

Listing in Singapore

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[May 2012]



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Introduction to Singapore Market



- ❖ Singapore Exchange (“SGX”), the Asian Gateway
 - Second largest listed exchange in Asia
 - Largest REIT market in Asia ex-Japan
 - Top 4 most active forex trading centres in the world
 - Second largest OTC derivatives trading centre in Asia

Notes:

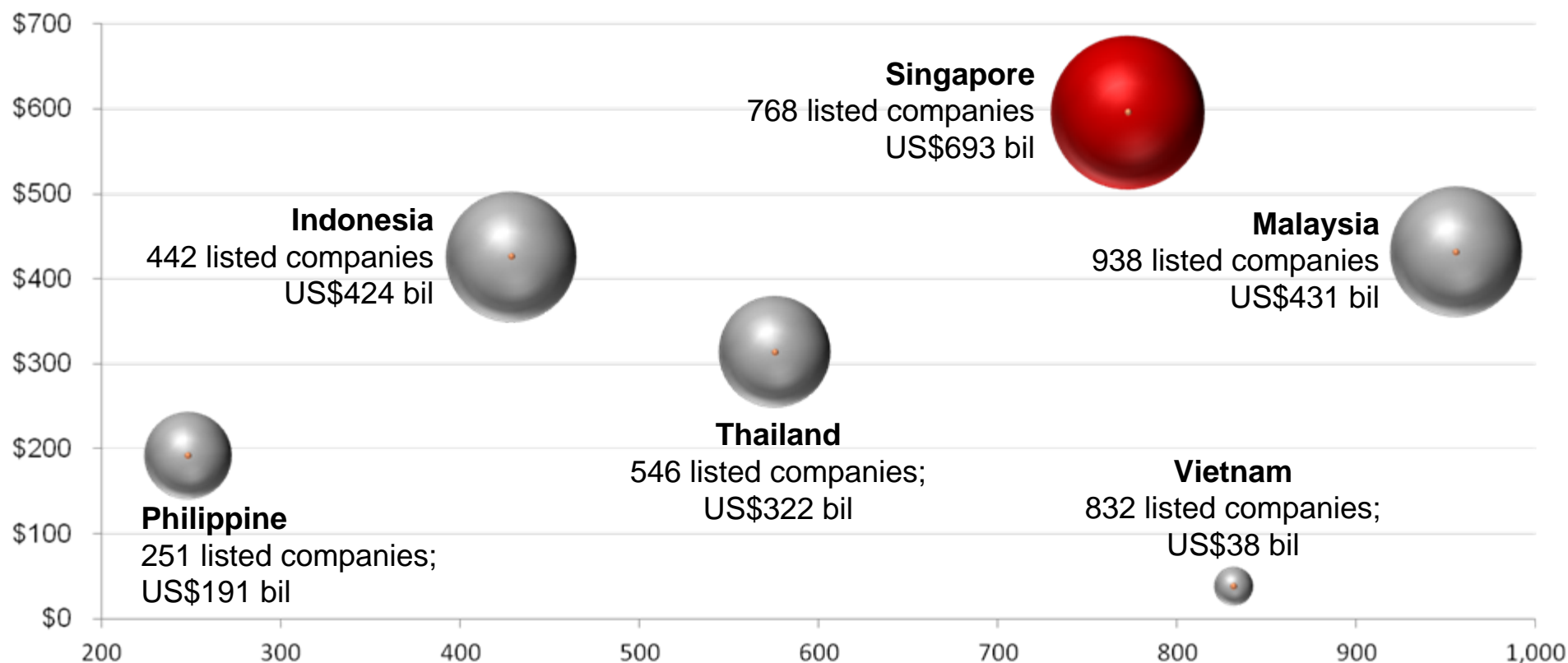
1. Source: MAS, SGX, World Federation of Exchanges

2. As at 31 March 2012

SGX – Asia's Listing Platform for Growth

❖ Largest Exchange in South East Asia

..... with total market capitalisation of US\$693 billion



Notes:

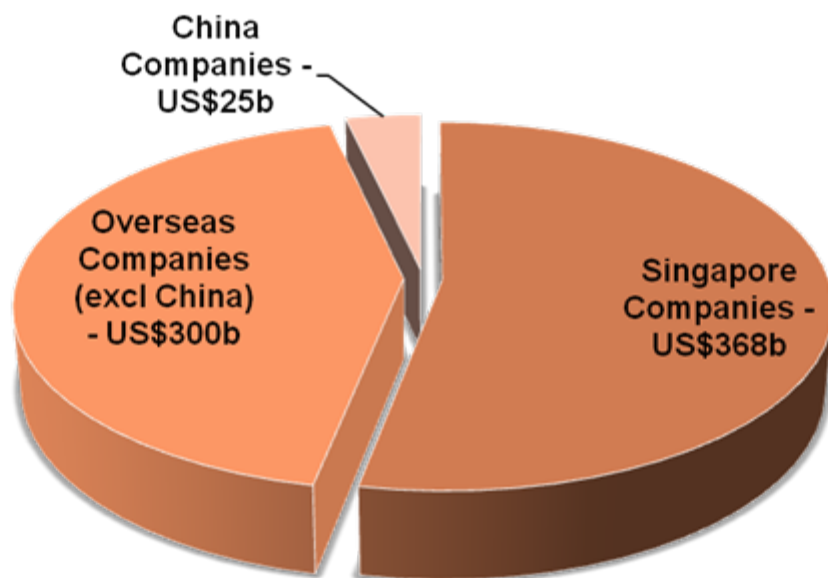
1. Source: Bloomberg, SGX, World Federation of Exchanges

2. As at 31 March 2012

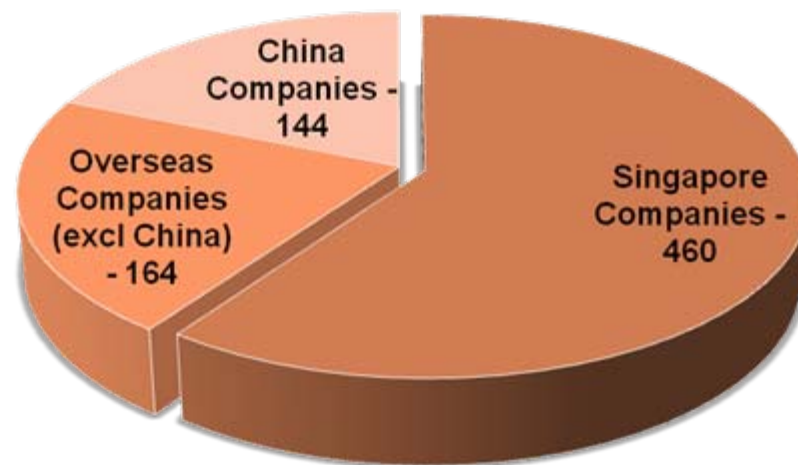
Snapshots of Companies Listed on SGX

❖ An International Exchange

..... with foreign companies accounting more than 40.0% of all equity listings



total market capitalisation of US\$693 billion



768 listed companies

Notes:

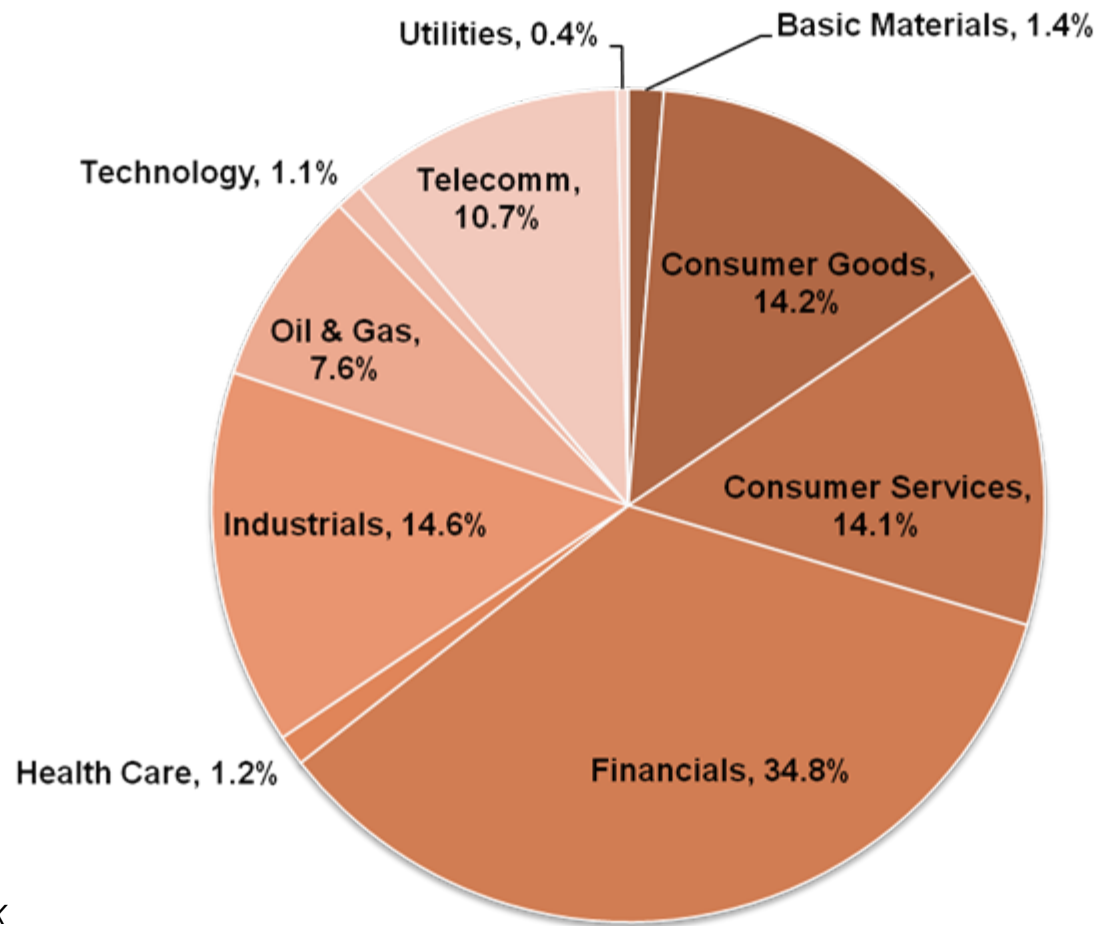
1. Source: Bloomberg, SGX, World Federation of Exchanges

2. As at 31 March 2012

Snapshots of Companies Listed on SGX

❖ Established Market

..... which spans across the whole spectrum of industries



Notes:

1. Source: Bloomberg, SGX

2. As at 31 March 2012

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Considerations for Listing in Singapore

Internationally Recognised Marketplace

Strategic location in Asia



Asian gateway for listing

Established financial market



Fair valuation and liquidity

Political stability and regional financial
centre



Conducive listing environment

Excellent financial infrastructure



Active research coverage

Transparent and Well- Regulated Market

International disclosure & corporate
governance standards



Reputation and branding

Disclosure-based regulatory regime and
no capital gains tax



Market-oriented regulations

Efficient processing of 8 – 12 weeks (for
Mainboard)



Certainty of timing

Considerations for Listing in Singapore

Strong Institutional and Retail Investors Base

Home exchange to foreign companies



Investors familiarity & interest

Major fund management hub



Institutional investors participation

Diversified product range



To suit each funding & investment need

Active secondary fundraising

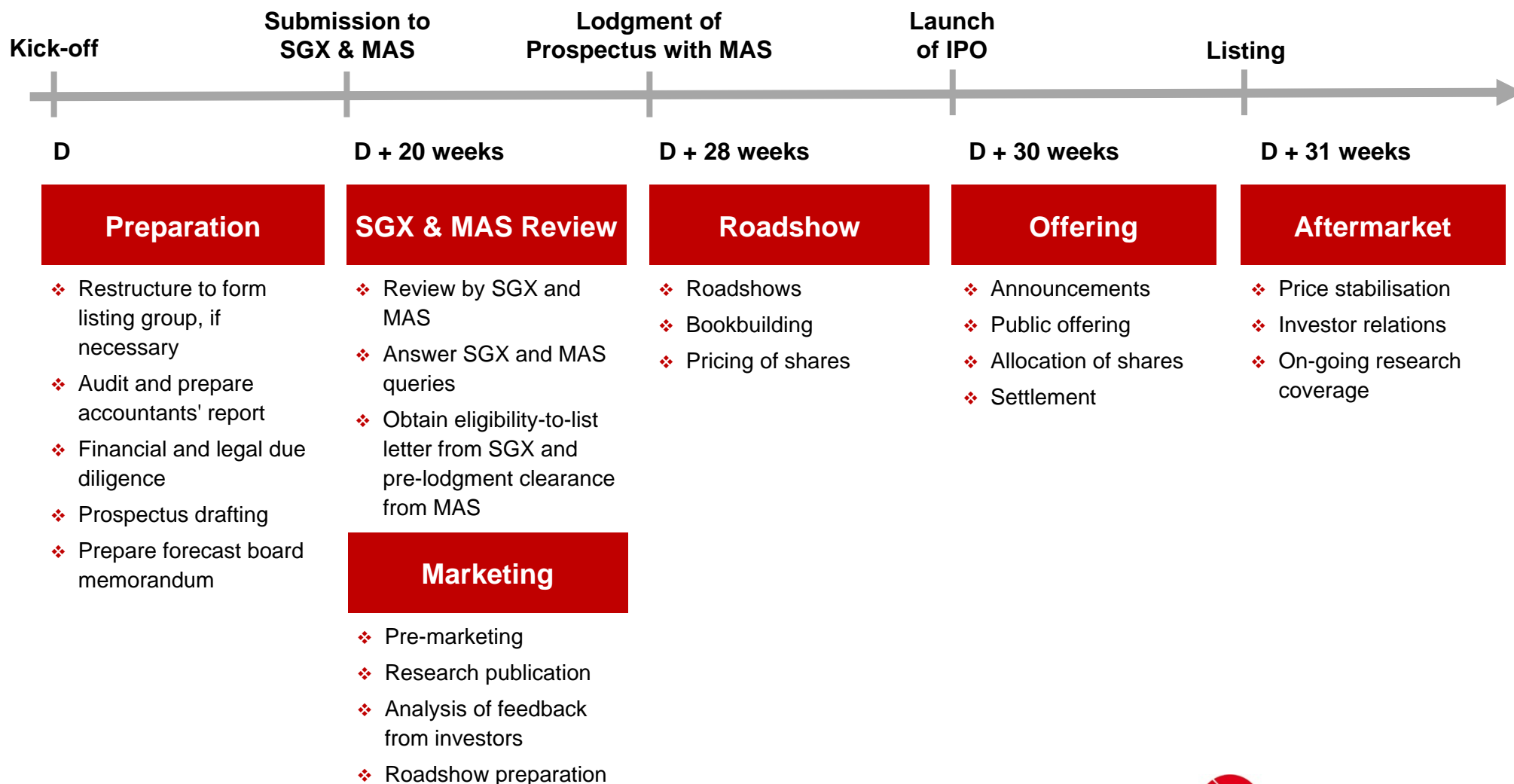


Continual funding for growth

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Listing Process in Singapore



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Critical Success Factors

Attractive Equity Story

- ❖ Positioning of the company
- ❖ Positive growth story
- ❖ Convincing and viable business strategy

Pricing

- ❖ Market-oriented valuation
- ❖ Deal sweeteners

Timing and Planning

- ❖ Optimal market conditions
- ❖ Effective project management
- ❖ Well-thought-out planning

Critical Success Factors

Experienced Management

- ❖ Long-standing experience in the industry
- ❖ Qualified management team

Transparency

- ❖ Visibility to investors
- ❖ Clear communication strategy
- ❖ Robust corporate governance policy

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Case Study I – Sheng Siong's IPO



Key Terms

Issuer	Sheng Siong Group Ltd
Equity Offering Composition	351,500,000 Invitation Shares (including 150,000 Vendor Shares)
Over-Allotment Option	Up to 52,725,000 Shares
Offer Size	S\$130 mil (including over-allotment)
Offer Price	S\$0.33 per Share
IPO Market Capitalisation	S\$442.7 mil
Listing Date	17 August 2011
Issue Manager, Underwriter & Placement Agent	OCBC Bank

Background

- ❖ One of Singapore's largest grocery retail chains with 23 stores all across Singapore
- ❖ Launched the IPO to raise funds to expand its operations and to repay borrowings



Key Highlights – Sheng Siong’s IPO

Challenges

- ❖ Challenging market conditions
- ❖ S&P’s downgraded the US on 5 Aug 2011, the very day the IPO was launched
- ❖ Wide-spread sell-off in global equity markets
- ❖ Small issue size of Sheng Siong makes it a difficult sell to big quality institutional investors

OCBC’s Strategy

- ❖ Positioning the company as a defensive play with a positive growth story and robust industry outlook
- ❖ Attractive valuation with a promise to pay up to 90% of its net profit as dividends in 2011 and 2012

Outcomes



- ❖ The IPO was 1.3x over-subscribed
- ❖ Strong interest from retail investors and backed by quality institutional investors
- ❖ Equal allocation between institutions and retail investors to strike a balance between aftermarket performance and liquidity
- ❖ The stock rose 70% above the IPO price within the first two weeks

Case Study II – Global Premium Hotels' IPO



Key Terms

Issuer	Global Premium Hotels Ltd
Equity Offering Composition	450,000,000 New Shares (including 13,000,000 Public Offer Shares)
Over-Allotment Option	Up to 67,500,000 Shares
Offer Size	S\$117 mil (excluding over-allotment)
Offer Price	S\$0.26 per Share
IPO Market Capitalisation	S\$260.0 mil
Listing Date	26 April 2012
Issue Manager, Underwriter & Placement Agent	OCBC Bank

Background

- ❖ Spin-off from Fragrance Group
- ❖ Singapore's second largest chains of economy-tier and mid-tier class hotels with 23 hotels and 1,738 rooms
- ❖ Launched the IPO to develop and expand its hotel business operations in Singapore and overseas



Key Highlights – Global Premium Hotels' IPO

Challenges

- ❖ Unsuitable original structure of the proposed listing group
- ❖ Lack of major shareholder's initial shareholding commitment
- ❖ Unattractive proposed dividend policy
- ❖ Uncertainties over the Eurozone debt crisis

OCBC's Strategy

- ❖ Restructuring of the proposed listing group to better suit its business operations
- ❖ Encourage major shareholder to take majority shareholding to inspire confidence and attract investors
- ❖ Attractive valuation, complete with a promise to pay up to 80% of its net profit as dividends in 2012

Outcomes

- ❖ Overall subscription rate of 5.7x (placement tranche 3.3x subscribed and public offer tranche 86x subscribed)
- ❖ Due to the overwhelming demand, the over-allotment option was fully exercised
- ❖ 14 investors applying for shares qualified for anchor status and 6 institutional investors were selected
- ❖ Equal allocation between institutions and retail investors to strike a balance between aftermarket performance and liquidity
- ❖ The stock rose [xx]% above the IPO price on the first day of trading



Thank You!