



## PRESS RELEASE

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### **All-time high SGTI results highlight improvements in corporate governance disclosures and practices**

*SATS and CapitaLand Commercial Trust take top spots in their respective categories*

Singapore, 4 August 2020 — Singapore-listed companies charted a new record in governance and transparency this year, reflecting their strong commitment to improving corporate governance and sustainability disclosures.

The Singapore Governance and Transparency Index (SGTI) 2020 surged to an all-time high score of 67.9 points, compared with 59.3 last year.

The annual SGTI assesses companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements. It is published annually by CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations (CGIO) and Singapore Institute of Directors (SID).

This year's index ranked a total of 577 Singapore-listed companies in the General category, and 45 Trusts in the Real Estate Investment Trust (REIT) and Business Trust category. These companies and trusts released their annual reports by 30 June 2020.

### **Findings**

SATS emerged at the top of the General Category with 131 points. SingTel, which had led the index for five consecutive years, slipped to the second position with 128 points. CapitaLand Commercial Trust remained top of the REIT and Business Trust Category.

While most of the top 10 saw slight dips in their rankings, SATS, City Developments, and Keppel Corporation improved. Another company which made notable improvements is SingPost, jumping up 20 places to 12th this year.

In the REIT and Business Trust Category, CapitaLand continued its dominance, with its subsidiaries CapitaLand Commercial Trust, CapitaLand Mall Trust and Ascott Residence Trust in the top three positions. Netlink NBN Trust, Cromwell European REIT, Manulife US REIT and OUE Commercial REIT each jumped over 20 spots to enter the top 10.

Associate Professor Lawrence Loh, Director of CGIO, NUS Business School said: “It is heartening that the assessment process of listed companies for SGTI 2020 was not significantly affected by the COVID-19 pandemic. The necessary disclosures by companies were largely made well and on time, in line with Singapore Exchange Regulation’s stipulation. On an even brighter note, companies have achieved remarkable progress as seen in the all-time high of the index score – this reflects the strong momentum driven by the ongoing regulation enhancements.”

“The COVID-19 pandemic is a generational crisis currently faced by organisations today and comes on top of global trade and political tensions, technological disruptions, and increasing cyber threats. In times of crisis, strong leadership and sound corporate governance processes are fundamental to a company’s ability to survive and position itself to thrive in the recovery that is to come. Corporate governance frameworks and processes have to adapt, and remain relevant and effective in a COVID-19 new normal,” said Mr Chng Lay Chew, Singapore Divisional President, CPA Australia.

### **Significant improvement in corporate governance disclosures**

Overall, companies fared better in corporate governance disclosures compared to 2019. This is measured in terms of base scores, bonuses and penalties.

For the General category, companies recorded an average score of 67.9, an increase of 8.6 points year-on-year. Mean scores have been improving consistently since 2011, with the largest jump recorded this year.

Companies were awarded an average of 11.6 bonus points this year, compared to 8.6 in 2019. Bonuses are awarded for good practices such as producing an annual sustainability report and providing comprehensive disclosures of shareholders’ rights.

Fewer penalties were meted out this year, falling 2.4 points to 8.4 this year. Penalty items reflect issues that are indicative of poor corporate governance. They are assigned on a company-specific basis and are usually event-triggered.

In the REIT and Business Trust Category, the mean overall score increased by 6.2 points year-on-year to 84.8. Bonuses increased by 3.2 points to 17.2, while penalties decreased by 0.2 points to 5.0.

“It is encouraging to note the improving trend of overall scores and accompanying greater accountability and transparency in disclosures. The global pandemic has renewed focus on sustainability reporting and on taking a long-term view. As companies reassess their business models and strategic outlook, this is an opportune time to recalibrate and emerge stronger from the crisis,” said Mr Tham Sai Choy, Chairman of the Singapore Institute of Directors.

#### **Annex 1: SGTI 2020 General Category Top 20 Results**

#### **Annex 2: SGTI 2020 REIT and Business Trust Category Top 10 Results**

#### **Annex 3: SGTI General Category mean scores trend (2009 – 2020)**

#### **Annex 4: SGTI REIT and Business Trust Category mean scores trend (2017 – 2020)**

## **About the SGTI methodology**

[SGTI Assessment Framework for General Category](#)

[SGTI Assessment Framework for REIT and Business Trust Category](#)

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## **About CPA Australia**

Founded in 1886, CPA Australia is one of the world's largest professional accounting bodies representing more than 165,000 members working in 100 countries and regions and supported by 19 offices globally. CPA Australia advances its members' interests through education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation and the promotion of value of CPA Australia members to employers, government, regulators and the public. The world-renowned CPA designation is synonymous with professional credibility and international portability. CPA Australia has been operating in Singapore for 66 years, having arrived in this market in 1954 under the auspices of the Colombo Plan.

For more information, please visit [cpaaustralia.com.au](http://cpaaustralia.com.au).

## **About the Centre for Governance, Institutions and Organisations**

The Centre for Governance, Institutions and Organisations (CGIO) was established by the National University of Singapore (NUS) Business School in 2010. It aims to spearhead relevant and high-impact research on governance and sustainability issues that are pertinent to Asia, including corporate governance, corporate sustainability, governance of family firms, state-linked companies, business groups, and institutions. CGIO also organises events such as public lectures, industry roundtables, and academic conferences on topics related to governance.

NUS Business School is known for providing management thought leadership from an Asian perspective, enabling its students and corporate partners to leverage global knowledge and Asian insights.

The School is one of the 17 Faculties and Schools at NUS. A leading global university centred in Asia, NUS is Singapore's flagship university, which offers a global approach to education, research and entrepreneurship, with a focus on Asian perspectives and expertise. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Close to 40,000 students from 100 countries enrich our vibrant and diverse campus community.

For more information, please visit [bschool.nus.edu.sg](https://bschool.nus.edu.sg), or go to the [Think Business portal](#), which showcases the School's research.

### **About Singapore Institute of Directors**

The Singapore Institute of Directors (SID) is the national association of company directors. Formed in 1998, it promotes the professional development of directors and corporate leaders. Its membership comprises mainly directors and other professionals who work in the field of corporate governance.

The SID has a comprehensive training curriculum that covers the spectrum of professional developmental needs of directors including thought leadership on corporate governance and directorship issues. It also provides its members with value-added services such as regular networking events and socials, a board appointment service, and a one-stop information service on governance-related matters.

For more information, please visit [www.sid.org.sg](http://www.sid.org.sg)

## Annex 1

### Singapore Governance and Transparency Index 2020 General Category

**Table 1: SGTI 2020 General Category Top 20 Results**

Source: Centre for Governance, Institutions and Organisations, NUS Business School

RANK 2020	COMPANY NAME	BASE SGTI 2020 SCORE	ADJUSTMENTS FOR BONUSES/PENALTIES	OVERALL SGTI 2020 SCORE	OVERALL SGTI 2019 SCORE	RANK 2019
1	SATS LTD	97	34	131	115	6
2	SINGAPORE TELECOMMUNICATIONS LTD	96	32	128	129	1
3	CITY DEVELOPMENTS LTD	91	34	125	117	5
4	CAPITALAND LTD	92	31	123	122	3
4	DBS GROUP HOLDINGS LTD	91	32	123	125	2
6	KEPPEL CORPORATION LTD	97	25	122	100	21
7	SINGAPORE EXCHANGE LTD	96	25	121	121	4
8	SEMBCORP INDUSTRIES LTD	94	24	118	115	6
9	OVERSEA-CHINESE BANKING CORPORATION LTD	91	23	114	115	6
10	UNITED OVERSEAS BANK LTD	92	21	113	111	9
11	SINGAPORE PRESS HOLDINGS LTD	90	22	112	110	10
12	SINGAPORE POST LTD	86	25	111	91	32
13	COMFORTDELGRO CORPORATION LTD	92	18	110	103	14
13	MICRO-MECHANICS (HOLDINGS) LTD	85	25	110	101	17
15	DEL MONTE PACIFIC LTD	83	26	109	104	13
16	VICOM LTD	80	27	107	101	17
17	PERENNIAL REAL ESTATE HOLDINGS LTD	89	17	106	100	21
17	SBS TRANSIT LTD	83	23	106	87	40
17	TUAN SING HOLDINGS LTD	84	22	106	106	11
20	GLOBAL INVESTMENTS LTD	81	24	105	106	11

## Annex 2

### Singapore Governance and Transparency Index 2020 REIT and Business Trust Category

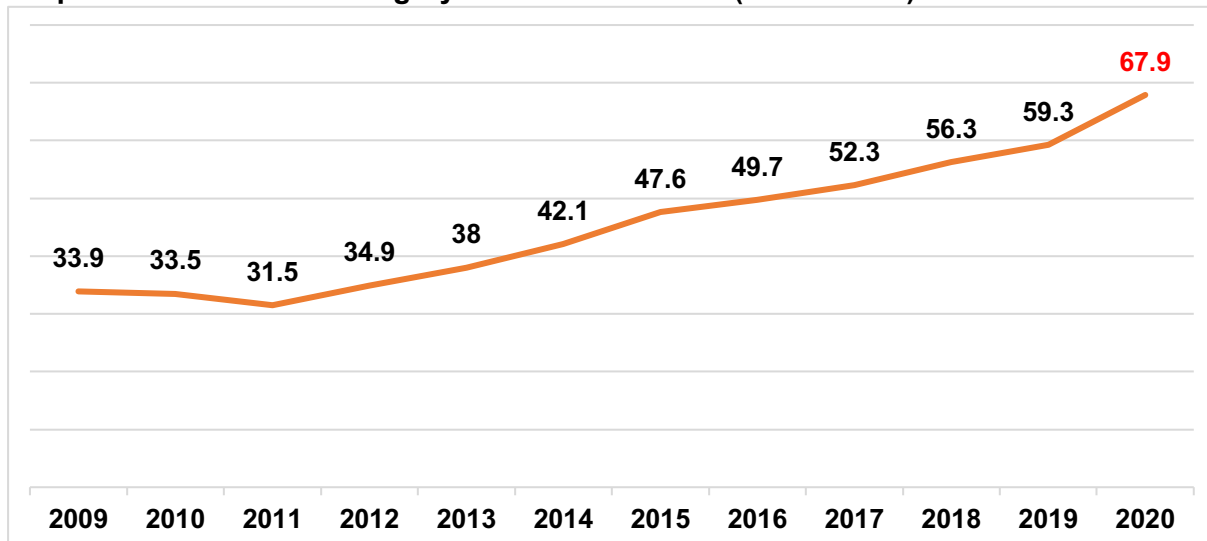
**Table 1: SGTI 2020 REIT and Business Trust Category Top 10 Results**

Source: Centre for Governance, Institutions and Organisations, NUS Business School

RANK 2020	COMPANY NAME	BASE SGTI 2020 SCORE	ADJUSTMENTS FOR BONUSES/ PENALTIES	OVERALL SGTI 2020 SCORE	OVERALL SGTI 2019 SCORE	RANK 2019
1	CAPITALAND COMMERCIAL TRUST	85.5	27	112.5	100.5	1
2	CAPITALAND MALL TRUST	86.5	24	110.5	99.5	2
3	ASCOTT RESIDENCE TRUST	81.3	20	101.3	98.0	3
4	FAR EAST HOSPITALITY TRUST	80.2	19	99.2	90.4	6
5	NETLINK NBN TRUST	74.9	24	98.9	73.3	34
6	CAPITALAND RETAIL CHINA TRUST	83.2	15	98.2	96.2	4
7	CROMWELL EUROPEAN REIT	84.4	11	95.4	71.3	36
8	ASCENDAS REAL ESTATE INV TRUST	87.4	7	94.4	88.4	8
9	MANULIFE US REIT	79.8	14	93.8	74.7	33
10	OUE COMMERCIAL REIT	71.9	21	92.9	70.8	37

**Annex 3**

**Graph 1: SGTI General Category mean scores trend (2009 – 2020)**

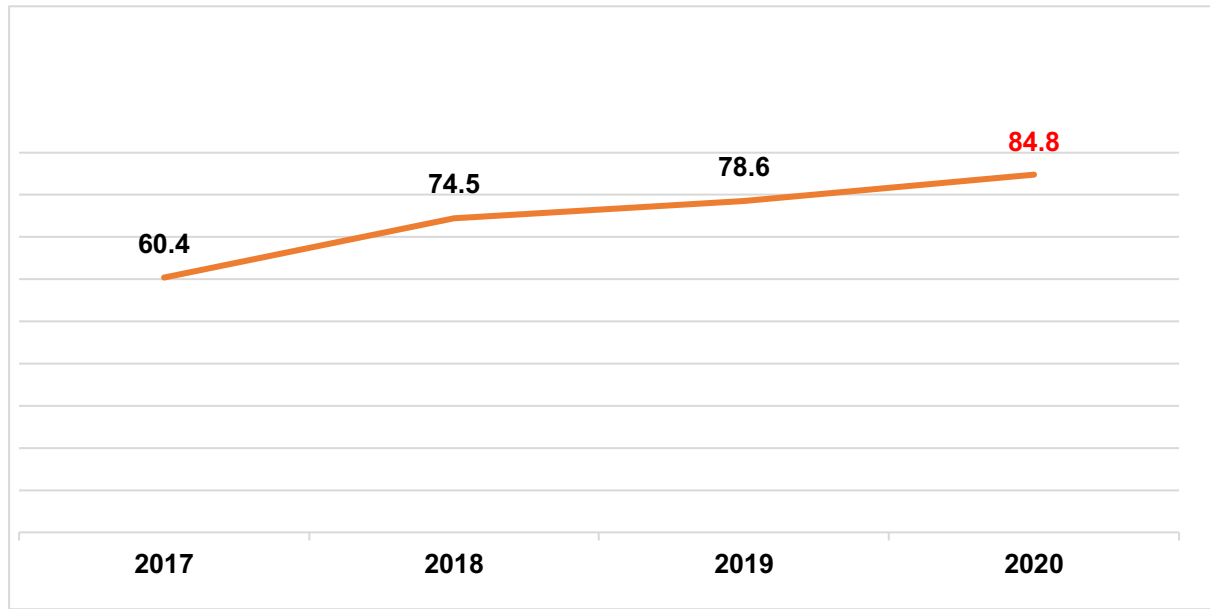


**Table 1: Comparison of SGTI General Category 2019 and 2020 overall scores**

SGTI2020				SGTI2019			
Base SGTI 2020 Score	Bonus	Penalty	Overall SGTI 2020 Score	Base SGTI 2019 Score	Bonus	Penalty	Overall SGTI 2019 Score
64.8	11.6	8.4	<b>67.9</b>	61.6	8.6	10.8	<b>59.3</b>

**Annex 4**

**Graph 1: SGTI REIT and Business Trust Category mean scores trend (2017 – 2020)**



**Table 1: Comparison of SGTI REIT and Business Trust Category 2019 and 2020 overall scores**

2020				2019			
Base SGTI 2020 Score	Bonus	Penalty	Overall SGTI 2020 Score	Base SGTI 2019 Score	Bonus	Penalty	Overall SGTI 2019 Score
72.6	17.2	5.0	<b>84.8</b>	69.8	14.0	5.2	<b>78.6</b>