

Audit & Risk Committee Seminar 2026

Trust At The Core: Strengthening Governance In An Age Of Complexity

20 January 2026



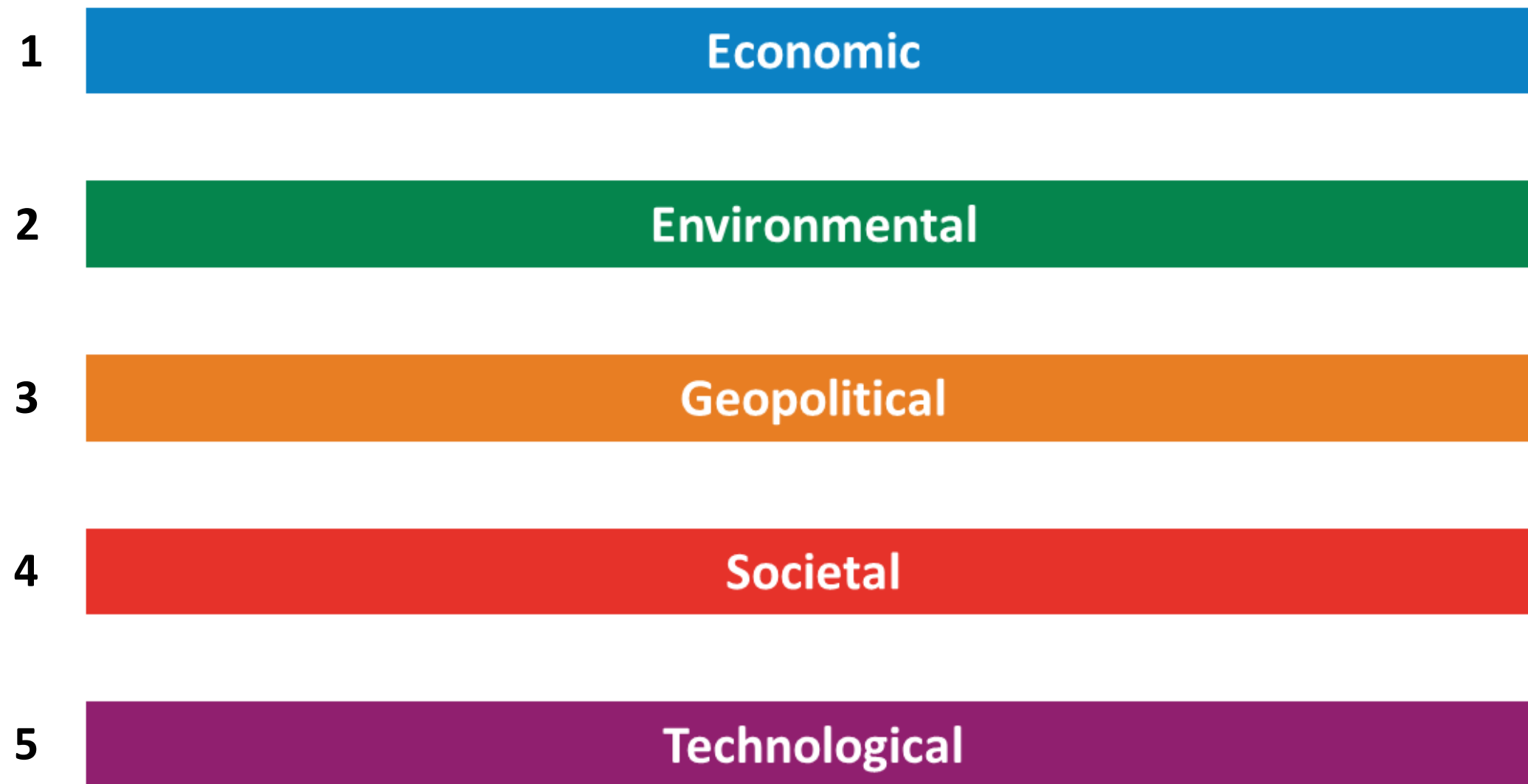
SGX RegCo Presentation

Mr Michael Tang
Head of Listing Compliance,
SGX RegCo

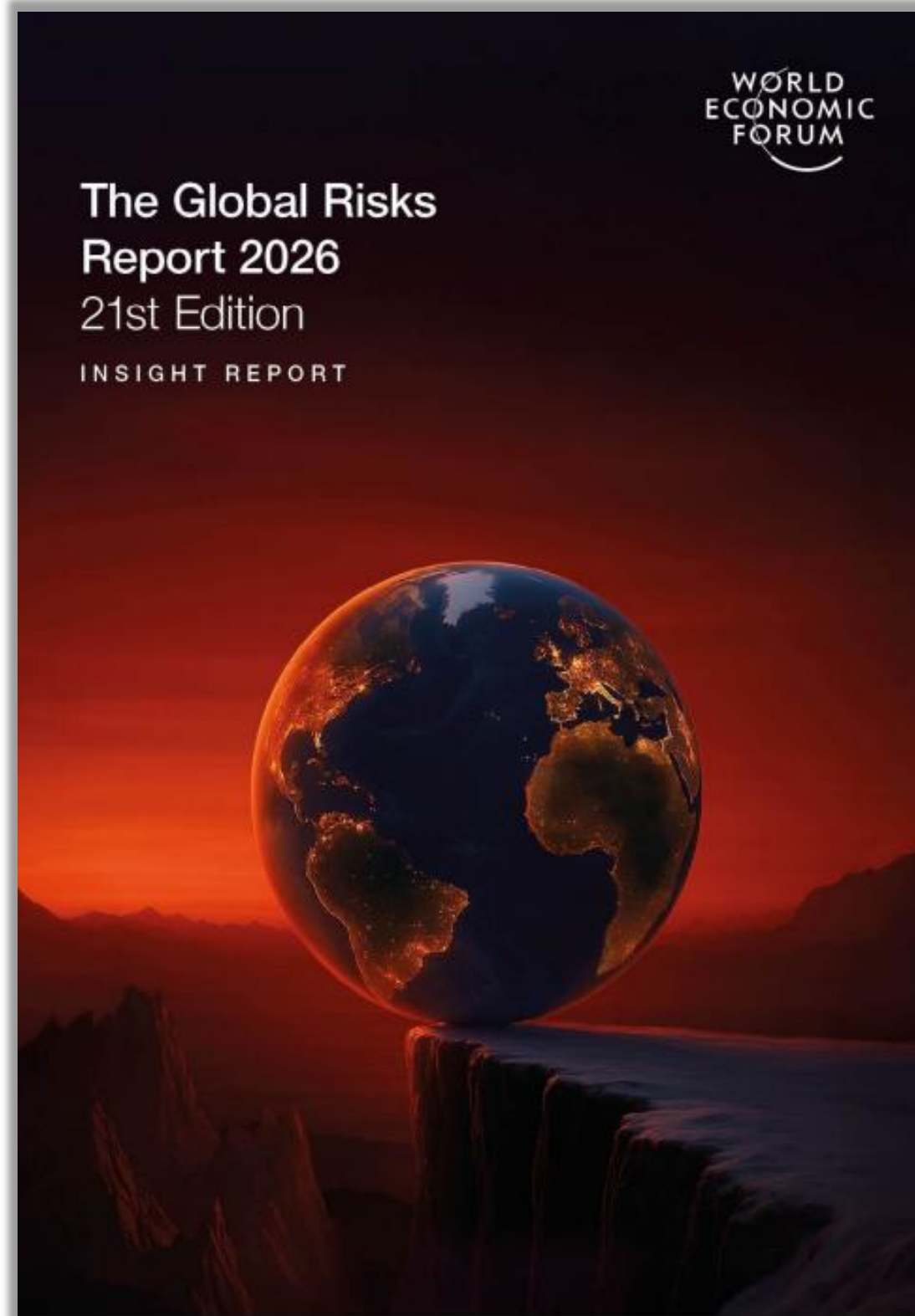
Top Risks

Top Risks: Survey

Which risk category is most likely to pose the biggest threat to your company in 2026?

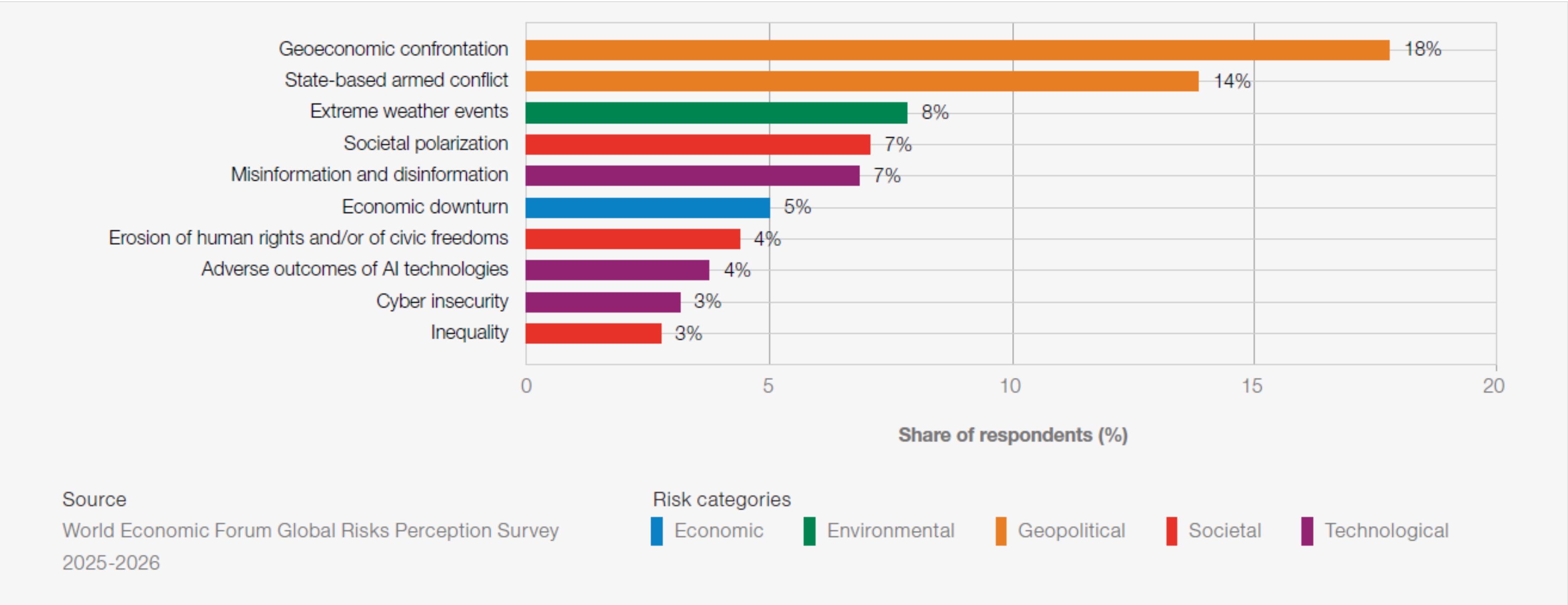


World Economic Forum: Global Risk Report 2026

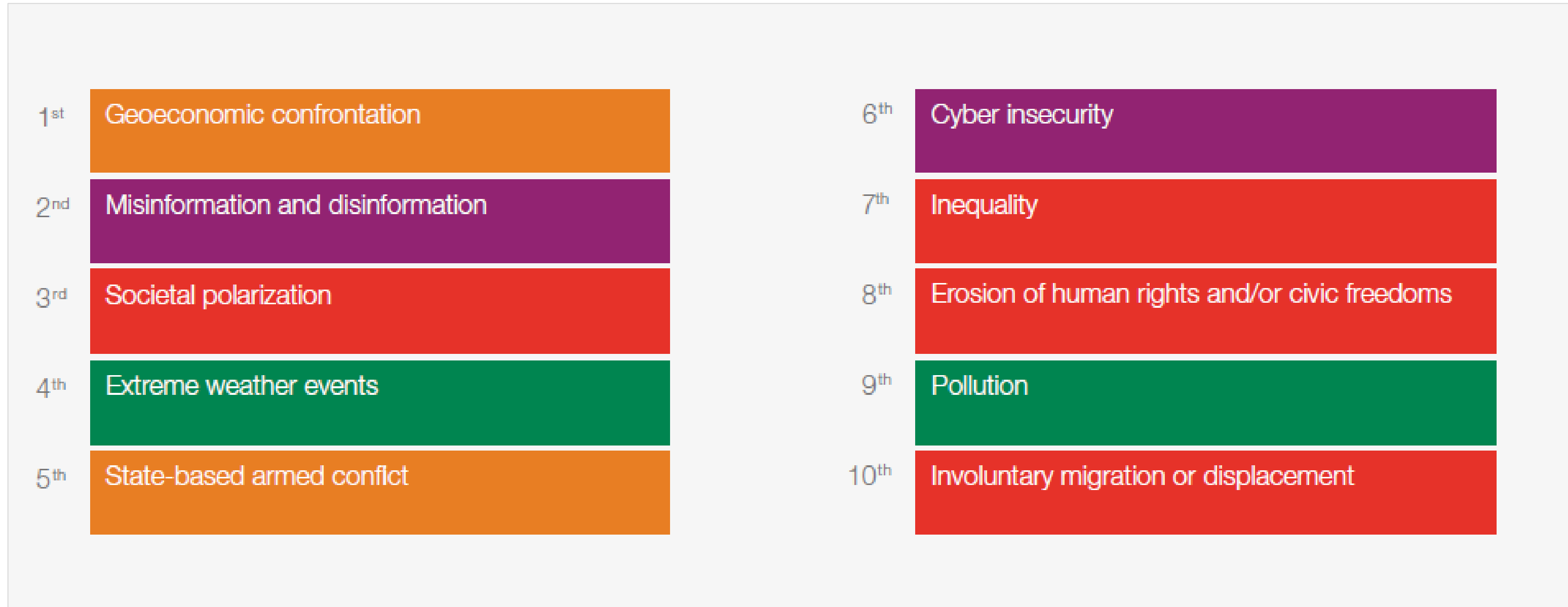


- Offers a view of global risks and a range of potential futures with a view to prevention and management.
- Covers findings of the Global Risks Perception Survey 2025-2026, with inputs from over 1,300 experts across academia, business, government, international organisations and civil society, between August and September 2025.
- Also draws on the World Economic Forum's Executive Opinion Survey of over 11,000 business leaders in 116 economies.
- 50% of leaders and experts surveyed anticipate either a **turbulent or stormy outlook** over the next 2 years, growing to 57% over the next 10 years.
- **Key drivers:** Goeconomic confrontation, intensifying economic risks, accelerating technological risks, societal fragmentation and deprioritised environmental concerns

Top 10 Global Risks Over the Immediate Term (2026)



Top 10 Global Risks Ranked by Severity (Short-Term 2 years)



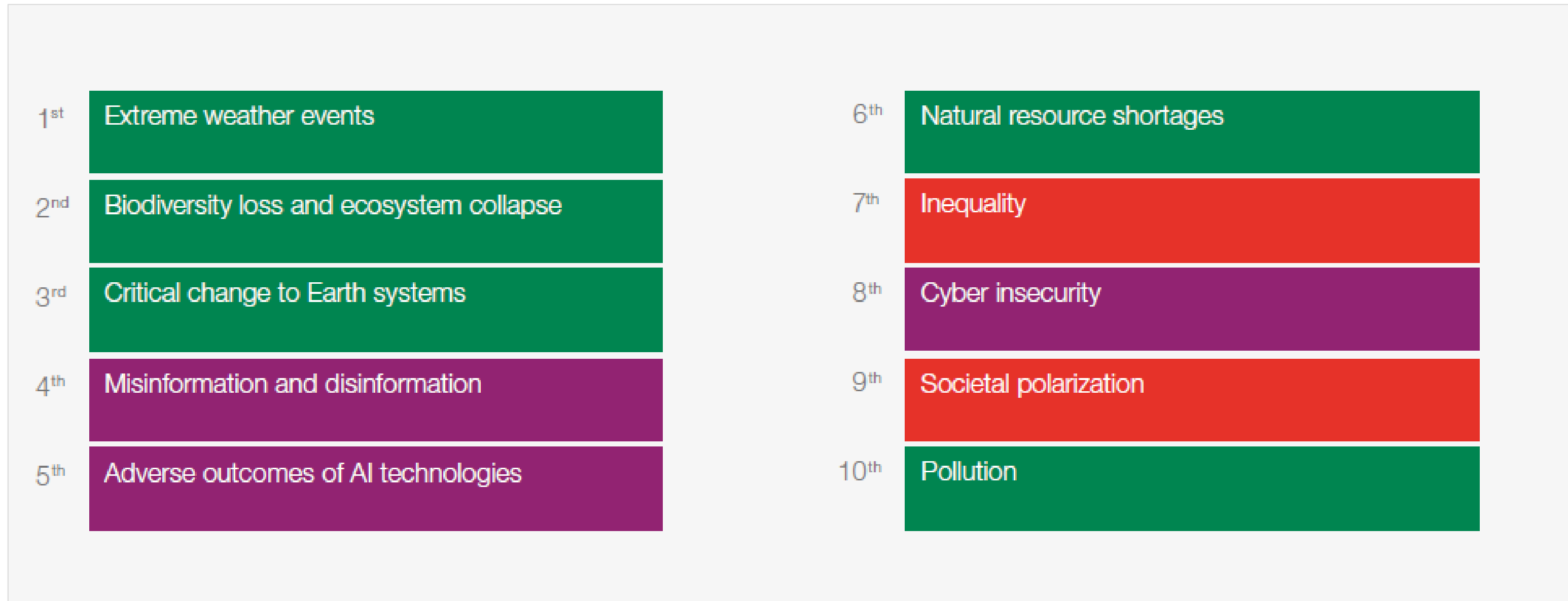
Source

World Economic Forum Global Risks Perception Survey
2025-2026

Risk categories

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Top 10 Global Risks Ranked by Severity (Long-Term 10 years)



Source

World Economic Forum Global Risks Perception Survey
2025-2026

Risk categories

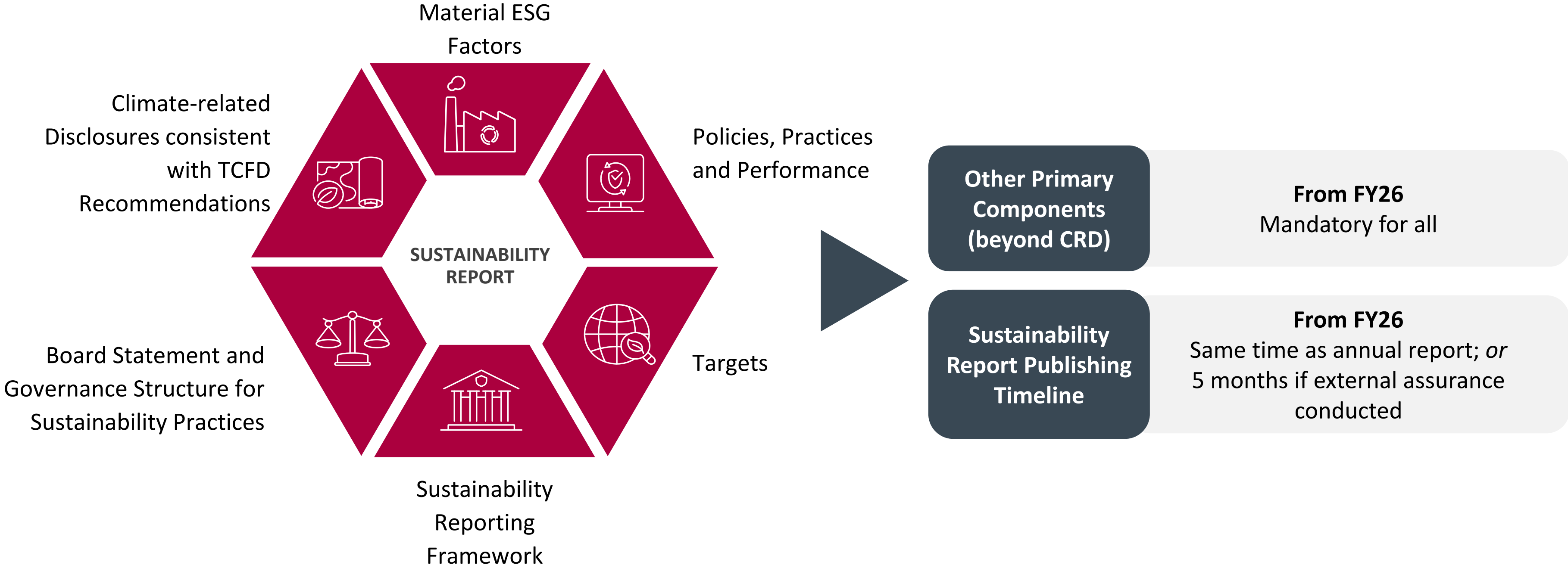
■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Top 5 Risks Identified by The Executive Opinion Survey: Singapore



Regulatory Updates

Sustainability Reporting Requirements



[^] FY26 refers to the financial year commencing on or after 1 January 2026.

Extended Timelines for Climate Reporting

A **3-tier structure** to phase reporting obligations and allow companies to develop reporting capabilities:

- 1 STI constituents
- 2 Non-STI constituents with S\$1B market capitalization and above
- 3 Non-STI constituents with less than \$1B market capitalization

Mandatory Requirements	Original Timeline	Revised Timeline		
	All Listed Companies	STI Constituents	Non-STI Constituents \geq \$1B market cap	Non-STI Constituents $<$ \$1B market cap
Scope 1 & 2 GHG emissions	FY2025	FY2025		
Other ISSB-based CRD		FY2025	<i>Ext</i> FY2028	<i>Ext</i> FY2030
Scope 3 GHG emissions	FY2026	FY2026	<i>Ext</i> Voluntary	
External limited assurance for Scope 1 & 2 GHG emissions	FY2027	<i>Ext</i> FY2029		

Roadmap to Navigate SGX's Climate Reporting Timelines



- 1 Guide for non-STI issuers in progressing towards incorporating the climate-relevant provisions in the ISSB Standards by FYC 2028.
- 2 Boards and management can use the roadmap for progress assessment and capacity building.
- 3 The entity may expect to achieve the following key CRD by the end of each reporting period, if the steps in the Roadmap are followed:

FYC 2026	FYC 2027	FYC 2028
<ul style="list-style-type: none"> • Governance disclosures • Identification of CrRO • Effects of CrRO on the entity's business model and value chain • Risk management disclosures for climate-related risks • Scope 1 and 2 GHG emissions² • Cross-industry metrics: Amount or percentage of assets or business activities vulnerable to or aligned with CrRO 	<ul style="list-style-type: none"> • Whether and how related performance metrics are included in remuneration policies • Effects of CrRO on the entity's strategy and decision-making • Climate-related scenario analysis (qualitative) • Current financial effects • Risk management disclosures for climate-related opportunities • Cross-industry metrics • Industry-based metrics • Qualitative targets 	<ul style="list-style-type: none"> • Climate-related scenario analysis (quantitative) • Any climate-related transition plan the entity has to respond to CrRO • Anticipated financial effects • Cross-industry metrics: Climate-related considerations in executive remuneration • Quantitative targets

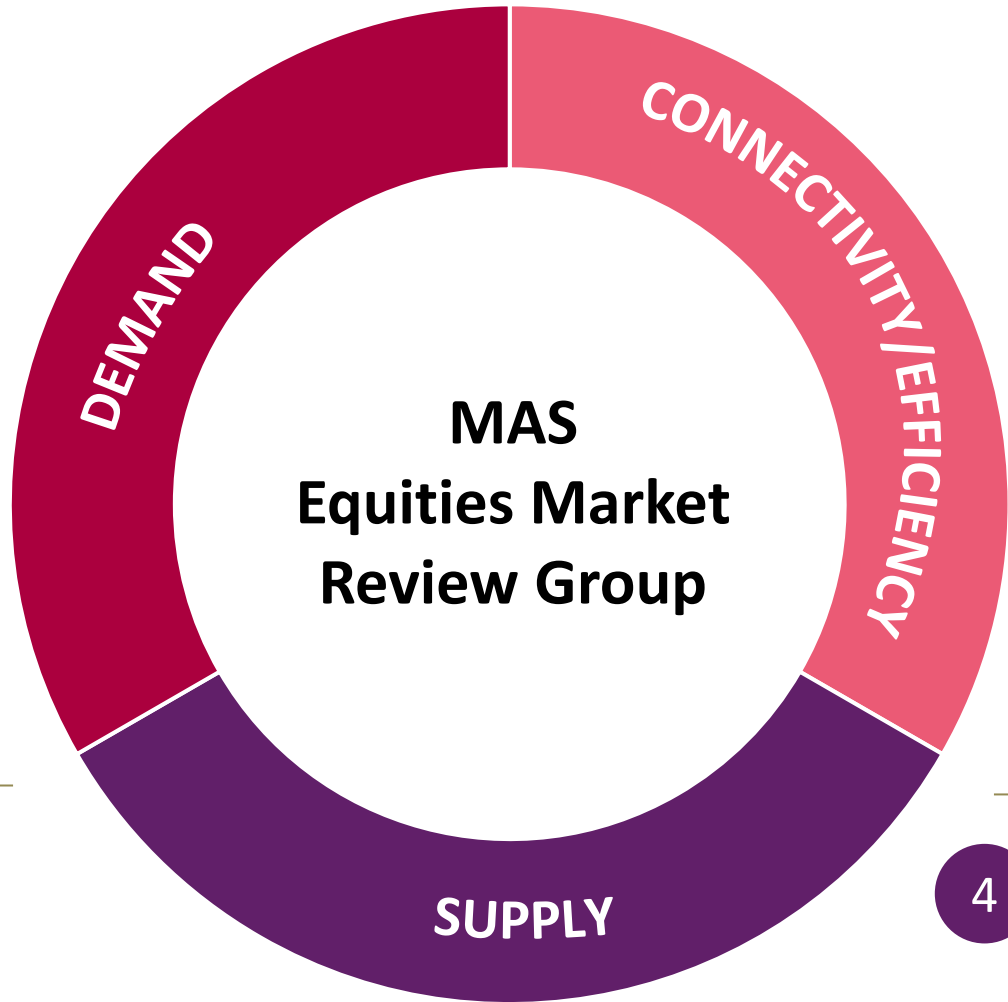
Scan the QR code or visit:
<https://www.sgx.com/sustainable-finance/sustainability-knowledge-hub>



Equities Market Review

Equities Market Review Group Measures: A Recap

- 1 **S\$5B Equity Market Development Programme (EQDP)** deployment into SG equities - S\$3.95B allocated
- 2 **Global Investor Programme** shifts and **exemptions** for fund managers
- 3 **S\$30M 'Value Unlock'** programme
- 4 **Enhancing investor recourse** avenues
- 5 **S\$50M GEMS** enhancement
1500+ reports and 100+ stocks received 1st time coverage since GEMS' inception



- 1 **SGX-Nasdaq Dual Listing Bridge**
- 2 **Incentives to enhance market-making ecosystem** for SG-equities
- 3 **Modernise post-trade custody** - facilitate adoption of broker sub-accounts.
- 4 **Reduce board lot size** for securities priced above \$10

- 1 **Disclosure-based regime**
 - *Limiting suspensions to going concern*
 - *Timely disclosure of material information*
 - *TWC alerts for unusual trading*

- 2 **Revised listing admission criteria**
 - *Disclosure of internal control weaknesses and conflict of interest*
 - *Lower profit test threshold for new listings*
 - *Listing pathways for high growth pre-revenue companies*

- 3 **Financial watch-list removal**
 - *Negative connotations*
 - *Communicate specific performance improvement actions*

- 4 **Regulatory review consolidation** under SGX RegCo
 - *Streamline listing process and efficiency*
 - *Improve time-to-market*

- 5 **Tax incentives** for new corporate and fund manager listings

Value Unlock

'Value Unlock' Journey

Building Strategic Excellence

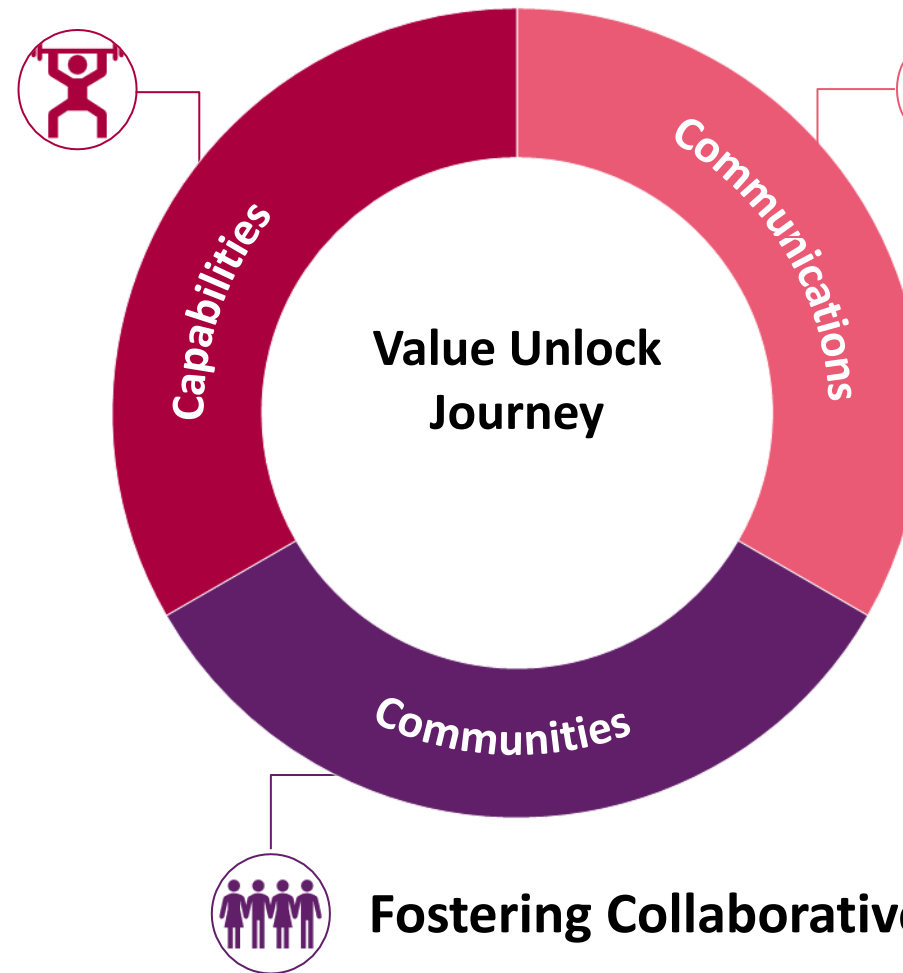
Two MAS grants to help strengthen listed companies' capabilities in corporate strategy, capital optimisation and investor relations

Equip Grant:

- 50% funding support for **course fees**, capped at \$15,000/company

Elevate Grant:

- 50% funding support for **professional consultancy fees**, capped at S\$200,000/company



Amplifying Market Presence

Support companies in communicating strategic plans effectively

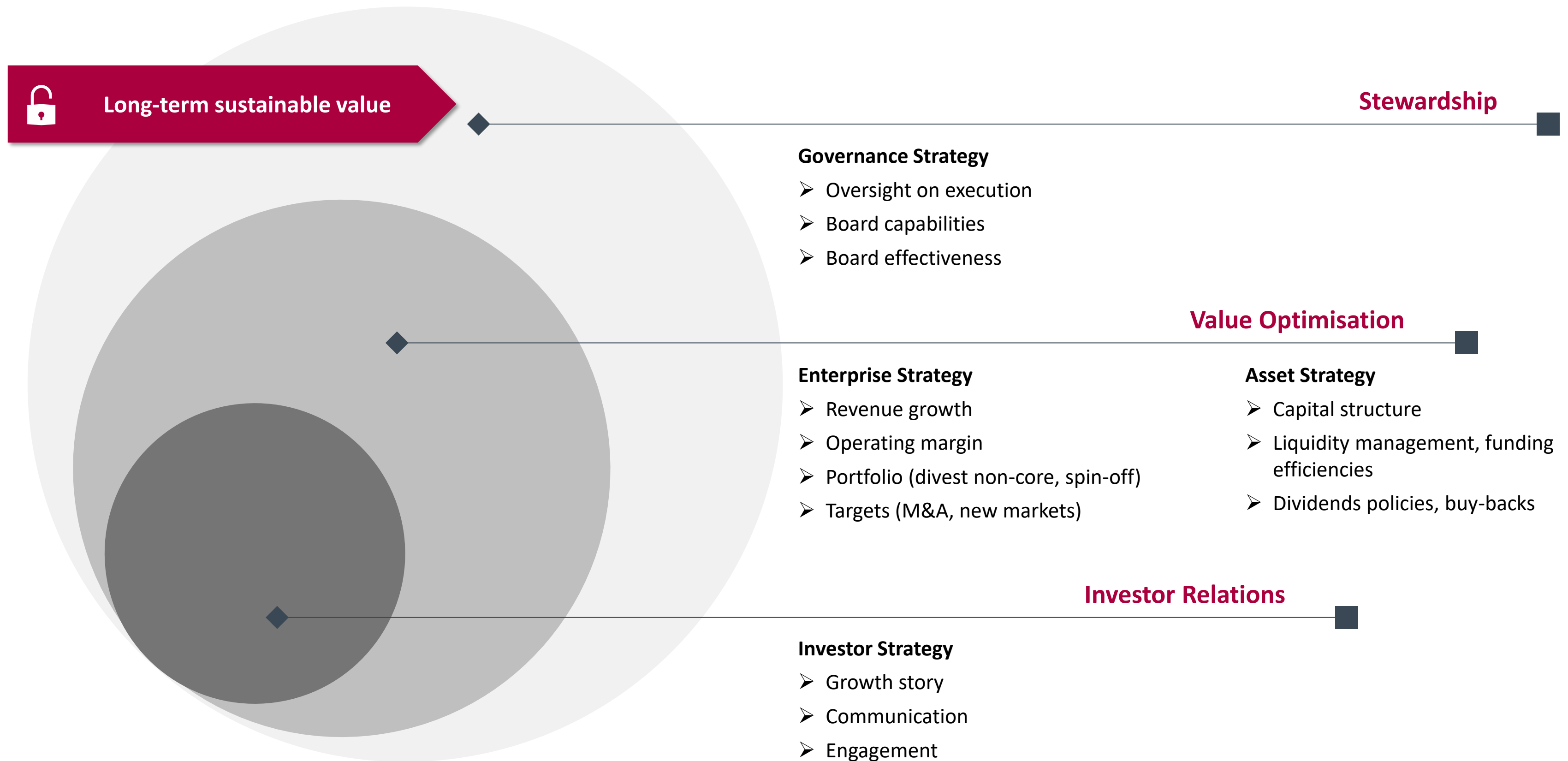
- Enhanced GEMS research coverage
- Broaden investor and media engagement

Fostering Collaborative Networks

Foster peer learning and collaboration

- Network ecosystems to propagate best practices and inspire shareholder value creation
- Singapore Institute of Directors' (SID) Chairpersons Guild

Integrating Value Creation



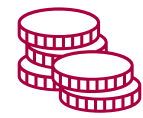
Adopting Clear Value-Unlock Policies

Observations & Feedback



Investor Relations

- Limited engagements; responses usually boilerplate.
- Study by the Stewardship Asia Centre (SAC): Engagement quality and long-term strategy communication are important to institutional investors.



Dividend

- Transparency in capital management plans (e.g. dividend policies) help facilitate investors in their investment decisions.



Remuneration

- Companies should clearly link value creation metrics to remuneration for better accountability.



Forward Guidance

- Forward-looking insights help to build understanding and trust.
- Research analysts and institutional investors consistently emphasise the importance of anticipated earnings and the strategy the business will employ to achieve those results.

Value Unlock: Investor Relations Policy



Effective investor relations ensures stakeholders receive clear, timely updates on strategy and performance, fostering confidence and informed decisions. Issuers should establish regular, open communication and clear shareholder engagement channels

Negative Example



The Company currently does not have a dedicated investor relations team or an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The investor relations role is currently performed by the Directors who actively engage and promote regular, effective and fair communication with shareholders. The Board would consider establishing an investor relations policy at the appropriate time and the appointment of a professional investor relations officer to manage the investor relations role should the need arise. The shareholders can contact the Company via channels such as (a) email to the Company under the corporate website; (b) writing to the Company; and (c) meetings with Directors during the AGM.



- Dedicated IR team and communication channel
- Publish periodic updates and planned IR activities
- Regular engagements / Q&A sessions to maintain active dialogue with stakeholders
- Targeted outreach (e.g. public interviews, investor events, roadshows and social media)

Value Unlock: Dividend Policy



Effective capital management underpins sustainable growth and value creation. Issuers should clearly communicate their capital management policy, including dividend plans, to guide investor decisions

Negative Example



The Company does not have a fixed dividend policy. Nonetheless, Management will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.

The Board has not declared or recommended any dividend for FY2024.



- Set performance targets (e.g. EPS, FCF, liquidity, etc.)
- **If not paying dividend:** Explain strategic and capital allocation priorities (e.g. organic growth, M&A, debt repayment, etc.)
- **Beyond dividend:** Ways to enhance shareholder returns (e.g. share buybacks, capital reductions, bonus issues, etc.)

Value Unlock: Remuneration Policy



Remuneration to align with corporate performance and shareholder value. Issuers should disclose key indicators transparently to show how directors and key executives are properly incentivised to act in stakeholders' long-term interest

Positive (Global) Example



The Committee reflected on the appropriate maximum opportunity for the Group CEO and Group CFO considering (i) the maximum opportunity in 2014; (ii) market data for our international banking peers and the largest FTSE 30 companies...

We will continue to set a scorecard of stretching and quantitative financial and strategic performance targets aligned to our strategy and stakeholder interests. Maximum pay outcomes will be delivered only for exceptional performance as required by these targets.



Performance measures

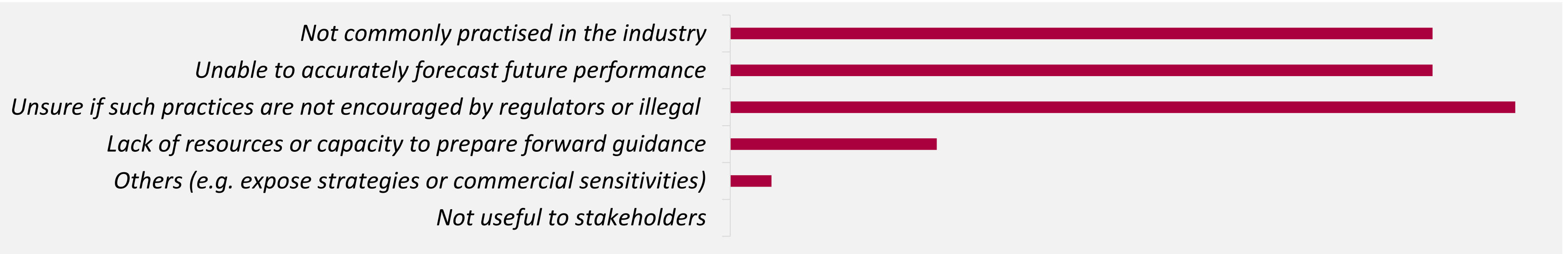
Measures and modifier/underpin	Example measures for annual incentive scorecard	Example measures for LTI scorecard	Rationale
Financial measures	<ul style="list-style-type: none"> – Profit before tax – RoTE – Revenue growth – Volume growth – Costs 	<ul style="list-style-type: none"> – RoTE – Total shareholder return – Underpin to maintain a minimum CET1 ratio 	Measures are selected to incentivise the achievement of our financial targets as set out in our strategic priorities and financial resource plan.
Strategic measures	<ul style="list-style-type: none"> – Customer satisfaction – Employee engagement – Succession planning and inclusion – Carbon reduction and sustainable finance 	<ul style="list-style-type: none"> – Reduce carbon emissions – Sustainable finance 	Measures are selected to support the delivery of our strategic priorities.
Risk and compliance measures, modifier and/or underpin	<ul style="list-style-type: none"> – Sustained delivery of global conduct outcomes – Effective financial crime risk management – Effective management of material operational risks – Risk metrics to identify when business activities are outside of tolerance level for a significant period of time – Failures in risk management that have resulted in significant customer detriment, reputational damage and/or regulatory censure – CET1 level 	<ul style="list-style-type: none"> – Modifier linked to risk and compliance performance 	Measures are chosen to ensure a high level of accountability of risk and conduct, to promote an effective risk management environment and to embed a robust governance system.



- Financial and operational metrics to measure performance (e.g. ROE, profit margin, market share, customer retention rate, etc.)
- Linkage between performance targets and long-term value creation
- Benchmarking against local and international peers

Value Unlock: Forward Guidance

Survey by SGX RegCo | Key reasons for not providing forward guidance



Facilitating Forward Guidance Disclosure:

- 1 Forward guidance (e.g. earnings guidance or forward-looking statement) helps investors understand a company's plans and prospects, leading to a more efficient market.
- 2 Forward guidance must be carefully prepared, based on credible methodologies and assumptions, and is realistic and defensible, in line with the principles set out in the Listing Rules.
- 3 Auditors' sign off on forward-looking statements may not be necessary, unless in specific circumstances under the Listing Rules (e.g. Chapter 10).
- 4 Forward guidance need not be updated immediately. Issuers must announce material events or firm evidence of significant deviations between projections and actual results, but the magnitude of the differences between forward guidance and actual results, and any updates for future periods, need only be provided at the next financial report or business update.

Value Unlock: Forward Guidance (cont'd)

Continuum of Forward-Looking Statement (FLS) Disclosures

External environment outlook and potential business impact

Forward-looking initiatives and progressive updates

Realistic projections or guidance and expected outcomes

Example of FLS Disclosures

“While geopolitical uncertainties weigh on the general business environment, with tariff increases possibly having a negative impact on trade flows, we are confident we have the resilience to navigate the challenges.”

“Despite the challenging operating conditions during the year, most of our businesses reported higher profits in FY2024, but this was offset by a weaker sugar merchandising business within our Feed & Industrial Products segment which had an exceptional year in FY2023.”

“we have continued to invest in future-ready shipbuilding capabilities. Our capacity expansion initiative [...] has commenced construction following final approvals from local authorities. This new facility, with an expected capital expenditure of approximately RMB3 billion, will feature state-of-the-art infrastructure designed for high-value vessels. Construction is scheduled for completion for late 2026, with the first vessel delivery expected in 2027”

“Optimistic in achieving our target of 6-8% revenue growth in the medium term”

“We expect our expenses and capital expenditure to be at the lower end of our FY2025 guidance, previously guided at a 2-4% increase and between \$70 million to \$75 million respectively.”

Trust 2.0

Adoption of Artificial Intelligence (AI) Introduces New Threats

IBM Report: 13% Of Organizations Reported Breaches Of AI Models Or Applications, 97% Of Which Reported Lacking Proper AI Access Controls

U.S. breach costs rise to \$10.22 million, despite the global average cost of a breach decreasing to \$4.44 million; Only 49% of breached organizations plan to invest in security

Jul 30, 2025

Finance director nearly loses \$670k to scammers using deepfakes to pose as senior execs

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Two lawyers rapped over 'entirely fictitious' AI-generated citations submitted to court

Justice S Mohan has reserved judgment on what consequences should follow in the Republic's second such case

Summarise

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Tessa Oh

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AI Risks

Erroneous or unreliable model output

Over-reliance on AI for decision making

Operational disruptions due to poor data integrity, privacy and safety

Case Sharing

AGMs: A Crucial Avenue for Shareholder Engagement

Common Reasons for Extension of Time Applications

REJECTED

- 1** Recent change of auditors
- 2** Auditors require more time to finalise audit
- 3** Staff turnover



- AGMs must be held within 4 months of FYE – extensions granted on **merits**
- ListCos must ensure **business continuity** and **adequate resources** to meet ongoing listing obligations
- SGX RegCo may require information session, pending regularisation of AGMs

- Non-compliance may result in directors being placed on watchlist until AGM is convened
- Jump ship directors will not be able to exit the watchlist



Directors Duty of Care

Background

- Listed company with overseas operations.
- Principal overseas subsidiary (**primary contributor to group's revenue**) terminated a key cooperation agreement without board approval, allowed operations to cease and key business licence to lapse.
- Subsidiary director able to exercise full authority without proper oversight and approval.
- Executive director failed to promptly inform the board about the licence expiry.
- Board was unaware of key subsidiary operations and licence expiry.
- Board allowed the delay in disclosure of material information, as designated officer was not available to help.

Key Lapses

- **Weak internal controls:** No robust oversight of foreign subsidiary operations. Material events not escalated to the board in time.
- **Delayed disclosure:** Market not informed promptly, creating risk of **false market** in the company's securities.

Regulatory Outcome

- **Public reprimand** of directors for breaches of listing rules.

Directors Duty of Care (cont'd)

Key Takeaways

- Directors must **exercise care, skill and diligence** in the discharge of their fiduciary duties.
- Directors must **devote sufficient time and attention** to the affairs of the issuer, including the operations and affairs of its principal foreign subsidiaries.
- Implement a **clear reporting framework** for principal subsidiaries, define **appropriate decision-making autonomy**, and conduct **regular oversight check-ins**.
- Executive Directors must ensure **material information in their possession** is promptly shared with the Board.
- Issuers must allocate **adequate resources** (including personnel) to ensure full compliance with Listing Rules.
- Issuers to call for **trading halt** if material information cannot be disseminated promptly.

Thank You!