

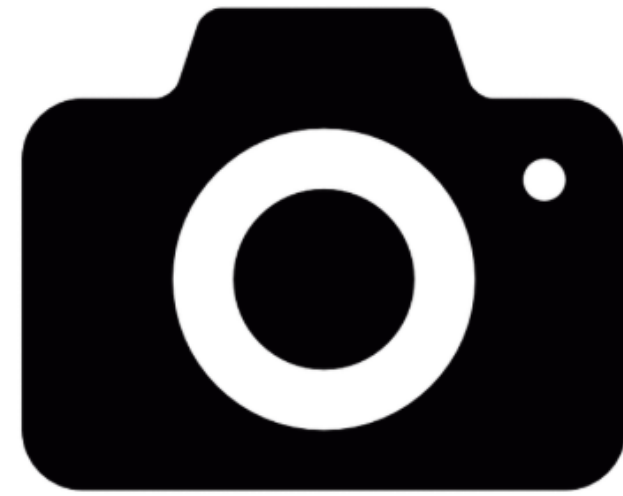
# Audit & Risk Committee Seminar 2026

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

20 January 2026

**Panel Q&A**





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print and digital marketing collateral.**

# Housekeeping



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Please keep all mobile devices on silent mode during the session.

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# Agenda



## Programme

- 8.15am : Registration and breakfast networking
- 9.15am : Opening address by ACRA CE, Ms Chia-Tern Huey Min
- 9.25am : ACRA regulatory updates and sharing by rep, Ms Tan Wee Khim
- 10.05am : SGX RegCo regulatory updates and sharing by rep, Mr Michael Tang
- 10.45am : Tea break
- 11.00am : Panel discussion
- 11.45am : Q&A
- 11.55am: Closing by SID ARCC Chair, Lee Sze Yeng
- 12.00pm : Event end



# Opening Address

**Mrs Chia-Tern Huey Min**

Chief Executive of Accounting and Corporate  
Regulatory Authority (ACRA)



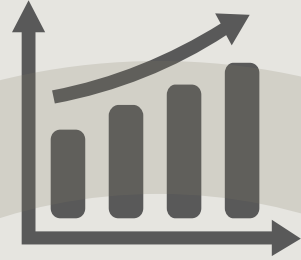
# ACRA Presentation

**Ms Tan Wee Khim**

*Technical Director, Financial Reporting &  
Standards Department,  
ACRA*

# Regulatory Updates

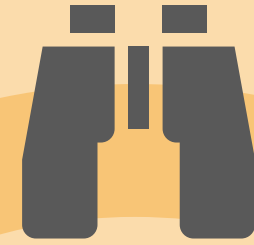
# Agenda



01

## FRSP Highlights

Modified Audit Opinions  
FS Disclosure Findings



02

## Looking Ahead

SFRS(I) 19 / FRS 119  
Impact of Tariffs



03

## Other Key Highlights

Sustainability Reporting  
Enhanced AQI

# FRSP Highlights

# Modified Audit Opinions



## Financial statements (FS)

- provide comprehensive overview of a company's financial health
- crucial for decision making (investors, creditors, management)
- reliability and comparability are paramount



## Modified audit opinions

- when the FS receives a modified audit opinion from statutory auditors:
  - FS may not be reliable and comparable
  - undermine the credibility of Singapore's financial reporting ecosystem

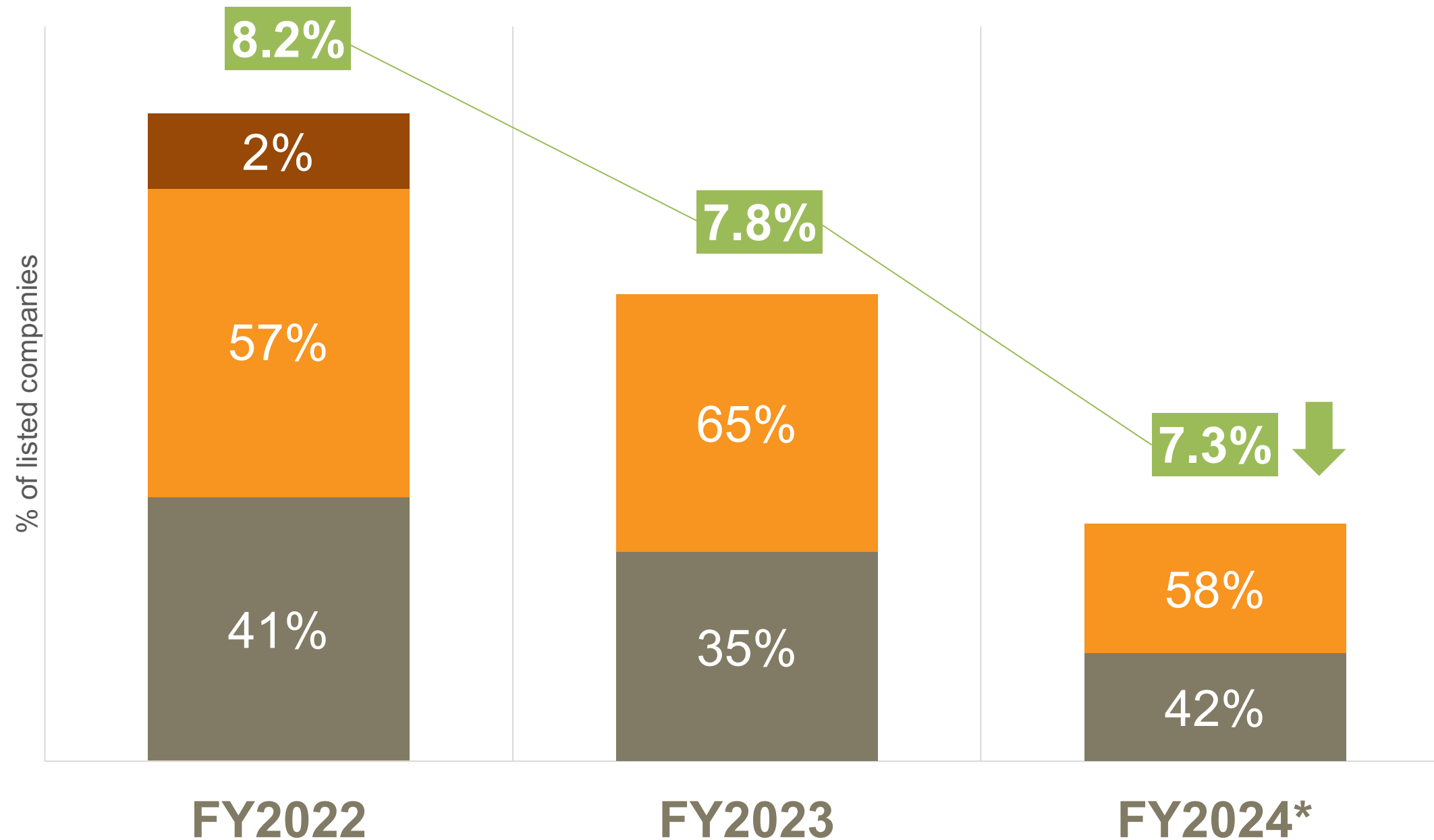
# Modified Audit Opinions

## SSA 705: Modifications to the Opinion in the Independent Auditor's Report:

Nature of matter giving rise to the modification	Auditor's judgement about the pervasiveness of the effects or possible effects on the FS	
	Material but not pervasive	Material and pervasive
<b>FS are materially misstated</b>	<p><b>Qualified opinion</b></p> <p><i>Disagreement about specific matters</i></p>	<p><b>Adverse opinion</b></p> <p><i>The financial statements do not give a true and fair view</i></p>
<b>Inability to obtain sufficient appropriate audit evidence</b>	<p><b>Qualified opinion</b></p> <p><i>We are unable to obtain sufficient appropriate audit evidence</i></p>	<p><b>Disclaimer of opinion</b></p> <p><i>We do not express an opinion</i></p>

# Modified Audit Opinions

% of listed companies that received modified audit opinions from FY2022 to FY2024



\* Based on FY2024 FS filed as of 30 November 2025

## Types of modified audit opinions:

- Disclaimer of opinion
- Qualified opinion
- Adverse opinion



- **Decline** in modified audit opinions: 8.2% (FY22) → 7.3% (FY24)
- 7.3% (FY24) → 58% were from companies listed on Catalist vs 42% listed on Mainboard
- **Over 50%** of the modified audit opinions were disclaimers
- Indicates material and pervasive issues in the FS

# Modified Audit Opinions

## Poll

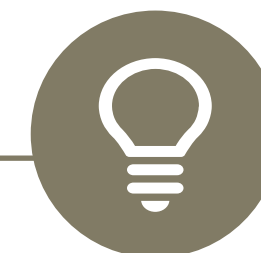
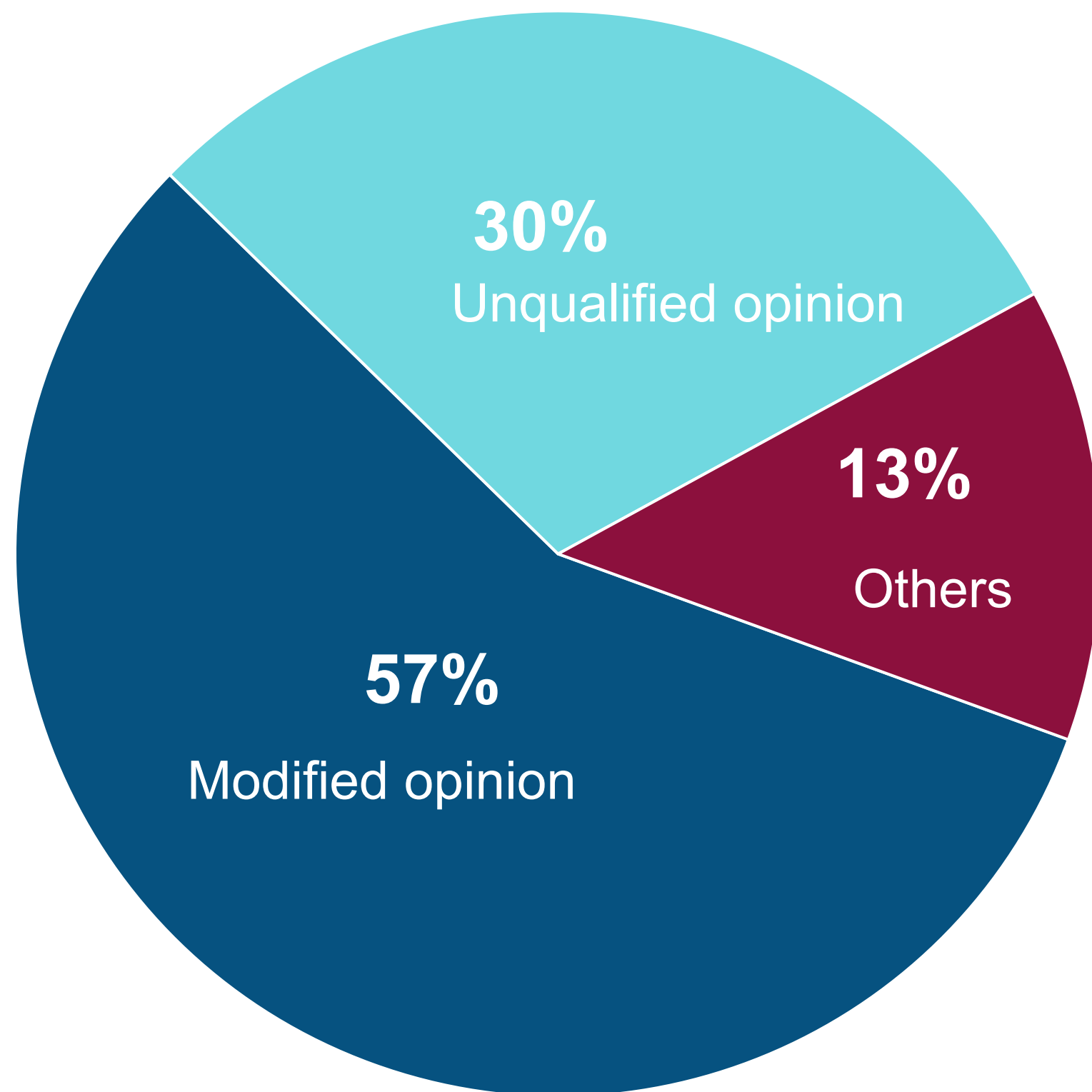
Of companies with modified audit opinions in FY2023, how many received clean audit opinions in FY2024?

- A) Less than 25%
- B) 25-50%**
- C) 50-75%
- D) More than 75%



# Modified Audit Opinions

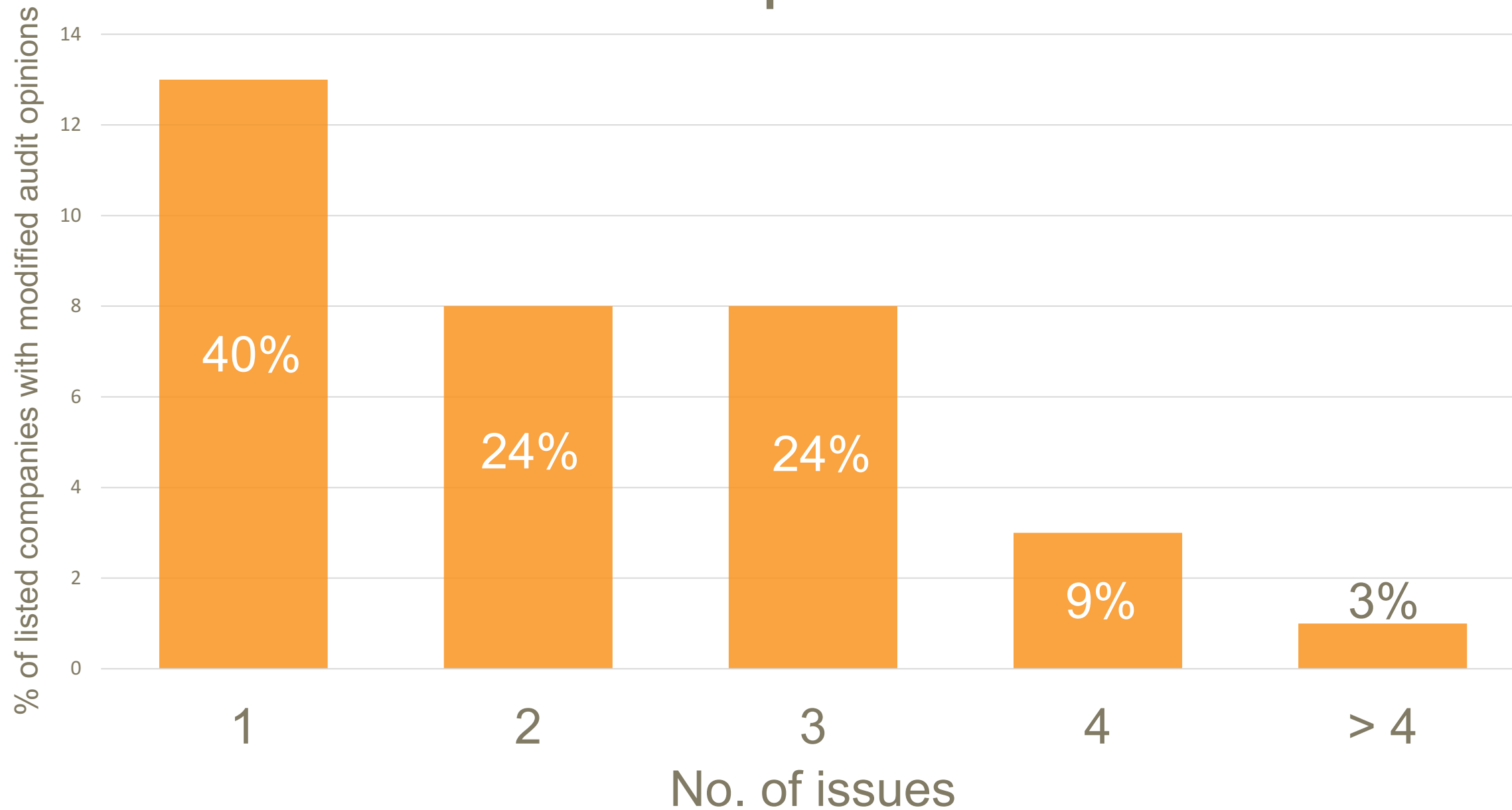
## Modified audit opinions: FY2023 to FY2024



- **30%** of companies with modified audit opinions in FY2023 subsequently received clean audit opinions
- **57%** continued to receive modified audit opinions
- Of these companies that continued to receive modified audit opinions in FY2024, 62% had received modified audit opinions for multiple years

# Modified Audit Opinions

No. of issues per company in the FY2024 modified audit opinions



## Top 5 issues in the FY2024 modified audit opinions:





- 1) Going concern
- 2) Opening balances
- 3) Impairment of non-financial assets
- 4) Expected credit loss
- 5) Discontinued operations/ disposal group classified as held-for-sale



Work with your auditors to ensure critical assumptions and judgements used are reasonable and supportable

# FS Disclosure Findings – Concerning Trend

## Nature of material NCs

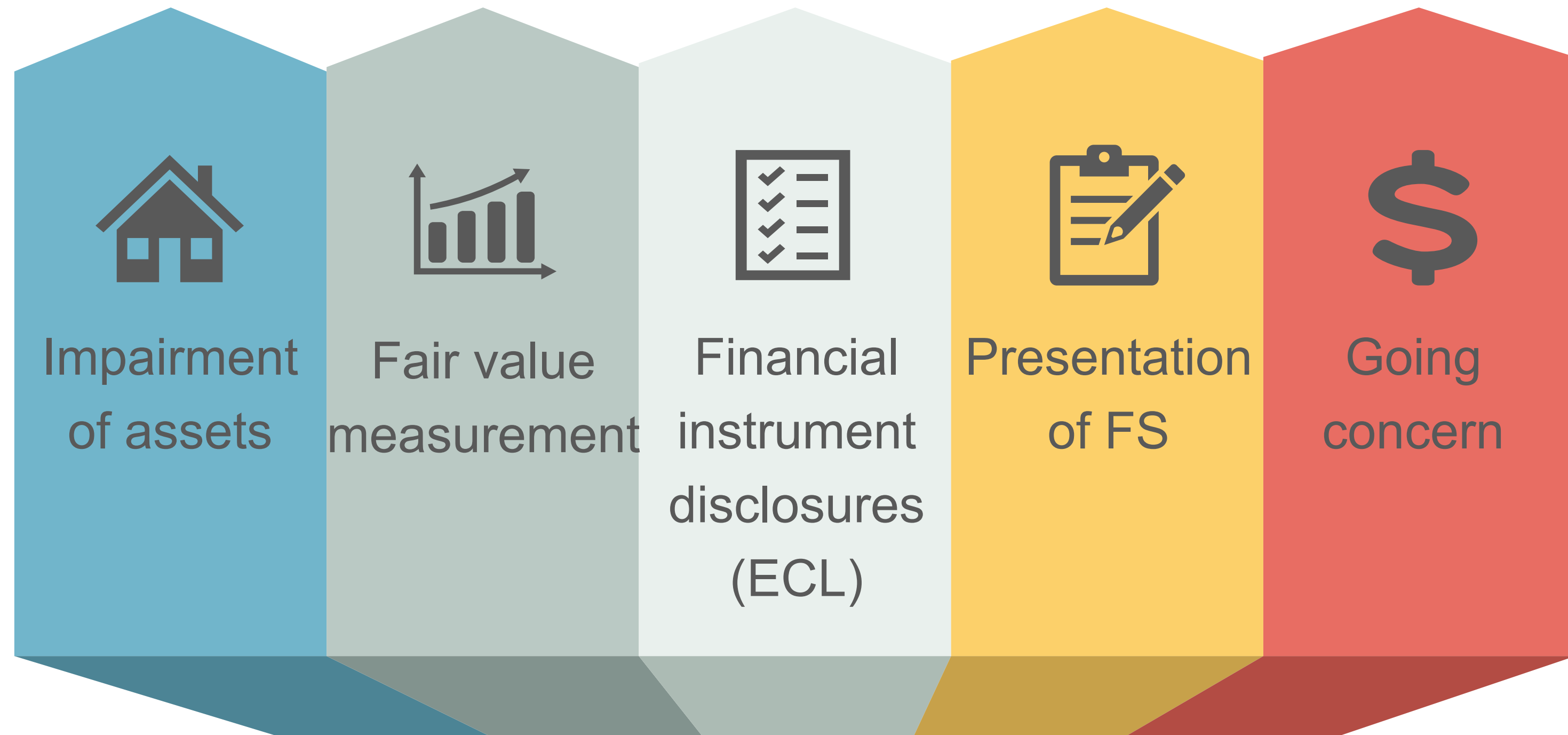
	Apr 2020 – Mar 2022	Apr 2022 – Mar 2024	Apr 2024 – Mar 2025
	Number and % of NCs	Number and % of NCs	Number and % of NCs
 Recognition and measurement	61%	49%	56%
 Presentation	26%	22%	12%
 Disclosures	13%	29%	<b>32%</b> 
<b>Average no. of NCs per FS</b>	<b>0.7</b>	<b>1.4</b>	<b>1.5</b>



**Disclosures remain essential to provide necessary context and detailed explanations to users of the FS**

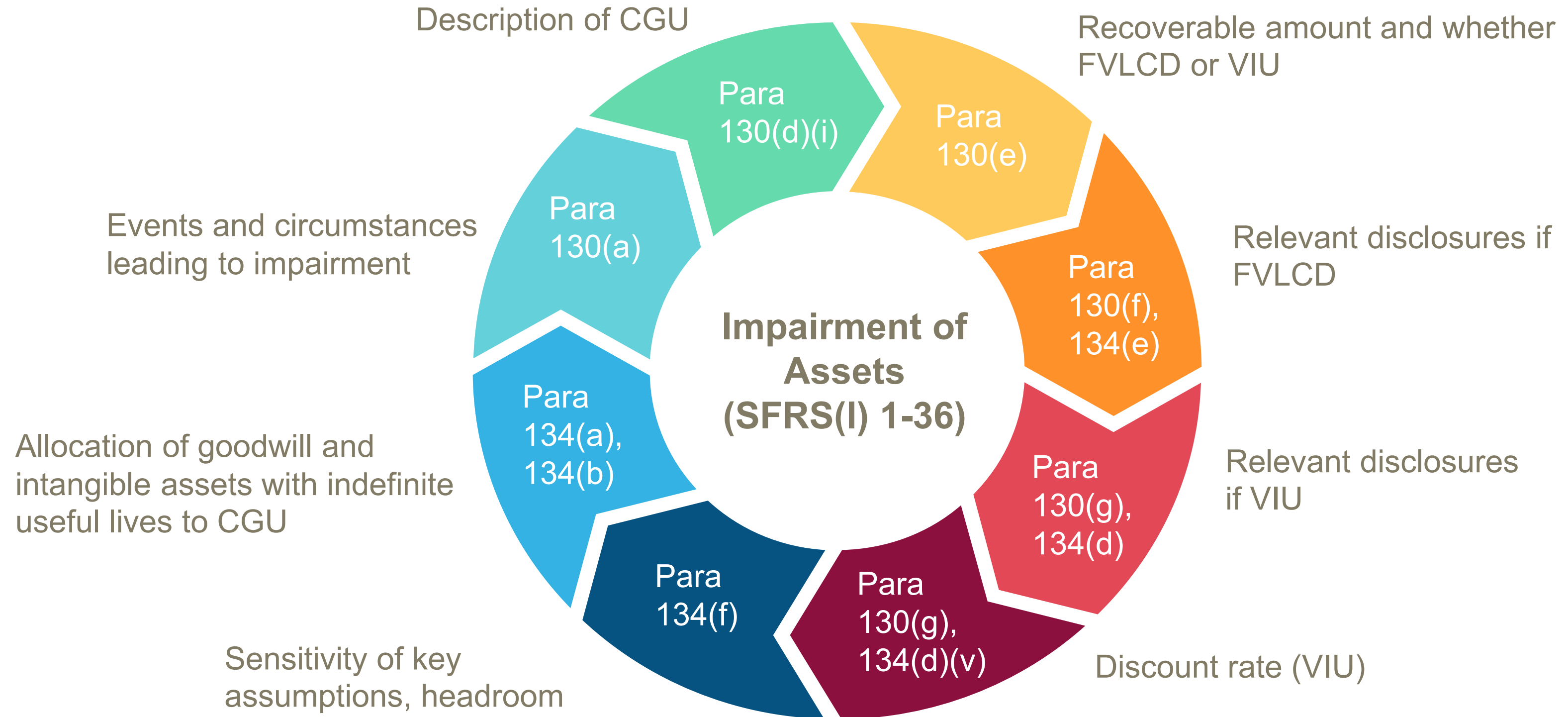
# FS Disclosure Findings

## Key areas of disclosure gaps



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. A)

At 31 December 2021, an impairment loss of \$1,062,109 was recognised to write down the goodwill to its recoverable amount of \$nil. In addition, based on the cash flow forecasts, management also made an impairment loss of \$183,911 to plant and equipment of [REDACTED] (Note 13).

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change to the key assumptions applied would not cause the recoverable amount to be significantly higher than the carrying amount of the goodwill and would not significantly affect the impairment loss recognised during the financial year.

# FS Disclosure Findings

## Poll

Do you think Company A has sufficiently disclosed the triggering point of the impairment?

A) Yes

B) No

C) Maybe



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. A)

At 31 December 2021, an impairment loss of \$1,062,109 was recognised to write down the goodwill to its recoverable amount of \$nil. In addition, based on the cash flow forecasts, management also made an impairment loss of \$183,911 to plant and equipment of [REDACTED] (Note 13).

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change to the key assumptions applied would not cause the recoverable amount to be significantly higher than the carrying amount of the goodwill and would not significantly affect the impairment loss recognised during the financial year.



- No description of events and circumstances leading to impairment (para 130(a))
- Impairment was recognised because recoverable amt < carrying amt is not sufficient

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. B)

### *Impairment assessment*

In 2024, the Group recognised a total impairment loss of US\$378,000 due to certain relinquished licences [REDACTED] in [REDACTED].

In 2023, the Group recognised a total impairment loss of US\$19,544,000 with respect to E&E assets, as a result of a non-commercial exploration well in [REDACTED], and relinquishment of certain licences in [REDACTED] and [REDACTED].



Description of events and circumstances that led to impairment (para 130(a))

## Analysis of areas with material disclosure NCs

### Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. C)

#### *Impairment assessment*

In 2024, the goodwill relating to the **Yme Field** was fully impaired due to depletion and downward revision of the proved and probable reserves, shorter production period and lower applied oil price curve used in the annual assessment.

In 2023, the impairment of the goodwill relating to the **Yme Field** was due to lower production volumes in the early life of the field compared to initial assessments. The lower production volumes were predominantly due to unexpected production shutdowns due to mechanical issues and unforeseen equipment failure and unplanned delays in adding new production and injection wells to the field.



Description of events and circumstances that led to impairment (para 130(a))

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. D)

### Investments in subsidiaries

	Company	
	2024 IDR million	2023 IDR million
Unquoted equity shares, at cost	2,368,009	2,262,670
Impairment loss	(87,910)	(84,421)
	<u>2,280,099</u>	<u>2,178,249</u>

Did not disclose the recoverable amount of the investment in Subsidiary A (para 130(e))

### Impairment of Subsidiary A

During the year, the management carried out a review on the impairment of investment in a subsidiary. As a result of the review, an impairment loss of IDR 3,489 million was recorded (2023: IDR 2,642 million) to write down the carrying value to the recoverable amount, based on the fair value of net assets held by the subsidiary.

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. E)

As at 31 December 2024, before impairment testing, goodwill of \$17.4 million (31 December 2023 : \$17.5 million) was allocated to the **CGUA**. Accumulated impairment loss as of 31 December 2024 was \$17.4 million (31 December 2023 : \$7.7 million).

The Group has reviewed historical revenue trends following the resignation of marketing officers transferred from previous acquisitions. **CGUA** has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of \$9.6 million (31 December 2023 : \$1.3 million).

# FS Disclosure Findings

## Poll

What is the recoverable amount of goodwill allocated to CGU A arising from the impairment assessment?

- A) \$17.4 million
- B) Nil
- C) \$7.8 million



## Analysis of areas with material disclosure NCs

### Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. E)

As at 31 December 2024, before impairment testing, goodwill of \$17.4 million (31 December 2023 : \$17.5 million) was allocated to the **CGUA**. Accumulated impairment loss as of 31 December 2024 was \$17.4 million (31 December 2023 : \$7.7 million).

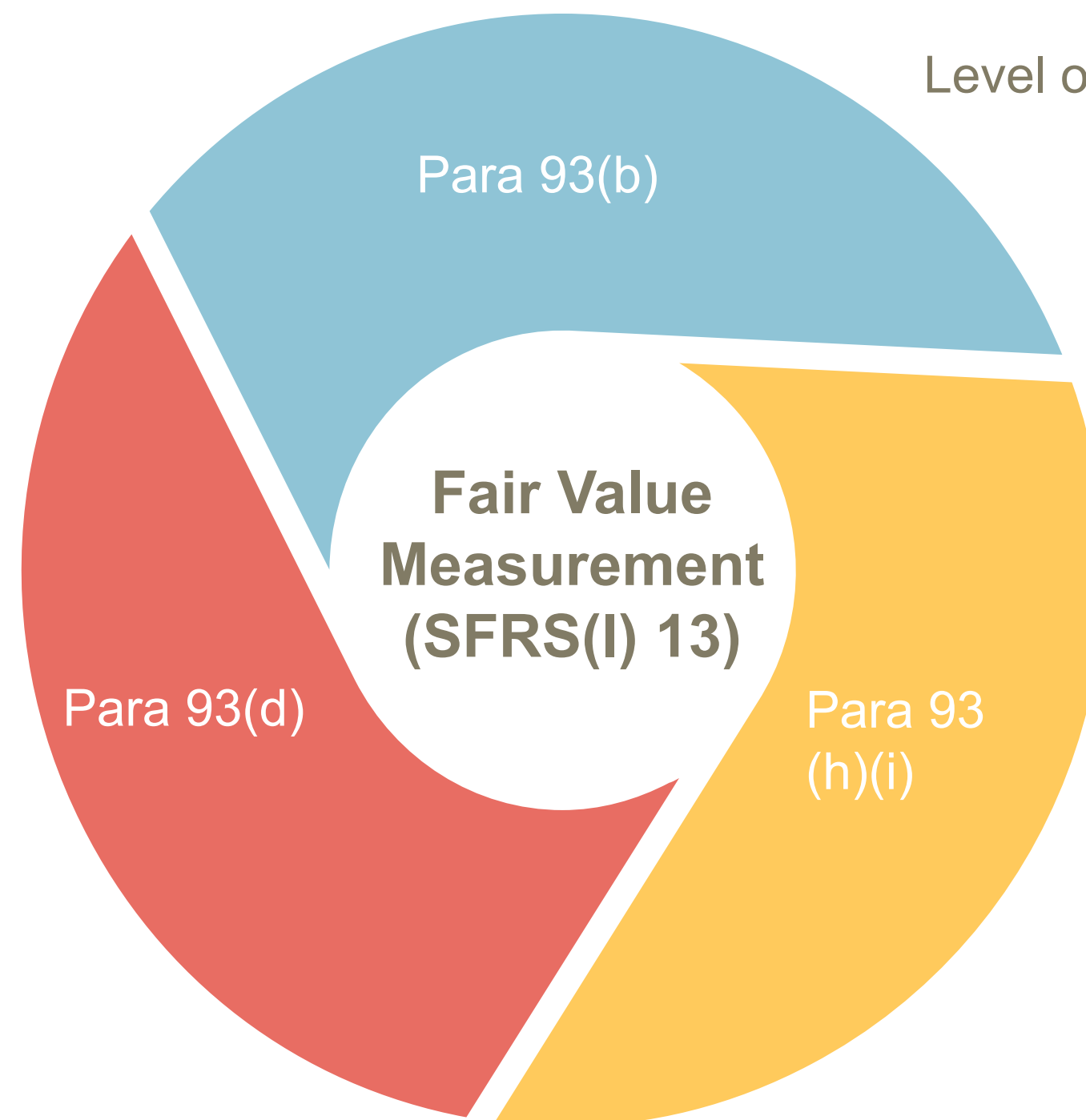
The Group has reviewed historical revenue trends following the resignation of marketing officers transferred from previous acquisitions. **CGUA** has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of \$9.6 million (31 December 2023 : \$1.3 million).

While the recoverable amount can be inferred to be \$7.8 mil (\$17.4mil - \$9.6 mil), a better disclosure would clearly state the amount.

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

- For level 2 and 3, description of the valuation technique(s) and the inputs used in the fair value measurement
- For Level 3, quantitative information about the significant unobservable inputs used in the fair value measurement



For level 3 (recurring), a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. A)

<u>Group</u>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at fair value through other comprehensive income (Note 17)	-	-	17,191,806	17,191,806

#### 17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<u>Group</u>	2020	2019
	US\$	US\$
Unquoted equity security, at fair value	17,191,806	19,736,505

At the end of the reporting period, the Group has 4.534% (2019 : 4.534%) equity interest in **Company Y** of US\$17,191,806 (2019 : US\$19,736,505).

Management has engaged a firm of independent professional valuers to carry out valuation of **Company Y**. In determining the fair value of **Company Y** the valuer used the income approach. Based on the valuation of US\$379,175,253 (2019 : US\$435,268,000), the 4.534% equity interest in **Company Y** held by the Group was determined to be US\$17,191,806 (2019 : US\$19,736,505). Accordingly, a fair value loss of US\$2,544,699 (2019 : US\$1,936,016) was recognised in other comprehensive income.

# FS Disclosure Findings

## Poll

What do you think is missing from this disclosure?

- A) Inputs used in the FV measurement of shares held in Company Y
- B) Quantitative information about the significant unobservable inputs used in the FV measurement
- C) Both (A) and (B) are missing
- D) Nothing, the disclosure is sufficient



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. A)

	Level 1	Level 2	Level 3	Total
<u>Group</u>	US\$	US\$	US\$	US\$
Financial assets at fair value through other comprehensive income (Note 17)	-	-	17,191,806	17,191,806

#### 17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER

Group

Unquoted equity security, at fair value

At the end of the reporting period, the Group has 4.534% (2019 : 4.534%) equity interest in **Company Y** of US\$17,191,806 (2019 : US\$19,736,505).

Management has engaged a firm of independent professional valuers to carry out valuation of **Company Y**. In determining the fair value of **Company Y**, the valuer used the income approach. Based on the valuation of US\$379,175,253 (2019 : US\$435,268,000), the 4.534% equity interest in **Company Y** held by the Group was determined to be US\$17,191,806 (2019 : US\$19,736,505). Accordingly, a fair value loss of US\$2,544,699 (2019 : US\$1,936,016) was recognised in other comprehensive income.

- No disclosure of inputs used in the FV measurement (para 93(d))
- No disclosure for the quantitative information about the significant unobservable inputs used in the FV measurement (para 93(d))



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

### Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. B)

28 **Financial Risk Management (continued)**  
**Determination of fair values (continued)**  
*Accounting classifications and fair values (continued)*

Note	Total carrying amount						Fair value		
	Amortised costs \$	FVOCI - debt instruments \$	FVOCI - equity instruments \$	FVTPL - debt instruments \$	FVTPL - Other financial assets \$	Other financial liabilities \$	Total \$	Level 1 \$	Level 3 \$
Group									
31 December 2023									
Financial assets measured at fair value									
Unquoted equity shares	10	-	-	4,523,411	-	-	-	-	4,523,411



The level of the fair value hierarchy (para 93(b))

## Analysis of areas with material disclosure NCs

### Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. B)

28 **Financial Risk Management (continued)**  
**Determination of fair values (continued)**  
*Level 3 recurring fair values*

Description of the valuation technique(s) and the inputs used in the fair value measurement and quantitative information about the significant unobservable inputs used in the fair value measurement (para 93(d))

The following table shows the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs
Equity investments	Discounted cash flow	<ul style="list-style-type: none"> <li>Net revenue growth rate: (30%) to 29% (2022: (11%) to 9%)</li> <li>Discount rate: 8.80% (2022: 10.84%)</li> <li>Terminal growth rate: 1.5% (2022: 1.9%)</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>net revenue growth rate was higher (lower);</li> <li>discount rate was lower (higher); or</li> <li>terminal growth rate was higher (lower).</li> </ul>

# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

Credit risk management practices such as determining increase in credit risk, definition of default, credit-impaired financial assets, write-off policy

Para  
35F

Reconciliation of the loss allowance and credit risk; 12-month and lifetime ECL

Para  
35H, 35M

**Financial  
Instruments:  
Disclosures  
(SFRS(I) 7)  
ECL**

Inputs, assumptions and estimation techniques

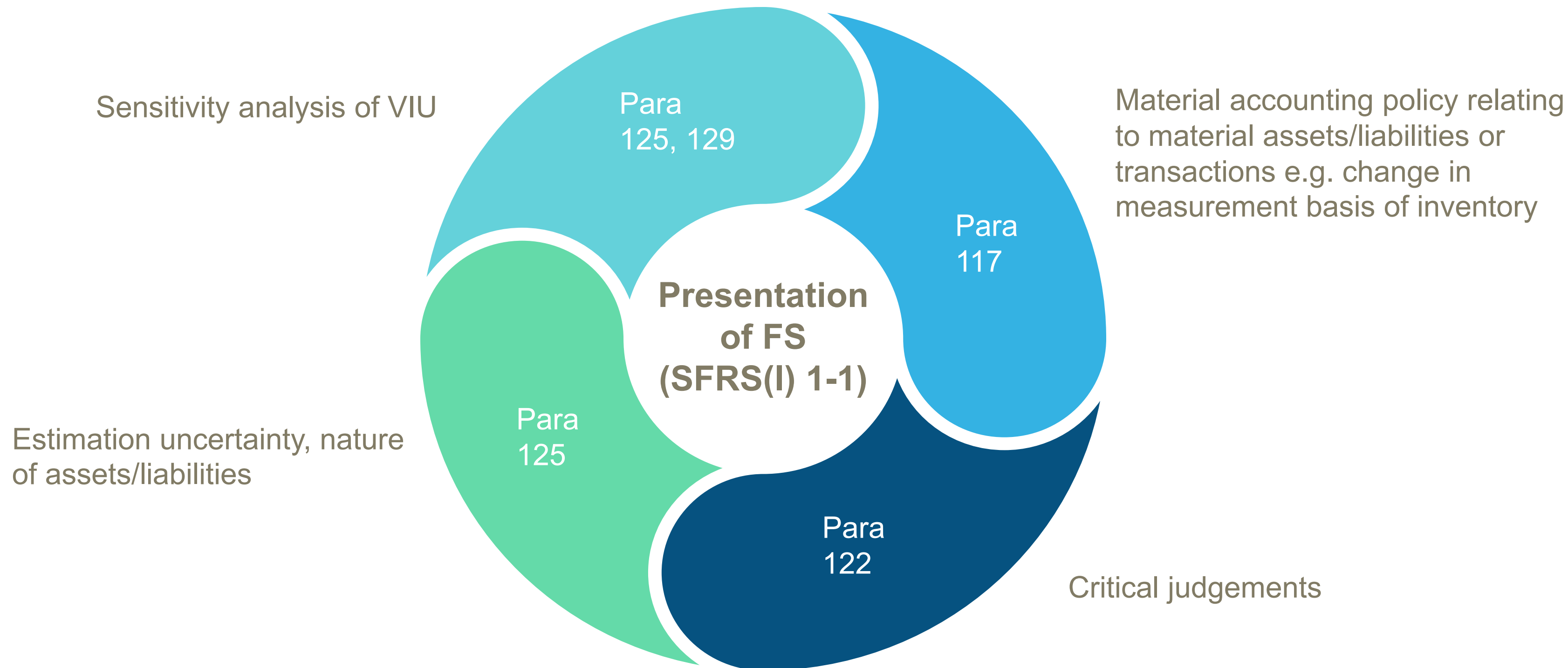
Para  
35G

For trade receivables, contract assets and lease receivables, info to comply with para 35M can be based on provision matrix

Para  
35N

# FS Disclosure Findings

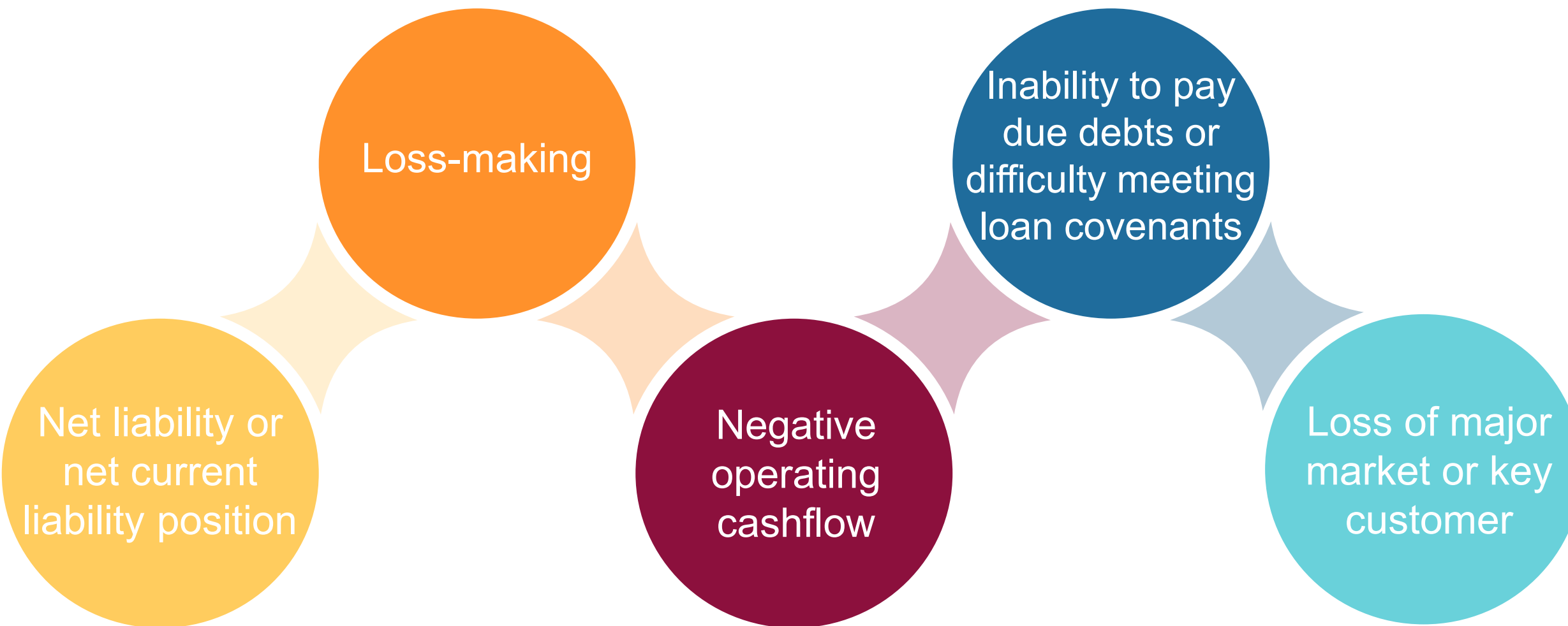
## Analysis of areas with material disclosure NCs



# FS Disclosure Findings

## Analysis of areas with material disclosure NCs

Common indicators of going concern:



### SFRS(I) 1-1 para 25

*“When preparing financial statements, management shall make an assessment of an entity’s ability to continue as a going concern... When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern, the entity shall disclose those uncertainties....”*

### SFRS(I) 1-1 para 122

*“An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.”*

## Analysis of areas with material disclosure NCs

### Going concern (SFRS(I) 1-1): Example 1

#### 4. Going concern

The Group and the Company incurred a net loss of S\$5,808,000 (2023: S\$2,412,000) and S\$9,127,000 (Note 27) [2023: S\$1,555,000 (Note 27)] respectively. As at 31 December 2024, the Group's and Company's current liabilities exceeded their current assets by S\$5,843,000 (2023: S\$4,052,000) and S\$2,966,000 (2023: S\$1,412,000) respectively. In addition, the Group was in a capital deficiency position of \$5,342,000.

The Board of Directors believe that the use of the going concern assumption in preparing the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2024 is appropriate after taking into consideration the following assumptions and measures:

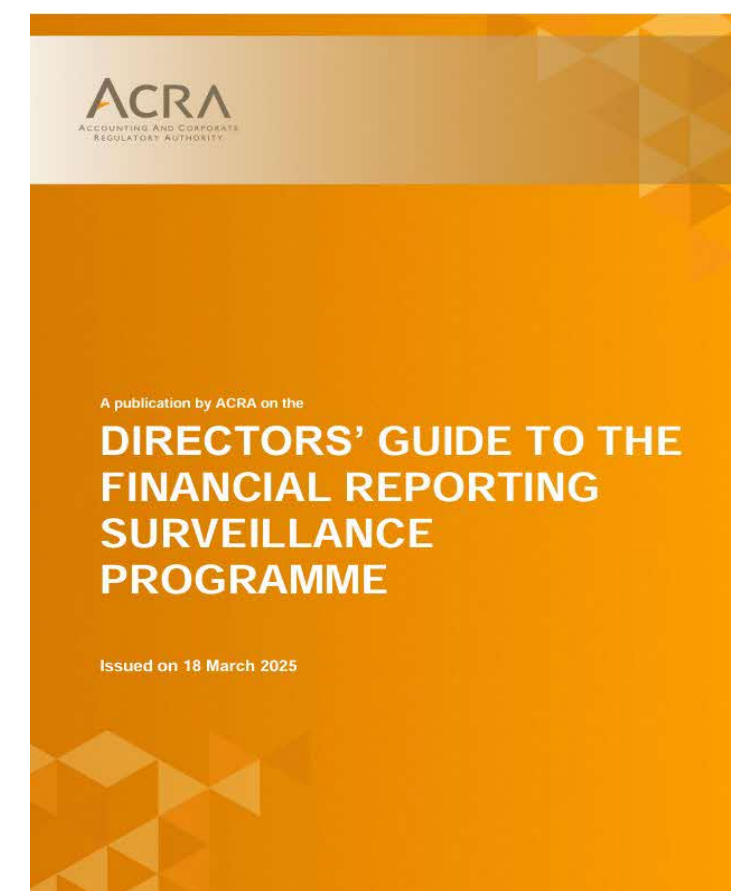
- (i) Since 31 December 2024 and up to the date of this Directors' Statement, the Company has raised additional capital amounting to S\$900,000 through the proposed issuance of new ordinary shares upon the completion of share subscription agreements as announced on [REDACTED] 2025 and [REDACTED] 2025, respectively (Note 32).
- (ii) At an Extraordinary General Meeting (EGM) held on [REDACTED], the shareholders have approved the capitalisation of debts pertaining to directors fees and salaries amounting to \$608,000. These amounts are no longer payable in cash and will not result in cash outflows within the next 12 months (Note 22 and 32).
- (iii) On 28 March 2025, the Company announced that it has entered into a share subscription agreement with a substantial shareholder of the Company. Pursuant to the terms of the Subscription Agreement, the Company proposes to raise gross proceeds of S\$500,000.
- (iv) The Company has received a financial support undertaking letter from [REDACTED], whereby he will undertake, for as long as he is a controlling shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.



In the situation where the Group is of the view that **no material uncertainty exists** as at year end despite the indicators, the Group should disclose the **judgements** made in concluding that **there remain no material uncertainty** related to events or conditions that may cast **significant doubt upon the entity's ability to continue as a going concern**

# FRSP Report

On 18 March 2025, ACRA published the Financial Reporting Surveillance Programme Report 2024 (**FRSP Report**) and the accompanying Directors' Guide to the FRSP.



**For more information on the FRSP Report and Directors' Guide, please scan these QR codes:**



<https://go.gov.sg/frsp-report-2024>



<https://go.gov.sg/directors-guide-frsp>

# Looking Ahead

# Key updates to accounting standards

SFRS(I) 19 / FRS119 *Subsidiaries without Public Accountability: Disclosures*

Eligibility: Subsidiaries without public accountability whose ultimate or intermediate parent<sup>1</sup> produces publicly available consolidated financial statements compliant with SFRS(I) or IFRS

FRS 119 *Subsidiaries and Small Entities without Public Accountability: Disclosures<sup>2</sup>*

Eligibility: Subsidiaries and small entities preparing FS under FRSs  
- Originally issued for eligible subsidiaries, the ASC made the voluntary<sup>3</sup> FRS 119 available to **small entities without public accountability**

Issuance Date

**25 Oct 24**

**18 Aug 25**

- Effective: Annual periods beginning on or after 1 January 2027, with early application permitted
- Application: Recognition, measurement and presentation requirements of other SFRS(I), Reduced disclosure requirements compared to full SFRS(I)

<sup>1</sup> Singapore-incorporated companies whose debt or equity instruments are traded, or are in the process of being issued for trading in a public market in Singapore

<sup>2</sup> On 18 August 2025, the ASC amended the title of FRS 119 to *Subsidiaries and Small Entities without Public Accountability: Disclosures*

<sup>3</sup> Eligible entities have the choice to either adopt FRS 119, SFRS for Small Entities (if they qualify) or apply the full FRSs with all disclosures

## Reduced disclosure requirements in SFRS(I) 12 Disclosure of Interests in Other Entities (Example)

### SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*

- 21 An entity shall disclose:
- (a) for each joint arrangement and associate that is material to the reporting entity:
    - (i) the name of the joint arrangement or associate.
    - (ii) the nature of the entity's relationship with the joint arrangement or associate (by, for example, describing the nature of the activities of the joint arrangement or associate and whether they are strategic to the entity's activities).
    - (iii) the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement or associate.
    - (iv) the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).
  - (b) for each joint venture and associate that is material to the reporting entity:
    - (i) whether the investment in the joint venture or associate is measured using the equity method or at fair value.
    - (ii) summarised financial information about the joint venture or associate as specified in paragraphs B12 and B13.
    - (iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is a quoted market price for the investment.
  - (c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material:
    - (i) in aggregate for all individually immaterial joint ventures and, separately,
    - (ii) in aggregate for all individually immaterial associates.

The light grey text shows the amount of disclosure requirements no longer required if you apply SFRS(I) 19 or FRS 119.

# Impact of tariffs



## Assets

- Impairment of assets – tariff-related indicators and scenario analysis
- Incorporate tariff – related economic disruptions in forward-looking scenarios in ECL model



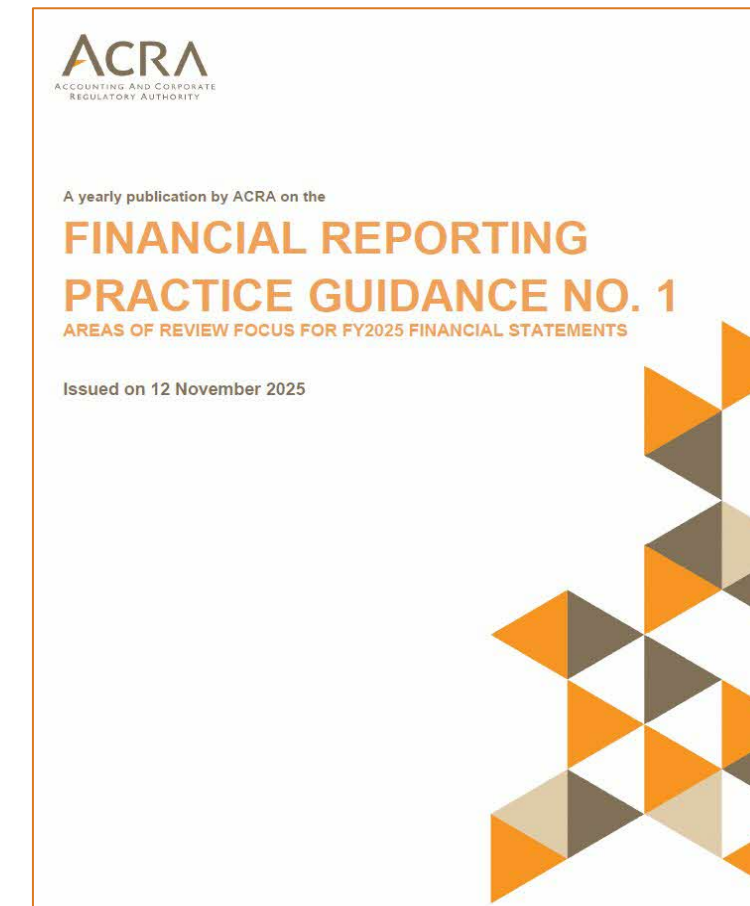
## Liabilities

- Restructuring provision for tariff-driven changes (e.g., facility relocations, workforce reductions, or operational consolidations)
- Provision for onerous contract



## Disclosure

- Subsequent events related to trade policy changes
- Material tariff exposure and impacts
- Critical accounting estimates, assumptions and judgements



**For more information on the 2025 Practice Guidance, please scan this QR code:**



<https://go.gov.sg/practiceguidance2025>

# Other Key Highlights

# Sustainability Reporting

In August 2025, ACRA and SGX RegCo announced the updated roadmap for climate reporting and assurance.

## Implementation Timeline



- Continue aligning trajectory with Singapore's net-zero target by 2050
- Opportunity to build readiness for high-quality climate reports that comply with ISSB Standards

For more information on the updated roadmap, please scan this QR code



<https://go.gov.sg/sustainability-reportingroadmap>

# Updates to AQI Disclosure Framework

## New Indicators



**Use of  
Technology**



**Culture Survey**

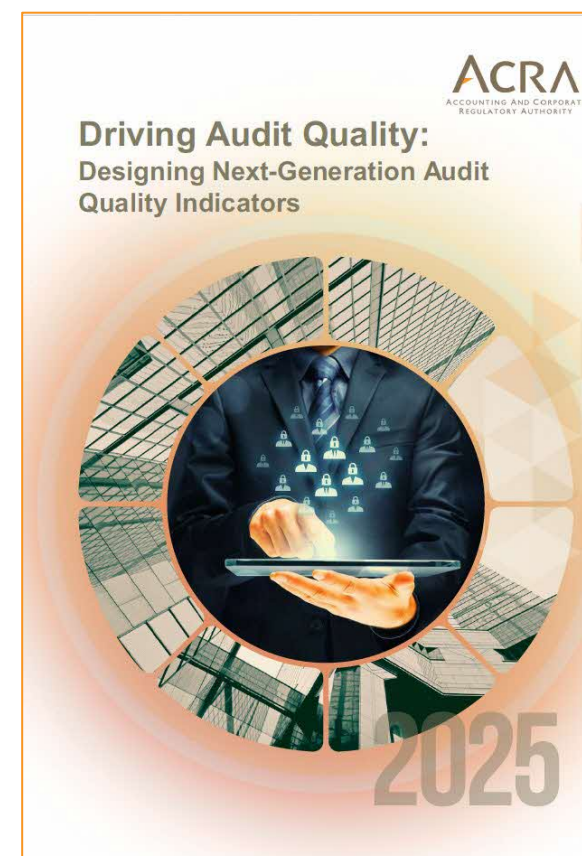


**Restatements**



**Audit Hours**

## Update to Existing Indicator



**Download the report on the review of the AQI Disclosure Framework and latest guidance on the Framework here:**



<https://go.gov.sg/aiq-report-2025>



<https://go.gov.sg/auditqualityindicators>



**Thank you!**



# SGX RegCo Presentation

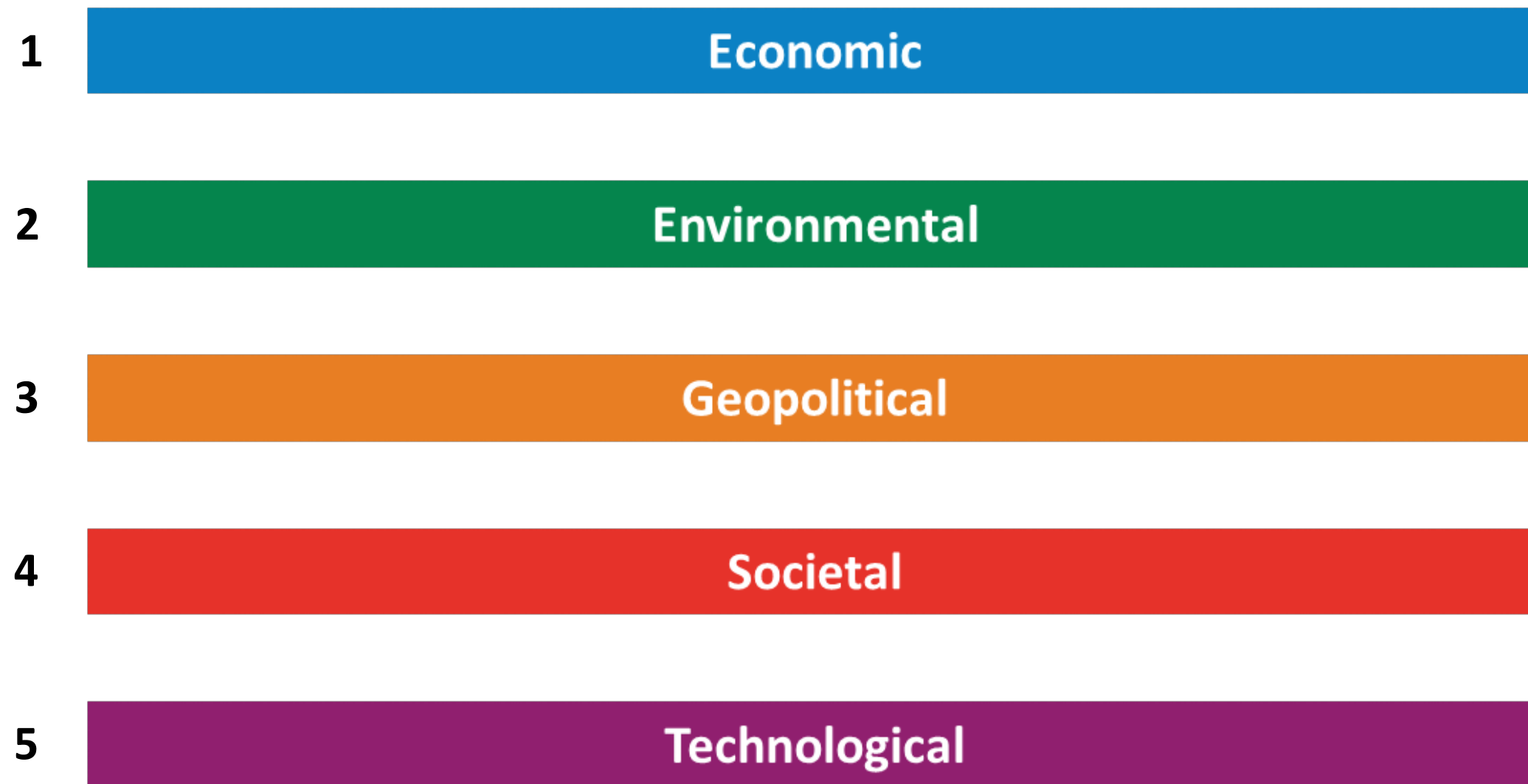
**Mr Michael Tang**

Head of Listing Compliance,  
SGX RegCo

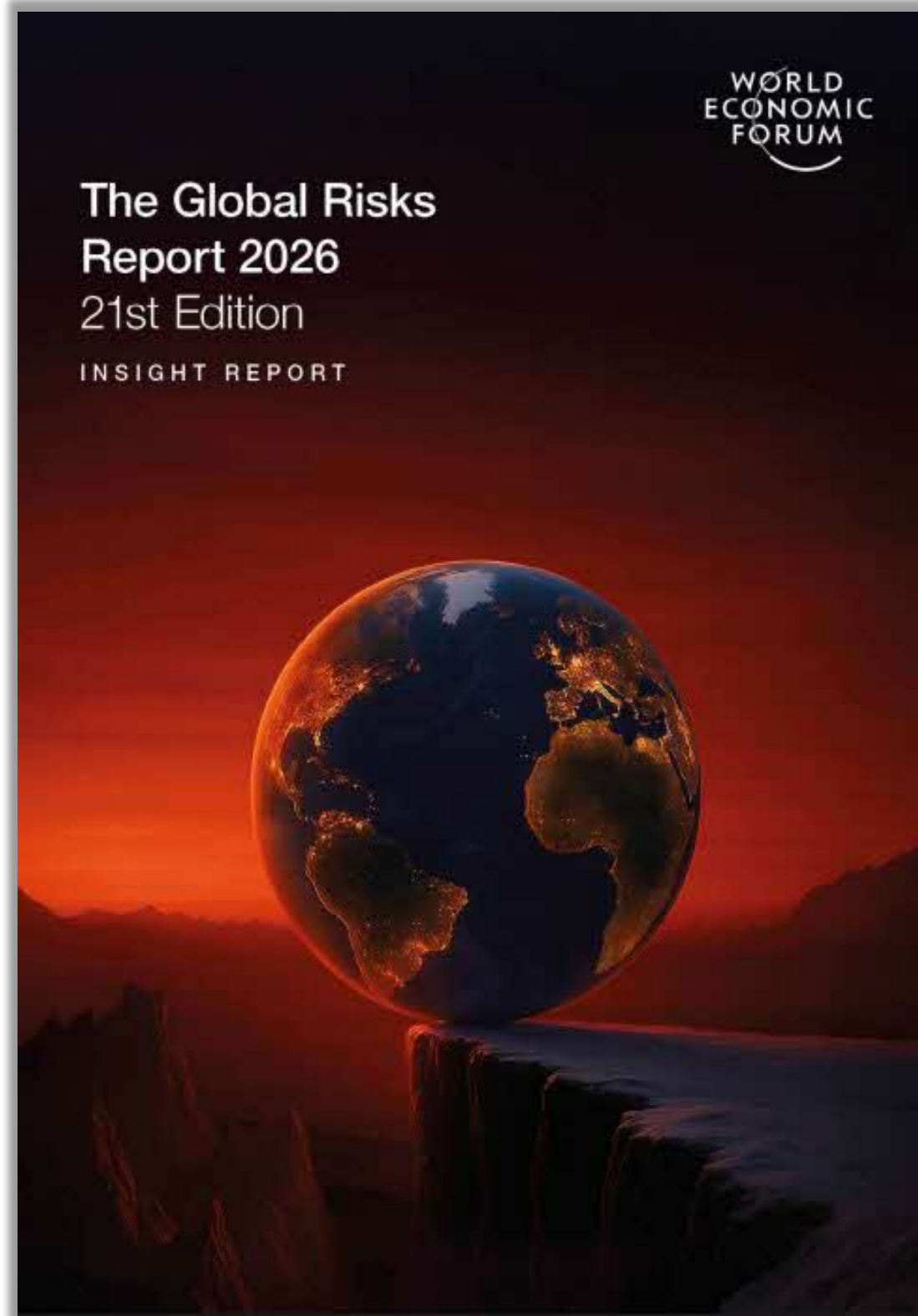
# Top Risks

# Top Risks: Survey

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

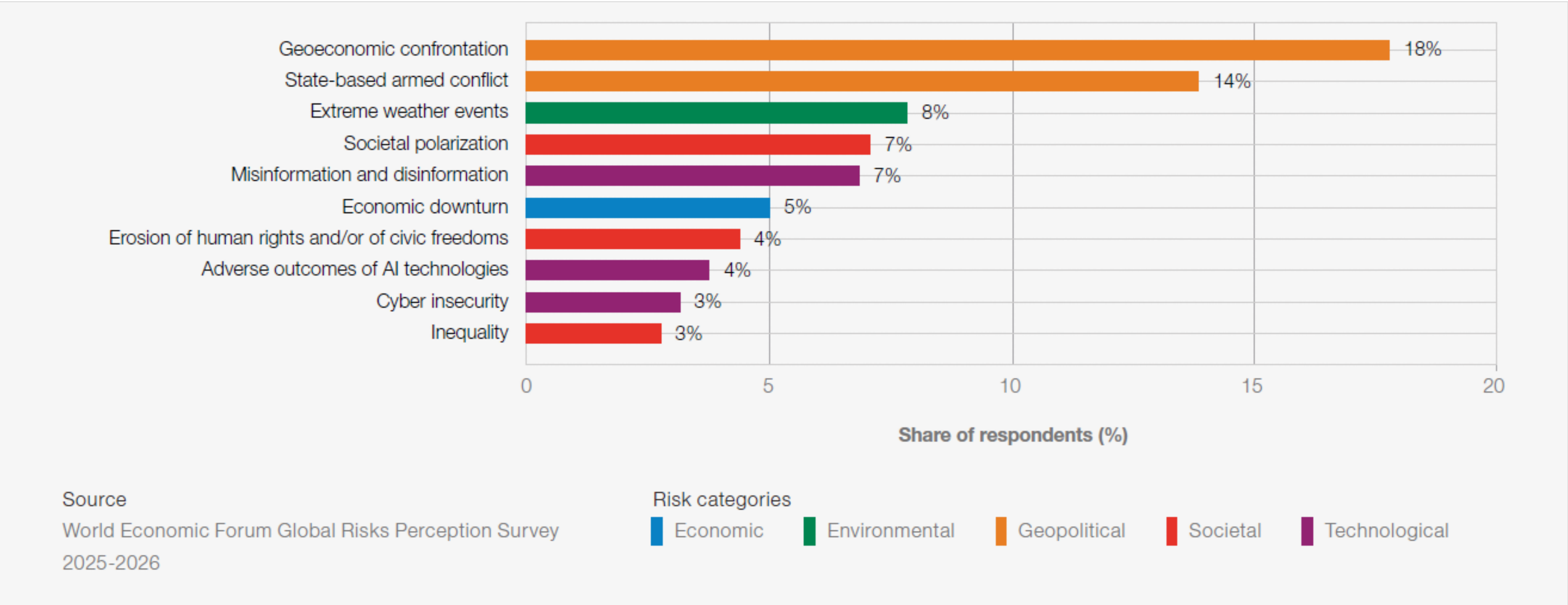


# World Economic Forum: Global Risk Report 2026

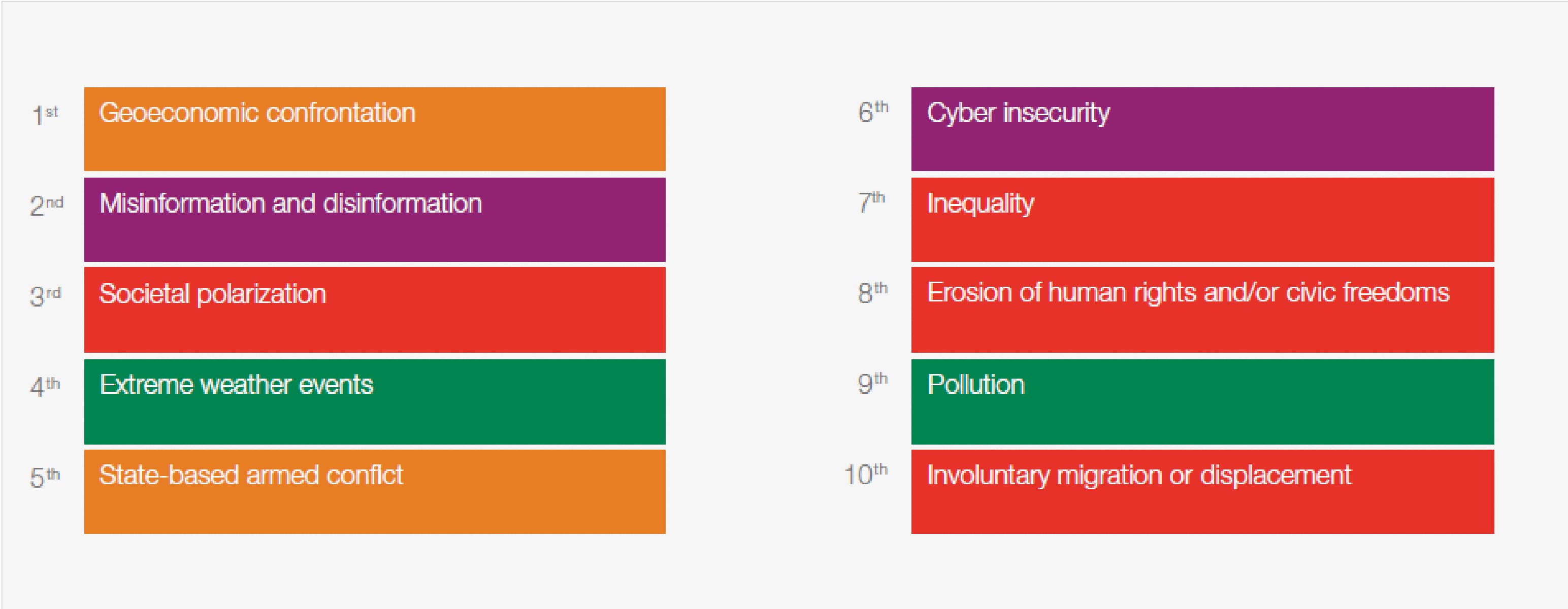


- Offers a view of global risks and a range of potential futures with a view to prevention and management.
- Covers findings of the Global Risks Perception Survey 2025-2026, with inputs from over 1,300 experts across academia, business, government, international organisations and civil society, between 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)



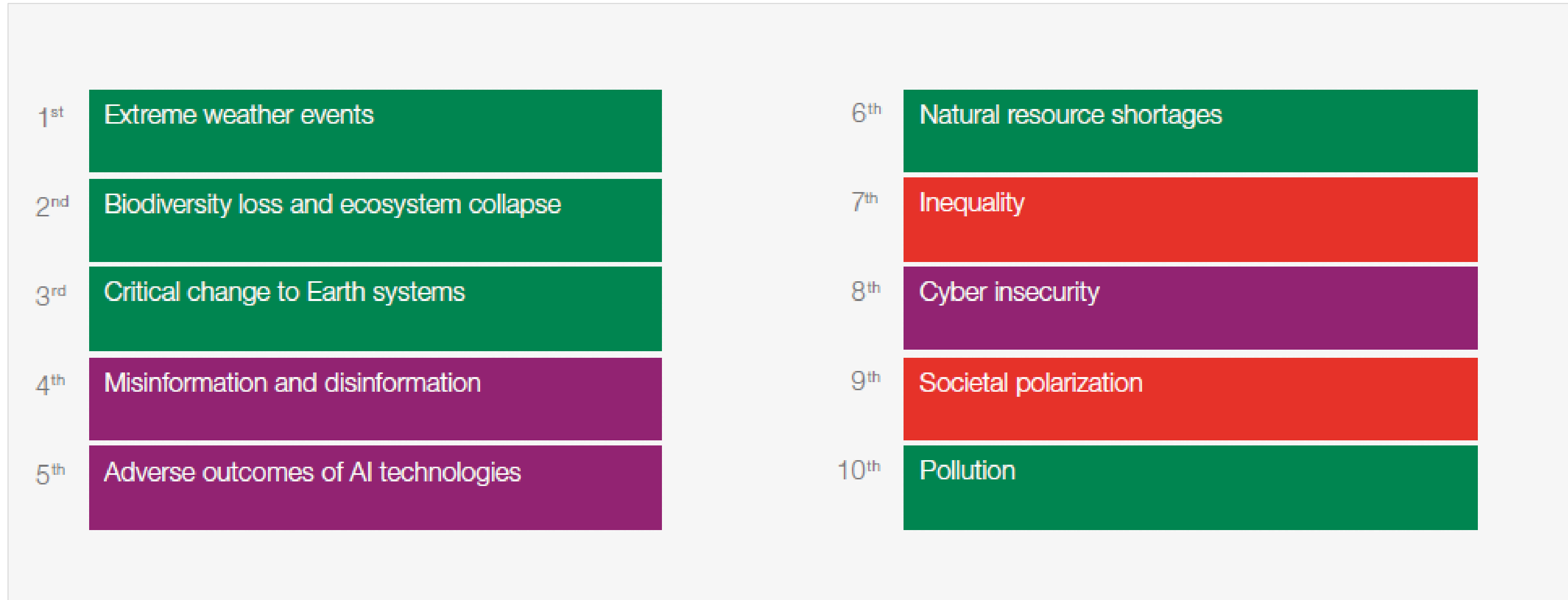
Source

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

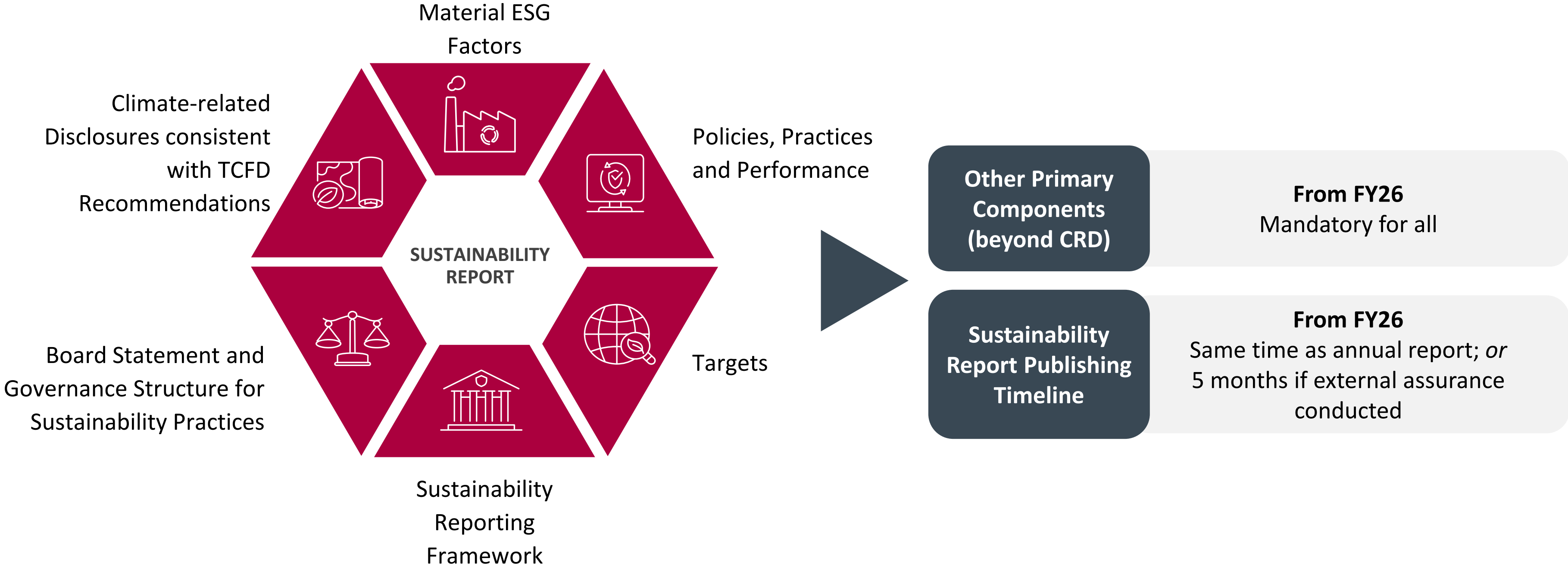
■ Economic   ■ Environmental   ■ Geopolitical   ■ Societal   ■ Technological

# Top 5 Risks Identified by The Executive Opinion Survey: Singapore



# Regulatory Updates

# Sustainability Reporting Requirements



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

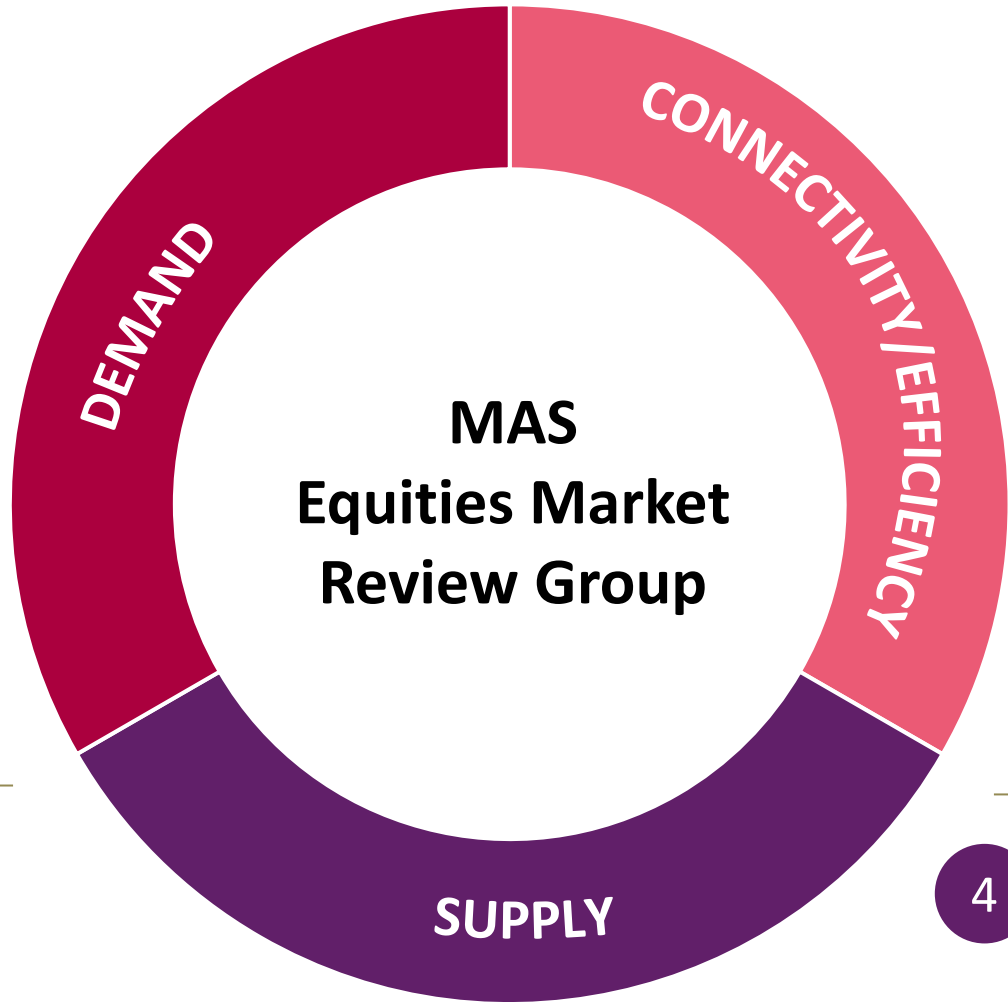
Scan the QR code or visit:  
<https://www.sgx.com/sustainable-finance/sustainability-knowledge-hub>



# 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 1<sup>st</sup> 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

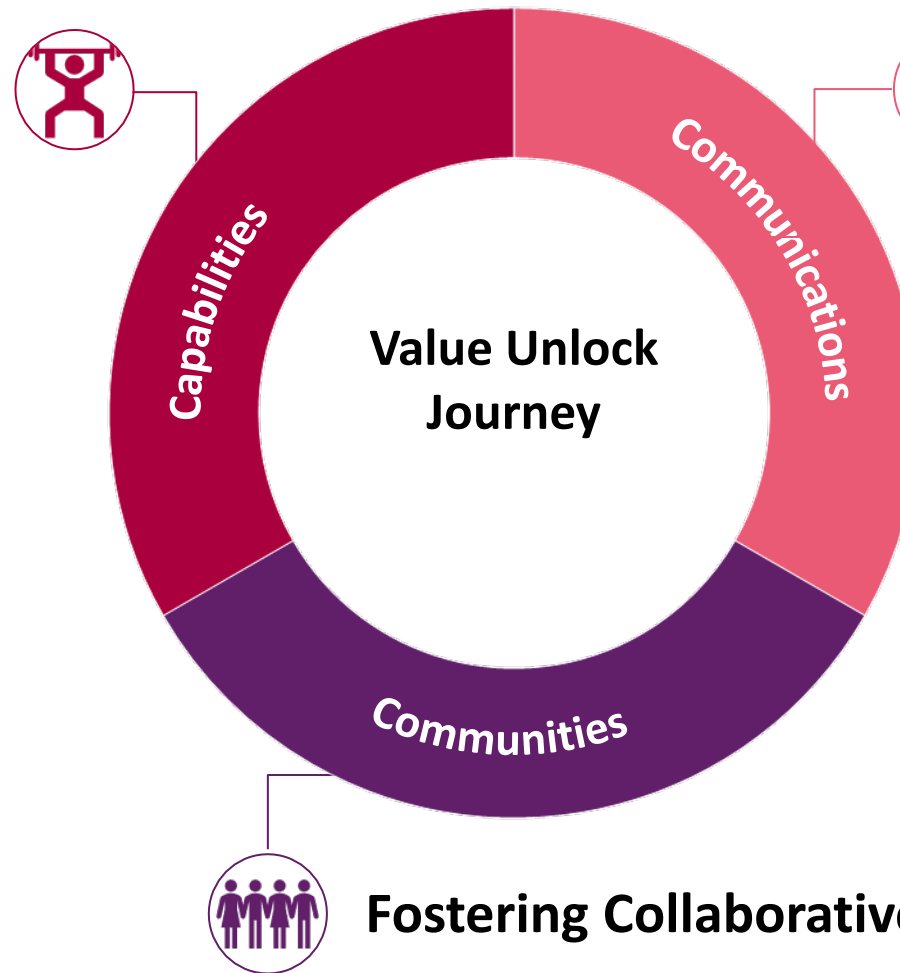
Two MAS grants to help strengthen listed companies' capabilities in corporate strategy, capital optimisation and investor relations

### 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

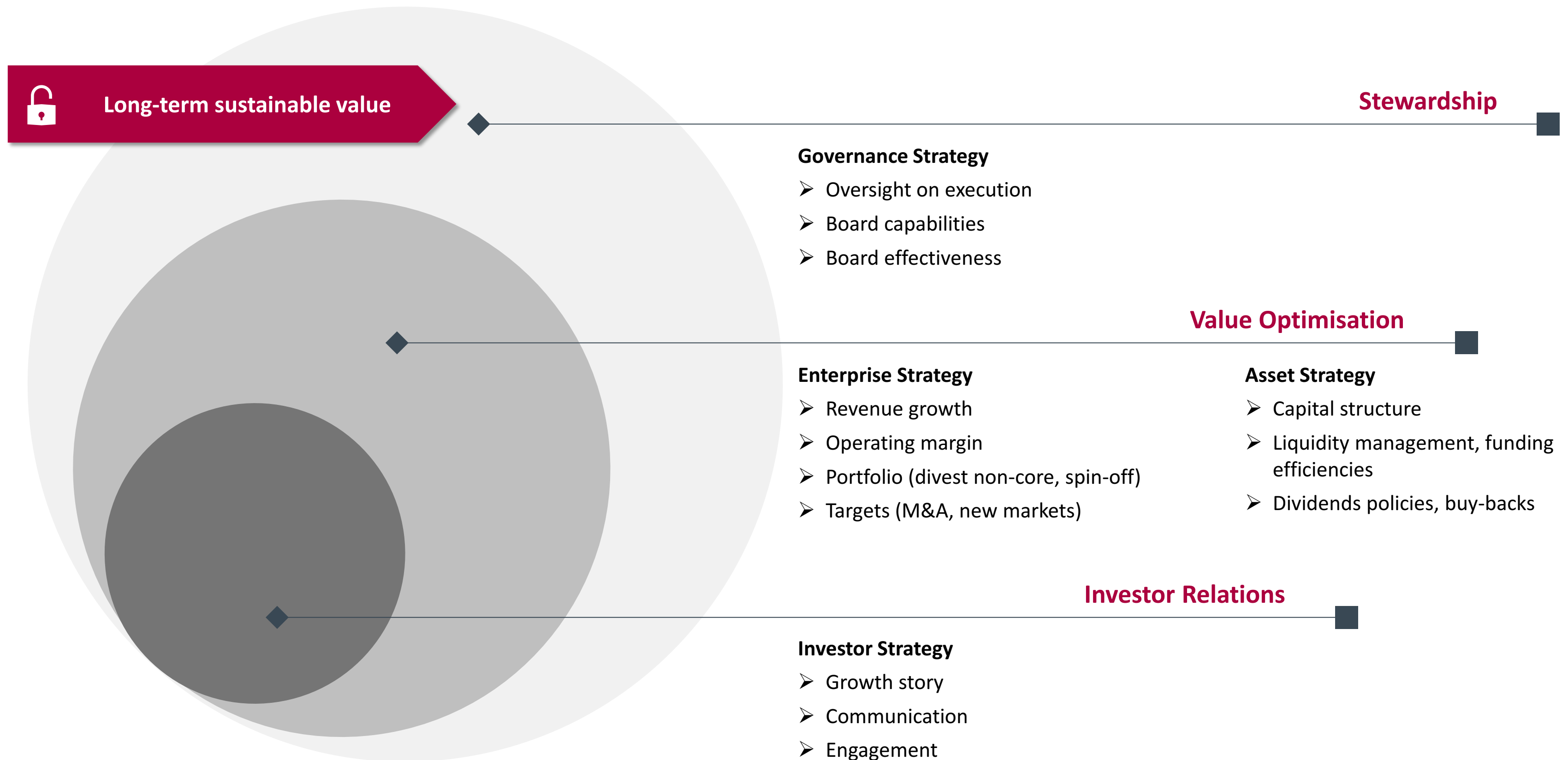
- Enhanced GEMS research coverage
- Broaden investor and media engagement

## 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



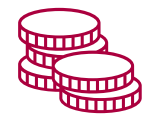
# Adopting Clear Value-Unlock Policies

## 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

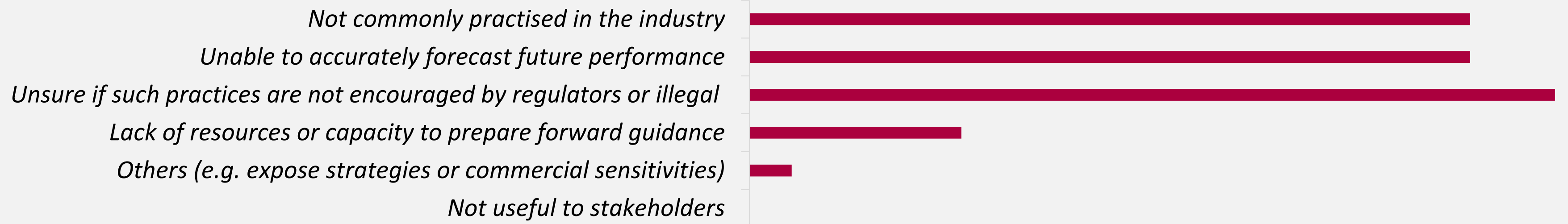
Measures and modifier/underpin	Example measures for annual incentive scorecard	Example measures for LTI scorecard	Rationale
Financial measures	<ul style="list-style-type: none"> <li>– Profit before tax</li> <li>– RoTE</li> <li>– Revenue growth</li> <li>– Volume growth</li> <li>– Costs</li> </ul>	<ul style="list-style-type: none"> <li>– RoTE</li> <li>– Total shareholder return</li> <li>– Underpin to maintain a minimum CET1 ratio</li> </ul>	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"> <li>– Customer satisfaction</li> <li>– Employee engagement</li> <li>– Succession planning and inclusion</li> <li>– Carbon reduction and sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>– Reduce carbon emissions</li> <li>– Sustainable finance</li> </ul>	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"> <li>– Sustained delivery of global conduct outcomes</li> <li>– Effective financial crime risk management</li> <li>– Effective management of material operational risks</li> <li>– Risk metrics to identify when business activities are outside of tolerance level for a significant period of time</li> <li>– Failures in risk management that have resulted in significant customer detriment, reputational damage and/or regulatory censure</li> <li>– CET1 level</li> </ul>	<ul style="list-style-type: none"> <li>– Modifier linked to risk and compliance performance</li> </ul>	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

Published Wed, Nov 5, 2025 - 11:00 AM



## 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!**

## PANEL DISCUSSION

*(Moderator)*



**Beh Siew Kim**

Chief Financial and  
Sustainability Officer,  
Lodging,  
**CapitaLand  
Investment**



**Gerry Chng**

Chair, AI Ethics &  
Governance Special  
Interest Group,  
**Singapore Computer  
Society**



**Deborah Ong**

Non-Executive and  
Independent  
Director,  
**SATS**



**Ranjan Lath**

Partner,  
**Ares Management  
Asia**



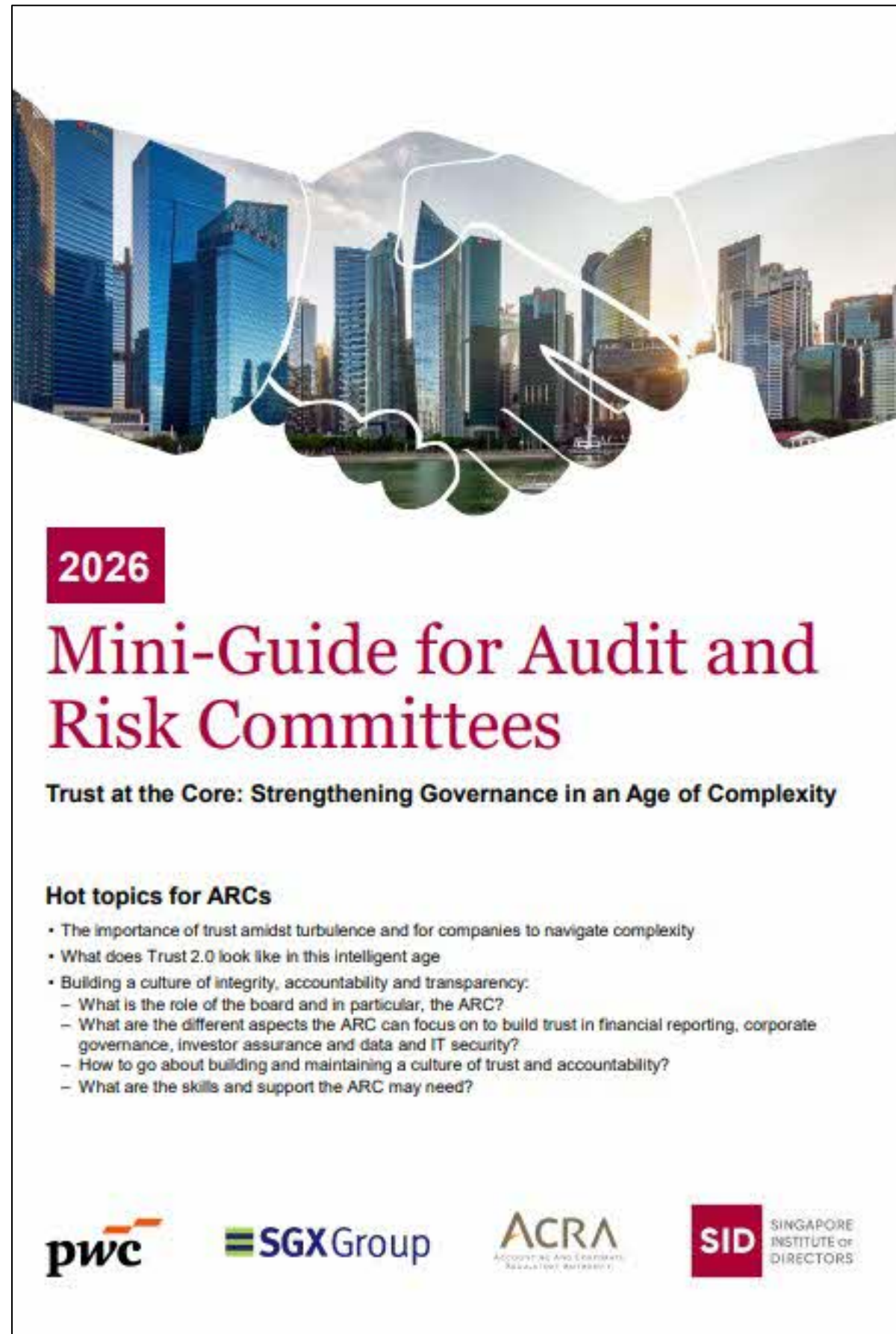
**Jeanette Wong Kai  
Yuan**

Independent Non-  
Executive Director,  
**Singapore Airlines**



# Closing Address

**Ms Lee Sze Yeng**  
Managing Partner,  
KPMG in Singapore



**2026**

# Mini-Guide for Audit and Risk Committees

**Trust at the Core: Strengthening Governance in an Age of Complexity**

**Hot topics for ARCs**

- The importance of trust amidst turbulence and for companies to navigate complexity
- What does Trust 2.0 look like in this intelligent age
- Building a culture of integrity, accountability and transparency:
  - What is the role of the board and in particular, the ARC?
  - What are the different aspects the ARC can focus on to build trust in financial reporting, corporate governance, investor assurance and data and IT security?
  - How to go about building and maintaining a culture of trust and accountability?
  - What are the skills and support the ARC may need?

**pwc** **SGX Group** **ACRA** **SID** SINGAPORE INSTITUTE OF DIRECTORS

## ARC Seminar 2026 Miniguide Download



[https://sid.org.sg/Web/Resources/ARC Mini Guides.aspx](https://sid.org.sg/Web/Resources/ARC_Mini_Guides.aspx)

## Evaluation Form

Thank you for your participation today.

Please help us complete the evaluation form.

<https://tinyurl.com/ARCseminar2026>



**Thank You!**