) The model theory of factors influencing the level of disclosure in the annual report of listed companies is added. (2) The results are extremely important as a reference for relevant studies, as a basis for a realistic illustration of teaching and research. (3) Evidence of the measure of information disclosure having a abstract nature, difficult measurement and subjectively dependence on the researcher is supplemented.

Practically: (1) the results of the analysis of the actual level of information disclosure in the annual report reflect fairly true, limit subjective when measuring the level of disclosure in the annual report in two factors: compulsory and voluntary, but not compulsory or voluntary as in previous studies. (2) This is a very-important experimental research result which asserts the variation of factors and levels of impact according to the study period and study site. Therefore, research on information disclosure requires regular measurement and research. (3) The result is a useful scientific basis for interested parties such as corporate executives, investors , policy

issuing agency, the State Securities Commission and especially the Ho Chi Minh City Stock Exchange, ... (4) It opens the door for further studies on Factors affecting the level of disclosure at each stage.

vii. Thesis structure

In addition to the opening and conclusion, the thesis is organized into 5 chapters:

Chapter 1: Introduction

Chapter 2: Theory of Information Disclosure and Research Overview on Information Disclosure

Chapter 3: Research Methods

Chapter 4: Research results on level measurement of information disclosure in the annual report of listed companies on HOSE.

Chapter 5: Results of research on factors influencing the level of information disclosure

Chapter 6: Conclusions and Recommendations

CHAPTER 2. THEORY OF INFORMATION DISCLOSURE AND RESEARCH OVERVIEW ON INFORMATION DISCLOSURE

2.1 Concept, purpose and benefits of information disclosure

2.1.1 Concept, purpose

According to the "Disclosure Handbook for Listed Companies" (Hanoi Stock Exchange, 2010), information disclosure is *"The way in which the process of corporate transparency is implemented to ensure that shareholders and the public are able to*

access information in a fair and concise manner".

Based on legality, disclosure includes two types: mandatory disclosure and voluntary disclosure. Mandatory disclosure is information that must be disclosed in accordance with the legal texts of each country. Voluntary disclosure is the voluntary disclosure of information by the company. In another words, a company may or may not need to disclose information that is not required by law to satisfy the needs of outside information users such as investors, financial analysts , ...

2.1.2 Benefits of information disclosure

Information is an important factor in the performance and development of the stock market. Information not only impacts on investors in the stock market but also influences on objects of information disclosure (listed organizations) and market management agencies (Securities Commission or Transaction Center. Therefore, the issue of information disclosure determines the existence and development of the market.

2.2 Involved theories

The theory of information disclosure is used to explain the more or less information disclosure of administrators, including: Agency theory, asymmetric information theory, signaling theory and Propritary cost theory.

2.3 Guidelines for information disclosure in Vietnam

The thesis is carried out in the condition that listed companies follow the current circular Circular 52/2012/TT-BTC, dated April 5th,

2012 and Circular 155/2015 / TT-BTC, dated October 6th , 2015.

2.4 Overview of researching

There are many researching in the world and in Vietnam on the issue of information disclosure factors affecting the level of information disclosure. Initially, the study published mandatory information, brought practical benefits such as Singhvi and Dasai (1971), Firth (1979), Cooke (1992), Raffournier (1995), Giner (1997), Archambault, Healy and Palepu (2001), ... Recently and to date, the research focuses on voluntary information disclosure in countries. In Vietnam, the major research studies are information disclosure and transparency of financial statements, each study is based on different aspects and perspectives, different data collection, different time of study, so Various research results such as: research by Kelly Bao Anh Huynh Vu (2012), research by Nguyen Cong Phuong et al (2013), research on Le Thi My Hanh (2015), research by Dao Trong Nguyen (2015), research by Nguyen Thi Phuong Hong (2016), Ha Xuan Thach and Trinh Thi Hop (2017). However, this is the type of research on whether or not to disclose the information of enterprises, so each study has different results depending on the scope and time of the study. Should review and evaluate regularly.

CHAPTER 3. RESEARCH METHODS

3.1 Research processing

The research process is generalized into 5 steps

Step 1: Overview of research materials and theoretical basis

Step 2: Developing research hypotheses

Step 3: Developing an index to measure the level of information disclosure and build a regression model

Step 4: Analyzing the results

Step 5: Implications from research results

3.2 Research hypothesis

The study offers nine hypotheses:

Hypothesis 1 (H1): The greater rate of state capital the listed firms on the Ho Chi Minh City Stock Exchange has, the lower the disclosure level is.

Hypothesis 2 (H2): The larger in Board size the listed firms on the Ho Chi Minh Stock Exchange has, the higher the disclosure level is.

Hypothesis 3 (H3): The greater rate of non-executive directors the listed firms on Ho Chi Minh City Stock Exchange has, the higher the disclosure level is.

Hypothesis 4 (H4): The larger size the listed on Ho Chi Minh Stock Exchange has, the higher the disclosure level is.

Hypothesis 5 (H5): The greater financial leverage the listed firms on Ho Chi Minh City Stock Exchange has, the higher the disclosure level is.

Hypothesis 6 (H6): The higher profitability the listed firms on the Ho Chi Minh City Stock Exchange has, the higher the disclosure level is.

Hypothesis 7 (H7): The longer listing time the listed listed on the Ho Chi Minh City Stock Exchange has, the higher the disclosure level is.

Hypothesis 8 (H8): Production listed fisted on Ho Chi Minh Stock Exchange are more disclosure level than non-production firms.

Hypothesis 9 (H9): The listed firms on Ho Chi Minh Stock Exchange to be audited by Big4 auditing company has the higher disclosure level.

3.3 Method of measuring information disclosure

3.3.1 Developing information disclosure indexes

In order to develop information disclosure indexes, it is necessary to develop a measurement principle and build an initial and complete index. Finally 94 indexes are set.

3.3.2 Method of measuring information disclosure index

By method of self-measurement, researchers commonly use one of two research methods using index: weight disclosure approach and unweighted disclosure approach. Some researchers choose binary techniques based on a unweighted disclosure approach. By a weighted disclosure approach: the disclosed information assigns a value of 1 and 0 is for the undisclosed information.

Table 3.1 Summary table of research indexes

No.	TYPE OF DISCLOSED INFORMATION	Index number selected	Rate (%)
1	Business information	11	11,70%
2	Analysis of financial situation	27	28,72%
3	Corporate Governance	14	14,89%
4	Situation of investment and project	4	4,26%

	implementation		
5	Shareholder structure, change equity	5	5,32%
6	Social responsibility	20	21,28%
7	Forecasts and development plans	13	13,83%
	Total	**94**	**100,00%**

The scores measured (reflecting the extent or scope) of each firm's information disclosure are based on formula 1

Formula 1:

$$ds_j = \frac{\sum_{i=1}^{nj} dij}{nj}$$

In which ds_j : scores of information disclosure of firm j; $\leq ds_j \leq 1$

n_j: number of information elements disclosed at the firm j;

d_{ij}: equals 1 if the informational factor i (can be disclosed) is is disclosed; equals 0 if not disclosed.

3.3.2 Measurement of independent variables

Table 3.3 Measurement of variables

Explanatory variables	Variables	Definition	Predictable influence
State structure	VNN	Rate of state capital	-
Board of Directors (number of Board members)	HĐQT	Number of members of the Board of Directors	+
Independence of the Board (Percentage of non-executive independent	TLĐL	Determined by the total number of non-executive board members /total number of board members	+

Explanatory variables	Varia bles	Definition	Predictable influence
directors)			
Company size	QM	Logarith of total ssets as of 31/12/2013	+
Financial leverage	DBTC	Total debts/ Total assets (as of 31/12/2013)	+
Profitability	KNSL	Profit after tax / equity	+
Operation time	TGHD	From listing time until 31/12/2013	+
Field of operation	LV	Dummy variable: (1 for manufacturing sector, 0 for other non-manufacturing companies)[2]	+
The quality of the audit firm	KT	Dummy variable: (1 means to be audited by Big4[3] company; 0 means to be audited by another company)	+

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[2] Sector code A, B, C, D, F, H: assigned 1 and the remaining sectors assigned 0. Sectoral classification according to economic classification system 2007

[3] Big4 audit firms include: PricewaterhouseCoopers (PWC); Deloitte Touche Tohmatsu (Deloitte); Ernst and Young (E & Y); KPMG

3.3.3 Multivariate regression model

Based on research hypotheses, the model is detailed as follows:

$$VnDI = \alpha + \beta_1 VNN + \beta_2 HĐQT + \beta_3 TLĐL + \beta_4 QM + \beta_5 ĐBTC + \beta_6 KNSL + \beta_7 TGHĐ + \beta_8 LV + \beta_9 KT + \varepsilon$$

In which:

- **VnDI:** Level of information disclosure of company listed on HOSE in the annual report

- **α:** constant term

- **βi:** The coefficients of the explanatory variables

- **ε:** Residual

The variables VNN, BOD, TUF, QM, DBS, KNSL, TG, LV, KT, respectively are ownership structure change (ratio of state capital), the number of members of the board of directors, Percentage of non-executive independent directors, size, company, financial leverage, profitability, time of listing, field of operation and quality of the audit firm.

3.4 Data Collection, Sample Selection

Data for research is secondary data, collected on the basis of the BCC of listed companies on the Ho Chi Minh Stock Exchange (HOSE), in 2013 satisfying conditions:

- Not financial, banking and insurance companies

- Listed at least one year prior to the study (31/12/2013)

- Have an annual report published on the website of the Ho Chi

Minh City Stock Exchange or on the website of the listed company.

The number of listed companies on HOSE as of 31/12/2013 is 306 companies, of which 260 listed companies qualified.

After the analysis collected 26 2017 annual reports of 26 companies with high level of information disclosure in 2013 and compared research results.

CHAPTER 4. RESEARCH RESULTS MEASURING INFORMATION DISCLOSURE IN THE ANNUAL REPORT OF LISTED FIRMS ON HOSE

The results of the disclosure level are generally calculated (the level of general information disclosure and disclosure level for each information disclosure component.

4.1 The level of information disclosure

Information disclosure in the annual report of 260 listed companies on HOSE is evaluated 26.99%, lowest at 11% and highest at 68%, standard deviation off 0.07915. *In which*:

- General information of enterprises is evaluated at 27.69%, lowest at 0% and highest at 91%.

- The financial status has the lowest disclosure level, the lowest unpublished and the highest is only 33% and the average is 11.77%

- Corporate governance information: This index evaluating this item is mainly based on OECD corporate governance (IFC, 2010) and almost mandatory indexes. Therefore, most company will disclose, the rate of disclosure is quite high, at 44.51%, but the lowest is at 7% and the highest is at 100%.

- Situation of investment in project implementation had average information disclosure level of 0% and highest of 100%, average of 24.04% lower than the average level of information disclosure in the annual report of the listed companies on Hose of 26.99%.

- The content on shareholders' structure, equity investment is higher than the general average, but the lowest is 0% and the highest is at 100%, the average of 260 companies included in the study only reach 36.15%.

- The lowest published content rated is in the content of social responsibility and forecast, the lowest is 0% and the highest is 90%, the average is 21.13%.

- Finally, this content is quite important, including indexes of forecasts and plans, including risk indexes. The lowest level is 0% and the highest is 62%, the average is 22.81%.

4.2 Information disclosure of fields

The highest level of information disclosure is in the agriculture, forestry and fisheries sectors with 6 researched companie reaching the average of 28.72%, the lowest in disclosure is 22% and the highest in disclosure is 38%. Real estate business is at 28.45% in average with the lowest at 12% and the highest at 38%. The sector has a high level of disclosure of 28.45%. The process and manufacture sector in which the companies disclosure is at 68%, but there are companies disclosing only 11%, it is a large deviation. Deviation in information disclosure levels is not significant, around in the level of public announcement and general regulations at below 30%.

4.3 The level of information disclosure by content

Assessing the level of information disclosure in accordance with 7 index contents, contents of different levels of information disclosure, revision of the level of general information disclosure and also assessed with the level of disclosure low news.

4.4 Analysis of indexes with low disclosure

In research of 94 indexes of information disclosure, there are 31 indexes with low disclosure levels from 0% and 5%, of which 18 indexes had information disclosure level of less than 2%. Indexes focused on financials such as discounted cash flow, debt age, inflation, bad debt analysis, return on equity as well as foreign currency. Finding that these indicators are sensitive, the firms did not want to disclose, while the index played a very important role. Or, due to limited in staff levels, the firms did not identify these indexes so the company has not yet disclosed, which is the reason why there is a low level of disclosure.

4.5 Analysis of indexes with high levels of disclosure

In contrast to indexes with low disclosure levels, there are 21 listed companies with high disclosure of more than 50%.

4.6 Compare research results according to information disclosure guidelines

Comparing of research results with research by Kelly Bao Anh Huynh Vu (2012), this is the first study on information disclosure for Vietnam stock market, the research results have a difference of

6.68%, research results of the thesis have 26.99% information disclosure, of Kelly Bao Anh Huynh Vu (2012) is 20.31%. The difference is due to strong innovation in information disclosure regulations.

Comparing the research results according to Circular 155/2015 / TT-BTC, the results are not much different from 1.91%, so it is acceptable to study results of the thesis.

CHAPTER 5: RESULTS OF RESEARCH ON FACTORS INFLUENCING THE LEVEL OF INFORMATION DISCLOSURE

5.1 Statistics description of dependent variable

The number of state-owned companies is 96, accounting for 37% of the total research companies. This is a significant proportion compared to listed companies abroad. On the other hand, many studies show that companies with a high proportion of state capital are more or less influencing corporate governance in general and information disclosure in particular. However, the shareholding held by the State in these companies is not large (an average of 15.5%). This is in line with state policies that only hold capital in important areas that require state regulation.

On the size of the Board of Directors, the average of a BOD had 5.75 members, of which the lowest is 3 members and the highest is 11 members. According this ratio, when compared with the regulation on management of listed companies (Article 11, Decision No. 12/2007 / QD-BTC), which stipulate that the number of members

is at least 5 and at most 11, there are a number of companies with inadequate number of BOD members.

BOD independence is measured by the proportion of non-executive independent members, reflecting the effectiveness of the BOD's supervision of the board of directors, including financial oversight, including transparency and information disclosure. The results show that the proportion of non-executive directors in the sample companies is 46.63%, of which there are companies without independent members and with up to 100 independent members. According to the Company Governance Regulation at the time of the research (Decision No. 12/2007 / QD-BTC), this ratio is not less than 1/3 of the members of the Board of Directors (Article 11, Decision No. 12/2007 / QD-BTC).decr

The size of enterprize as measured by the total value of assets at the time of research is the end of 2013 with an average of 2,542.44 billion. Of which, the highest value is VND 75,772 billion and the lowest value is VND 75.66 billion. It shows that most of the companies in the sample with size complying with regulations on enterprise size classification of Decision No. 56/2009 / ND-CP, dated June 30, 2009, on small and medium Business Development can be viewed at medium and large size. From Table 4.1, we find that the standard deviation of 6,633.95 is too large, so for inclusion in the regression model, the scale variable (total assets) is taken logarithm into the model of factors influencing the Information disclosure level.

The average listing time ranges from 1.03 to 13.05 years

(research sample did not include companies with a listing time less than 1 year), average listing time is 4.9 years. Therefore, with the young listing market, the sample companies have a low listing time.

The sector is divided into 10 sectors, the number is listed in Table 2.4. In Table 4.1, the sector is divided into two types: Factors of production (189 companies, accounting for 72.7% of samples) and non-manufacturing companies (71 companies 27.3% of the sample). According to previous studies, research by Kelly Bao Anh Huynh Vu (2012), Nguyen Cong Phuong et al. (2013) ..., companies with manufacturing factors affect the level of information disclosure.

Financial leverage is calculated by the Liabilities/ Equity. It mean that how many times the debt is owed. The result is 0 at lowest and 27.98 at highest and the average of 1.68 meant that the liabilities of the average company is 1.68 times the equity. Thus, most of the companies are mainly from the source of loans, the highest level is of the security code VMD (VIMEDIMEX pharmaceutical joint stock company).

Profitability averaged is at 4.51%, which means that 100 dong of equity creates 4.51 dong of profit afte tax, with the highest profitability of 40%. Thus, among companies listed on the Stock Exchange in Ho Chi Minh City, in 2013, there are many companies with low profitability, many companies have losses (such as the company with code of HLG suffered the losses of over 216 thousand billion and had the profitability of 100% in the accounting period in 2013) and there are also many high profitable companies (such as

DSN, which had 40% profitability in accounting period in 2013).

According to Table 4.1, only 66 companies are audited by Big4 audit firms, accounting for 25% of the companies audited by Big4. Thus, among the samples, the companies audited by the Big4 audit firms account for a small proportion. Commonly, companies audited by Big4 audit firms are often highly reliable, because they are reputable.

5.2 Analysis of factors affecting the level of information disclosure

5.2.1 Analyze the correlation between dependent variable and independent variable

By modeling the correlation between variables, most correlation coefficients between dependent and independent variables are correlated with each other and the correlation coefficient is not greater than 0.6, in which correlation between the independent variables is profitability and financial leverage at - 0.515. The results show that the highest correlation coefficient is 0.515 with a significance level of 1% (the correlation between firm size and profitability, which also means that the size of enterprise is correlated closely to the profitability of the company. This correlation is negligible below 0.6[4]. The results show that the correlation between independent variables does not disturb the multivariate regression analysis. Thus, through the analysis results, factors considered in this thesis have low correlation coefficient, so it is less likely to occur multi-collinearity .

5.2.2 Multivariate regression analysis

5.2.2.1 Conformity assessment of the model

R^2 of the model is 0.237 which means that 23.7% of the variation in annual report is explained by independent variables. R^2 adjusted to 209 means 20.9%. Thus, the comformity of the model is relatively low. However, the adjusted R^2 of the study is acceptable in the study of information disclosure, as this empirical study considered existence, not the predictive study, R^2 adjusted low is accepted. Thus R^2 of the study is acceptable and consistent with previous studies.

5.2.2.2 Multicollinearity testing

Tolerance and Vairiance inflation factor (VIF) are used to detect multicollinearity, in which, due to VIF less than 5, it can be concluded that there is no current multicollinearity. In short, when VIF exceeds 6, it is a sign of multicollinearity (there is evidence that VIF in excess of 10 is a sign of hyperbolic multiplication). Thus, there is no multi-collinear phenomenon. Acceptable models are analyzed in the next steps.

5.2.2.3 Analysis of variance (ANOVA)

The results show that the Durbin-Watson coefficient is 1.799 (approximating to 2), indicating that there is no correlation between the variables.

Sig value. of the model is 0 (p-value = 0), indicating that the model is meaningful, but some factors are independent variables that have not really affected the level of information disclosure. Therefore, to analyze the factors that have true significance, the study continues to evaluate the significance of the regression coefficients in the model.

5.2.2.4 Results of the model

Table 5.9. Summary of results of eight regression models

Content	Model
VnDI =	0,176+ 0,085**VNN** + 0,007**HĐQT** + 0,010**QM** − 0,018**LV** + 0,021**KT** + ε **(1)**
VnDI_1 =	0,339 + 0,115**VNN** + 0,008**ĐBTC** + 0,386**KNSL** − 0,067**LV** + ε **(2)**
VnDI_2 =	0,118 + 0,005**ĐBTC** + 0,154**KNSL** − 0,036**LV** + ε **(3)**
VnDI_3 =	0,409 + 0,015**HĐQT** + 0,013**ĐBTC** + 0,520**KNSL** + ε **(4)**
VnDI_4 =	0,115 + 0,032**QM** + ε **(5)**
VnDI_5 =	0,175 + 0,016**ĐBTC** + 0,629**KNSL** + ε **(6)**
VnDI_6 =	0,036 + 0,066**VNN** + 0,015**HĐQT** + 0,014**QM** + 0,369**KNSL** - 0,007**TGHĐ** + 0,047**KT** + ε **(7)**
VnDI_7 =	0,288 + 0,390**KNSL** - 0,049**LV** + ε **(8)**

Annotate on variables

- *Dependent variable:*

+ VnDI: The level of general information disclosure; + VnDI_1: General Information disclosure level of the enterprise; + VnDI_2: Information disclosure level on Finance; + VnDI_3: Information disclosure level on governance; + VnDI_4: Information disclosure level on the investment situation of the project; + VnDI_5: Information disclosure level on shareholder structure, equity investment; + VnDI_6: Information disclosure level on social responsibility information; + VnDI_7: Information disclosure level on forecast and plan.

- Independent variables: VNN: State capital ratio, Board of Directors: Board size, Board of Management: Board independence, QM: Company size, Q4: Financial Leverage, KNSL: Profitability, TGNY : Listing Time, LV: Field of operation, KT: quality of audit firm.

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

Through the research on the level of information disclosure in the annual report of listed companies on HOSE, the thesis strongly suggests some recommendations to increase the level of information disclosure in the listed companies:

Raise awareness of and responsibility for the benefits of information disclosure

One of the factors contributing to this success increase is how to raise the awareness and responsibility of the management team of the company. The awareness is in terms of:

(1) Propaganda on the benefits of information disclosure and the staff through training.

(2) The role of communication plays a very important role.

(3) There should be strict punishment, so that managers will focus more on information disclosure of their units.

Complete content and index of information disclosure

Publication information should be finalized

(1) Future Orientation: Long-term strategic planning

(2) Information on opportunity and risk

(3) Changes in the business environment and viability of the enterprise

(4) Forecasting information related to short-term decisions

Policies impact factors to increase the level of information disclosure

(1) Rate of State Capital Structure: It is important to issue a regulatory policy and develop an appropriate legal framework.

(2) Number of board members

(3) Business size

(4) Business Field

(5) Quality of the audit firm.

For investors or users applying annual reporting information

- Users should pay attention to the level of information provided in annual report of newly listed companies, audited by auditors other than the Big4 group, with high profitability and financial leverage for right decision.

- Users should understand the information provided in the report

- Users need information to make decisions, so information must be critical.

For the State

Estimates show that profitability and the ratio of state capital are one of the most significant and influential factors in the disclosure level of the enterprises. It means that the higher the state-owned enterprises, meaning that the greater the level of state control is, the greater the level of disclosure is. Therefore, it is necessary to further strengthen the state's control by issuing policies. One of the factors is the improvement of the inspection system, the independent audit system. Although quantitative audit does not affect the level of disclosure, the coefficient also has a significant impact. At present, the State has completed the information disclosure system, both in Vietnamese and English, but there are still many mistakes in disclosure. Many reports are made to have enough content but the importance of content has not been taken into consideration.

Therefore, in order to improve the level of information disclosure in the Listed Company, it is necessary to further strengthen the inspection and audit work, the quality of the audit work and the improvement of the legal document system.

Conclusion

The benefits of information disclosure are enormous. However, the level of disclosure in the annual report of listed companies on the HOSE is still low, only reached 26.99%. According to the thesis study, there are 5 factors influencing the ratio of state capital, number of board members, size of enterprise, profitability and listing time. To raise the level of information disclosure in the annual report, it is first necessary to raise the awareness of managers, improve the information system and infrastructure for public disclosure, followed by the need to organize appraisal of annual reports, and importantly, the State should improve the system of legal documents. It is important that the users of the information are aware of the factors that influence the use of information in the decision making process.

As one of the important issues, the thesis has contributed to supplement the research results for the theory of information disclosure. Once again, the information disclosure is abstract, the findings have researcher's subjective and the research results depend on the location and time of the study.

Limitations of the thesis and research direction for the future

With any research, the thesis also has certain limitations. The first limitation is that the thesis study is just for the HCMC Stock Market. Secondly, when developing indexes measuring the level of

disclosure, including mandatory disclosure and voluntary disclosure, however, the thesis could not select all indexes of information disclosure, so the information disclosure level in annual report of listed companies on HOSE has not been comprehensively evaluated. Thirdly, this is a cross-sectional study that will only study the 2013 data, as it studies all major data sources. Research data is also from 260 of 306 listed companies. Fourthly, in terms of methodology, there are many subjective views due to unweighted disclosure approach and self-measuring methods. Identification of the factors influencing is not included, especially the factors related to the behavior of the administrator. Finally, the limitations of research have not gone into the study of banks, finance companies, insurance companies as outlined in the scope of the study.

However, these limitations are normal with many other financial accounting studies. Moreover, despite the limitations mentioned above, the results of this thesis provide a great contribution to Vietnamese academic development on the basis of annual reports in Vietnam, the premise for later studies, as well as comparisons with previous studies and the basis for managers to use for decision-making.

Therefore, future studies, if feasible, can be further analyzed for the Hanoi stock market and comparable for both markets, more selective factors, or future studies can choose a weighted disclosure approach to measure and compare to find the difference of this approach.

LIST OF PUBPLICATIONS

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