

Background

The Governance & Transparency Index (GTI) was started in 2009, with the intention of assessing the governance, transparency and investor relations of listed companies in Singapore.

In 2016, the GTI was replaced by the Singapore Governance & Transparency Index (SGTI) to enhance the assessment further to be in line with the G20/OECD Principles of Corporate Governance and the Code of Corporate Governance 2012. This is a joint initiative between CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations (CGIO) and Singapore Institute of Directors (SID).

On 7 August 2018, the ranking result of the SGTI for 2018, was released on CGIO's [website](#).

The SGTI covers two broad categories, namely the General Category and REITs & Business Trusts Category. Under the General Category this year, 589 listed companies* in Singapore have been scored and ranked based on a unified SGTI assessment framework that has been established to evaluate companies on their corporate governance practices and disclosures.

* Assessment coverage excludes 17 newly listed companies, 28 secondary listings, 11 funds, 65 suspended counters and 1 company whose annual report was not released for two years.

SGTI Assessment Framework

The General Category scoring framework consists of two components – (i) B.R.E.A.D base score component and (ii) adjustments for bonuses and penalties. The sum of the two components will arrive at the overall SGTI score for the listed company.

Detailed breakdown of the sub-sections of the SGTI Methodology can be accessed from CGIO website.

B.R.E.A.D Base Score (100 points)
Board Responsibilities (35 points)
Rights of Shareholders (20 points)
Engagement of Stakeholders (10 points)
Accountability & Audit (10 points)
Disclosure & Transparency (25 points)
+
Adjustments for Bonus & Penalty (43 points)
=
Overall SGTI Score (143 points)

Source: CGIO

Sections with higher scoring allocation

Board Responsibilities

- Executive Director and Top 5 Executive remuneration (9 points)
- Board and committee meetings; Board and individual director appraisal (4 points each)

Rights of Shareholders

- Right to participate actively and vote in general meetings (8 points)
- Shareholders' participation (5 points)

Engagement of Stakeholders

- Company's disclosure of policies and relevant activities to uphold stakeholders rights (5 points)

Accountability and Audit

- Risk management and internal control systems (5 points)

Disclosure and Transparency

- Corporate website and email (8 points)
- Quality of Annual Report; Timeliness of release of results (4 points each)

Bonuses (Max of 43 points)

- Share issue mandate – Voluntarily limiting the percentage of share capital to be offered other than on pro rata basis (5 points)

Penalties (Max of -145 points)

- Directors or senior management resigning and raising corporate governance-related concerns (-15 points)
- External auditors unable to issue an opinion or raises red flag, allegations of fraud reported, unauthorized trading (-15 points)
- Retention or appointment of directors or senior management who have been subjected to regulatory actions (-10 points)
- Earnings restatements (-8 points)

Points shown above denote the maximum addition/deduction

Key findings from the SGTI 2018 include:

Assessment areas	Improvements made from previous assessment (2017)	Observations
Board Responsibilities	<ul style="list-style-type: none"> Majority of independent directors on the board Disclosure on board diversity policy Disclosure on short term incentives Disclosure on remuneration-performance link 	
Rights of Shareholders	<ul style="list-style-type: none"> Shareholders approving non-executive directors remuneration Disclosure on CEO's attendance in the most recent AGM All directors subject to re-election every three years 	<ul style="list-style-type: none"> Lesser percentage of companies appointing scrutineers at AGM for votes validation
Engagement of Stakeholders	<ul style="list-style-type: none"> Efforts to address customer's health and safety Description of anti-corruption procedures Information on employee training programs 	
Accountability & Audit	<ul style="list-style-type: none"> Internal audit meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors 	
Disclosure & Transparency	<ul style="list-style-type: none"> Disclosure of all directorships held in the past three years 	

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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

SGTI Ranking - Top 10 SAC's Sponsored Issuers from the 589 Companies assessed

Catalist Company	2018 Rank	2018 SGTI Score
MEGACHEM	78	75
TEHO INTERNATIONAL INC	78	75
DISA	110	70
GLOBAL DRAGON (TMC EDUCATION)	119	69
UNITED GLOBAL	130	68
UG HEALTHCARE CORP	150	66
FAR EAST GROUP	179	63
TUNG LOK RESTAURANTS (2000)	179	63
ADVANCED SYSTEMS AUTOMATION	194	62
MAXI-CASH FINANCIAL SERVICES CORP	194	62

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