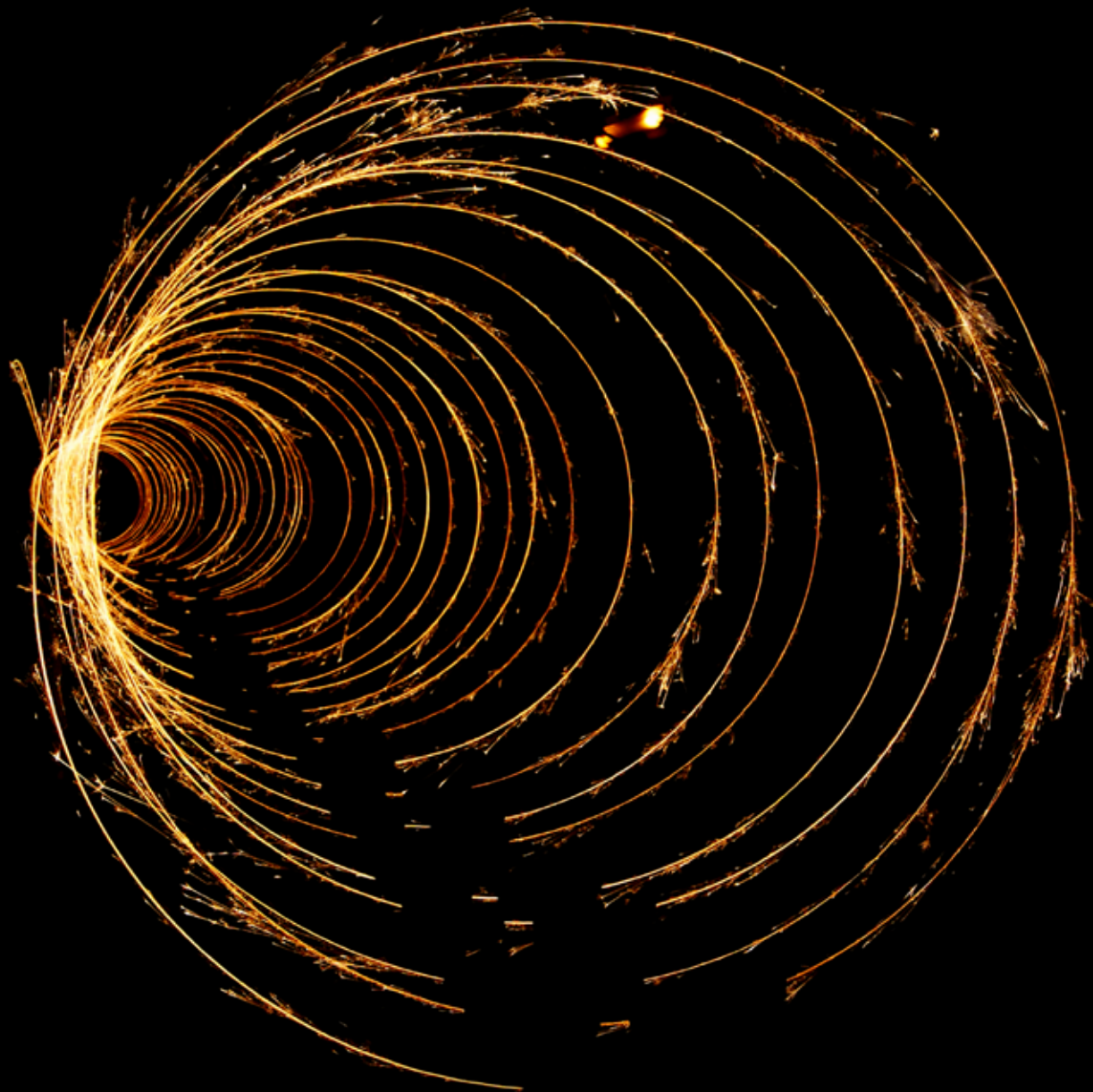


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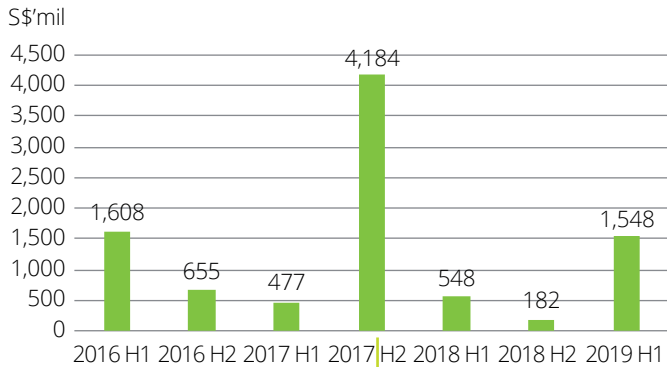
Singapore IPO capital market
2019 mid-year report

1 July 2019

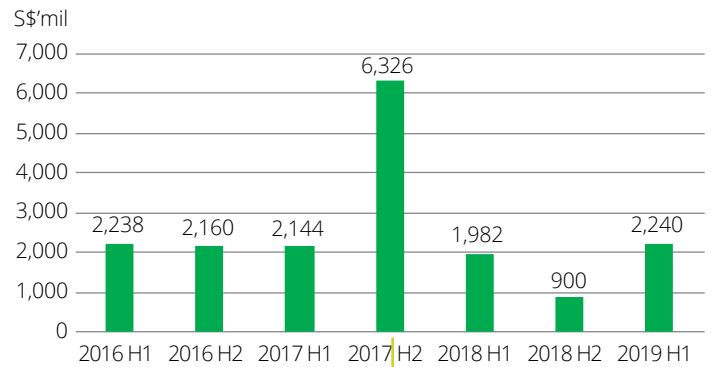
Performance of Singapore's IPO capital market in 2019 H1

Singapore saw **9 IPOs** in 2019 H1, with **S\$1.55 billion in proceeds raised** and a **IPO market capitalisation of S\$2.24 billion**. This registered a **182% increase** in funds raised from 2018 H1 which saw 7 IPOs of S\$548 million proceeds with IPO market capitalisation of S\$1.98 billion.

IPO amount raised (S\$'mil) from 2016 to 2019 H1

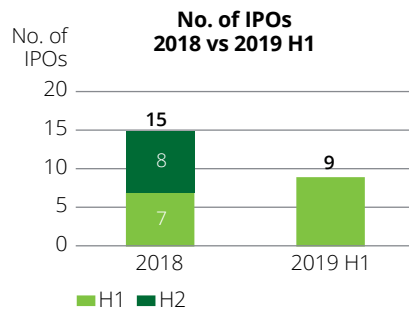
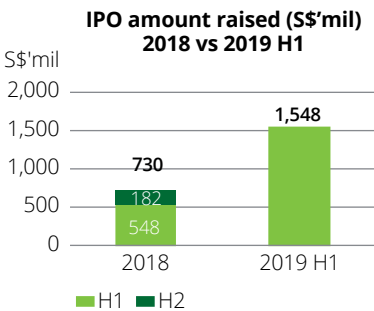


IPO Market Capitalisation (S\$'mil) from 2016 to 2019 H1



The spike in 2017 H2 is mainly due to the addition of these trusts: Netlink NBN Trust, Cromwell European REIT and Keppel-KBS US REIT.

The 2019 H1 IPO capital market has outperformed 2018 H1, in terms of both number of IPOs, and total funds raised:



Source: SGX

We observed that the higher funds raised in 2019 H1 is mainly attributable to the two U.S. Real Estate Investment Trusts (REITs) listed on the SGX Mainboard. The rest of the seven IPOs are listed on Catalist.

Excluding the two U.S. REITs, gross amount raised by each of the seven Catalist IPOs ranged from S\$3.9 million to S\$15 million. In 2018 H1, each of the six Catalist IPOs raised gross amounts ranging from S\$4.5 million to S\$54.7 million.

We are expecting sizeable mainboard listings on SGX coming onto the market, subject to market performance. As at 30 June 2019, there were four lodgements:

1. KinderWorld International Group Ltd. (Mainboard)
2. Prime U.S. REIT (Mainboard REIT)
3. Ardmore Medical Group Limited (Catalist)
4. Don Agro International Limited (Catalist)

Profile of IPOs in 2019 H1

9 IPOs on the SGX: 7 Catalist and 2 Mainboard

Worst performer: Grand Venture Technology Limited is a manufacturing solutions and services provider for various industries such as semiconductor, analytical life sciences, and electronics. Its share prices ended flat on its first and second day of trading, and closing prices have since been fluctuating at a price range below its offer price of S\$0.275. Its lowest closing price since trading was S\$0.210.

The **largest** IPO in 2019 H1

#	Company	Listing Board	Listing Date	IPO amount raised (S\$m)	PE/PB ratio	IPO Market Cap (S\$m)	IPO Offer Price	Share price as at 28-Jun-19	Share Price % change	Industry	Country of operations
1	Grand Venture Technology Ltd	Catalist	23-Jan-19	13.20	13.30	64.42	S\$0.275	S\$0.220	-20%	Industrial Products	Singapore, Malaysia, PRC
2	Sim Leisure Group Ltd.	Catalist	01-Mar-19	5.81	56.40	29.53	S\$0.22	S\$0.220	0%	Consumer Products	Malaysia
3	Reclaims Global Limited	Catalist	11-Mar-19	4.60	8.06	30.13	S\$0.23	S\$0.230	0%	Industrial Products	Singapore
4	Fortress Minerals Limited	Catalist	27-Mar-19	15.00	n.m.	100	S\$0.20	S\$0.245	23%	Energy and Resources	Malaysia
5	ARA US Hospitality Trust	Mainboard - Trusts	09-May-19	697.20*	1.02	941.63*	US\$0.88	US\$0.890	1%	Real Estate	United States
6	Eagle Hospitality Trust	Mainboard - Trusts	24-May-19	792.17*	0.89	947.73*	US\$0.78	US\$0.700	-10%	Real Estate	United States
7	Alliance Healthcare Group Ltd	Catalist	31-May-19	6.40	11.40	41.58	S\$0.20	S\$0.195	-3%	Life Sciences and Health Care	Singapore
8	TrickleStar Limited	Catalist	18-Jun-19	3.90	6.53	21.27	S\$0.26	S\$0.370	42%	Industrial Products	Malaysia
9	ST Group Food Industries Holdings Limited	Catalist	Registered 26-Jun-19	9.62	18.60	64.0	S\$0.26	-	-	Consumer Products	Australia
	TOTAL			1,547.90		2,240.29			4.15%		

Source: SGX

Share prices were extracted at 4pm on 28 June 2019.

*These amounts were converted at USD1 = SGD 1.4

Best performer: TrickleStar Limited, a designer and supplier of energy-saving products, have managed a commendable share price performance of 42% post IPO.

The higher funds raised in the first six months of 2019 was mainly due to the two U.S. Real Estate Investment Trusts ("REITs") listed on the Mainboard, which accounted for 96% of total funds raised with US\$1.06 billion (S\$1.49 billion) in proceeds as at IPO.

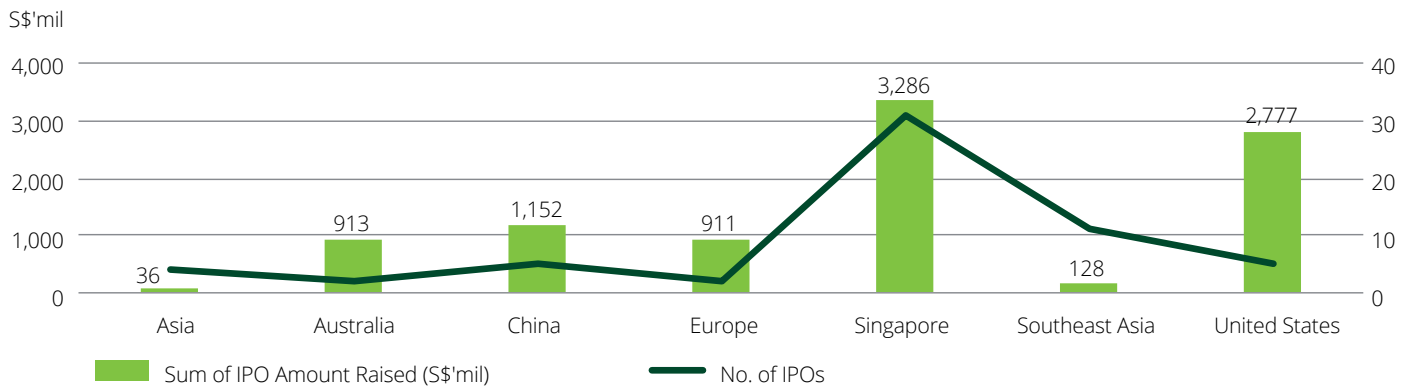
Singapore IPOs by geography (2016 to 2019 H1)

Foreign issuers contributed to 64% of the S\$9.2 billion (total IPO amount raised) on SGX from 2016 to 2019 H1.

The United States and China emerged as the top two foreign countries in terms of total IPO amount raised from 2016 to 30 June 2019, and this is mainly attributed to proceeds raised by the trusts from these countries listed on SGX.

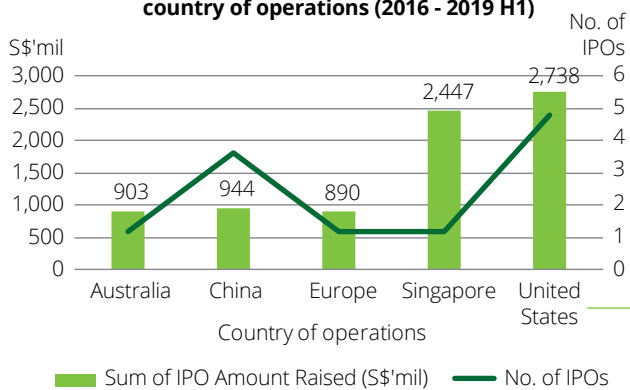
Apart from the United States and China, a good variety of geographies including Australia, Europe and across Asia, have had IPOs on SGX.

Total IPO amount raised (S\$'mil) by country of operations (2016 -2019 H1)



SGX has been an attractive bourse of choice for both domestic and foreign trusts. Looking at the performances of the Singapore IPO market in the past 3.5 years, foreign issuers have contributed to 64% of the total IPO amount raised of S\$9.2 billion on the SGX from 2016 to the first half of this year.

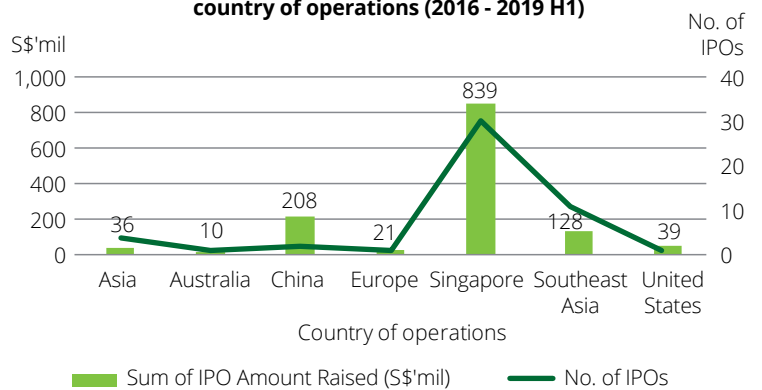
Total IPO amount raised (S\$'mil) by Trusts by country of operations (2016 - 2019 H1)



Source: SGX

Trusts from the United States raised the highest amount at S\$2.7 billion on SGX since 2016.

Total IPO amount raised (S\$'mil) by non-trusts by country of operations (2016 - 2019 H1)



- We see a good variety of IPOs from various geographies listing on SGX.
- Local Singapore companies had the highest cumulative count and IPO amount raised among the non-Trust IPOs.

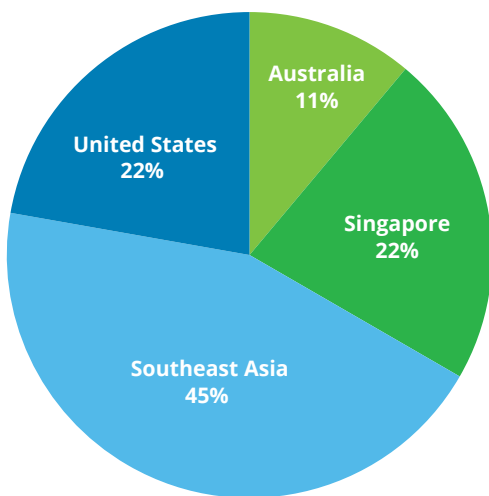


Singapore's IPO capital market – an international exchange

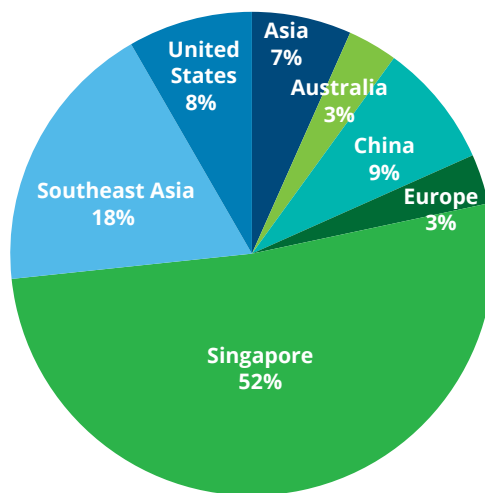
The 2019 H1 IPO capital market had a diverse geographical spread, with an increase in proportion of overseas companies listing on SGX. In 2019 H1, there were 7 foreign company IPOs, accounting for 78% of the total number of IPOs in 2019 H1, as compared to 33% of the total number of IPOs in the full year 2018.

SGX remains as an attractive listing destination of choice for both Singapore companies and foreign companies. There is a total of 29 foreign companies IPO on SGX from 2016 to 2019 H1, accounting for 48% of the total number of IPOs on SGX over the last 3.5 years.

Percentage of local vs foreign IPOs on the SGX (2019 H1)



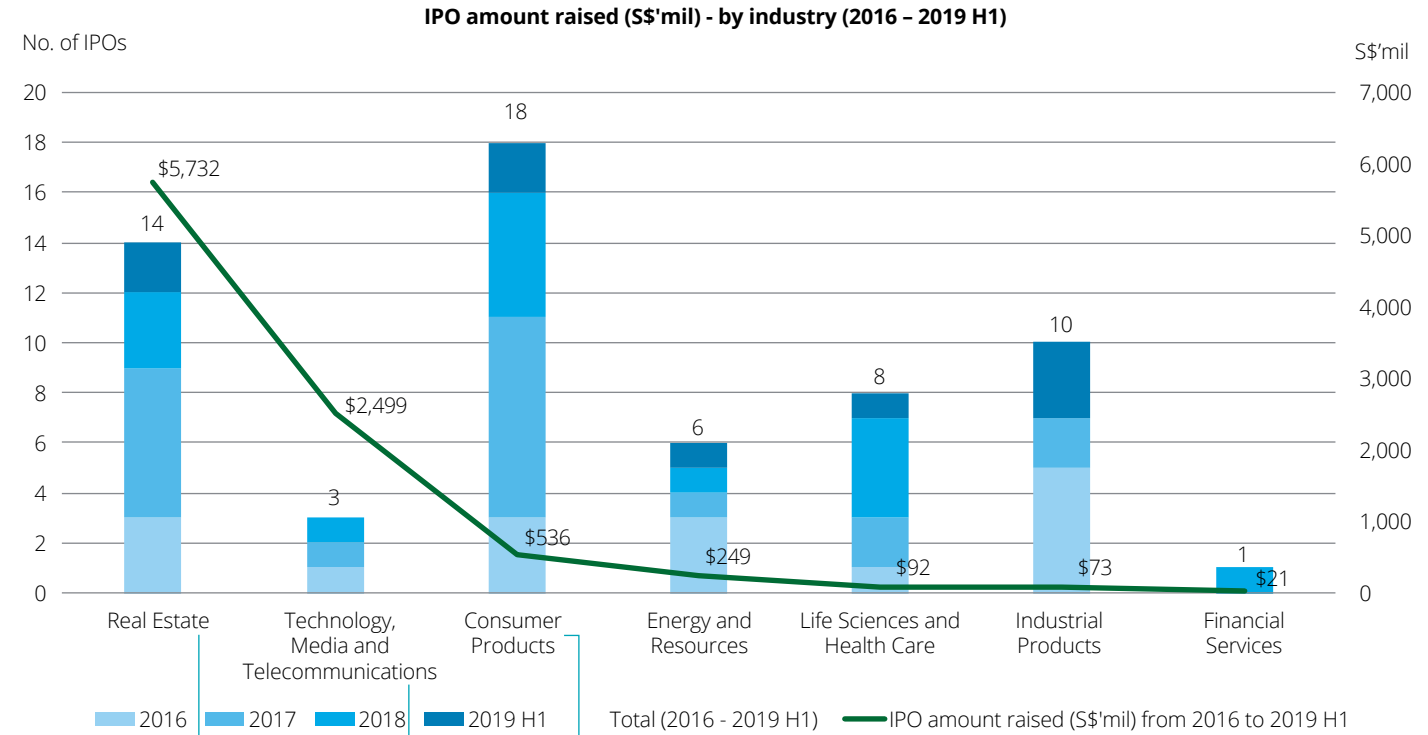
Percentage of local vs foreign IPOs on the SGX (2016 – 2019 H1)



Source: SGX

Singapore IPOs by industry (2016 to 2019 H1)

Total funds raised from 2016 to 2019 H1 were driven by the Real Estate sector, while the Consumer Products sector had the highest number of IPOs.



Source: SGX

The **Real Estate** sector has been dominating Singapore's IPO capital market, having raised S\$5.7 billion which accounted for 62% of the total IPO amount raised in the past 3.5 years. In 2019 H1, this trend has been relatively consistent, with real estate accounting for 96% of the IPO amount raised.

Consumer Products had the highest count of 18 IPOs and 6% of the total amount raised since 2016.

Technology, Media and Telecommunications accounted for 27% of total amount raised since 2016, mainly due to Netlink NBN Trust.

"There is diversity of industry among these companies, ranging from businesses in real estate, consumer products, technology, media & telecommunications, energy & resources, life sciences & health care, financial services and industrial products"

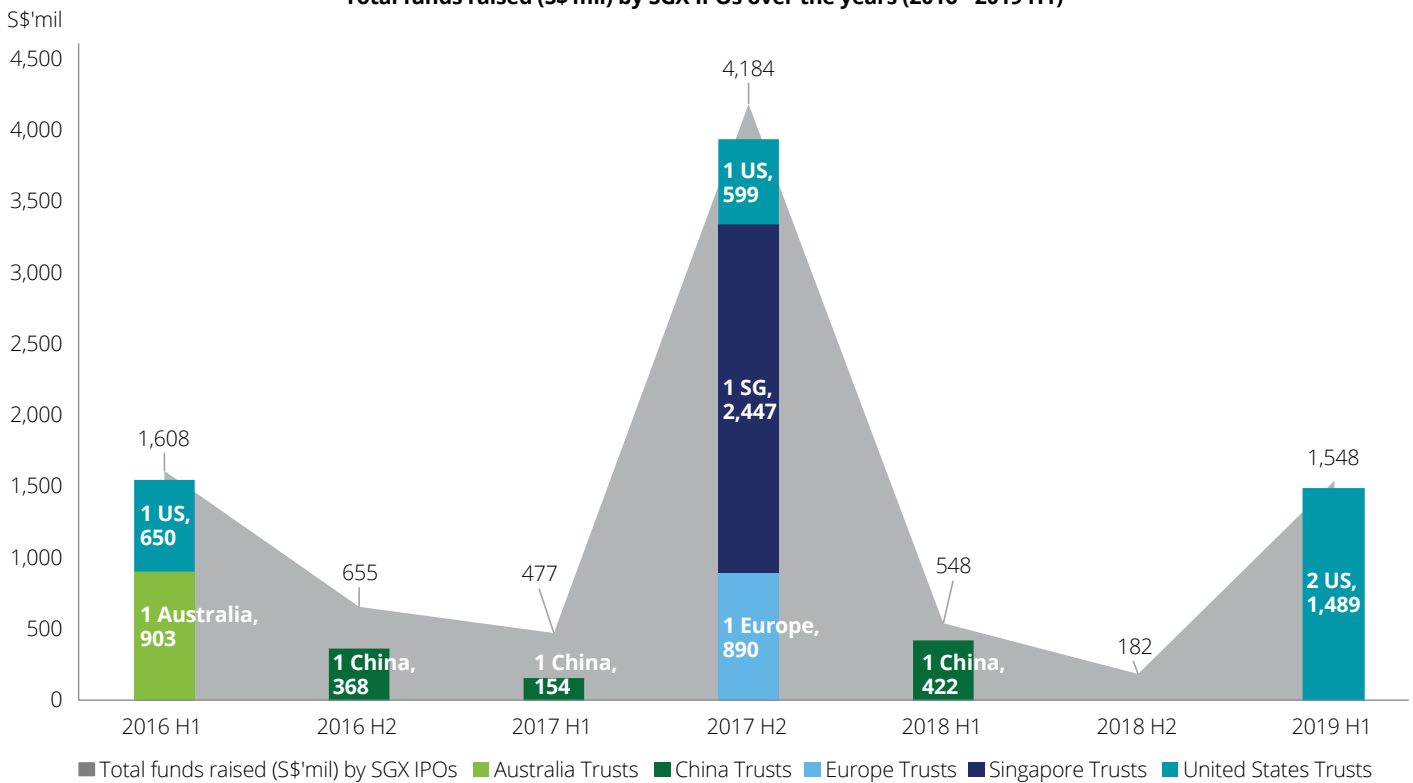
Ms Tay Hwee Ling, Global IFRS & Offerings Services Leader, Deloitte Southeast Asia and Singapore



Singapore trusts IPOs by geography (2016 to 2019 H1)

SGX continues to be an attractive listing destination of choice for both Singapore trusts and foreign trusts. In the last 3.5 years, there were 10 trusts listed on SGX, with 90% of the trusts listed on SGX being foreign trusts.

Total funds raised (S\$'mil) by SGX IPOs over the years (2016 - 2019 H1)

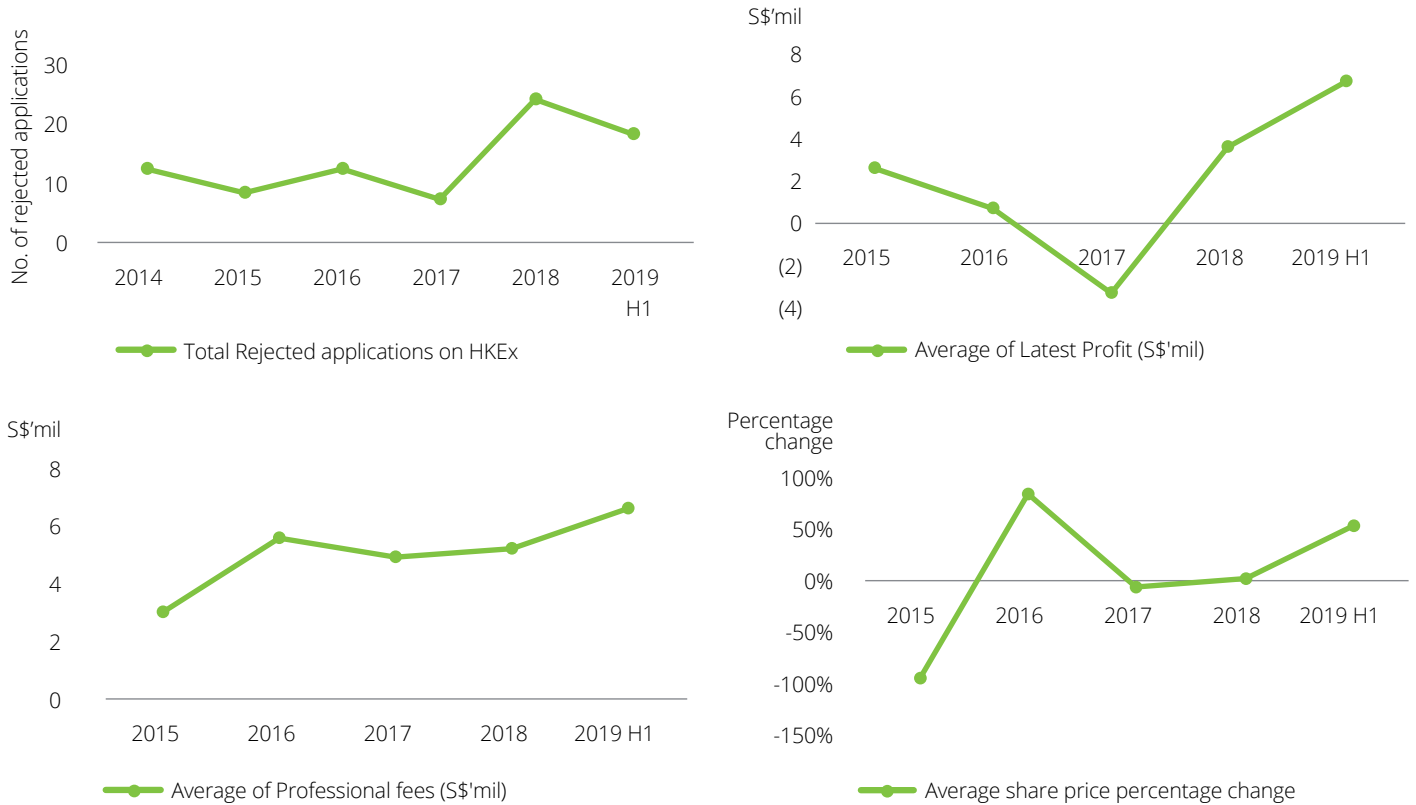


Source: SGX

Local enterprises may choose SGX over HKEx as an option for listing

While the Hong Kong Stock Exchange (HKEx) continues to be attractive due to the perceived high valuation, the reality of factors such as the recent high rejection rates, lower subscription rate for IPOs and increasing professional fees are being felt. These sentiments suggest that businesses seeking to list in Hong Kong may consider SGX instead.

Factors affecting HKEx listings



Note: Excluded outlier - professional fees for BOC Aviation (listed in 2016) was SGD 1,524 mil and latest profit from prospectus was SGD 464 mil (converted at SGD 1 = HKD 5.7376)

Source: Prospectus, Hong Kong Stock Exchange, Bloomberg

Singapore IPO capital market outlook for 2019

We are confident that the service-based industry will continue its growth in the Singapore IPO capital market.

SGX is an international exchange with many foreign issuers, and is exposed to global economic disruption and uncertainties. Global factors such as the U.S.-China trade war, the risk of a hard Brexit in October 2019, the upcoming U.S. elections in 2020, as well as macroeconomic and political conditions in the Southeast Asia region will be the key factors impacting the Singapore capital markets for the rest of the year:

Sino-US trade relations

US and China are significant drivers of the global economy. Geopolitical uncertainty resulting from the US-China trade tension increases risk of uncertainty to businesses and markets performances. Sino-US relations and the outcome of the trade war talks between the two would impact the global economy.

Risk of a hard Brexit

The six months extension to Article 50 for Brexit would be due on October 31, 2019.

On-going uncertainties from Brexit increases risk to businesses and markets.

US presidential elections

The upcoming US presidential elections will be held on November 3, 2020. The outcome of the 2020 US presidential elections may create a shift in the global economy outlook.

Macroeconomic conditions in the SEA region

Economic activity may be affected by macroeconomic conditions in the SEA region. Businesses and markets in the region may be impacted by uncertainty from political unrest in the region.



“We expect sizeable mainboard listings coming onto the market, subject to geo-political factors that will impact the economy, as well as market performance. There is a pipeline of domestic and cross border IPOs from companies in the service-based sectors, and we remain confident that companies in service-based business will continue its growth with IPOs on the SGX.

The partnerships that SGX has forged in recent years with NASDAQ and Tel-Aviv Stock Exchange (TASE) have also created opportunities for companies in the technology and health care sectors to co-list in the exchanges, giving these companies access to global networks and capital markets as they progress with their expansion plans. Through partnerships like these, SGX is in a position to support high-growth tech companies from around the world, while broadening investment options for investors and adding to the vibrancy of Singapore’s capital market,”

Ms Tay Hwee Ling, Global IFRS & Offerings Services Leader, Deloitte Southeast Asia and Singapore

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