

Deloitte.

Southeast Asia IPO Capital Market

2022 Full Year Report

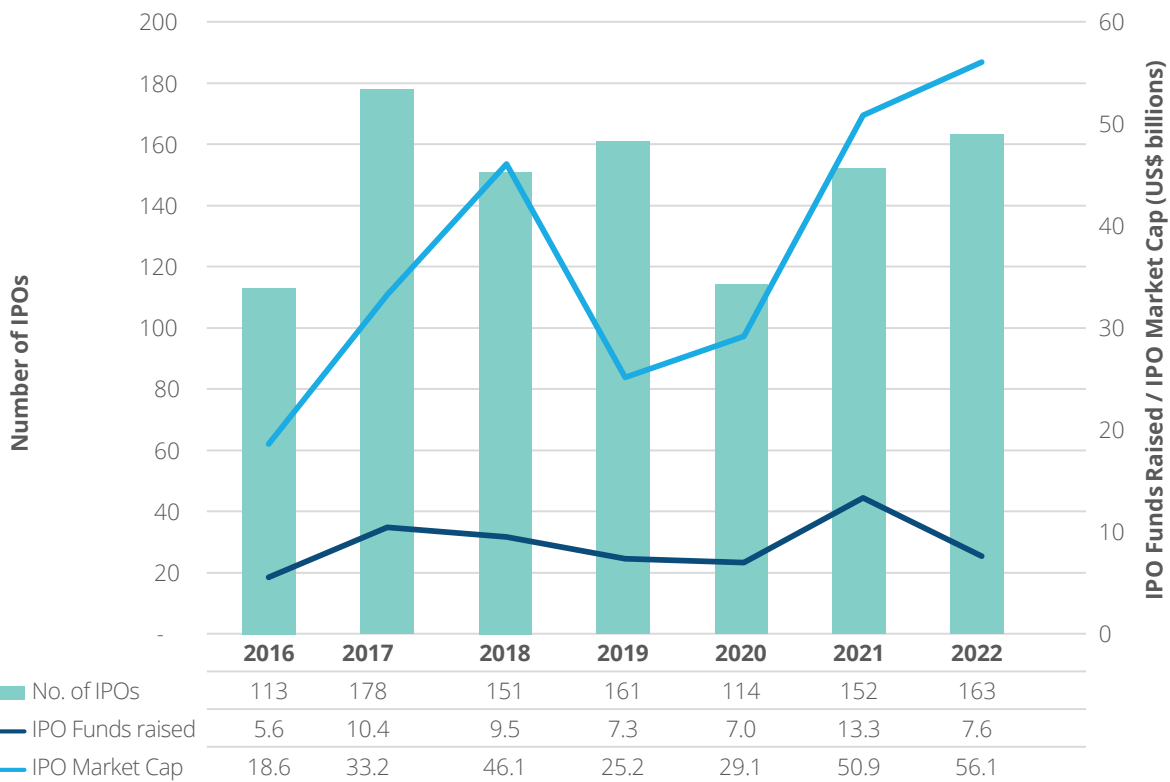


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SEA IPO Market Overview

Southeast Asia (“SEA”) IPO Market Performance

IPO Capital markets across Southeast Asia produced 163 IPOs which raised US\$7.6 billion in funds and US\$56.1 billion in market capitalisation in 2022.



Key highlights



2022 was a year of global uncertainty in the economy and financial markets, with consecutive federal rate hikes to battle rising global inflation, as well as the Russia-Ukraine conflict contributing to supply chain crunch and upward pressure on prices.



This year saw 163 IPOs, a 7% increase compared to the 152 IPOs in 2021. While the number of IPOs had increased, the total IPO funds raised decreased in 2022, which is indicative of a higher number of small listings in 2022.



The Southeast Asian IPO market closed 2022 with a market capitalisation of US\$56.1 billion. Although funds raised had decreased by 43%, market capitalisation increased 10.3% from the previous year.

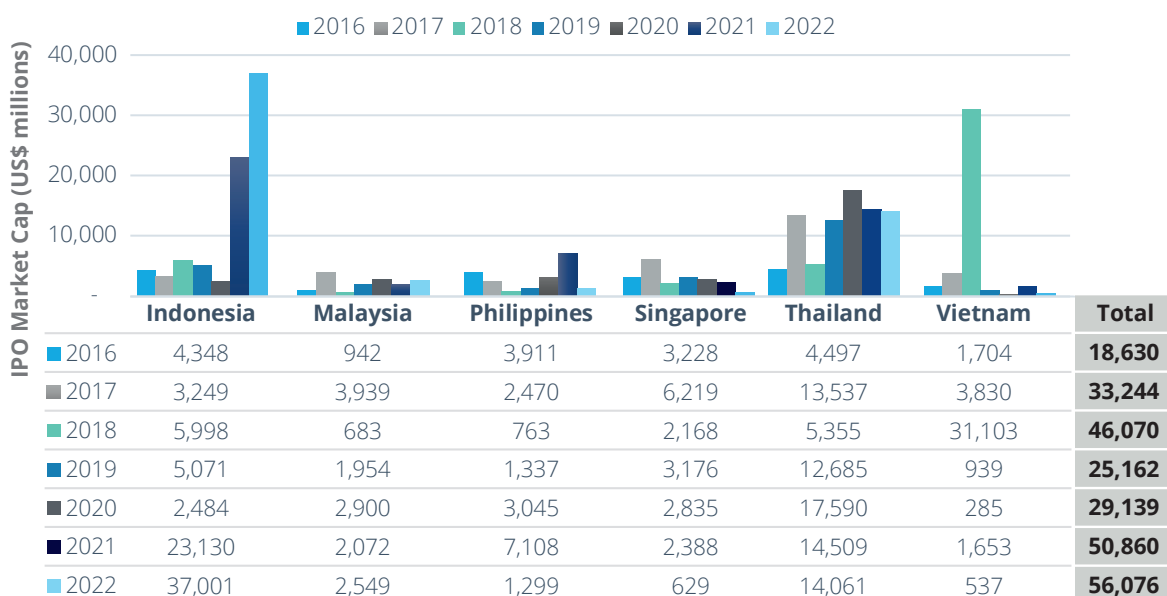
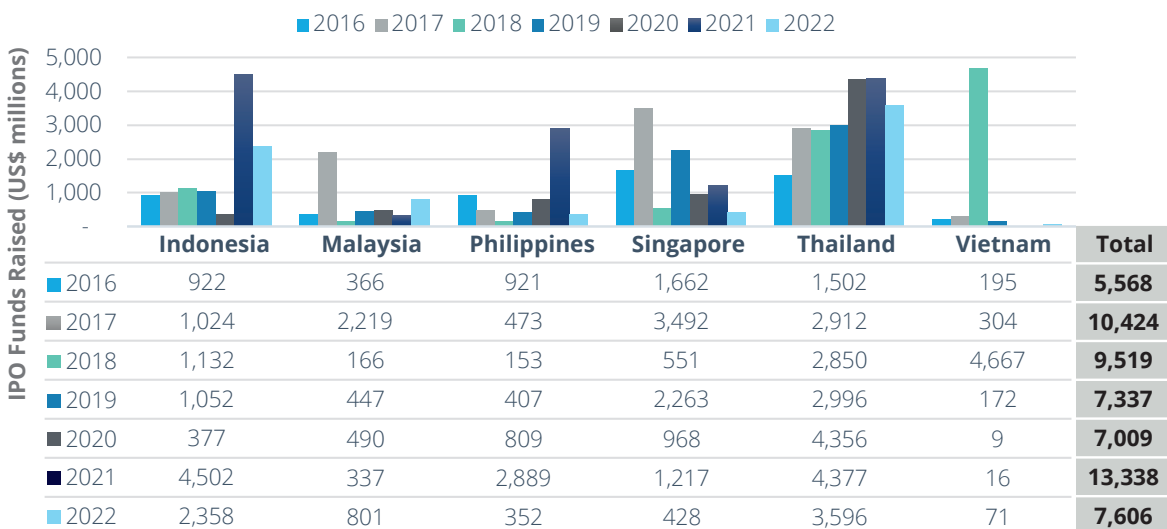
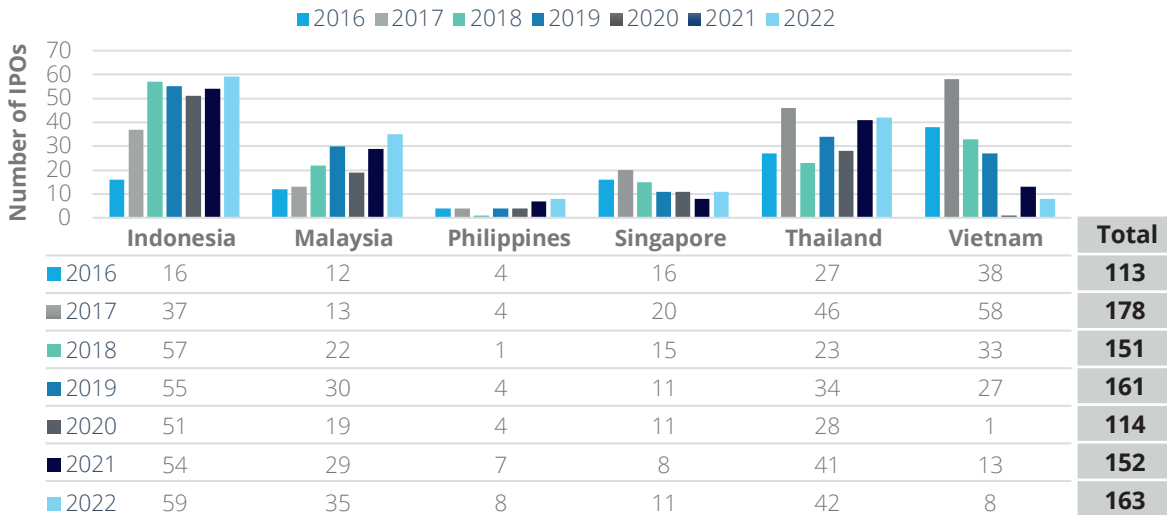


Thailand and Indonesia are top of the table in Southeast Asia for 2022; each raised above US\$2 billion, collectively accounted for 78% of total funds raised across Southeast Asia.

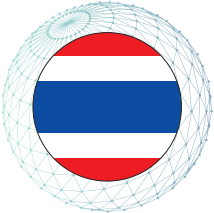


Malaysia witnessed a 138% increase in IPO funds raised.

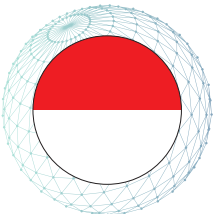
IPO statistics by countries



Key highlights from each country



Thailand saw the highest IPO funds raised among the Southeast Asia exchanges, with a total of US\$3.6 billion raised by 42 IPOs. US\$3.2 billion of the US\$3.6 billion was raised in the second half of 2022 as COVID-19 restrictive measures eased. As a sign that things are back to pre-pandemic levels, the amount raised this year is relatively on par with the amount raised in 2017 to 2019 (close to US\$3 billion each year). In the exceptional pandemic years of 2020 and 2021, the amount raised was more than US\$4 billion in each year.



At US\$2.4 billion with funds with 59 IPOs, Indonesia maintained its top two positions in Southeast Asia since 2021. PT GoTo Gojek Tokopedia Tbk single-handedly accounts for US\$1.1 billion of IPO funds raised and takes the top spot on the region's leaderboard this year. PT Global Digital Niaga Tbk, better known as "BliBli", comes in second with US\$508 million raised. Gojek and BliBli join a growing group of tech companies in Indonesia that have listed in recent years.



The Malaysian IPO market has emerged from the pandemic with a 138% increase in the proceeds raised at US\$801 million. This surge has been driven by investors' demand for companies with good fundamentals. In particular, the number of ACE listings more than doubled from 11 in 2021 to 26 in 2022, which is impressive given the economic climate.



Singapore saw 11 IPOs raise US\$428 million this year, comprising three Special Purpose Acquisition Companies (SPAC) listings which raised US\$389 million and eight Catalyst IPOs which raised US\$39 million. It is a positive start to the SPAC framework introduced in Singapore in September 2021. SPACs in Singapore have a 24-month deadline to de-SPAC, with the option to seek a 12-month extension. It is expected that successful de-SPACs will encourage more SPAC listings to come onboard.

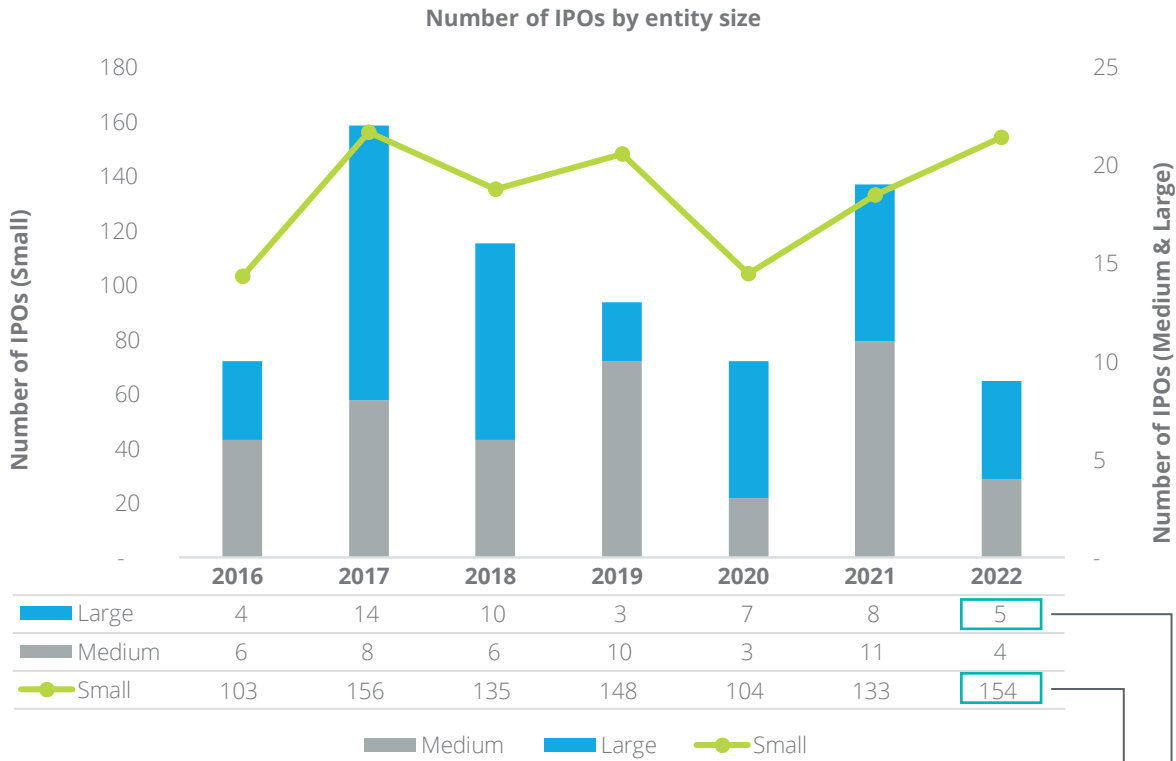


In 2022, the Philippines bourse saw a total of 8 listings which raised a total of US\$352 million. The largest listing of the year was by Citicore Energy REIT Corp which raised US\$124 million, which is the country's first energy REIT.



The Vietnam Stock Exchange (VNX) recorded 8 listings in 2022 with IPO funds raised amounting to US\$71 million and IPO market capitalisation of US\$537 million. Out of the 8 IPOs, 6 were listed in the first half of 2022. Companies and investors are more cautious in the second half of the year due to uncertainties in the global and local capital market.

Analysis of SEA IPOs by size



Definition of size

Large: Market cap above US\$1b

Medium: Market cap between US\$500m to US\$1b

Small: Market cap below US\$500m

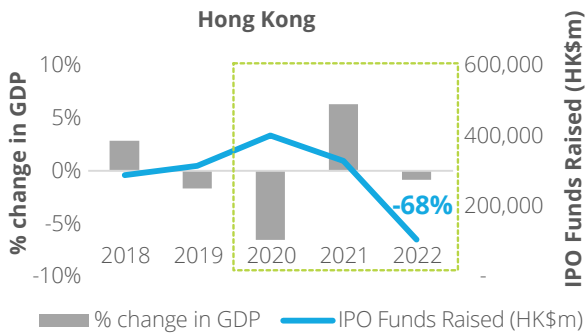
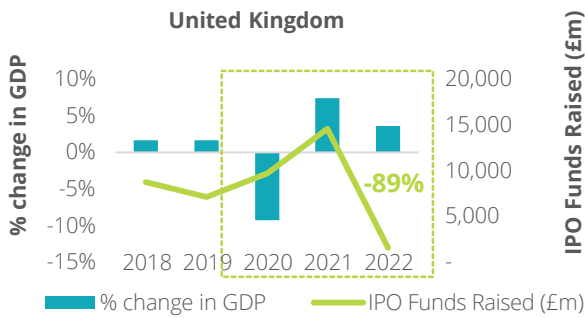
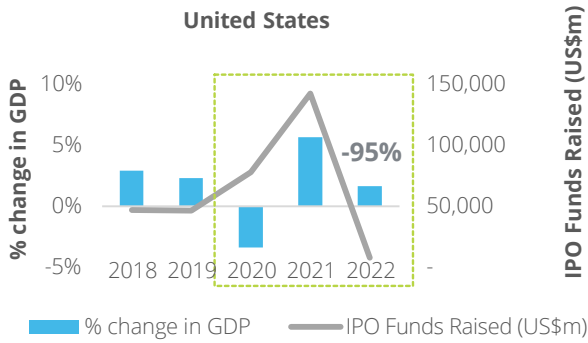


Southeast Asia IPO markets were peppered with smaller-sized listings this year. This phenomenon observed is due to smaller companies going ahead with their IPOs in spite of the existing economic uncertainties, while bigger counters with better leverage are holding out and postponing their listing in anticipation of better market conditions.

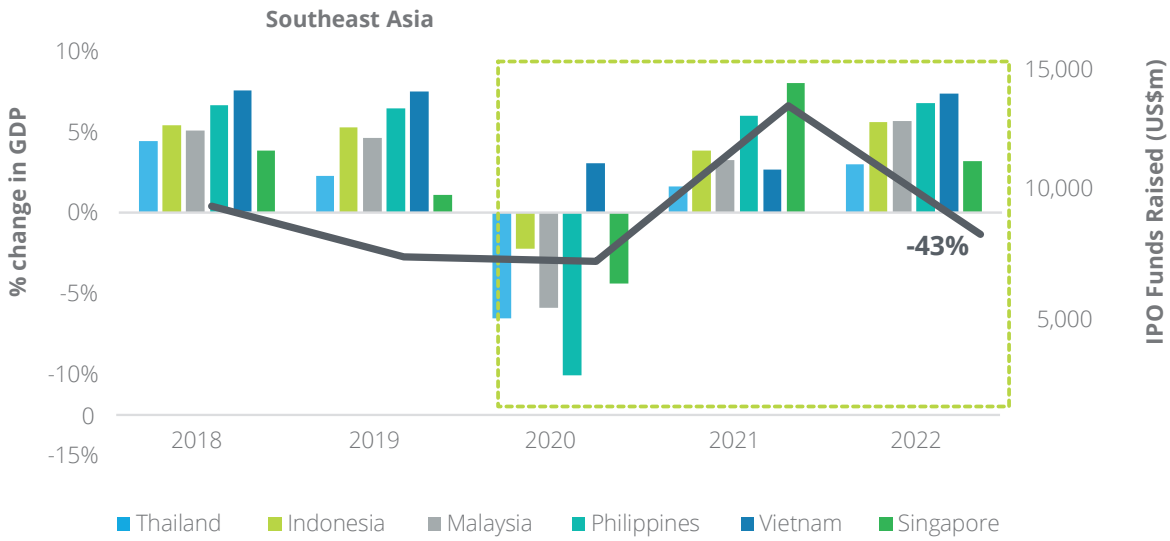


The five large IPOs raised approximately 50% of total IPO funds raised in SEA in 2022. Refer to page 9 for details of the top 5 IPOs.

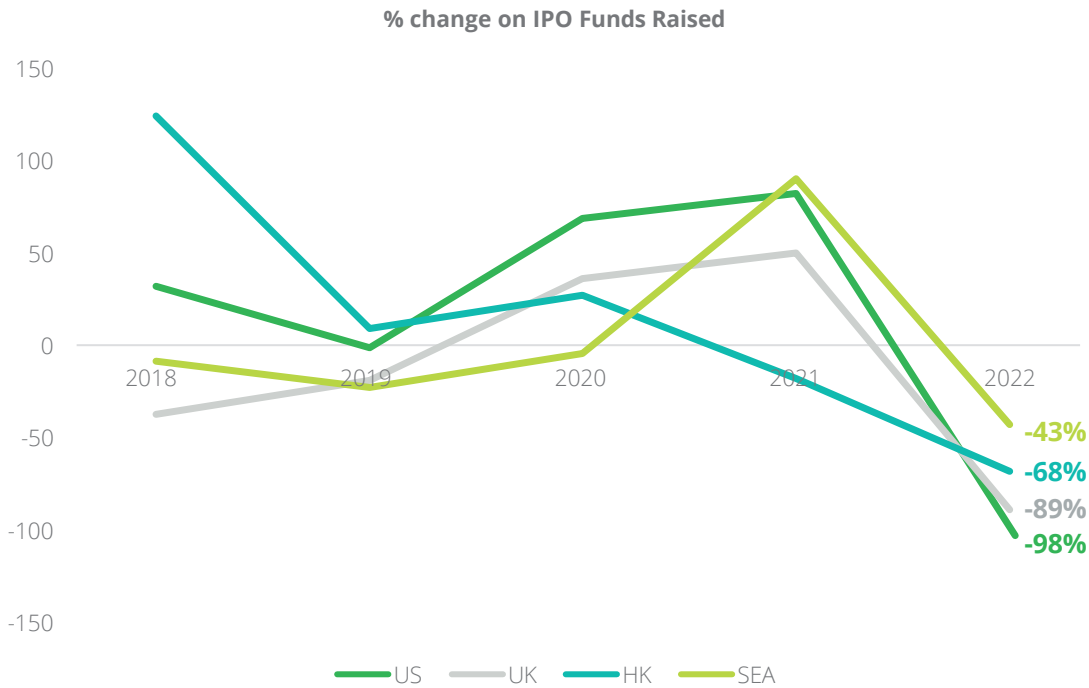
SEA fares better than major bourses globally



Prior to the COVID-19 pandemic, the IPO activity moves in tandem with the economy and GDP growth. However, the inverse has happened in the last two years. The COVID-19 pandemic had spurred a flood of new retail investor interest in the IPO markets.



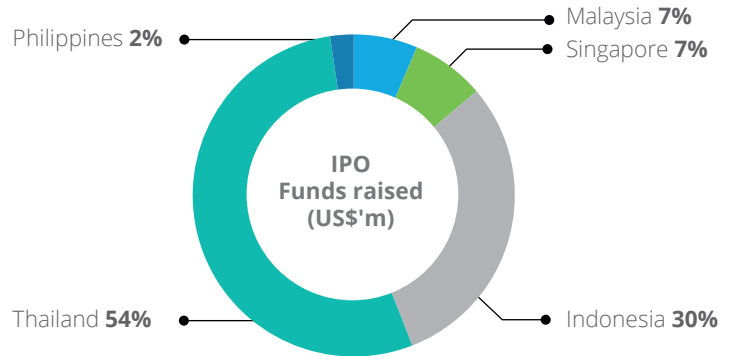
Similar to trends witnessed in US, UK and HK capital markets, IPO funds raised had decreased in SEA despite GDP growth in the last 2 years. However, SEA performed relatively better with a lower average decrease of 43% in funds raised while other bourses experienced more than 60% decrease in funds raised.



Top 15 SEA IPOs in 2022

Despite a decrease in the number of blockbuster IPOs in Southeast Asia in 2022, these top 15 largest IPOs account for US\$5.3 billion or 69% out of the total US\$7.6 billion from 163 IPOs.

Composite of top 15 SEA IPOs by country



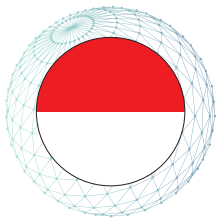
Ranking	Country of Listing	Company	Industry	Date of listing	IPO Funds raised (US\$m)	IPO market cap (US\$m)
1	Indonesia	PT GoTo Gojek Tokopedia Tbk	Technology, Media and Telecommunications	11-Apr-22	1,089	27,515
2	Thailand	Thai Life Insurance Public Company Limited	Financial Services	25-Jul-22	1,022	5,050
3	Thailand	i-Tail Corporation Public Company Limited	Consumer Business	09-Dec-22	612	2,632
4	Thailand	Betagro Public Company Limited	Consumer Business	02-Nov-22	566	2,188
5	Indonesia	PT Global Digital Niaga Tbk	Technology, Media and Telecommunications	08-Nov-22	508	3,387
6	Thailand	BA Airport Leasehold Real Estate Investment Trust	Real Estate	14-Sep-22	272	272
7	Malaysia	Farm Fresh Berhad	Consumer Business	22-Mar-22	239	597
8	Singapore	Vertex Technology Acquisition Corporation Ltd	SPAC	20-Jan-22	153	153
9	Thailand	BBGI Public Company Limited	Energy and Resources	17-Mar-22	150	455
10	Singapore	Pegasus Asia SPAC	SPAC	21-Jan-22	125	125
11	Philippines	Citicore Energy REIT Corp ("CREIT")	Real Estate	22-Feb-22	124	362
12	Singapore	Novo Tellus Alpha SPAC	SPAC	27-Jan-22	111	111
13	Thailand	Aurora Design Public Company Limited	Consumer Business	29-Nov-22	103	399
14	Thailand	Asian Alliance International Public Company Limited	Consumer Business	01-Nov-22	100	333
15	Malaysia	Senheng New Retail Berhad	Consumer Business	25-Jan-22	99	383

Outlook for SEA IPO capital market

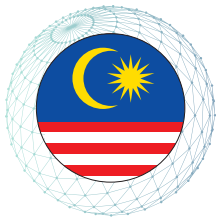
Recent IPO listings have faced economic headwinds amid mounting inflationary pressures and soaring interest rates, even as we continue to see global economies battle the increased risk to financial stability, market turbulence and a looming recession. On a brighter note, the Fed has announced its intention to slow down the rate hikes, which is a sign of an uptick in the cycle to slow down inflation.



Thailand's economy is projected for 2023 at 3.7% as compared to 2.8% in 2022 (projected). The economy is forecasted to recover from increasing tourism activities and private consumption. Risk of inflation rising further could cause the baht to depreciate making imports more expensive. External demand is likely to reduce from the rising probability of recession in the US and EU in 2023 and worsening market in China. Nevertheless, **the IPO market in 2023 is expected to perform better than 2022** as many companies are in the pipeline for IPO and the new rule of 3-years financial statement requirement will be effective from 31 Dec 2023.



The Indonesian IPO market **remains strong** with funds raised is expected to increase as there are many companies in the pipeline for IPO. The list is currently dominated by companies in the Non-Cyclical Consumer, Technology, and Healthcare sectors. Growth is projected to maintain at 5.0% in 2023 as compared to 5.4% in 2022 (projected). The risks are on the downside due to slower global growth, global financial volatility, tighter macroeconomic policy in Indonesia, and continuing shocks from the Russian-Ukraine situation.



The Malaysian IPO market has emerged from the pandemic with a good number of IPOs. The interest rate hike would potentially encourage more companies to seek listing as they are tapping the equity market for a diversified and cheaper funding base. The strong performance in 2022, against a backdrop of global inflation, rising interest rates and the threat of a recession, is **proof of the resilience of the Malaysian capital market**.



The country's political stability, successful handling of the pandemic and smooth re-opening of borders keeps Singapore attractive for businesses to set up shop. Further, there is an on-going capital inflow and/or movement of businesses and head offices to Singapore. This **brings more opportunities to Singapore capital markets**. If Singapore manages to capitalise on this shift, the next two to five years could very well be the golden years for the IPO market.



Philippines is projected to have positive GDP and expected to experience positive growth going into 2023, **with a healthy pipeline slated to list in the following year**. The country expects to see more REITs listed on the Philippines Stock Exchange (PSE) as it relaxed its REITs regulations, where there were 2 REITs this year and 4 in 2021.



Vietnam's economy is projected to grow by 6.5% in 2023 (2022: 8%). Slower growth stems from uncertainties in the global economic environment, and dependency on overseas partners for manufacturing activities. There is a **strong pipeline** of companies waiting to go public **subject to better market conditions**. Regulatory changes are expected to boost investor confidence and stabilise the economy in the longer run which will translate into a more active stock market.



"Just as the world is winning the fight against the pandemic, the reopening of the world economies and borders have fuelled a rise in global inflation from 4.7% in 2021 to 8.8% in 2022, and consequently an increase in Federal interest rate of almost 4% over the course of the year in a bid to tame the surging inflation. In the face of these macroeconomic factors, Southeast Asia IPO market has held up considerably well, while we continue to see the growth potential in our economies.

There is still room for high growth in Southeast Asia, as the region emerges from the COVID-19 crisis. We expect IPO activity to go through cyclical highs and lows, as the market re-calibrates from the pandemic mindset to 'regular programming'. While valuations may be generally lower for tech companies now, the ones with solid business fundamentals and the ability to prove profitability will still be able to achieve optimal market valuation and benefit from the capital markets."

Ms Tay Hwee Ling,
Disruptive Events Advisory Leader, Deloitte Southeast Asia and Singapore

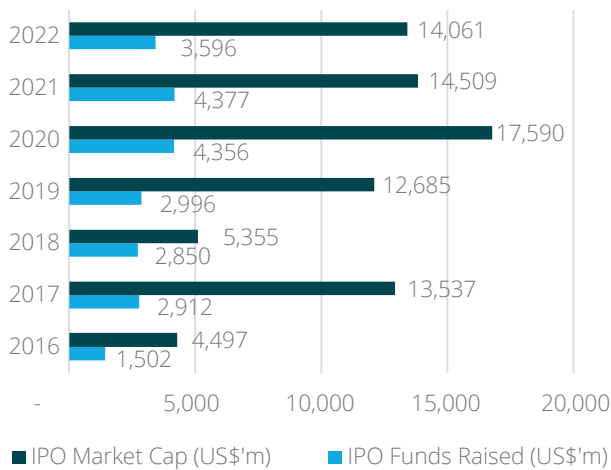
Country in Focus: Thailand

Thailand IPO Market Performance

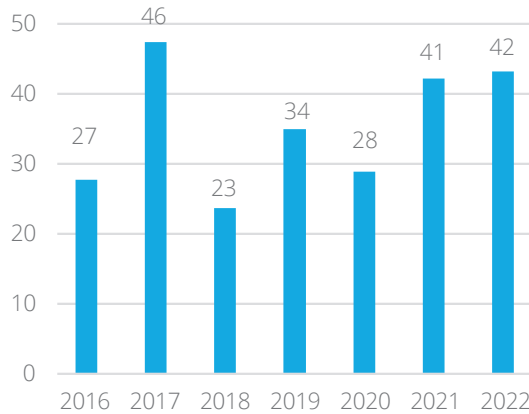
The bright spark for the Thai Bourse in 2022 was the mega listing of Thai Life Insurance Public Company that took second spot on the region’s leaderboard this year with US\$1.0 billion funds raised. The Stock Exchange of Thailand (SET) has raised US\$3.6 billion this year.

Thailand saw 42 listings in 2022, surpassing the 41 listings in 2021. Total funds raised decreased by 18% to US\$3.6 billion in 2022. However, market capitalisation remained stable compared to 2021.

Thailand IPO Performance Year-on-Year



Number of IPOs



The second, third and fourth largest listing across SEA in 2022 are from Thailand: Thai Life Insurance Public Company Limited, i-Tail Corporation Public Company Limited, and Betagro Public Company Limited, collectively contributed 29% and 61% of the total funds raised in SEA and Thailand, respectively.



In the second half of 2022, the IPO amount raised accounted for 90% of the full year's performance, which coincides with the timing of Thailand's re-opening of borders and relaxation of Covid restrictions.

“We continue to see several IPOs from a diverse pool of industries on the Stock Exchange of Thailand (SET), including fast-moving consumer products, financial services, and construction businesses. In particular, this year, we saw the first REIT which invested in airport leasehold properties, and it was the largest amount raised funding in REIT in the last 8 years. There are 29 companies in the pipeline expecting to list by 2023.”

Ms Wilasinee Krishnamra, Disruptive Events Advisory Leader, Deloitte Thailand

Top 10 largest IPOs in Thailand in 2022

	Company	Industry	Date of Listing	IPO Funds Raised (US\$m)	IPO Market Cap (US\$m)
1	Thai Life Insurance Public Company Limited	Financial Services	25-Jul-22	1,022	5,050
2	i-Tail Corporation Public Company Limited	Consumer Business	09-Dec-22	612	2,632
3	Betagro Public Company Limited	Consumer Business	02-Nov-22	566	2,188
4	BA Airport Leasehold Real Estate Investment Trust	Real Estate	14-Sep-22	272	272
5	BBGI Public Company Limited	Energy and Resources	17-Mar-22	150	455
6	Aurora Design Public Company Limited	Consumer Business	29-Nov-22	103	399
7	Asian Alliance International Public Company Limited	Consumer Business	01-Nov-22	100	333
8	SG Capital Public Company Limited	Financial Services	13-Dec-22	93	350
9	Hydrogen Freehold and Leasehold Real Estate Investment Trust	Real Estate	13-Dec-22	60	57
10	Moshi Moshi Retail Corporation Public Company Limited	Consumer Business	22-Dec-22	46	173

With a sizeable pipeline every year, Thailand's IPO Market has consistently performed well amongst its Southeast Asian counterparts. Thai Life Insurance Public Company Limited took the overall second spot in terms of funds raised for 2022 Southeast Asia's IPO Market with an impressive US\$1.0 billion raised.

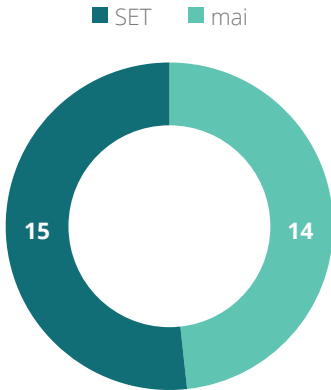
Top 5 performers in terms of change in share price

	Company	Industry	Offer Price at IPO Date (THB)	Closing Price as at 31-Dec-2022 (THB)	Change
1	Knight Club Capital Asset Management Public Company Limited	Financial Services	3.7	7.25	96%
2	Royal Plus Public Company Limited	Consumer Business	4.5	8.4	87%
3	Polynet Public Company Limited	Industrial Products	6.8	12	79%
4	Chin Huay Public Company Limited	Consumer Business	2.34	4.1	75%
5	Primo Service Solutions Public Company Limited	Real Estate	15	24.6	64%

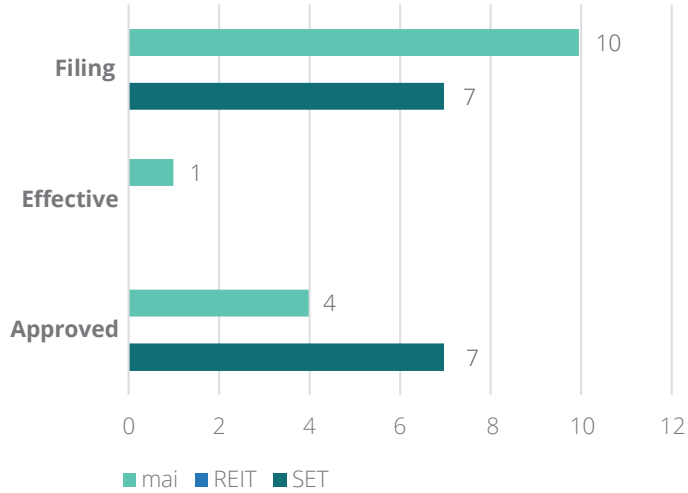
Knight Club Capital Asset Management Public Company Limited is the top performer, with a 96% increase in its share price, from substantial rise in revenue and profit following its (Non-Performing loan) NPLs portfolio expansion. Two of the top five best performers are food and beverages manufacturers which enjoyed a boost in their growth from high export volume.

Thailand IPO Pipeline

List of companies under listing application consideration



IPOs in pipeline by Market consideration



Status

Filing: Company's filing has already been submitted to the SEC office

Effective: Company's filing has come into effect

Approved: Company's application a an offer for sale of newly issued shares has been approved

Thailand market is continuously growing with 29 companies in the pipeline for listing.

The largest one in the pipeline is SCG Chemicals Public Company Limited (SCGC)

Business: The company is one of its core business in SCG Group. The main business is the production of plastic resins or polymers mold into products used in daily life. SCGC is a leading integrated chemical player in ASEAN with strategic bases in Vietnam, Indonesia, and Thailand.

Industry: Industrial Products

Status: Approved

Source: The Stock Exchange of Thailand

“The IPO market in 2023 is expected to perform better than 2022 as market recovers post-pandemic and the introduction of the new rule requiring 3-years financial statement to be effective from 31 Dec 2023. The industries in pipeline are focused especially on consumer business and industrial products along with expected consumption growth in 2023.”

Ms Wilasinee Krishnamra, Disruptive Events Advisory Leader, Deloitte Thailand

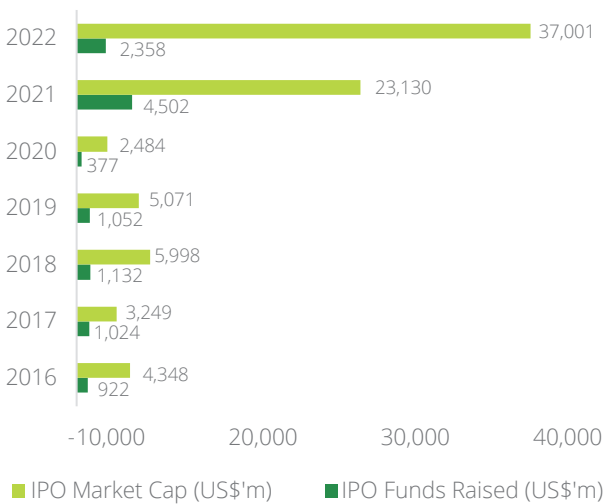
Country in Focus: Indonesia

Indonesia IPO Market Performance

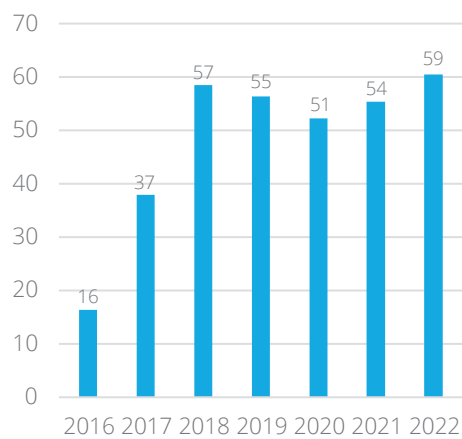
Indonesia IPO market witnessed a blockbuster listing from the listing of PT GoTo Gojek Tokopedia Tbk which raised US\$1.1 billion, followed by PT Global Digital Niaga Tbk (also known as “BliBli”) raising US\$508 million.

Indonesia came in second across Southeast Asia with 59 listings in 2022, a 9% increase from prior year. Its IPO market raised an US\$2.4 billion, decrease by 48% from 2021. Market capitalisation figures rose to a record high US\$37.0 billion, 60% more than previous year.

Indonesia IPO Performance Year-on-Year



Number of IPOs



The largest listing across SEA was from PT GoTo Gojek Tokopedia Tbk raising US\$1.1 billion in funds and market capitalisation of US\$27.5 billion which contributed to 74% of total market capitalisation.



The Technology, Media and Telecommunications industry raised over US\$1.7 billion with market capitalisation of US\$32.1 billion. It represented 71% of total funds raised and 87% of total market capitalisation.

“The Indonesian IPO capital market had a good start in the first half of 2022, and while it slowed down in Q3, Indonesia remains one of the leading IPO markets in the Southeast Asia. It is encouraging to see GoTo and most recently, BliBli, achieve high funding amidst the global concerns such as the Russia-Ukraine situation and rising inflation. We remain optimistic that tech IPOs will continue to grow, with more new tech companies expected to list in the next years, as well as companies in the consumer non-cyclicals industry.”

Ms Imelda M. Orbito, Disruptive Events Advisory Leader, Deloitte Indonesia

	2017	2018	2019	2020	2021	2022
Main Board						
Number of IPOs	7	17	10	8	19	15
Total IPO Funds Raised (US\$' m)	288	509	556	63	2,646	1,923
Total IPO Market Cap. (US\$' m)	890	3,226	2,368	1,007	14,625	34,501
Development Board						
Number of IPOs	30	40	45	38	25	34
Total IPO Funds Raised (US\$' m)	736	623	496	302	1,832	389
Total IPO Market Cap. (US\$' m)	2,359	2,772	2,703	1,415	8,397	2,308
Acceleration Board						
Number of IPOs	N/A	N/A	N/A	5	10	10
Total IPO Funds Raised (US\$' m)	N/A	N/A	N/A	12	24	46
Total IPO Market Cap. (US\$' m)	N/A	N/A	N/A	62	108	192

The Acceleration Board, which serves as a fund-raising platform for small to medium scale assets companies saw the number of IPOs remains stable at the same number as 2021. However, amount raised increase by almost twice the amount compared to 2021. This is a positive sign that companies have the opportunity to raise more funds via the Acceleration Board.

Acceleration Board



Background & Objectives

- Established in July 2019, to provide potential growing small to medium scale asset companies / start-ups an opportunity to raise funds via IPO
- A launchpad to the Development Board or Main Board, providing more access to a wider group of investors to fund larger growth plans



Listing Requirements

- Asset size of more than US\$4 million and less than US\$20 million
- Minimum of 1 year SAK-ETAP report
- Minimum of 20% public or free float



Statistics

- 10 IPOs recorded with US\$46 million of funds raised.
- Companies comprising of a diverse range of industries for investors to invest
- Investors base comprises of angel investors, venture capitalists and retail investors

Top 10 largest IPOs in Indonesia in 2022

	Company	Industry	Date of Listing	IPO Funds Raised (US\$m)	IPO Market Cap (US\$m)
1	PT GoTo Gojek Tokopedia Tbk	Technology, Media and Telecommunications	11-Apr-22	1,089	27,515
2	PT Global Digital Niaga Tbk	Technology, Media and Telecommunications	08-Nov-22	508	3,387
3	PT Mora Telematika Indonesia Tbk	Technology, Media and Telecommunications	08-Aug-22	67	630
4	PT Jayamas Medica Industri Tbk	Life Sciences and Healthcare	08-Nov-22	53	351
5	PT Adaro Minerals Indonesia Tbk	Energy and Resources	03-Jan-22	46	284
6	PT Autopedia Sukses Lestari Tbk	Consumer Business	25-Jan-22	45	227
7	PT Sumber Tani Agung Resources Tbk	Industrial Products	10-Mar-22	37	455
8	PT WIR ASIA Tbk	Technology, Media and Telecommunications	04-Apr-22	30	138
9	PT Citra Borneo Utama Tbk	Consumer Business	08-Nov-22	27	137
10	PT Champ Resto Indonesia Tbk	Industrial Products	08-Feb-22	26	128

Indonesian Stock Exchange (IDX) inaugurated the new building for the East Java IDX Representative Office. The inauguration of this building is a form of BEI's efforts to deepen public understanding of the capital market and increase the number and activity of investors in the capital market, especially in East Java Province.

The new dual-class shares regulation (a concept long established in NYSE) has been established under POJK No. 22/POJK.04/2021 to attract more founders to list their companies on IDX.

The POJK currently only permits technological companies with good financial performance to issue shares with multiple voting rights (SMVR).

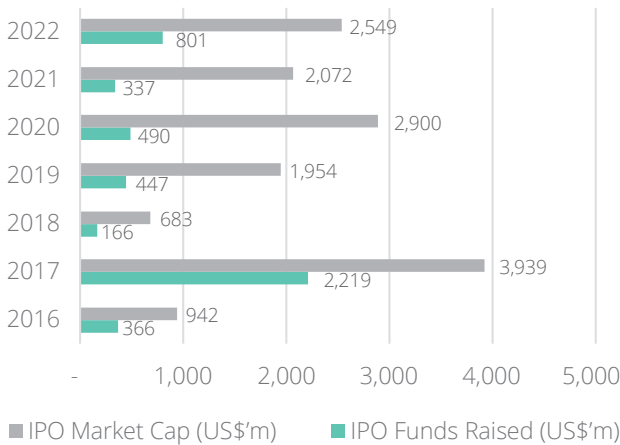
Country in Focus: Malaysia

Malaysia IPO Market Performance

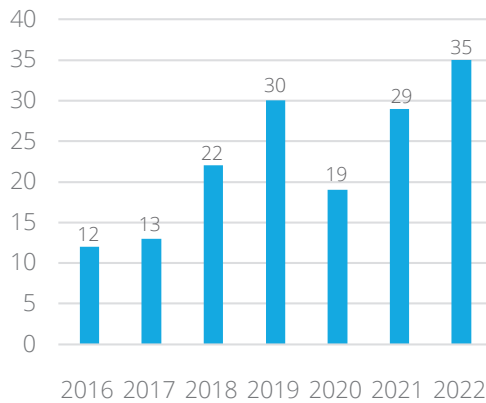
Malaysia saw the number of IPOs going back to pre-COVID levels, driven by cornerstone investors, coupled with an abundance of uninvested capital. With rising vaccination rates in the country, there is a growing number of companies with good fundamentals looking to increase their presence and capacity to tap on the capital markets.

Malaysia's IPO market has remained vibrant with 35 listings in 2022, an increase of 21% from prior year. Its IPO market raised a total of US\$801 million dollars, an increase of 138% from prior year. Market capitalisation increased by 23%, recording US\$2.5 billion.

Malaysia IPO Performance Year-on-Year



Number of IPOs



The Malaysian Stock Exchange recovered from the pandemic and performed better than pre-pandemic due to investors' demand for good fundamental companies.



Companies that were listed on the Malaysian IPO market were dominated by listings in ACE market with total of 26, while the Main and Leap markets recorded 4 and 5 listings, respectively.

"There remains a steady pipeline of companies looking to tap on the capital markets. The strong performance in 2022 against a backdrop of global inflation, rising interest rates, and the threat of a recession, is proof of the resilience of the Malaysian capital market."

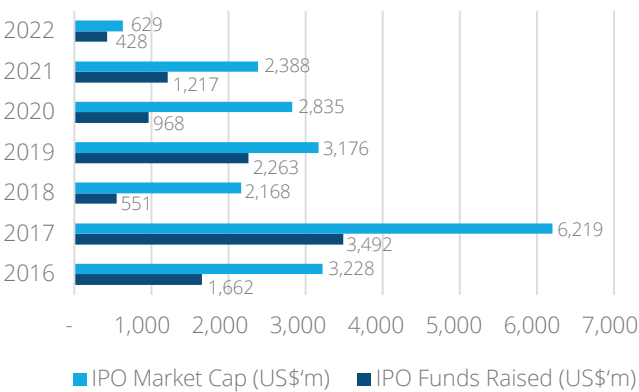
Mr Wong Kar Choon, Disruptive Events Advisory Leader, Deloitte Malaysia

Country in Focus: Singapore

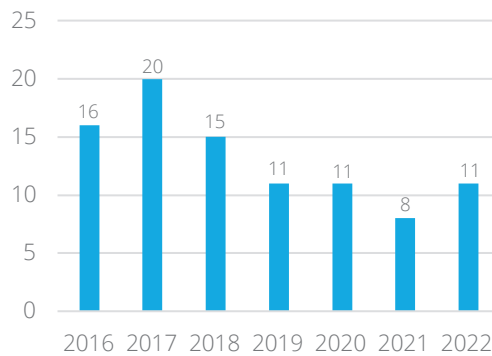
Singapore IPO Market Performance

2022 saw the Singapore Exchange (SGX) raise a total of US\$428 million in IPO proceeds from 11 IPO deals. This comprises of 3 SPAC IPOs on the SGX Mainboard with US\$389 million funds raised and 8 deals on the Catalist board that raised US\$39 million. In comparison, the exchange raised US\$1.2 billion in proceeds from 8 IPO deals in 2021.

Singapore IPO Performance Year-on-Year



Number of IPOs



Special-purpose acquisition companies (SPACs) were introduced in Singapore over a year ago in 2021, and we have already seen 3 SPACs listed in January 2022. Although there has been no new applications emerging in the recent months, the pioneer batch of SPACs in Singapore have a 24-month deadline to de-SPAC, with the option to seek a 12-month extension.

SPACs have received a cooler than expected response in both Singapore and Hong Kong, with both bourses recording 3 and 4 SPAC IPOs respectively. SPACs on both bourses have yet undergone the process to de-SPAC. We foresee that successful de-SPACs will encourage more SPAC listings to come onboard.



REITs is an established segment on the SGX. Since 2010, there has been at least 1 REIT/business trust listing on SGX every year. However, there were no REITs listing on SGX in 2022. In an environment of rising interest rates, valuations have decreased and increasing borrowing costs have posed a challenge for REITs to thrive. However, SGX will still be one of the top choices for any REITs considering an IPO, once the market comes to terms with the current interest rates. Those seeking a listing are probably taking a wait-and-see approach.

11 IPOs in Singapore in 2022

	Company	Listing platform	Industry	Date of listing	IPO Funds Raised (\$\$'m)	IPO Market Cap (\$\$'m)	Offer Price (\$\$)
1	Vertex Technology Acquisition Corporation Ltd	Mainboard	SPAC	20-Jan-22	208	208	5
2	Pegasus Asia SPAC	Mainboard	SPAC	21-Jan-22	170	170	5
3	Novo Tellus Alpha SPAC	Mainboard	SPAC	27-Jan-22	150	150	5
4	Alpina Holdings Limited	Catalist	Industrial Products	28-Jan-22	12	57	0.31
5	LS 2 Holdings Limited	Catalist	Consumer Business	24-Feb-22	6	37	0.2
6	Oiltek International Limited	Catalist	Energy & Resources	03-Mar-22	5	33	0.23
7	iWOW Technology Limited	Catalist	Technology, Media and Telecommunications	14-Apr-22	7	63	0.25
8	LHN Logistics Limited	Catalist	Consumer Business	29-Apr-22	5	33	0.2
9	5E Resources Limited	Catalist	Consumer Business	12-May-22	10	38	0.26
10	NoonTalk Media Limited	Catalist	Technology, Media and Telecommunications	22-Nov-22	5	44	0.22
11	LMS Compliance Limited	Catalist	Financial Services	01-Dec-22	4	23	0.26
	TOTAL (\$\$'m)	11 listings			582	856	
	TOTAL (US\$'m)				428	629	

Note:

Yangzijiang Financial Holding Ltd listed on SGX Mainboard by way of introduction on 28 April 2022.

There were two secondary listings on SGX Mainboard in 2022: Nio Inc. (20 May 2022) and Emperor Inc. (14 July 2022) both listed by introduction.

YKGI Limited lodged its Offer Document on Catalodge on 30 December 2022. It was registered on 26 January 2023.

Market observations



The country's political stability, successful handling of the pandemic and smooth re-opening of borders keep Singapore attractive for businesses to set up shop. Further, there is an on-going capital inflow and movement of businesses and head offices to Singapore. There will always be businesses with a good growth story that need capital to expedite growth.

With the SGX's welcoming stance on all foreign and local businesses, it will bring more opportunities to Singapore IPO capital markets. If Singapore manages to capitalise on this shift, the next two to five years could very well be the golden years for our IPO market.

We foresee that the hot sectors of interest to investors include green companies, companies in the tech sector and those in the healthcare industry.



Secondary listing

SGX continues to actively pursue IPOs from Singapore and foreign companies, as well as welcoming secondary listings from companies listed on regional and global stock exchanges. SGX has MOUs with major stock exchanges including the New York Stock Exchange (NYSE) and NASDAQ, to encourage companies listed on these bourses to consider a secondary listing in Singapore. There has been at least 1 secondary listing every year since 2020.

Secondary listing on SGX is a viable and attractive option for companies with expansion plans in Asia, as it provides an added layer of profiling for greater investor awareness. There is also an element of risk diversification, as it provides investors and the company with options to tap on different markets and a wider shareholder base with larger liquidity pool. All businesses are susceptible to risks in its operating environment they may not have control over, such as political instability, a pandemic outbreak and natural disasters. Having a secondary listing is a good way to hedge such business interruption risks and minimise disruptions to the business operations and capital market plans.



The Grant for Equity Market Singapore (GEMS) was launched by Finance Minister Heng Swee Keat. The grant was further enhanced to support listings on SGX. Now companies with larger market capitalisation will be able to tap on the GEMS listing grant to co-fund 70 per cent of their expenses, up to S\$2 million. Smaller firms can get 70 per cent co-funding up to a cap of S\$1 million. GEMS helps to alleviate most of the listing costs associated with an IPO on the SGX.

“On the bright side, there is an on-going shift in the capital inflow and relocation of head offices into Singapore. This brings more opportunities to Singapore’s IPO market. If our market is able to capitalise on this shift, the next two to five years could very well be the golden years for our IPO market. Furthermore, Singapore’s political stability, successful handling of the pandemic and smooth re-opening of borders will allow Singapore to remain attractive for businesses to set up shop.”

Mr Darren Ng, Disruptive Events Advisory Deputy Leader, Deloitte Singapore

Country in Focus: Philippines

Philippines IPO Market Performance

With a total of 8 IPO listings (2021 : 7 listings), the total proceeds raised in 2022 is US\$352 million (2021: US\$2.89 billion).

Total IPO amount raised decreased by 88%, the total IPO market capitalisation decreased by 82%.

	Company	Industry	Date of Listing	IPO Funds Raised (US\$m)	IPO Market Cap (US\$m)
1	Citicore Energy REIT Corp (CREIT).	Real Estate	22-Feb-22	124	362
2	VistaREIT, Inc.	Real Estate	15-Jun-22	88	239
3	Bank of Commerce	Financial Services	31-Mar-22	65	330
4	CTS Global Equity Group, Inc.	Financial Services	13-Apr-22	26	146
5	Figaro Coffee Group (FCG)	Consumer Business	24-Jan-22	15	70
6	Raslag Corporation	Financial Services	06-Jun-22	15	56
7	Haus Talk Inc. (HTI)	Real Estate	17-Jan-22	15	78
8	Balai Ni Fruitas Inc.	Consumer Business	30-Jun-22	4	18
	Total			352	1,299

On 9 November 2022, LFM Properties Corporation listed on the PSE Small, Medium and Emerging (SME) Board by way of introduction was excluded from the table above.

Citicore Energy REIT Corp (CREIT) invests in income-generating renewable energy real estate properties. CREIT is the country's first energy REIT with unique offering on the PSE which will accelerate Philippines' renewable energy goals in the coming years.

Country in Focus: Vietnam

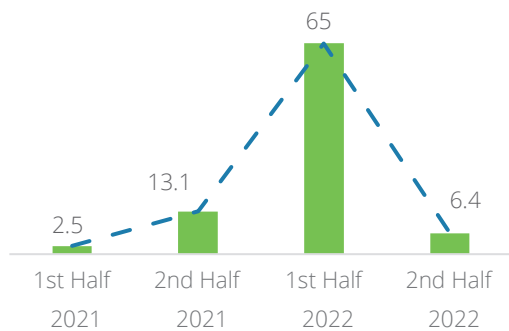
Vietnam IPO Market Performance

Vietnam's IPO market saw 8 successful listings in 2022. While this is lower than the 13 listings recorded for 2021, the amount raised has more than quadrupled, from US\$15.6 million to US\$71.4 million.

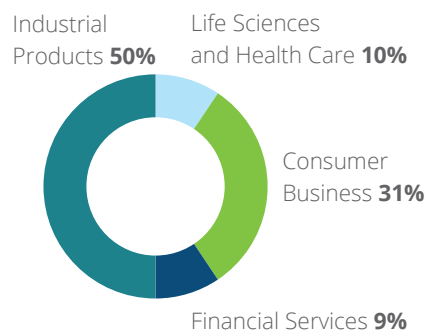
In the first half of the year, the capital market kicked off with 6 successful IPOs, raising US\$65 million, building on the vibrant market movements in the second half of 2021. During this period, the Vietnam market witnessed 2 IPO deals that managed to raise more than US\$20 million each from Ton Dong A Corporation and Nova Consumer.

The slowing down of momentum in the second half of the year was attributable to global uncertainties of inflation and increasing likelihood of recession. In Vietnam, the trend is driven by escalating fuel price, rising interest rate, tightening capital market and recent financial scandals.

IPO Funds Raised Comparison (US\$m)



2022 IPO Funds Raised breakdown, by industry



Industrial products (US\$35.7 million, 50%) and consumer business (US\$22.3 million, 31%) dominated the local capital market in 2022.



The top three IPO deals were Ton Dong A Corporation with US\$27 million raised, Nova Consumer Group with US\$21 million, and Green Plus Joint Stock Corporation with US\$7 million raised.

“The IPO market focus has shifted from Real Estate in 2021 to Industrial Products and Consumer Business in 2022. It is expected that Consumer Business will continue to play a key role, with highly anticipated upcoming listings from this sector. With current uncertainties, investors as well as companies are proceeding rather cautiously to time the market. Vietnam regulatory bodies have launched several initiatives to promote the transparency of financial information, by introducing regulations that encourage a transparent, efficient and respected listing process, and promoting the adoption of International Financial Reporting Standards (IFRS). We hope that this will boost local and international investors’ confidence and enhance the attractiveness and vibrancy of Vietnam capital market.”

Mr Bui Van Trinh, Disruptive Events Advisory Deputy Leader, Deloitte Vietnam

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