Securities Investors Association (Singapore)

UNDERSTANDING ANNUAL REPORTS

A Guide to Prepare Retail Investors for Annual General Meetings

Prepared by RSM Ethos Pte Ltd in collaboration with SIAS

January 2014

Disclaimer

This guide aims to provide basic and practical guidance for retail investors when they read annual reports issued by companies listed on the Singapore Exchange. It does not constitute any advice and is provided for the user's information only. This guide is not exhaustive and investors should exercise their own judgement on the manner and extent to which the guidance would be applicable to them.

While efforts have been made in the preparation of this guide, we make no warranty as to the accuracy or completeness of information contained in this guide and accept no responsibility for any errors or omissions. We reserve the right to make changes to this guide from time to time, as and when necessary or appropriate.

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INTRODUCTION

An annual report provides investors with a review of the company's business activities and financial performance throughout the preceding year.

Context of this Guide

This Guide aims to provide general information and basic guidance for retail investors when they read the annual reports of companies listed on the Singapore Exchange ("**SGX**"). Investors may want to strengthen their understanding of companies in specific sectors (such as construction, finance or mining) through further readings or courses.

Why is it important to read the annual report?

An annual report is a public document released by a public-listed company after the end of every financial year. It provides investors with a comprehensive review of the business activities and financial performance of the company in the preceding financial year.

It is important for investors to be able to read annual reports effectively, assess the company's performance and respond in an informed way. Investors should know how to read between the lines and piece the information together to form their own views on the progress and outlook of the company.

Investors are encouraged to attend general meetings organised by the company and communicate their views on various matters affecting the performance of the company. Reading annual reports prior to general meetings will help investors to participate more effectively at such meetings and raise pertinent questions to facilitate their assessment of the company in which they have invested. Investors should take the opportunity to raise key issues or seek clarifications directly with the board of directors and senior management.

Where can I find the annual report?

Annual reports can be downloaded from the SGX website (www.sgx.com). Prior to the annual general meetings ("**AGM**"), shareholders of the company will receive a copy of the annual report, either in printed form or CD-ROM, by post.

What are the other sources of information available?

An annual report is primarily a review of the past year's performance. Investors are encouraged to be more proactive and keep themselves regularly updated on recent developments by reading announcements made by the company on the SGX website. Some companies also provide regular updates on their websites.

The SGX website is one of the most important sources of information. Listed companies are obligated under the Listing Rules[1] to release all announcements that will be published on the SGX website, unless specified otherwise. SGX's disclosure requirements are accorded statutory backing under section 203 of the Securities and Futures Act, which creates a statutory obligation for an issuer (i.e. the company) and others to comply with SGX's continuing disclosure requirements.

Interim and Full Year Results Announcements

Besides the annual reports, investors will be able to obtain more timely updates on the company's progress from the interim and full year results announcements on SGXNET. The companies are required to include discussions on any significant factors that affected their financial performance and/or financial position for the relevant financial period under review. They must also include a commentary of the competitive conditions of the industry in which they operate and known factors or events that may affect the company in the next reporting period and the next 12 months.

Announcements on Price-Sensitive Information

There are also certain events, such as a joint venture, merger or acquisition, the acquisition or loss of a significant contract, and significant litigation, which are likely to require immediate disclosure[2]. These events are likely to affect the share price of the company and the shareholders' investments in the company.

Others

Other documents and resources are also available online to enhance overall understanding of the company. Besides financial information over the past 3 years, the IPO prospectuses or offer documents also provide other useful information such as a comprehensive discussion on the risks relating to the business and industry in which the company operates. Some companies also include an independent market research report.

Some companies hold analyst and media briefings, as well as media interviews where the management provides deeper insights into the business, strategies and future plans. Investors may also download the presentation materials from the SGX website (announcements made by the company).

[1] Chapter 7 of the Listing Manual
[2] Rule 703 and Appendix 7.1 (Corporate Disclosure Policy) of the Listing Manual.

KEY SECTIONS IN AN ANNUAL REPORT

"The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries..."[3]

An annual report typically contains the following key sections:

Chairman's Message	Similar to an executive summary. It typically includes a concise discussion on how well the company performed compared with the previous year, the significant events that happened, challenges faced, strategies executed to overcome the challenges, and notable achievements attained. It should also include the outlook, prospects for the company in the year ahead, and strategies to grow the business.
Board of Directors and Key Management Team	Introduction to the board of directors and key officers, including their qualifications and working experience, their current directorships, and disclosures of any relationships with other directors, key officers, or substantial shareholders.
Operating and Financial Review (OFR)	The operating review provides a concise analysis of the overall performance of the company as well as the respective business or geographical segments for the past financial year. It should also include a discussion on the dynamics and risk factors of the business. The financial review explains the key matters that affected the financial performance and position of the company. Most companies will also include some financial and operating ratios.

[3] Rule 1207 of the Listing Manual

Corporate Governance Report	Disclosure of the company's corporate governance policies and practices, with reference to the Code of Corporate Governance (the "**Code**")[4]. Compliance with the Code is not mandatory but listed companies are required under the Listing Rules to disclose their corporate governance practices and provide explanations for any deviations from the Code in their annual reports.
Directors' Report	Includes mandatory disclosures such as directors' interests in shares or debentures.
Independent Auditor's Report	Contains the audit opinion, the audited financial statements, and the notes to the financial statements.
Statistics of Shareholding	Information such as a distribution schedule of each class of equity securities (other than share options), names of substantial shareholders and a breakdown of their direct and deemed interests, as well as names of the 20 largest holders and the numbers held.

[4] The revised Code of Corporate Governance was issued by MAS in May 2012.

BUSINESS PERFORMANCE

The operating and financial review ("**OFR**") in an annual report is where the management discusses and analyses the company's performance.

What is the OFR and why is it important?

Companies listed on the SGX are required under the Listing Rules to include a discussion of their operating and financial performance and business outlook[5]. They are encouraged to follow the "Guide for Operating and Financial Review"[6] that provides best practice guidance on preparation of the OFR in their annual reports.

Reading the OFR should facilitate investors' assessment of the company's performance. It should also provide highlights of the operations and the future direction of the company, and focus on matters of significance to the company.

This section usually contains graphs and tables that show trends over the past few years. Most companies will include some financial ratios to benchmark against past performance. However, investors should be conscious of the limitations of financial ratios and seek to understand how the ratios are derived, as well as the relevance to the company that they are assessing.

What should investors look out for?

The OFR usually provides a concise discussion and analysis of business operations and financial performance, and should be read in conjunction with the audited financial statements.

When reviewing the OFR, investors may use the following list of questions as guidance to seek a better understanding of how the company performed in the relevant financial year. Investors are encouraged to strengthen their understanding of the company that they are assessing through additional readings and courses.

[5] Rule 1207(4) of the Listing Manual

[6] Practice Note 7.4 Guide for Operating and Financial Review

Questions	Notes
(A) <u>Company Overview</u> • What is the company's core business? • Which are the key segments? • Who are the major customers? • Where are the principal markets? • Which industry does it operate in?	• In most cases, the listed company is the holding company of a group of operating subsidiaries, and/or associated companies. Investors should seek to understand the group business of the listed company as a whole and each of its principal subsidiaries.
(B) <u>Overall Performance</u> • How did the company perform in the preceding year? • What are the principal drivers of performance?	• See next section on "Financial Performance". • Most companies provide some key ratios to facilitate assessment of the current year's performance, compared with prior years.
(C) <u>Segmental Breakdown</u> • Which are the key segments? • Did the sales and earnings of the key segments improve or deteriorate? • What is the explanation provided by the management for any deterioration?	• See next section on "Financial Performance". • Segmental results can also be found in the notes to the financial statements.
(D) <u>Strategic Outlook</u> • What is the strategic direction? • What are the broad strategies? • How does the management plan to execute the business strategies? • Has the management been consistent with the strategic plan?	• Investors may refer to the past results announcements and/or company presentations to find out what plans were previously announced by the company.
(E) <u>Risk Management</u> • What are the risk factors that may affect the performance of the company? • How does the management plan to mitigate the risks?	

FINANCIAL PERFORMANCE

An audit performed by the independent auditor adds credibility to the financial statements prepared by the company, and gives reasonable assurance that the financial statements are free from material misstatements.

What are audited financial statements?

Under the Listing Rules, the company must appoint a suitable auditing firm to meet its audit obligations[7]. In addition, companies with a primary listing on the SGX are required to prepare their financial statements in accordance with Singapore Financial Reporting Standards ("**FRS**"), or International Financial Reporting Standards ("**IFRS**"), or US Generally Accepted Accounting Principles ("**US GAAP**")[8].

Generally, the auditing firm issues the auditor's report, which contains an audit opinion, stating, among other matters, whether the accounts comply with the acceptable accounting standards and give a true and fair view of the matters required by section 201 of the Companies Act. The audit opinion gives an indication of the quality of the financial statements filed by the company.

The audited financial statements include:

- Statements of Profit or Loss and Other Comprehensive Income;
- Statements of Financial Position (or "Balance Sheets");
- Statements of Changes in Equity; and
- Statements of Cash Flows

It is important for investors to read the accompanying notes to the financial statements as they contain crucial information, such as accounting policies applied by the company and information that may have material impact on the earnings and returns investors can expect from their investments in the company.

What does the audit opinion mean?

The independent auditing firm evaluates the financial statements and expresses an opinion on whether the company presented a "true and fair" view of its financial performance and position, based on the independent audit.

Investors should check to see if the independent auditors give an unqualified opinion. In certain cases, the independent auditors may issue an emphasis of matter, without qualifying their opinions. The matter is disclosed in greater detail in the notes to the financial statements and investors should pay special attention to such matters that may affect their investment in the company. The different types of audit opinions and their respective explanations are shown below:

[7] Rule 712(1) of the Listing Manual on Appointment of Auditors

[8] Rule 220 of the Listing Manual on Accounting Standards

	Types of Audit Opinions	Explanation
(1)	Unqualified Opinion	The auditor "concludes that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework."
(2)	Emphasis of matter ("**EOM**")	This is to "highlight a matter affecting the financial statements which is included in a note to the financial statements that more extensively discusses the matter. The addition of such an emphasis of matter paragraph does not affect the auditor's opinion."
(3)	Qualified Opinion (with or without EOM)	This is expressed when the "auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management, or limitation on scope, is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion."
(4)	Disclaimer of Opinion (with or without EOM)	It is expressed when the "possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence and accordingly is unable to express an opinion on the financial statements."
(5)	Adverse Opinion (with or without EOM)	It is expressed when the "effect of a disagreement is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements."

Source: ACRA, SSA 700 "The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements" and SSA 701 "Modifications to the Independent Auditor's Report"

What does the "Going Concern Assumption" mean?

Investors may find an audit opinion that contains an emphasis of matter on going concern. A going concern assumption is an accounting guideline that assumes a company will continue to operate in the foreseeable future. It is assumed to be able to meet its obligations as and when they fall due over the next 12 months. This is typical in certain circumstances, such as when the company incurred a net loss for the year, had a negative working capital, and/or had a negative net operating cash flow.

Investors should find out how the company is addressing this issue, whether it intends to raise funds and how it plans to do so. This is particularly important in situations where the company may have breached the covenants in its financing documents, which will have a material adverse impact on the company. Investors are advised to monitor the situation closely and keep themselves updated on the matter by checking the announcements made by the company on the SGX website.

How should investors analyse financial statements?

The financial statements should tell a story that is consistent with what the management has communicated to the investors. When reviewing the financial statements, investors should identify trends that are revealed over time, and relate the trends to the management's discussion on business performance in other sections of the annual report.

Investors should note that different sectors, such as real estate or oil & gas, may have very different risk profiles. This may require them to assess differently and ask specific questions that are more relevant to the respective sectors.

The following table lists some basic questions to ask when reviewing the financial statements:

Questions	Notes
(A) <u>Profit and Loss</u> • Did the sales and earnings improve or deteriorate? • Is the improvement or deterioration expected to be recurring in nature? • Has the company been able to maintain or improve the profit margins? • Which are the key expense items? Has the company been able to maintain such expenses in line with the business activities? • Were there any significant increases in expenses, and are they expected to be recurring in nature?	• Prior to publishing the annual report, the company is required to release its interim results announcements on the SGX website. Investors should keep themselves updated in a timely manner by reviewing the results announcements between financial years. • Investors should identify and evaluate the bottom line after adjusting for the non-recurring gains or losses that distort the profit figures.
(B) <u>Balance Sheet</u> • Has the balance sheet strengthened over the years?	

Questions	Notes
• Did the company record a positive working capital?	• Working capital is the excess of current assets over current liabilities. • Investors may also look at net cash generated from operating activities in the cash flow statement.
• How much cash did the company have? Did the management explain what they plan to do with excess cash, if applicable? Or how do they plan to raise funds, if applicable?	
• How much debt did it have? Is the gearing too high?	• Generally, it is considered riskier if the company has high short-term debt compared with cash flow. Investors should benchmark against competitors' ratios.
(C) <u>Cash Flow</u>	
• Is the business generating a healthy operating cash flow?	• Check the financial strength by calculating how many times the operating cash flow is over earnings. • Companies with strong growth in operating cash flows show strength and profitability, and are more likely to pay out dividends to shareholders.
• Is it possible to report profits and negative operating cash flow at the same time?	• Such situations can happen if, for example, the company recognised a large amount of sales, but was unable to collect the cash before the end of the financial year.

Questions	Notes
• Did the company incur higher capital expenditure? • Did it dispose of any non-current assets?	• Examples of cash inflows: proceeds from disposal of property, plant and equipment, and interest received. • Examples of cash outflows: purchase of property, plant and equipment, and purchase of financial assets.
• Is the net cash flow from financing activities positive or negative? • How often does the company raise capital? How much is raised each time? What are the intended uses of the funds raised?	• Examples of cash inflows: increase in loan, and raised funds through corporate exercises such as rights issue or share placements. • Examples of cash outflows: paying of dividends to shareholders, and paying off long-term debt.

Investors may also use ratio analysis to benchmark the company's performance. Other than the profit margins, earnings per share (EPS) and book value per share, investors should also calculate and understand some common ratios, such as return on assets (ROA), return on equity (ROE), and net gearing ratio. In addition, they should see how the company benchmarks against its industry peers.

Analysing the cash flow statement is also an important exercise which is often overlooked. It shows how the company used its cash and the sources of cash, and how each of the investing and financing activity affect its overall cash position.

Why is it important to read the "Notes to the Financial Statements"?

The accompanying notes to the financial statements are as important and informative as the financial statements. This section contains important disclosures, such as significant accounting policies that explain the basis used to prepare the financial statements, segment information, related party transactions, commitments, contingent liabilities, events after the balance sheet date and other pertinent disclosures that are not stated in the financial statements.

CORPORATE GOVERNANCE

Good corporate governance builds trust in the company and enhances long-term value for the shareholders.

What is corporate governance?

To put it simply, corporate governance is about how the board of directors oversees the way business is run by the management, and how the directors are in turn accountable to the shareholders and the company. It refers to the processes and structure in which the business and affairs of the company are directed and managed. It is relevant to all organisations that believe in enhancing long-term shareholder value. Good corporate governance embodies both enterprise performance and accountability (conformance).

In Singapore, there are provisions in the Companies Act that guide companies towards adopting proper corporate governance. Non-compliance with such provisions may result in civil and criminal liability.

In addition, MAS issued the revised Code of Corporate Governance (the "**Code**") in May 2012 that sets out the principles and guidelines on disclosure of corporate governance practices. Compliance with the Code is not mandatory but all companies listed on the SGX are required under the Listing Rules to disclose their corporate governance practices and provide explanations for any deviations from the Code in their annual reports[9].

Why is corporate governance important?

Poor corporate governance undermines the integrity of the capital markets and adds barriers to investment. With the widely publicised corporate scandals and frauds both in Singapore and other parts of the world, investors are demanding higher corporate governance standards in the companies they invest in.

Companies that are perceived to have good corporate governance standards generally give investors a higher level of confidence. Good corporate governance practices lead to better transparency and disclosure, and increase accountability to shareholders.

What should investors look out for?

First and foremost, investors should recognise that many companies listed in Singapore are owned or influenced by the founder or individuals linked by family ties. They usually hold a majority stake in the company and have significant control in the organisation. Such concentration of ownership means they will have major influence over matters that require approval from shareholders, such as the election of directors or other significant corporate transactions.

[9] Rule 710 of the Listing Manual

In such family-controlled companies, the founder and family members typically hold key executive positions with decision-making powers. While the need for better governance is important for the family-controlled companies, checks and balances can cost more money and affect efficiency. Hence, a balance needs to be found.

Investors should know the company's corporate governance practices and determine if they are satisfied with the explanation for any deviation from the Code.

Questions	Notes
(A) Board Composition	
• Do the independent directors make up at least one-third of the board?	• The requirement for independent directors to make up at least half of the boards in specified circumstances stated in the Code Guideline 2.2 should be made at the AGMs following the end of financial years commencing on or after 1 May 2016.
• Who is considered as "independent"? • How long has each of the independent directors served on the board?	• The Code Guideline 2.3 defines an "independent" director as "one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company."
• Who is the chairman or the chief executive officer ("**CEO**")?	• It is not uncommon in family-controlled companies to appoint the founder or a family member as both the chairman and CEO. In such circumstances, the Code Guideline 3.3 requires a lead independent director to be appointed.

Questions	Notes
• What is the background of each director, particularly that of the independent directors? • Do they provide an appropriate balance and diversity of skills, experience, gender and knowledge of the company? • Do the new and existing directors receive regular and adequate training?	• The Code Guideline 2.6 states that "the board and its board committees should provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge".
(B) <u>Board Committees</u>	
• What are the terms of reference and composition of each board committee?	• The board normally forms 3 board committees to assist in the execution of its responsibilities, namely: 1. the audit committee (AC); 2. the remuneration committee (RC); and 3. the nominating committee (NC)
• Regarding directors who have multiple board representations on other listed companies, is the NC satisfied that these directors are giving sufficient time and attention to the affairs of the company?	• In the annual report, the board should also disclose the maximum number of listed company board representations that any director may hold.
• What is the level and mix of each individual director's remuneration?	• The Code Guideline 9.2 states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis. • In many cases, the board will choose to maintain confidentiality of the company's remuneration policies and not fully disclose the remuneration of each director and the key management personnel.

Questions	Notes
• Who is the AC chairman? • Are all the AC members independent? • Do they have recent and relevant accounting or related financial management expertise or experience? • How often does the AC meet the external auditors?	• It is usually the AC that meets the external auditors and has the duty to review significant financial reporting issues and judgements so as to ensure the integrity of the company's financial statements and any announcements relating to the company's financial performance (Guideline 12.4 of the Code).
• Does the company engage the external auditors for other non-audit services? • What is the aggregate amount of fees paid to them, with a breakdown into audit and non-audit services?	• Under the Listing Rules, the AC is required to confirm that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the AC's opinion, affect the independence of the auditors.[10]

Investors are encouraged to refer to the Code of Corporate Governance for the full details of relevant principles and guidelines. The Code can be downloaded from the MAS or SGX websites.

[10] Rule 1207(6) of the Listing Manual

RISK MANAGEMENT

Effective risk management is becoming increasingly important in enabling the company to take the right risks and proactively manage them.

What is risk management and why is it important?

Risk management involves reviewing all aspects of the business operations that may face challenges. It is the entire process of identifying, evaluating, controlling and reviewing risks, to make sure that the organisation is exposed to only those risks that it needs to take to achieve its primary objectives. Effective risk management takes a holistic approach to manage the business, operational and financial risks.

The global events in recent years have increased awareness and heightened concern over risk management. Companies are expected to have sound risk management practices and a robust system of internal controls to protect and enhance shareholder value.

Who is responsible for risk management?

The board is responsible for the governance of risk, and should ensure that "the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the board is willing to take in achieving its strategic objectives"[11].

If appropriate, the board may form a separate risk committee to oversee the company's risk management framework and policies, or engage an external risk management consultant to assist in carrying out its responsibility.

Companies are required under the Listing Rules to disclose in their annual reports "prospectus-type information relating to risk management policies and processes"[12]. The board is also required to provide an opinion, with the concurrence of the audit committee, on the adequacy of internal controls in addressing financial, operational and compliance risks[13].

[11] Principle 11 of the Code
[12] Rule 1207(4) of the Listing Manual
[13] Rule 1207(10) of the Listing Manual

What are the key risk areas?

The extent and degree to which a company sets its internal controls should be commensurate with its risk profile. Some examples of the key risk areas are as follows:

Financial Risks

- Accounting and reporting (e.g. accounting, reporting, internal controls)
- Market (e.g. interest rate, currency)
- Liquidity and credit (e.g. cash management, hedging)
- Tax (e.g. tax strategy and planning, indirect taxes, transfer pricing)
- Capital structure (e.g. debt, equity, options)

Compliance Risks

- Governance (e.g. board, tone at the top)
- Regulatory (e.g. labour, safety, trade/customs)
- Legal (e.g. contracts, intellectual property)
- Code of conduct (e.g. ethics, fraud)

Operational Risks

- Information technology (e.g. IT management, security, availability)
- Physical assets (e.g. real estate, property, plant and equipment)
- Sales and marketing (e.g. advertising, pricing, customer support)
- People (e.g. recruiting, retention, talent development)
- Research and development (e.g. market research, product design and development, product testing)
- Supply chain (e.g. planning, inventory, distribution)
- Hazards (e.g. natural events, terrorist acts)

STATISTICS OF SHAREHOLDINGS

The companies may trade under low volume if the majority of the shares are held by a small group of shareholders, and this may have an impact on the share price.

Who are considered "substantial shareholders"?

Companies are required to disclose the names of the substantial shareholders and a breakdown of their direct and deemed interests[14]. A substantial shareholder is a person who holds directly or indirectly 5% or more of the total share capital in the company. In family-controlled companies, the substantial shareholders are usually the founder and his family members or entities controlled by them.

What does "Free Float" or "Public Float" mean?

Companies are required under the Listing Rules to maintain at least 10%[15] of the issued share capital in the hands of the public, also known as the "free float" or "public float". Free float (or public float), which is normally expressed in percentage, refers to the portion of the issued share capital of the company that is held by the public. "Public" are persons other than directors, the CEO, substantial shareholders, or controlling shareholders of the listed company or its subsidiary companies, and their associates.

What should investors look out for?

From this section, investors can see if the majority of the shares are held by a small group of shareholders, or the founder and/or his family members. In such circumstances, they will have a significant influence in the business operations and the strategic direction of the company.

The free float also tells investors how many shares (i.e. the volume) are actually available to be bought and sold by the general investing public, which may have an impact on the volatility of the share price.

[14] Rule 1207(9)(c) of the Listing Manual

[15] Pursuant to Rule 723 of the Listing Manual, "[a]n issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public."

ABOUT SIAS

Securities Investors Association (Singapore) or SIAS, a non-profit organization, was founded unexpectedly in June 1999, to champion the CLOB issue. 172,000 retail investors were suddenly stranded when the Malaysian Government froze their investments on Malaysian stocks in September 1998, amounting to US$5 billion. A group of civic-minded citizens lead by Mr David Gerald got together and took on the challenge to help free the frozen shares with an initial backing by 49,880 retail investors as members. Their resoluteness and unity helped to resolve the issue on our terms.

Today, SIAS is the largest organized investor lobby group in Asia, with almost 70,000 retail investors as members. It is run by a Management Committee comprising of professionals who are volunteers. It actively promotes Investor Education, Corporate Governance and Transparency and is the watchdog for Investor rights in Singapore. To-date, SIAS has successfully organized some 600 investor education programmes ranging from basic investment seminars for novices to certificate courses for investment savvy investors. Thus far, more than 70,000 retail investors have benefited from these programmes. which are offered largely free. Members are educated on the features of investment products, and the attendant risks involved in each product. Investors are taught to make informed decision on investing.

Today, SIAS is the voice for minority shareholders and has already locked horns with corporations falling short of good Corporate Governance practices. However, its preferred approach to resolve investors' right issues is to do so in the boardroom and not in the courtroom. Many SIAS members have sought protection also from errant traders. SIAS conducts dispute resolution sessions regularly to assist members to resolve issues.

SIAS also works with Public Listed Companies to reach out to retail investors through its corporate communication programme to enable investors to determine the fundamentals of a company and take a long-term view of the company for investment.

SIAS is able to provide a variety of investor education programmes to its members and the investing community at large through collaborative arrangements with financial institutions and listed companies interested in investor education as part of its corporate social responsibility agenda.

About RSM Ethos Pte Ltd

RSM Ethos Pte Ltd (RSME) is the corporate risk advisory division of the Chio Lim Stone Forest group, the largest accounting and advisory group outside the Big 4 in Singapore. The combined expertise of 35 professionals catapults RSME to be ranked among the top Governance, Risk and Consulting firms in Singapore. Anchored by a management team of 6 with direct experience averaging 20 years, the firm is well-poised to be the premier Governance, Risk and Consulting firm in the region.

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