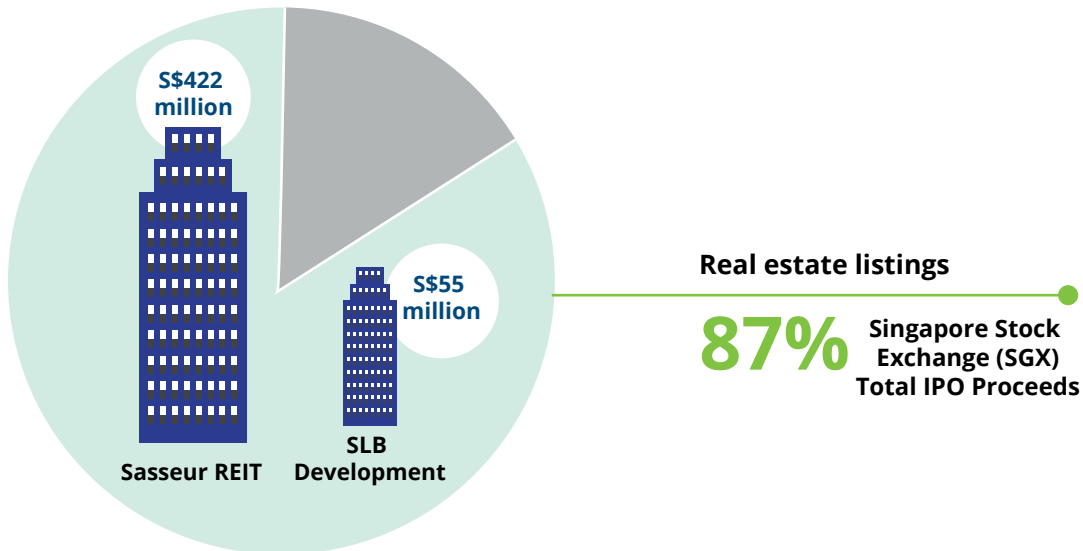




Singapore IPO market
2018 mid-year report

Key observations	03
Overview of Singapore IPOs in H1 2018	04
IPOs on the SGX in H1 2018	05
Upcoming IPOs on the SGX	06
Overview of Singapore IPOs: geographical analysis	07
Overview of Singapore IPOs: industry analysis	08
Singapore companies: SGX or HKEx?	10
SGX developments in H1 2018	11
Macro factors	11

Key observations



01. Real estate listings continue to be the main driver for IPOs on the Singapore Stock Exchange (SGX), with Sasseur REIT and SLB Development Ltd. raising **\$422 million** and **\$55 million** respectively in the first half of 2018, accounting for **87%** of total IPO proceeds on the SGX.

02. Foreign based assets have a dominant presence on the SGX, which is evidently a preferred international market for listing. In the past five years, foreign companies listed on the SGX from developed countries such as Australia, Europe, United States of America, Japan and in recent years, China, typically raised between **three to seven times more funds** when compared to Singapore counterparts.

03. The healthcare industry has been on a bullish trend. In the recent five years, healthcare IPOs have shown an increasing price earnings ratio on listing, and have delivered strong growth, of an average **24.5%** share price returns since their IPO.

04. In the first half of 2018, Singapore companies that sought listing on the Hong Kong Stock Exchange (HKEx) increased more than two-fold, from three (2017 H1) to seven (2018 H1). Singapore-based construction companies continue to show a preference for a listing on the HKEx, with **10 out of the 12** local domiciled construction companies choosing the HKEx in the past 5 years.



Overview of Singapore IPOs in H1 2018

Singapore saw 7 IPOs in the first half of 2018, with S\$548 million in proceeds raised with total market capitalisation of S\$1.98 billion. This compares to the 9 IPOs in the first half of 2017, which raised S\$464 million with market capitalisation of S\$2.14 billion.

Number of IPOs: H1 vs. H2 trend

	2011	2012	2013	2014	2015	2016	2017	2018
H1	11	7	10	9	3	7*	9	7
H2	10	15	17	20	10	9	11	?

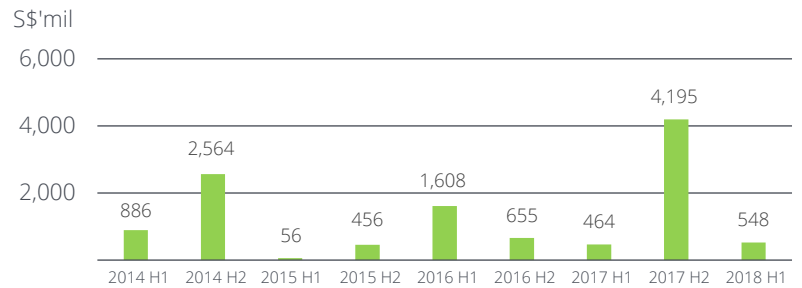
* Excludes secondary listing of Top Glove Corporation Bhd

SGX's domestic IPO activity and performance remains stable and strong in comparison to previous half-years' performance.

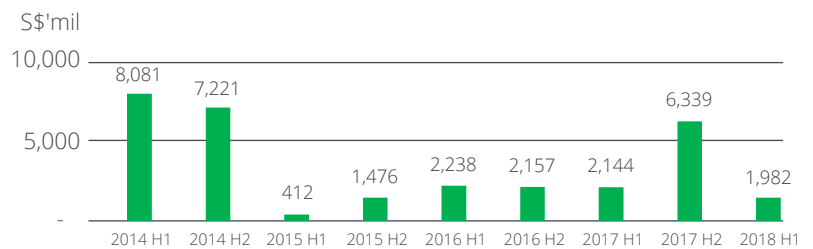
Looking at the key exchanges in the region, there have been a general year-on-year decrease in 2018 H1:

- The Shanghai Stock Exchange had 37 IPOs in 2018 H1 which raised RMB 64.8 billion, resulting in a 70% decline from the 120 IPOs which raised RMB 76.7 billion in 2017 H1, due to a fall in listing approvals.
- The Stock Exchange of Hong Kong saw a 8.6% fall in funds raised, despite seeing a 44.1% increase in the number of IPOs from 68 to 98.

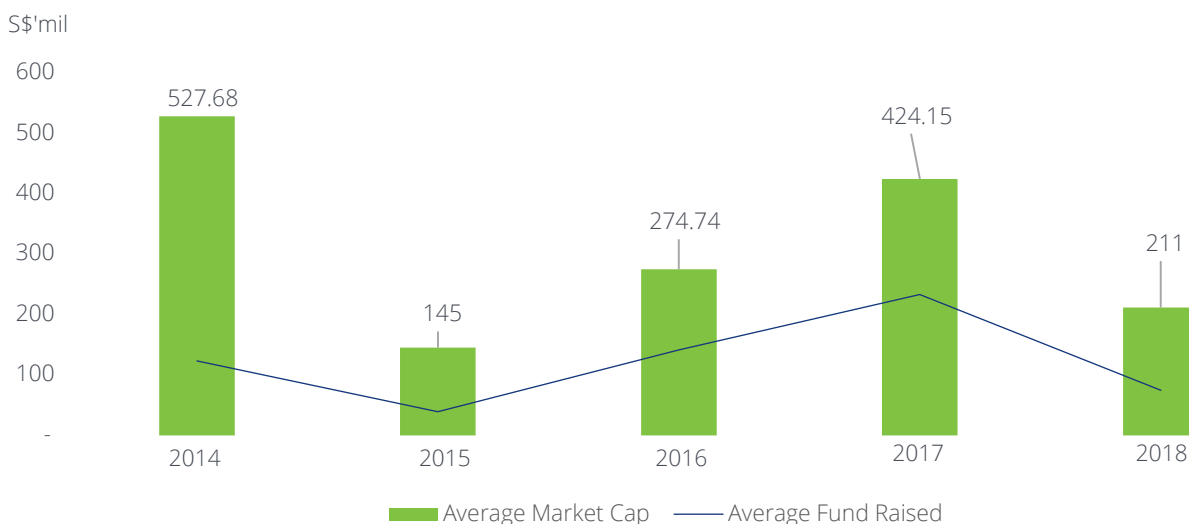
IPO amount raised from 2014 to 2018 H1



IPO Market Capitalisation from 2014 to 2018 H1



Average IPO market capitalisation and funds raised (2014 -2018 H1)



(Source: SGX)

IPOs on the SGX in H1 2018

With a Mainboard REIT and six Catalyst listings in the first half of 2018, the Singapore IPO market raised 18% more in IPO proceeds period-on-period.

#	Company	Listing platform	Date of listing	IPO amount raised (\$'m)	Price Earning ratio	IPO Market Cap (\$'m)	IPO Offer Price (\$)	Share price as at 30-Jun-2018 (\$)	Share Price % change	Industry	Country of operations
1	LY Corporation Limited	Catalist	31-Jan-18	19.72	8.76	127.18	0.26	0.25	-6%	Consumer Business	Malaysia
2	Ayondo Ltd	Catalist	26-Mar-18	21.00	N/A	130.69	0.26	0.093	-64%	Financial Services	Europe
3	Sasseur REIT	Mainboard	28-Mar-18	421.6	N/A	1,340.22	0.8	0.73	-9%	Real Estate	China
4	SLB Development Ltd.	Catalist	20-Apr-18	54.74	9.79	209.99	0.23	0.195	-15%	Real Estate	Singapore
5	Asian Healthcare Specialists Limited	Catalist	20-Apr-18	10.79	127.80	66.70	0.23	0.265	15%	Life Sciences and Health Care	Singapore
6	Hyphens Pharma International Limited	Catalist	18-May-18	15.60	10.40	78.00	0.26	0.22	-15%	Life Sciences and Health Care	Singapore
7	Jawala Inc.	Catalist	1-Jun-18	4.50	42.60	29.62	0.25	0.26	4%	Energy and Resources	Malaysia
Total				547.95		1,982.40			-12.8%		

(Source: SGX)

The largest IPO in 2018 H1

Top Performer Notwithstanding the decrease in general Singapore Trade Index (STI) amidst global trade tensions, Asian Healthcare Specialists Limited, a Company comprising of four clinics under The Orthopaedic Centre, specialising in a range of general and sub-specialised orthopaedic, trauma and sports services, have managed a commendable price returns of 15% since its listing in April 2018.

Worst Performer Ayondo is the Singapore's 1st listed fintech firm on the Singapore Stock Exchange (SGX). Ayondo offers social trading services and brokerage services to both business to consumer (B2C) and B2B (business to business) clients through two proprietary platforms: WeTrade and Tradehub. Traders can view one another's portfolios, trading performance, as well as share and follow one another's investment strategies on a real-time basis.

Upcoming IPOs on the SGX

The following details the IPO lodgements/registrations up to 30 June 2018 details below:

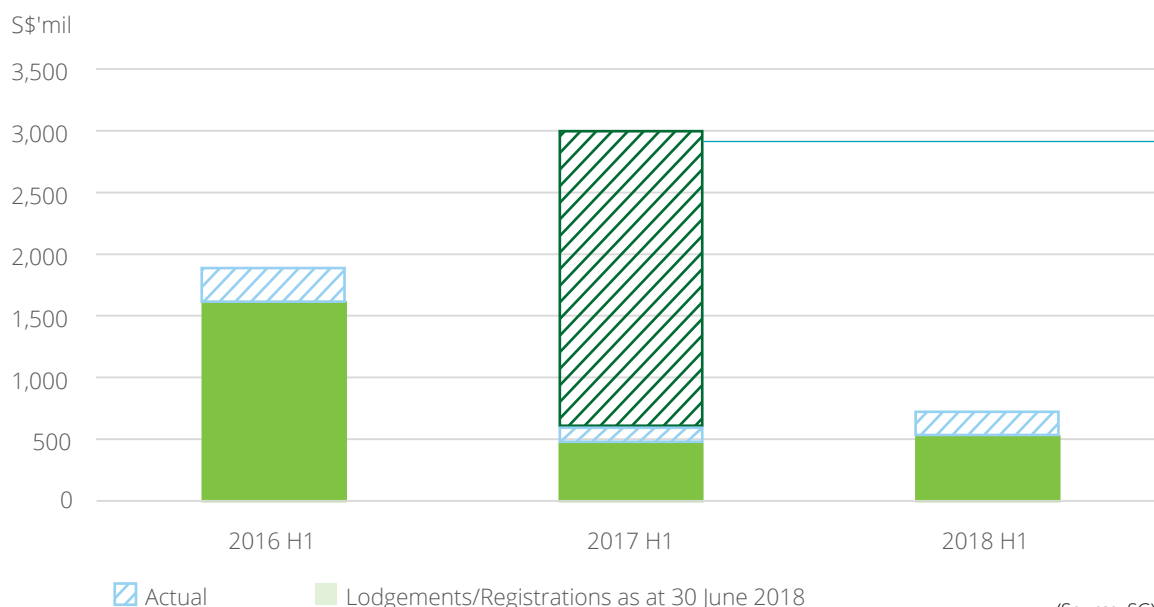
	Mainboard/ Catalyst	Lodgement/ Registration Date	Estimated Amount Raised (S\$'mil)
PropNex Limited	Mainboard	28-Jun-18 (Registration)	60
DLF Holdings Limited	Catalist	22-Jun-18	4
Synagie Corporation Ltd	Catalist	29-Jun-18	21 ¹
Koufu Group Limited	Mainboard	28-Jun-18	74

¹ Estimated using average amount raised for the six Catalist IPOs in 2018 H1.

(Source: SGX)

Following the successful listing of APAC Realty Limited in the prior year, with share price returns of 33% since IPO, PropNex was successfully listed on **2 July 2018**, raised \$60 million from the IPO, at a market capitalisation of S\$251 million.

Amount raised in 2016 H1, 2017 H1 and 2018 H1 (including lodgements/registrations)



Mainly due to the listing of Netlink NBN Trust which raised S\$2.45 billion in July 2017.

(Source: SGX)

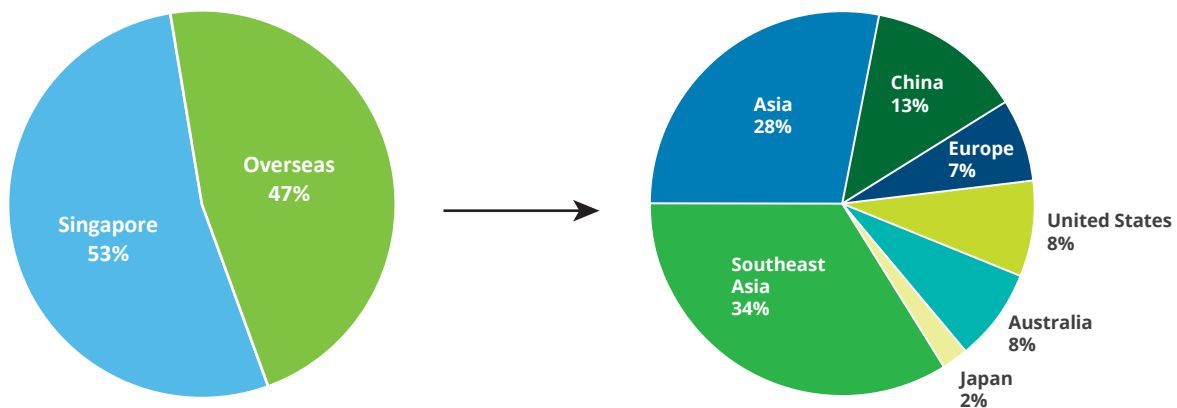
Overview of Singapore IPOs: geographical analysis

The SGX continues to be an attractive listing destination of choice for both Singapore companies and foreign companies. As a well-established capital market in Asia Pacific, SGX remains a preferred international exchange for listing. In the last five years, there were 45 Singapore companies and 40 foreign companies that listed on the SGX.

Between 2014 to 2018 H1, near 47% listing in SG are from overseas issuers:

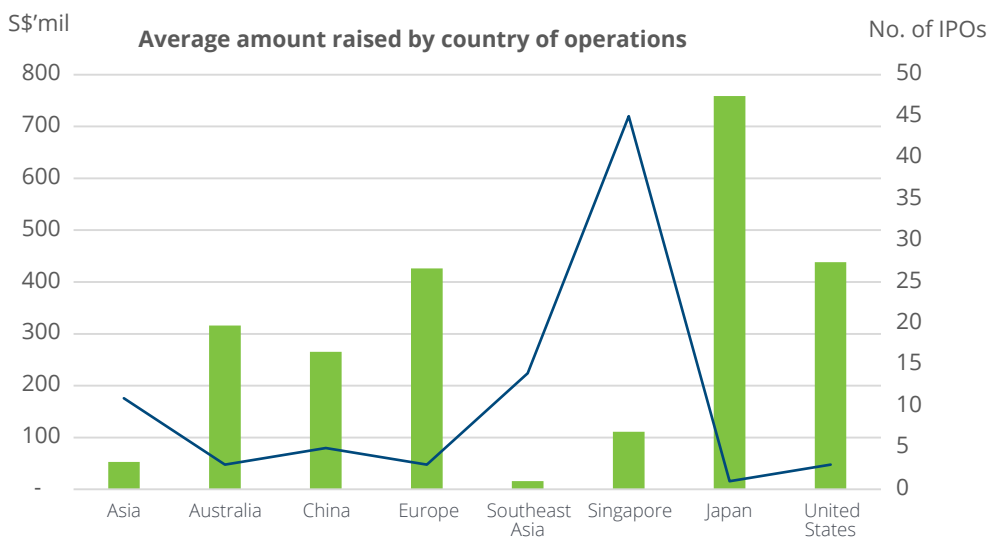
Country of operations of Singapore IPOs (2014 - 2018 H1)

Percentage of foreign issuers listing on SGX (2014 - 2018 H1)



(Source: SGX)

For the period from 2014 to 2018 H1, a total of S\$11.4 billion was raised on the SGX, of which 56% were from foreign domiciled companies:



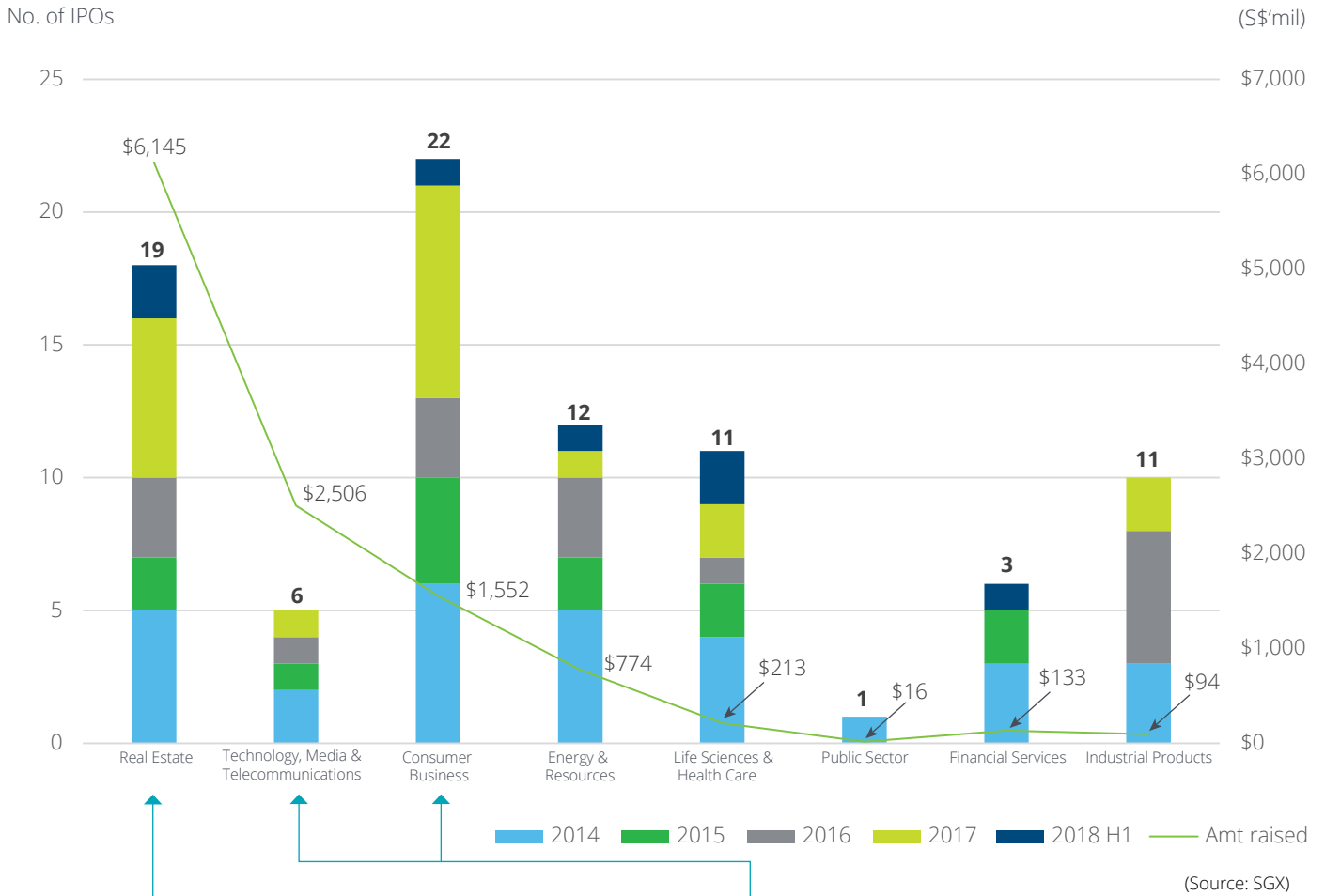
(Source: SGX)

— Average Amount Raised — Number of IPOs

Overseas issuers from developed countries such as Australia, Europe, Japan and USA raised between 3-7 times more funds per IPO listing than Singapore and Southeast Asia countries. This shows keen interest in investors of the SGX market to the increasing exposure to overseas companies, in particular, Deloitte noted that the bulk of the cross border offering on the SGX were from the real estate based industries.

Overview of Singapore IPOs: industry analysis

IPO amount raised - by industry (2014 - 2018 H1)



The **Real Estate** sector has been dominating Singapore's capital markets, having raised S\$6.1 billion which accounted 54% of the total IPO amount raised in the past five years.

In 2018 H1, this trend has been relatively consistent, with Real Estate accounting for 87% of the IPO amount raised.

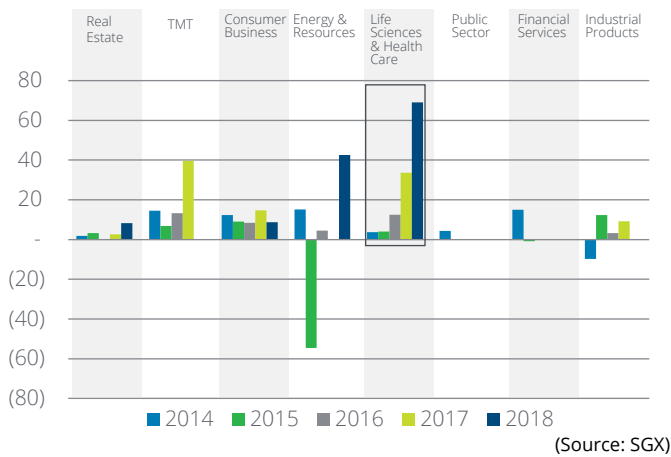
Technology, Media and Telecommunications and **Consumer Business** accounted for 22% and 14% of the total amount raised respectively.

IPO appetite is up among Healthcare firms, with at least 1 healthcare IPO every year since 2014, with all indicators out-performing the market.

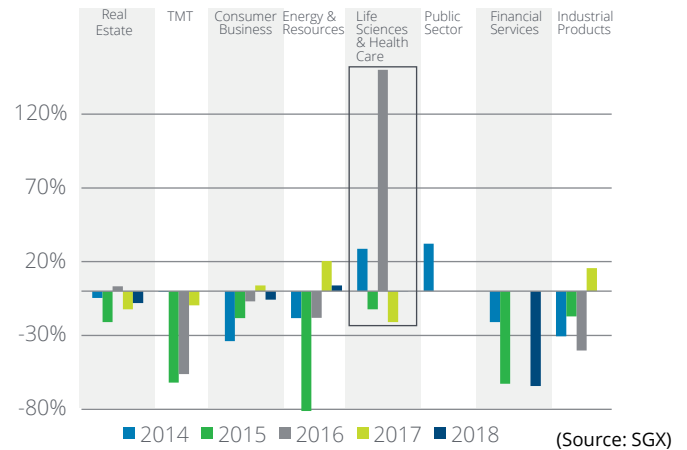
The Life Sciences and Healthcare sector appears to be the industry most highly valued by investors, with the highest average PE ratio at IPO at an average of 20.8 times.

Since listing, the Healthcare sector has shown strength, outperforming most other sectors in share price returns, including traditional ones such as Financial Services, Energy & Resources and Industrial Products.

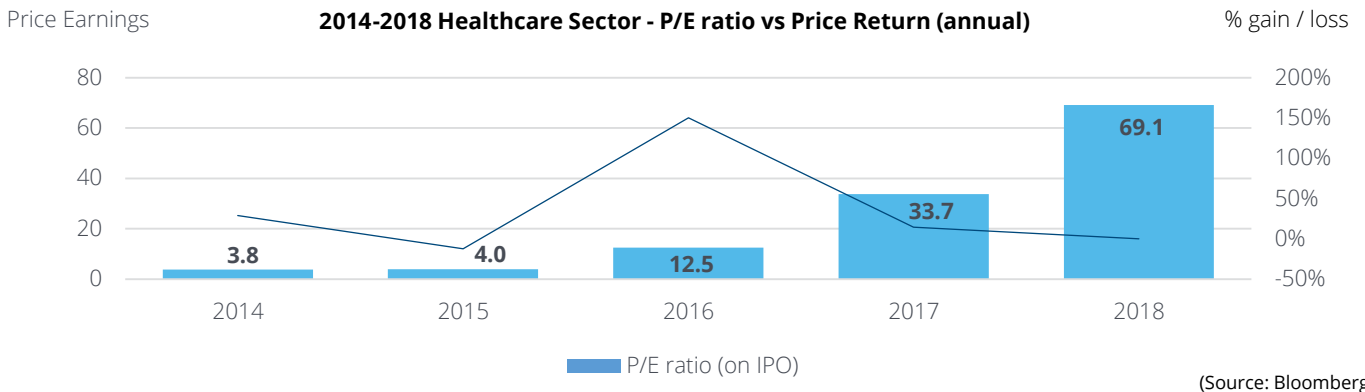
Price Earnings (on IPO): 2014 - 2018



Share price returns (since IPO): 2014 - 2018



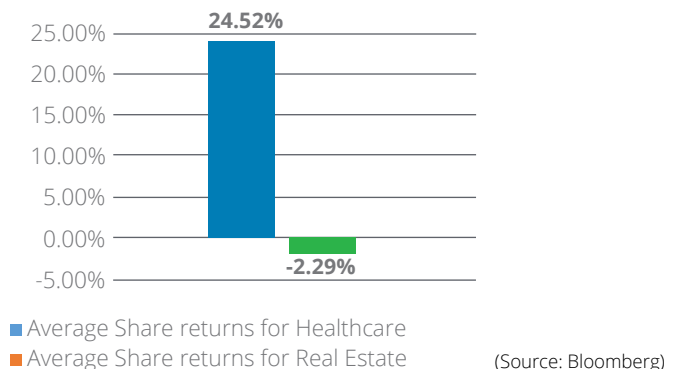
A further look into the healthcare industry:



Generally, price earnings of healthcare companies on the SGX are traditionally listed at between 20 to 30 times earnings. The healthcare companies have performed well, averaging 24.5% return on share price return since their IPO. This compares with the real estate sector which performed slight below average at -2.3% return in the same period.

Healthcare companies such as HC Surgical Specialist Limited, Singapore O&G Ltd, and TalkMed Group Limited, listed in 2016, 2015, 2014, have share price return of 150%, 38% and 200% respectively. More recently, Asian Healthcare Specialists Limited, listed on 20 April 2018, had a high PE ratio as at IPO of 127x, which is an indication that investors are bullish on the Healthcare sector.

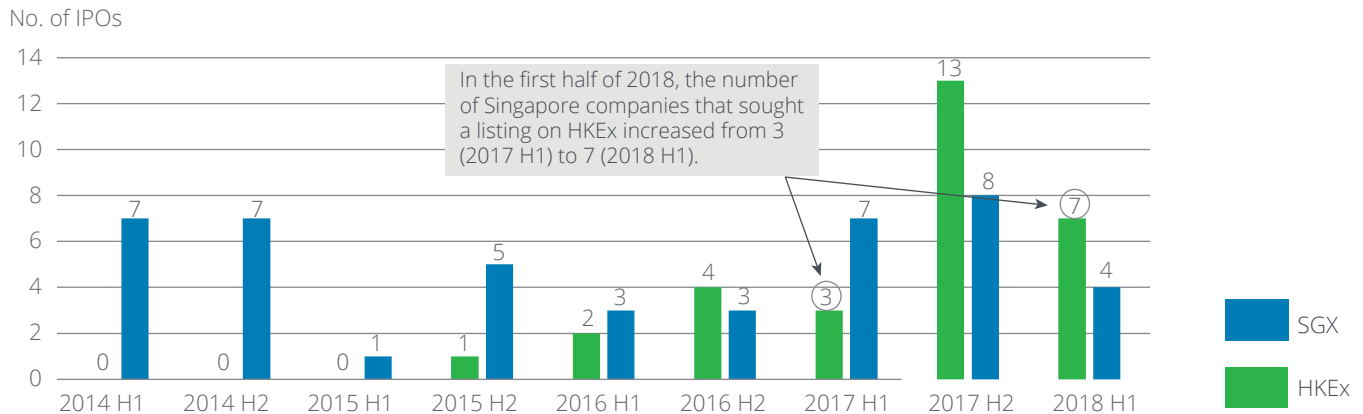
Average Share Price Returns (%) since IPO



Singapore companies: SGX or HKEx?

Since 2015, a total of 30 Singapore companies have been successfully listed on the Hong Kong Exchange (HKEx). The recent years have seen a rise in Singapore domiciled companies seeking a listing on the HKEx.

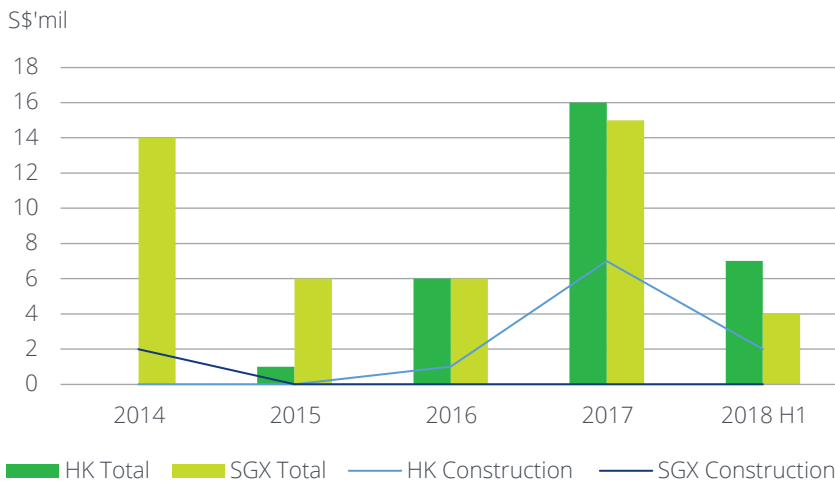
SG companies listed on the SGX vs HKEx (2014 - 2018 H1)



Source: SGX, HKEx and Bloomberg

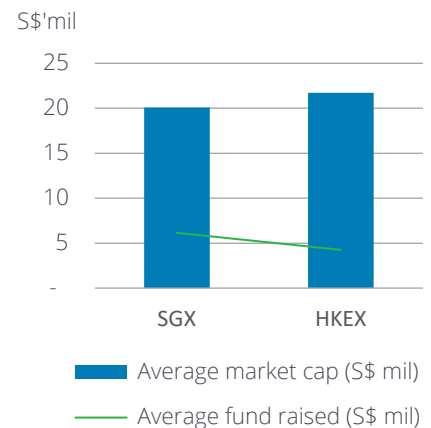
It is interesting to note that the construction industry played a key role in fueling this trend. Of the 30 Hong Kong listings from Singapore companies, one-third were construction-related companies. Of the 12 Singapore construction companies that went for an IPO in the last five years, 10 chose HKEx and two chose SGX. The average funds raised and market capitalisation for each IPO were similar in both exchanges.

Singapore company IPOs on SGX vs HKEx (2014 - 2018 H1)



(Source: SGX and Bloomberg)

Singapore construction-related listings on SGX and HKEx (2014 - 2018 H1)



(Source: SGX and Bloomberg)

Some reasons for Singapore construction companies to list in Hong Kong:

01. the price-earnings ("PE") of construction-related companies listed on the HKEx were usually double digit, while construction-related firms listed on the SGX managed only single-digit PE;
02. to facilitate plans to expand operations into the Greater China Market; and
03. to tap on the multi-trillion-dollar institutional investor market in China.

SGX developments in H1 2018

SGX consults on proposed changes to quarterly reporting requirements -11 January 2018

SGX consults on Listing Rule changes consequential to Code of Corporate Governance Review - 16 January 2018

SGX collaborates with fintech firm Smartkarma to roll out C-Suite Pilot Program - 12 March 2018

After two rounds of public consultation on proposed safeguards for dual class share listings, SGX rolled out the implementation on 26 June 2018.

SGX RegCo launches SGX Fast Track programme for companies with good corporate governance standing - 4 April 18

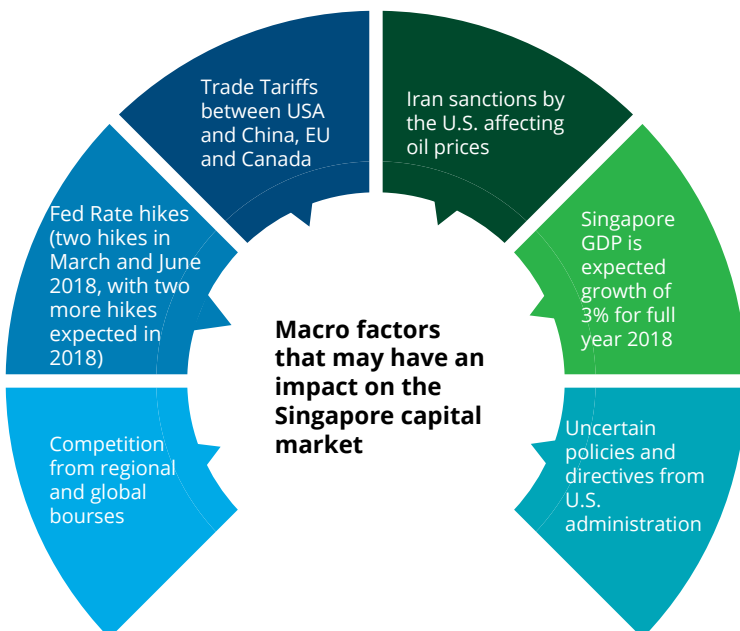
Singapore Exchange (SGX) and Tel-Aviv Stock Exchange (TASE) Establish Partnership to Grow Cross-Border Capital Raising Opportunities for Technology Companies - 14 May 2018

“At Deloitte, we expect to see a continuing healthy pipeline of domestic and cross border IPOs in spite of global uncertainties in relation to the escalating trade tensions between US with China, Europe and Canada.

With the introduction of dual-class shares structures, SGX is now in a position to support high-growth companies and attract blockbuster listings from around the world, while broadening investment options for investors and adding to the vibrancy of Singapore’s capital market. We are cautiously optimistic that Singapore’s IPO market will continue to do well in 2018 H2.”

Ms Tay Hwee Ling, Global IFRS and Offerings Services Leader, Deloitte Singapore, 5 July 2018

Macro factors



Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 264,000 people make an impact that matters at www.deloitte.com.

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising approximately 340 partners and 8,800 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Singapore

In Singapore, services are provided by Deloitte & Touche LLP and its subsidiaries and affiliates.

Deloitte & Touche LLP (Unique entity number: T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).