

# Firms do better in corporate governance

## Singtel retains No. 1 spot in annual index, new ranking for Reits and business trusts

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Corporate governance standards among Singapore-listed companies have improved, with average scores under the Singapore Governance and Transparency Index (SGTI) hitting an all-time high.

This year, Singtel topped the annual SGTI ranking, while CapitaLand Mall Trust led the new Reit and business trust category.

This year's index – published by CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations (CGIO), and the Singapore Institute of Directors – ranked 606 Singapore-listed firms and 42 Reits and business trusts. They were assessed on corporate governance disclosure and practices, and the timeliness, accessibility and transparency of their financial results announcements.

Singtel retained its No. 1 place with 124 points, while CapitaLand moved up two spots to second place with a score of 118 points. Both companies improved with more comprehensive disclosures of board responsibilities and stakeholder engagement.

In the Reits and business trusts section, CapitaLand Mall Trust topped with 96.8 points, followed by CapitaLand Commercial Trust and Keppel Reit with 95.3 and 93.3 points respectively. SPH Reit was among the best-performing Reits.

The average score for listed firms was 52.3, the highest on record, up 2.6 points from the 2016 average of 49.7, and up from the 2.1-point rise from 2015 to 2016 when the SGTI was introduced. For the Reits and business trusts category, the average score of 60.4 reflected a strong showing in areas such as holding analyst briefings and the timely re-



lease of financial results.

Mr Melvin Yong, Singapore country head at CPA Australia, noted: "The journey to even higher standards does not stop here, given the fast-changing and disruptive business landscape."

Overall, firms are more transparent with their board and individual director assessments while their board competencies also improved. For instance, 70.5 per cent of companies disclosed their new director-selection process, compared with just 59 per cent in 2016.

Companies also paid more attention to potential conflicts of interest and took appropriate action. About 58 per cent of companies now have a policy on directors re-

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leasing themselves from board discussions if there is a conflict of interest, up from 39.1 per cent in 2016.

Nearly 50 per cent of companies have an anonymous whistle-blowing policy in place, up significantly from 33.1 per cent in 2016.

But improvements are still needed in stakeholder engagement and investor relations. A mere 8.7 per cent of firms disclosed anti-corruption programmes, a drop from the 12.2 per cent in 2016.

Associate Professor Lawrence Loh, director of CGIO, noted: "The SGTI findings will be useful for the ongoing review of our Code of Corporate Governance."

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CapitaLand Mall Trust, whose portfolio includes Tampines Mall, topped the Reits and business trusts category. PHOTO: CAPITALAND

## Ranking for Singapore-listed companies

2017 ranking	Company
1	<b>Singtel</b>
2	CapitaLand
3	DBS Group Holdings
3	Singapore Exchange
5	Keppel Corp
6	Sembcorp Industries
7	Tuan Sing Holdings
8	City Developments
9	Global Logistic Properties
9	OCBC Bank
11	Sats
11	United Overseas Bank
13	Great Eastern Holdings
13	Singapore Press Holdings
15	Olam International
16	Del Monte Pacific
16	Vicom
18	StarHub
19	Micro-Mechanics Holdings
19	Perennial Real Estate Holdings

Sources: CENTRE FOR GOVERNANCE, INSTITUTIONS AND ORGANISATIONS, NUS BUSINESS SCHOOL  
STRAITS TIMES GRAPHICS

## Ranking for Reits and business trusts

2017 ranking	Trust
1	<b>CapitaLand Mall Trust</b>
2	CapitaLand Commercial Trust
3	Keppel Reit
4	CapitaLand Retail China Trust
5	Keppel DC Reit
6	Ascott Residence Trust
7	Ascendas Reit
8	SPH Reit
9	Starhill Global Reit
10	CDL Hospitality Trusts

Sources: CENTRE FOR GOVERNANCE, INSTITUTIONS AND ORGANISATIONS, NUS BUSINESS SCHOOL  
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