

IRPAS to push for better IR at Singapore-listed firms

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Shareholder communication becoming increasingly important for success of Singaporean firms, finds association survey

A survey of companies listed on Singapore Stock Exchange (SGX) finds investor relations functions are becoming increasingly central to their success, though the resources put into the practice vary between cap sizes.

The Investor Relations Professionals Association (Singapore), or IRPAS, which conducted the survey, says that in light of its findings it will push for generally better IR practices among businesses.

According to the survey, 69 percent of IROs in Singapore consistently attend meetings with upper management, which IRPAS claims reflects the growing importance of the profession. At the same time, however, the survey shows a disparity between how seriously companies of different cap sizes consider the role: though 94 percent of large or mid-cap firms in the country have a dedicated IRO or team of IROs, only 32 percent of small-cap companies have the same.

'Small-cap companies do not have the resources – usually they say because their funds are limited, and they do not want to spend money on the type of communication efforts the large and mid-cap companies are able to embark on,' says David Gerald, president of the Securities Investors Association (Singapore).

He explains that most companies on SGX do not even have a corporate website, so they have no capability for online investor relations content or function.

Harold Woo, who serves as president of IRPAS and senior vice president of IR at CapitaLand, says IRPAS and SGX will be doing more to encourage businesses to adopt better practices. 'We can help to raise awareness and we will continue to speak with authorities here,' he says. 'I propose to work with SGX and some of the sponsors, particularly of Catalist companies. They tend to be the small-cap companies that are mostly entrepreneurially driven or family-owned.'

'I think if they can see the strategic value of good IR practices to attain fair valuation of their company, it will also help them grow their company as and when they want to come back to the equity market to grow and raise equity to fund their operations.'

The survey questioned 91 companies listed on SGX, and was conducted in association with the Singapore Management University and supported by the exchange operators.