

## FTI Consulting Releases Asia Disclosure Index 2019

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### Report Focuses on Board Quality, Risk Disclosure Standards Across Eight Jurisdictions in Asia

HONG KONG, Nov. 26, 2019 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today announced the release of its [Asia Disclosure Index 2019](#), which tracks corporate disclosure practices amongst 330 publicly listed corporations across eight jurisdictions in Asia: ASEAN (Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam)<sup>1</sup>, Hong Kong and India.

FTI Consulting's *Asia Disclosure Index 2019* reveals that companies in Asia scored well on corporate disclosure, with an average Voluntary Disclosure score of 6.4 out of a maximum of 10 and an average Board Quality score of 2.4 out of a maximum of 4. However, many companies in the region could improve their risk disclosure standards, with an average Risk Disclosure score of 3 out of a maximum of 5 for all 330 companies.

FTI Consulting reviewed public information from the annual reports and corporate websites of 330 listed companies in the ASEAN region, Hong Kong and India to create a weighted Composite Disclosure scoring system with 12 disclosure parameters and applied it to the S&P BSE 100 Index, FTSE ASEAN Stars Index and Hang Seng Index to create the *Asia Disclosure Index 2019*. The 12 disclosure parameters were divided into three groups: performance disclosure (two parameters), board quality (five parameters) and quality of risk disclosure (five parameters). The parameters were weighted to calculate the Composite Disclosure score for each company and then aggregated for all 330 companies.

#### Asia Disclosure Index 2019 Highlights:

- 23 of the 180 ASEAN companies (7%) are classified as corporate disclosure champions, with Composite Disclosure scores of 10/10. Nine of these companies are from Malaysia, five are from India, four are from Singapore, three are from Thailand and one each is from Hong Kong and Philippines. Ten out of the 23 companies are from the Banking/Financial Services sector, five are from the Industrials/ Manufacturing/Transport sector and three are from the Energy/Resources sector.
- Across the eight jurisdictions, Malaysian companies collectively score the highest, with an average Composite Disclosure score of 8/10, followed by India and Singapore, both at 7.3/10.
- Aggregated by industry, Telecom/Tech companies have the highest average Composite Disclosure score of 7.9/10, followed by Banks/Financial Services at 6.7/10.

#### Board Quality Scores:

- Approximately 80% of Asian companies have at least one female director on their Board of Directors. This percentage is consistent across ASEAN, Hong Kong and India.
- Independent directors do not make up at least half of the boards for 49% of Asian companies surveyed. Indian companies lead with 88% of companies that have balanced boards (comprising at least 50% independent directors), as compared to 39% in ASEAN and 18% in Hong Kong.
- Only 24% of Asian companies provide board evaluation with the involvement of a third-party expert.
- Only 57% of Asian companies provide specific information about their directors' specialist expertise that they bring to the board. Performance on this parameter is better in Hong Kong, where 90% of companies provide this information, compared to 60% in India and 47% in the ASEAN region.

#### Risk Disclosure Scores:

- 36% of the top 330 listed Asian companies across the eight jurisdictions do not provide a convenient whistleblowing mechanism (phone number or email) on their websites or in their annual reports. Indian companies score highly, with 89% of Indian companies providing convenient whistleblowing mechanisms, while the corresponding figure is 58% in ASEAN and 34% in Hong Kong.
- 54% of Asian companies do not provide analyst transcripts or details of analyst engagement, even if investor presentations are available on their websites.
- While 71% of the 330 Asian companies provide some information on risk metrics and mitigation, 45% of the 330 companies do not provide any information regarding cybersecurity or data-security risk mitigation in their annual reports.
- 32% provide sustainability reports without internationally recognised benchmarks such as Global Reporting Initiative ("GRI") standards. In Hong Kong, 82% of companies provide sustainability information with GRI or other internationally recognised benchmarks for sustainability reporting. This is followed by 71% in ASEAN and 57% in India.

"The *Asia Disclosure Index* report is an important piece of research that adds to the effort to raise corporate transparency and non-financial disclosure in the region," said [Paul Downie](#), Chairman of Asia Pacific for the [Strategic Communications](#) segment at FTI Consulting. "While most companies scored well overall on corporate disclosure, risk disclosure remains an area in need of improvement. We hope the findings of the *Asia Disclosure Index* will provide companies across the region with benchmarks they can measure against to improve the level of financial communications in Asia."

[Amrit Singh Deo](#), a Managing Director in the [Strategic Communications](#) segment at FTI Consulting and author of the *Asia Disclosure Index 2019*, added, "Corporate disclosure practices are a proxy for management culture and behaviour. Institutional investors are closely scrutinising public

companies for non-financial information, and Asian directors should be paying greater attention to this. With higher corporate disclosure standards, boards of companies can signal to global investors that they are good investment candidates with a 'transparency premium.' There are greater expectations from companies to provide continuous voluntary disclosure of corporate information. Asian companies should align with global best practices rather than follow developed market peers.”

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<sup>1</sup> *Constituents of S&P BSE 100 Index, FTSE ASEAN Stars Index and Hang Seng Index*

#### **About the Asia Disclosure Index 2019**

The *Asia Disclosure Index 2019* is a report of corporate disclosure by 330 listed companies in the Asia region as assessed on 12 publicly available information disclosure parameters. The full report and methodology can be found [here](#).

#### **About FTI Consulting**

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,700 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$2.03 billion in revenues during fiscal year 2018. For more information, visit [www.fticonsulting.com](http://www.fticonsulting.com) and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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