

### Background:

In April 2018, SGX initiated a "SGX Fast Track Programme" to recognise and encourage listed issuers that have good corporate governance standings and good compliance track record. Issuers that are on the SGX Fast Track Programme will have prioritised clearance for selected corporate actions submitted to the SGX.

In July 2018, in a closed-door seminar organised by SGX and SIAS, the CEO of Singapore Exchange Regulation (SGX Regco)- Mr Tan Boon Gin, shared SGX's tiering approach in shaping and dealing with the behaviors of listed companies in terms of regulatory compliance.

### In a nutshell:

**SGX discloses its tiering approach as a frontline regulator for listed companies based on the companies' attitude towards regulatory compliance.**

- 1) **Tier-1** comprises of companies that are law-abiding or rule-compliant and encompasses the 60 SGX Fast Track companies which are rewarded with faster time-to-market processing of corporate actions submitted to SGX.
- 2) **Tier-2** comprises of companies with a cavalier attitude in complying with regulatory obligations. These companies may not have committed any fraud but may have made inaccurate, incomplete or late disclosures or circumvent certain listing rules. Accordingly, SGX will take the lead in investigation and accountability for matters concerning the listing rules.
- 3) **Tier-3** comprises of companies that has been identified with some form of fraud or criminal behavior that has taken or is taking place. Accordingly, SGX would focus their investigation prowess to hold companies, directors and professionals accountable and relevant authorities and professional bodies will be notified.

### 1) Tier-1 Companies

Tier-1 comprises of companies that are compliant and law-abiding. Companies that have a good corporate standing may be selected in the SGX Fast Track Programme. The selection process of issuers for the SGX Fast Track Programme will be based on internal and external criteria focused on corporate governance standards, their compliance track record, promptness in disclosure and the quality of their submissions. Assessment of issuers to be included or dropped from the programme will be subject to a continuous review and SGX reserves the right to make changes to the list of issuers.

As to date, there are 60 companies on the SGX Fast Track Programme, 8 of which are Catalyst listed issuers. SGX informs that there are no maximum quota and welcomes more joiners into the Fast Track Programme.

No.	Catalist Company	Current Sponsor	Date of Appointment
1	Megachem Limited	SAC Capital Limited	1 Jan 2011
2	United Global Limited	SAC Capital Limited	8 Jul 2016
3	Zico Holdings Inc	Asian Corporate Advisors Pte Ltd	2 Mar 2018
4	Japan Foods Holding Ltd	CIMB Bank Berhad, Singapore Branch	23 Feb 2009
5	Miyoshi Limited	CIMB Bank Berhad, Singapore Branch	6 Jun 2016
6	Singapore O&G Limited	Prime Partners Corporate Finance Pte Ltd	4 Jun 2018
7	LHN Limited	Prime Partners Corporate Finance Pte Ltd	13 Apr 2015
8	Secura Group Limited	United Overseas Bank Limited	28 Jan 2016

### 2) Tier-2 Companies

Tier-2 companies are not to be mistaken with compliant companies in Tier-1. SGX views these companies in having a more cavalier attitude when it comes to complying with regulatory obligations, specifically the listing rules. These companies may not have committed any fraud but may have made inaccurate or incomplete disclosures or circumvention of certain listing rules.

- Strict scrutiny of the company's announcements and media reports will be placed on such companies.
- For listing rule matters, SGX will take the lead in investigation and seeking accountability from the individuals in question.
- SGX utilisation of administrative powers such as issuance of Notices of Compliances to press companies to appoint special auditors, to require notification to SGX before entering into a particular transaction, or even objection to the appointment of certain directors.
- Support of SGX's new disciplinary committees and powers to hold errant companies and directors accountable.

### 3) Tier-3 Companies

Tier-3 comprises of companies are the most notorious of the 3 categories- with some form of fraud and other criminal behavior that has taken or is taking place. SGX would focus their investigation prowess and seek to hold companies and directors accountable for errant behavior and activities.

- Strict scrutiny of the company's announcements and media reports will be placed on such companies.
- SGX will look into whether or not any wrongdoing extends all the way back to IPO.
- SGX may bar issue managers or auditors from the securities market if it is found that the issue managers and auditors have fallen short of expected standards.
- Referral of professionals to their relevant regulators and professional bodies.
- For fraud, bribery and other forms of financial crimes are suspected, or have occurred, law enforcement agencies will be notified in order for them to carry out investigation and to hold errant companies, directors and professionals accountable.

### OUR SERVICES



**FINANCIAL ADVISORY**

- Acquisition/ Disposal
- Restructuring
- Rights Issue
- Corporate Transactions
- Privatisation



**CAPITAL MARKETS**

- Underwriting for IPOs and Rights Issues
- Private Fund Raising
- Public Share Placement
- Mergers and Acquisitions
- Buyout Initiatives
- Vendor Sales



**LISTINGS**

- Initial Public Offerings
- Reverse Takeovers
- Dual and Secondary Listings
- Spin-off of Subsidiaries



**RESEARCH**

- Equity Research for SMEs listed on SGX
- Industry-specific Research
- Corporate Flash Note
- Singapore Weekly Report
- Initiation Report
- Non-rated Report



**CATALIST SPONSORSHIP**

- Advising on Compliance to Listing Obligations and Corporate Governance Code
- Monitoring Share Trading Activities
- Review and Approve Announcements, Annual Reports and Circulars prior to release
- Perform an intermediary role between the Company and SGX

*With SAC, we have a partnership that is built on common values and understanding - one that is instrumental in shaping us into an organisation that upholds high standard of governance and transparency.*

**Francis Yau- CFO, Megachem Limited**

*SAC Capital has been our trusted partner in our journey as a listed company, guiding us through our IPO exercise, and being our Continuing Sponsor. Operating as a listed company comes with immense responsibilities, such as upholding the highest standards of corporate transparency and governance, executing corporate actions, fulfilling regulatory obligations, and reaching out to investors and shareholders. We greatly appreciate SAC Capital for always being there to help us navigate through our plethora of responsibilities, and being readily available to hand-hold and advise us as we steer United Global to higher levels of growth.*

**Jacky Tan- Executive Director and CEO, United Global Limited**

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