

Singapore Exchange Regulation's Guidelines on Forward Guidance

On 16 January 2026, Singapore Exchange Regulation ("**SGX RegCo**") published a Regulator's Column on "Forward Guidance - Why It Matters and How to Get It Right" which sets out key points about forward guidance that issuers should note:

- a. Issuers are responsible for the accuracy and integrity of the forward guidance.
- b. Issuers are not expected to meet their projections with absolute certainty.
- c. SGX RegCo will adopt a sensible approach in reviewing compliance with the Listing Rules.

Issuers are responsible for the accuracy and integrity of the forward guidance

The key lies in ensuring that the forward guidance is:

1. carefully prepared;
2. based on credible methodologies and assumptions; and
3. realistic and defensible, in line with the principles set out in the Listing Rules.

Offering a range rather than single-point estimates is acceptable when it is reflective of the inherent uncertainties. If an issuer is not confident to provide quantitative forward guidance, it would still be helpful to give forward-looking disclosures in narrative form around the companies' strategies or intended activities.

Forward guidance does not require audit confirmation save for specific circumstances under the Listing Rules. It is essential that the issuer follows the practical guidelines above and the Board stands by the issuer's forward guidance.

Issuers are not expected to meet their projections with absolute certainty

Forward guidance, by its nature, relates to an uncertain future and therefore does not require instant updates for every change. As such, issuers need only announce material events (such as winning or losing a major contract) or the existence of significant deviations between projections and actual results, and whether the forward guidance can still be relied on. The issuer need only provide the magnitude of the deviation, as well as updates to forward guidance for future periods, in the upcoming financial report or business update.

Issuers may also choose to pause or stop providing forward guidance if they are of the view that conditions are too uncertain for guidance to be meaningful and disclose the reasons for doing so.

SGX RegCo will adopt a sensible approach in reviewing compliance with the Listing Rules

Forward-looking disclosures announced in good faith along with appropriate disclosures to enable investors to appreciate both the basis for the projections as well as the inherent uncertainties involved, should in the ordinary course of events not be subject to regulatory queries.

SGX RegCo continues to support disclosures that promote transparency and informed decision-making. Forward guidance provides a competitive edge and signals confidence plus builds credibility.

Conclusion

These clarifications signal SGX RegCo's support for issuers taking a more proactive approach in communicating their anticipated earnings and business strategies to investors. While issuers should exercise the usual prudence to ensure their forward guidance is reasonable and grounded, this should not discourage the provision of such guidance. Forward guidance can, and should, be used as leverage to demonstrate business visibility and boost investor confidence.

In view of the progressive change introduced by SGX RegCo, Boards and Chief Financial Officers should monitor the financial and business performance of the issuers more closely. If relevant, issuers should announce a forward guidance statement to signal to the market and provide an equal dissemination of price sensitive information. This adds to the disclosure toolkit for issuers and is a relatively familiar tool similar to the issuance of profit warnings when issuers expect a loss in the next financial announcement to be released.

Should you have any queries on this update or generally, please feel free to contact any one of the undersigned.

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