



22 May 2026

Singapore Exchange Regulation  
2 Shenton Way  
#02-02, SGX Centre 1  
Singapore 068804  
Attention: Market Policy and Rules

By email to:  
[rules@sgx.com](mailto:rules@sgx.com)

Dear Sir/Madam,

**Re: Response to Consultation Paper on Enhanced Disclosures:  
Value Creation and Investor Engagement (22 May 2026)**

The Asian Corporate Governance Association (ACGA) welcomes the opportunity to respond to SGX RegCo's consultation on enhanced disclosures relating to value creation and investor engagement. As a regional advocate for high standards of corporate governance and stewardship, we strongly support the overall direction of the proposals, which represent a positive and timely step towards improving transparency, accountability, and market confidence in Singapore.

We endorse the introduction of mandatory disclosures on remuneration performance indicators, dividend policy, investor websites, and investor relations policies. These measures will help close important information gaps, particularly for smaller and mid-cap issuers, and will usefully complement the "Value Unlock" initiatives and the Equity Market Development Programme.

Whilst we support the individual proposals as a solid baseline, we believe there is scope for SGX RegCo and Singaporean regulators to go further. As set out in our response, on remuneration, we encourage deeper disclosure of variable pay structures, linkages to strategy and risk oversight, and a more comprehensive approach to remuneration governance through both the Listing Rules and the Code of Corporate Governance. On capital management, we recommend expanding disclosures beyond dividend policy to include broader capital allocation frameworks and cost of capital considerations. For investor engagement, we urge clearer expectations around meaningful two-way dialogue with boards, particularly independent directors, and more substantive reporting on engagement activities.

We view the current proposals as an important foundation and encourage SGX RegCo to adopt a more ambitious and integrated framework that reinforces long-term value creation and stewardship across Singapore's capital markets.



We would be pleased to have the opportunity to discuss our submission in greater detail. Please contact Dr Helena Fung at [helena@acga-asia.org](mailto:helena@acga-asia.org).

Yours faithfully,

Amar Gill  
Secretary General

Dr. Helena Fung  
Head of Research and Advocacy

*This submission has been prepared by the Secretariat. The views expressed do not necessarily represent the views of all members on every topic.*

## RESPONSE TO CONSULTATION PAPER ON ENHANCED DISCLOSURES: VALUE CREATION AND INVESTOR ENGAGEMENT (“CONSULTATION PAPER”)

On behalf of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and Singapore Exchange Limited (“**SGX**”), Singapore Exchange Regulation (“**SGX RegCo**”) invites comments on the Consultation Paper.

Please send your responses through any of the following means:

Mode	Correspondence Details
Email	<a href="mailto:rules@sgx.com">rules@sgx.com</a>
Mail	Singapore Exchange Regulation 2 Shenton Way #02-02, SGX Centre 1 Singapore 068804 (Attention: Market Policy and Rules)

Responses should include a summary of the major points, a statement of interest, and reasoned explanations. Please identify the specific policy or rule proposal on which a comment is made. Please also include your full name and, where relevant, the organisation you are representing, as well as your email address or contact number so that we may contact you for clarification. Anonymous responses may be disregarded.

SGX RegCo may make public all or part of any written submission, and may disclose your identity. You may request confidential treatment for any part of the submission which is proprietary, confidential or commercially sensitive, by clearly marking such information. You may request not to be specifically identified.

Any policy or rule amendment may be subject to regulatory concurrence. For this purpose, you should note that notwithstanding any confidentiality request, we may share your response with the relevant regulator.

By sending a response, you are deemed to have consented to the collection, use and disclosure of personal data that is provided to us for the purpose of this consultation paper or other policy or rule proposals.

SGX RegCo requests all comments by **22 May 2026**.

Please refer to the Consultation Paper for more details on the proposals.

### Respondent's Information

<b>Name(s)</b>	<b>Dr Helena Fung, Head of Research &amp; Advocacy, ACGA</b> Click or tap here to enter text.
<b>Organisation (if applicable)</b>	<b>Asian Corporate Governance Association</b>
<b>Email Address(es)</b>	<b>helena@acga-asia.org</b>
<b>Contact Number(s)</b>	<b>Office: (+852) 2160 1788</b>
<b>Statement of Interest</b>	<b>The Asian Corporate Governance Association (ACGA) is a non-profit membership organisation chartered under the laws of Hong Kong and founded in 1999. We conduct research on corporate governance and ESG in 12 markets in Asia-Pacific and advocate at the regulatory and corporate levels across the region to improve standards and practices. Our operations are supported by a network of 105 organisations, 80% of which are institutional investors with aggregate assets under management exceeding US\$40 trillion</b>

### Disclosure of Identity

Please check the box if you do not wish to be specifically identified as a respondent:

I/We do not wish to be specifically identified as a respondent.

## Consultation Questions

### **Question 1: Factors Determining Remuneration**

- (a) Do you agree with introducing a requirement for issuers to describe in their annual reports the key financial and non-financial performance indicators used to determine remuneration of its executive directors and executive officers, and how these indicators are aligned with the issuer's long-term value creation objectives?

Please select one option:

Yes

Please provide reasons for your views.

We support the proposal, which should provide investors with clearer insight into the strength of alignment between executive incentives and long-term shareholder value creation, the strategic relevance of the selected key performance indicators (KPIs), and the overall quality and robustness of remuneration structures. The current 'comply-or-explain' approach under the Code of Corporate Governance (Principles 7 and 8) has produced inconsistent and sometimes superficial disclosures.<sup>1</sup> Elevating this to a mandatory requirement under the Mainboard and Catalist Listing Rules, whereby issuers must describe the key financial and non-financial performance indicators used to determine the remuneration of executive directors and executive officers and explain how these indicators align with the issuer's long-term value creation objectives, would represent a significant and welcome improvement.

More information on the metrics and KPIs underpinning performance and incentive structures would enable investors to more effectively assess the quality of governance, the robustness of incentive structures, board oversight, and management's focus on sustainable value creation rather than short-term financial metrics alone. Mandatory disclosures of this nature are consistent with Singapore's wider capital market goals by complementing the Equity Market Development Programme (EQDP) and the "Value Unlock" initiatives. Greater transparency on how executive remuneration is linked to long-term value creation should help to improve investor confidence, contribute to stronger market discipline and ensure that the substantial institutional capital being deployed through the EQDP is directed toward better-governed companies focused on sustainable shareholder returns.

This proposal would bring Singapore's Listing Rules closer to international best practice. For example, UK listed companies are subject to detailed remuneration transparency expectations through a combination of the Corporate Governance Code (Provision 41, applied on a 'comply or explain' basis under the UK Listing Rules)<sup>2</sup> and statutory requirements for the Directors' Remuneration Report.<sup>3</sup> Similarly, in the United States, the SEC's Pay Versus Performance rules under Item 402(v) of Regulation S-K require listed companies (on exchanges such as the NYSE and Nasdaq) to disclose key performance

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<sup>1</sup> <https://www.mas.gov.sg/-/media/mas/news-and-publications/code-of-corporate-governance-6-aug-2018-revised-11-jan-2023.pdf>

<sup>2</sup> [https://media.frc.org.uk/documents/UK\\_Corporate\\_Governance\\_Code\\_2024\\_a2hmQmY.pdf](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_a2hmQmY.pdf)

<sup>3</sup> as set out in Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 <https://www.legislation.gov.uk/ukSI/2008/410/schedule/8/made>

measures and clearly explain the pay-performance relationship.<sup>4</sup> In Australia, such disclosures are mandated at the statutory level under the Corporations Act 2001 (s. 300A) and associated regulations.<sup>5</sup>

Disclosure of material changes to these indicators, with explanations, strengthens accountability. Issuers should go beyond listing metrics to clearly link them to strategy, capital decisions, and long-term risk management. Greater visibility into variable pay structures, including maximum opportunities, performance thresholds, and relative weightings, would be valuable. This transparency enables boards to clearly articulate their remuneration policy with fully aligned KPIs, helping investors assess whether incentives reinforce strategic priorities, disciplined capital allocation, robust risk oversight, and alignment between management and shareholders. Where commercial sensitivity applies, deferred disclosure or a reasoned explanation is appropriate. Transparent communication with long-term shareholders is also essential.

We recommend that SGX RegCo consider adopting a more comprehensive approach to remuneration disclosure and governance, extending these principles through the Listing Rules, the Code of Corporate Governance, or other guidance to strengthen incentive alignment and investor confidence in Singapore's markets.

(b) Do you think it will be useful for issuers to disclose any material changes to these key financial and non-financial performance indicators from the immediately preceding financial year, and explain the reasons for such changes?

Please select one option:

Yes

Please provide reasons for your views.

We believe it would be important for issuers to disclose any material changes to the key performance indicators, together with clear explanations for those changes.

Disclosure of material changes in KPIs is essential for investors to understand shifts in corporate strategy, evolving business priorities, or responses to external circumstances. Without this context, year-on-year comparisons become difficult, and investors may misinterpret whether executive incentives remain properly aligned with long-term value creation objectives.

This requirement would enhance the usefulness and continuity of the disclosures proposed in Question 1(a). It would allow investors to track the evolution of remuneration frameworks over time and assess whether changes strengthen or weaken the link between pay and sustainable shareholder value. This is consistent with international best practice, for example, both the UK and Australia require companies to explain material changes in performance measures used for variable remuneration.

Overall, mandating disclosure of material changes and the rationale behind them would promote greater transparency, accountability, and investor confidence without being unduly burdensome for companies.

<sup>4</sup> <https://www.ecfr.gov/current/title-17/chapter-II/part-229/subpart-229.400/section-229.402>

<sup>5</sup> [https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol\\_act/ca2001172/s300a.html](https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/ca2001172/s300a.html)

## Question 2: Dividend Policy

- (a) Do you agree with the requirement for issuers to maintain a dividend policy and to describe the policy in their annual reports?

Please select one option:

Yes

Please provide reasons for your views.

The proposal represents a progressive step that should meaningfully strengthen shareholder returns transparency in Singapore. A clear, well-articulated dividend policy is essential for transparency and predictability of shareholder returns. The current 'comply-or-explain' approach under the Code of Corporate Governance has not been effective, as evidenced by the SGX consultation paper's observation that a substantial proportion of issuers continue to omit disclosure of any dividend policy. This creates unnecessary uncertainty for investors when evaluating potential returns and the issuer's approach to capital allocation.

Requiring all issuers to maintain a dividend policy and describe it in their annual reports including explanations for any deviations during the year will greatly improve the quality and consistency of disclosures. It will help investors better understand the board's philosophy on balancing returns to shareholders with reinvestment for growth and provide a clearer framework against which to assess actual dividend decisions.

We note that many leading markets, including the UK, Australia, and Hong Kong, expect or require listed companies to articulate their dividend policy as part of good governance and investor communication standards. Making this a mandatory Listing Rule requirement in Singapore represents a sensible and proportionate step forward.

- (b) Do you think that the proposed requirement for an issuer to maintain and describe its dividend policy is sufficient for investors to understand the issuer's approach to shareholder returns, or should the requirement be broadened to cover other aspects of an issuer's capital management framework?

We view the proposed requirement as an important and foundational measure but believe there is scope for it to be broadened incrementally to give investors a more complete understanding of the issuer's overall approach to shareholder returns and capital management.

A dividend policy alone provides only part of the picture. Many issuers also utilise share buybacks, special dividends, or other capital distribution methods. Without visibility into how these tools fit into the broader capital allocation strategy, investors may not fully appreciate the board's philosophy on returning capital to shareholders versus reinvesting in the business.

The purpose of the retained earnings is for issuers to be able to invest in growth opportunities and maintain or expand current profitable operations. Some companies trade below book value when capital is being invested or re-invested in operations that do not generate economic returns taking into

account the cost of capital. Hence we also recommend that companies provide disclosure to their investors of their estimated cost of capital, how this is arrived at, and adjustments to cost of capital for investments outside Singapore.

- (c) If your view is that the requirement should be broadened, what specific areas should the requirement be broadened to cover? Please provide reasons for your views including why broadening the requirement to cover these areas would be useful to investors, and the appropriateness of compelling issuers to have, and disclose policies in these areas?

We recommend that the requirement be modestly expanded to also cover the issuer’s approach to share buybacks or other forms of capital returns and a high-level capital allocation framework. Issuers could also describe in their annual report their overall capital allocation framework, including how the board approaches the balance between reinvestment for growth and returning capital to shareholders through dividends, share buybacks, or other mechanisms as well as cost of capital estimate(s) that guide decisions on retaining earnings and investment decisions.

This information would be highly useful to investors as it provides a broader view of how the board balances capital retention for growth with returning excess capital to shareholders. Expanded disclosure requirements would enable investors to better evaluate the consistency and effectiveness of the company’s capital management decisions over time, reduces information asymmetry, and support more informed investment and stewardship decisions. In particular, greater transparency on capital allocation may help narrow valuation gaps and aligns well with the objectives of the Equity Market Development Programme (EQDP) and “Value Unlock” initiatives. It would also facilitate more meaningful dialogue between investors and boards on this critical aspect of long-term value creation.

We believe it is appropriate to require disclosure of these broader elements on a similar “maintain and describe” basis as the dividend policy, without being overly prescriptive about the specific policy chosen by each issuer. This approach strikes an appropriate balance between raising standards and respecting different business models and growth stages.

As an example, SGX RegCo could consider the following enhanced disclosure language:

“The issuer maintains a capital allocation and shareholder returns policy that outlines the board’s approach to balancing capital retention for business growth with returning capital to shareholders. This includes disclosure on the company’s policy on dividends, share buybacks (if any), and other forms of capital distribution, other key factors considered by the board in making such decisions as well as cost of capital estimates that guide (re-)investment decisions.”

### **Question 3: Website for Investor Engagement**

- (a) Do you agree with the proposed requirement that all issuers maintain a website for engagement with investors?

Please select one option:

Yes

Please provide reasons for your views.

We support this proposal and note that this reflects an already established practice expected by investors across global markets.

A dedicated corporate website for investor engagement has become a basic expectation in modern capital markets. It provides a central, transparent, and readily accessible platform for investors to obtain key information such as annual reports, sustainability reports, financial results, AGM and EGM minutes, dividend policies, investor relations policies, board diversity policies, and presentation materials.

Although Singapore's Code of Corporate Governance already contains a 'comply-or-explain' expectation for issuers to maintain a website (11.5 and 13.3), compliance and quality remain uneven, particularly among smaller and mid-cap issuers. Formalising this as a mandatory Listing Rule requirement will raise the baseline standard across the entire market, significantly improve information accessibility for both institutional and retail investors, and reduce unnecessary search costs and information asymmetry.

This proposal is practical and timely. It directly supports SGX RegCo's "Value Unlock" initiatives and the Equity Market Development Programme (EQDP) by ensuring that essential value creation, governance, and shareholder returns information is consistently and easily available to the investing public, thereby enhancing overall market transparency and confidence.

At the same time, we recommend that SGX RegCo reconsider the use of the term "engagement" in the title and wording of the proposed rule. Engagement, in the context of stewardship, implies an interactive, two-way dialogue between issuers and their shareholders. A corporate website, by contrast, functions primarily as a one-way repository for information dissemination. Whilst an investor relations section is undoubtedly valuable as a centralised repository for shareholder information, it is important to avoid any suggestion that maintaining such a website could substitute for, or override, the need for companies to engage directly and constructively with shareholders, particularly at senior management and board level.

**Question 4: Investor Relations Policy**

(a) Do you agree with the proposed requirement that all issuers maintain and publish an investor relations policy?

Please select one option:

Yes, subject to the additional recommendations below

Please provide reasons for your views.

We support the proposal that all issuers maintain and publish an Investor Relations (IR) policy. A clear IR policy is an important signal of the board's commitment to proactive, fair and transparent communication with shareholders and the broader investment community. We understand and agree with SGX's intention under the 'Value Unlock' initiative to support listed companies in communicating their strategies around value creation to shareholders effectively to support overall capital market

development. However, whilst we support the overall proposal, we recommend that SGX RegCo strengthen the guidance and expectations around the IR policy to better promote meaningful, two-way shareholder engagement in line with the objectives of the initiative, which references the Board's role in value creation and investor engagement.<sup>6</sup>

The current drafting of Rule 710B and the examples in Appendix E focuses heavily on standard IR outputs such as roadshows, conference calls, presentation materials and recordings. While roadshows and conference calls permit some questions, they are often driven by narrower company agendas. Presentation materials and recordings are one-way communication tools. There is little or no reference to meaningful, two-way shareholder engagement. This omission risks conveying the impression that simply disseminating information satisfies the IR policy requirement. Such an interpretation could be detrimental to the development of a robust stewardship environment in Singapore, as it may inadvertently suggest that one-way engagement is sufficient and diminish the expectation of direct, constructive dialogue, particularly with senior management and independent directors.

This clarification would ensure the proposed rule accurately reflects the website's important but supporting role as a repository of information, without inadvertently diminishing the expectation of meaningful, direct dialogue between issuers and their shareholders, particularly at board level. Such an amendment would also promote better alignment with the spirit of the Code of Corporate Governance, especially Principles 13.3 and 11.5 relating to shareholder engagement.

(b) Is the proposed minimum content of the investor relations policy appropriate (i.e., channels used to communicate with investors, including the mechanisms through which investors may contact the issuer)?

Please select one option:

Yes, with caveats as described below.

No

Please provide reasons for your views.

As provided in our response to Question 4(a) above, we note that the example material provided in Appendix E ("Investor Relations Policy and Description of Shareholder Engagement Activities") focuses primarily on one-way communication channels such as presentation materials and recordings. While it mentions roadshows and conference calls, it makes no reference to how issuers should handle investor requests for meetings with senior management or independent directors. This appears to be a significant gap.

The Singapore Corporate Governance Code (Principles 11.5 and 13.3) explicitly expects that the Lead Independent Director and/or Independent Chair should be available to shareholders when concerns cannot be resolved through normal channels. To promote consistency, the IR policy should therefore clearly articulate the company's approach to facilitating such direct engagement when requested.

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<sup>6</sup> <https://www.mas.gov.sg/news/speeches/2026/strengthening-foundations-and-driving-value-creation-in-singapores-listed-companies>

We further note the useful proposed requirement in paragraph 2.3 of Practice Note 7.8 (“Guide on Investor Engagement”), which states that the board and management should ensure questions regarding published documents and information are addressed and that shareholder feedback is considered or incorporated into decision-making. We recommend that this section be strengthened to more explicitly require active and ongoing engagement between the board, management, and shareholders, beyond passive responses to queries.

In addition, under Rule 710B and Practice Note Section 2 (“Information and Documents to be Published on Website”), we recommend that issuers’ annual reports and the list of documents under section 2.1 also include an investor or shareholder engagement policy, either as a standalone document or as part of the Investor Relations policy. This policy should clearly set out the issuer’s approach to engagement, including how it will address reasonable investor requests for meetings and the responsibilities of independent directors in shareholder dialogue.

To better support effective stewardship and align with the objectives of the “Value Unlock” initiatives, we recommend that SGX RegCo strengthen the guidance in Rule 710B and Practice Note 7.8 by explicitly encouraging issuers to include in their Investor Relations policy a description of their approach to handling reasonable requests for direct meetings with senior management and independent directors (including the Lead Independent Director or Independent Chair). This enhancement would better align the Listing Rules with the expectations in the Code of Corporate Governance (Principles 11.5 and 13.3) and meaningfully improve the effectiveness of the IR policy in promoting genuine board-level stewardship dialogue in Singapore.

(c) Do you agree with mandating annual report disclosure of investor engagement activities undertaken during the financial year?

We strongly support mandating annual report disclosure of investor engagement activities undertaken during the financial year.

Transparent reporting on engagement activities strengthens accountability, builds investor confidence, and demonstrates the board’s commitment to understanding and addressing shareholder concerns. This is essential for effective stewardship and long-term value creation.

To ensure the disclosure is meaningful and not reduced to generic or boilerplate IR activity summaries (e.g., roadshows or conference attendance), it must clearly distinguish substantive shareholder and investor engagement from routine investor relations activities. Issuers should be required to disclose:

- The key topics discussed and the frequency of engagements;
- The categories or types of shareholders and investors involved;
- Whether and which board members (such as the Chairman, Lead Independent Director, or committee chairs) and senior management participated; and
- How feedback from these engagements was considered and acted upon by the board or management.

A useful precedent is found in the Hong Kong Corporate Governance Code, specifically Code Provision F.1.1 (under Section F. Shareholders Engagement).<sup>7</sup> It requires the board to include in the Corporate Governance Report details on engagement conducted with shareholders during the reporting period. Singapore should adopt similarly clear and specific language. This would significantly enhance the quality and usefulness of disclosures for investors while aligning with international best practices.

We recommend that SGX include illustrative examples in the final rules (or updated appendices) that highlight this distinction between board-level engagement and standard IR activities. In addition, as highlighted in ACGA's recent special report *Stewardship in Asia: Frameworks, codes and practices* (March 2026), SGX RegCo may consider reviewing the Singapore Code of Corporate Governance in tandem.<sup>8</sup> Such an alignment between the Listing Rules and the Code could help create a more coherent and mutually reinforcing framework, while promoting consistent best practices across issuers and strengthening the overall stewardship ecosystem in Singapore.

Such targeted enhancements would materially support the objectives of the "Value Unlock" initiatives.

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<sup>7</sup> [https://en-rules.hkex.com.hk/sites/default/files/net\\_file\\_store/HKEX4476\\_3828\\_VER38879.pdf](https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_3828_VER38879.pdf)

<sup>8</sup> <https://www.acga-asia.org/thematic-research.php>