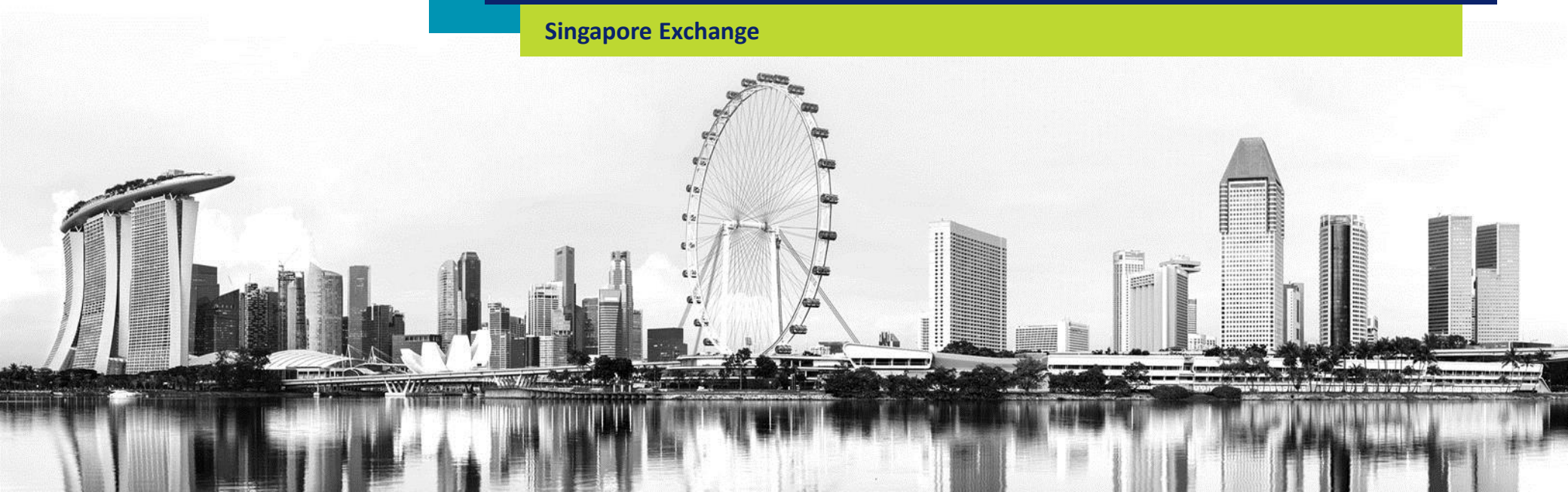


# Singapore capital markets as a fund raising option for ASEAN mineral companies

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November 2016

Singapore Exchange



# Overview of Singapore and SGX

# Singapore is an International Business and Financial Hub

## World's **BEST** Business Environment\*

Fitch affirms **AAA Rating**



Singapore's strength lies in its **connectivity**

**Half** of the world's population in close proximity (SEA + India + China)

**76** avoidance of double taxation agreements

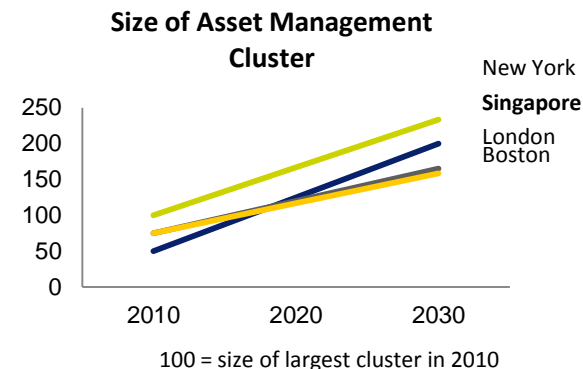
**31** jurisdictions covered by FTAs

**600m** tons sea cargo handled

**40** open skies agreements

## Asia's Wealth Management Hub

- US\$1.8 trillion AUM
- Poised to be the 2<sup>nd</sup> largest global asset management hub by 2018
- Over 3,000 investment professionals, 4,000 registered funds and 200 fund management companies



## Regional Hub for Institutional Investors

- Home to major sovereign wealth funds such as GIC, Temasek, Norges Bank Investment Management, Canadian Pension Fund, Korean National Pension Service, Investment Company of People's Republic of China, etc.

## 3<sup>rd</sup> Largest Concentration of Ultra High Net Worth Individuals (UHNWIs<sup>^</sup>)

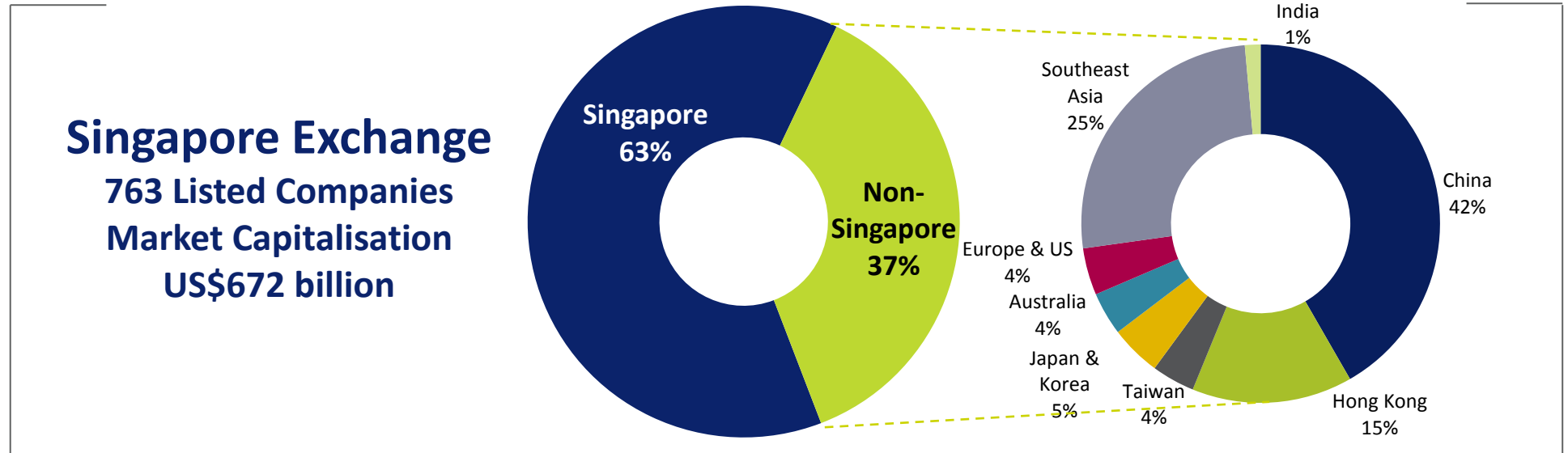
- Singapore has 2,360 UHNWIs, 3<sup>rd</sup> largest concentration of UHNWIs globally
- Set to have the world's fastest growth in number of UHNWI in the next decade

<sup>^</sup>Note: UHNWI refers to individuals with a net worth of over US\$30m in assets

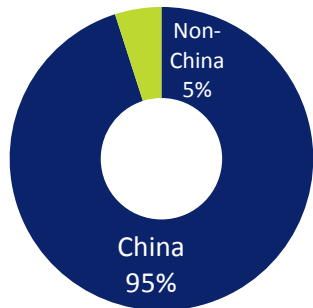
\*Source: Knight Frank Wealth Report (2016), Economist Intelligence Unit (2014), MAS Annual Report (2015/2016)

# SGX is the Most International Exchange

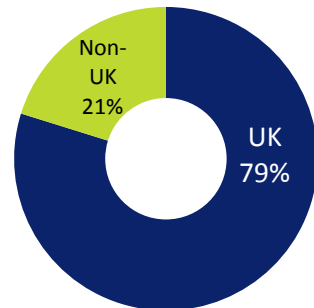
Nearly 40% of all companies listed on SGX are overseas companies



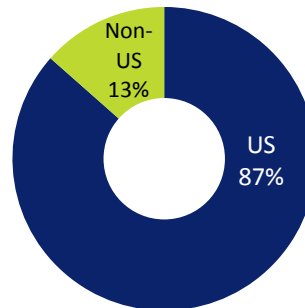
Hong Kong Stock Exchange



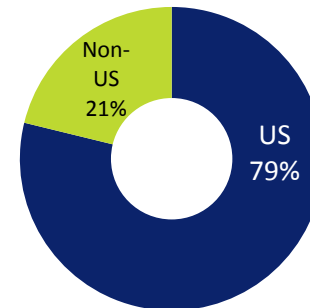
London Stock Exchange



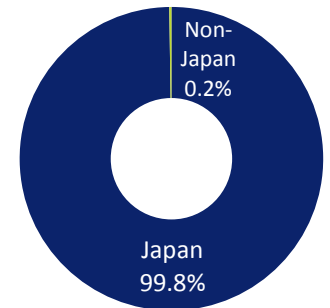
NASDAQ



New York Stock Exchange



Tokyo Stock Exchange



Source: World Federation of Exchanges and Companies' website (Aug 2016), Singapore Exchange (Sep 2016)

# Focus Sectors on SGX

## Consumer

PE: 17x



- Includes agri-commodities, food & beverage and retail
- 157 companies with market cap of US\$106 billion

## Technology

PE: 16x



- Includes information & communications technology, medical technology and financial technology
- 79 companies with market cap of US\$60 billion

## Healthcare

PE: 38x



- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 29 companies, 2 REITs and 1 Trust with market cap of US\$25 billion

## Maritime & Offshore Services

PE: 11x



- Asia's largest cluster of listed companies
- 57 companies and 3 business trusts with market cap of US\$20 billion

## Mineral, Oil and Gas

PB: 2x



- Companies in exploration, development and production of mineral or oil & gas
- 26 companies with market cap of US\$1.5 billion

## Real Estate

PB: 0.9x



- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 96 real estate companies and property trusts with market cap of US\$125 billion

Source: Bloomberg & Singapore Exchange (Sep 2016)

# SGX Connectivity to ASEAN Economies

Top regional companies of US\$80 billion listed on SGX

ASEAN is a US\$2.4T (2014) economy & 7<sup>th</sup> largest in the world, expanding more than 300% since 2001.

Population of 625 million.

Forecasted to be the 4<sup>th</sup> largest economy by 2030, it is projected to grow an average of 5% p.a. for the next 5-10 years

## Malaysia

40 Listed Companies  
Market Cap: US\$44 billion  
Includes **IHH Healthcare**, Asia's largest healthcare operator & **Wilmar**, South East Asia's largest listed food producer

## Philippines

1 Listed Company  
Market Cap: US\$521 million  
**Del Monte Pacific**, a global food & beverage conglomerate

## Thailand

3 Listed Companies  
Market Cap: US\$20 billion

Includes **Thai Beverage**, one of the largest beverage players in Asia

## Indonesia

27 Listed Companies  
Market Cap: US\$15 billion  
Includes **Lippo REIT**, whose sponsor is PT Lippo Karawaci, Indonesia's largest listed property company and **Jardine C&C** which owns Astra Indonesia's largest auto distributor

## Myanmar

1 Listed Company  
Market Cap: US\$744 million

**Yoma Strategic**, the only foreign company that has significant exposure to Myanmar

**SGX**

Source: Bloomberg and Singapore Exchange (July 2016), World Bank, ADB

# Access to the Wealth Management Hub of Asia



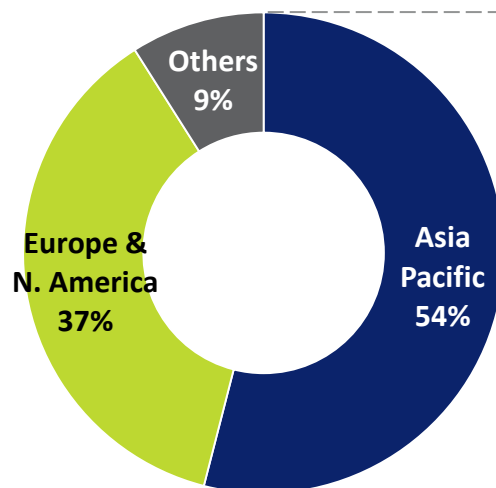
# SGX is Asia's Gateway to Capital

Singapore is home to US\$1.8 trillion Assets Under Management, an annual growth of 9%

## Global Investors

- Aberdeen Asset Management
- Blackrock Asset Management
- Blackrock Fund Management
- Credit Suisse Asset Management
- Deutsche Asset Management
- Fidelity International
- Invesco Asset Management
- JP Morgan
- Legg Mason Global
- Morgan Stanley Investment Management
- Prudential Financial
- Schroder Investment Management
- UBS Strategy Fund Management

## Source of Singapore's Foreign AUM



Singapore offers a diverse range of investors, with 80% of its AUM derived from outside Singapore

## Chinese Investors

- QDII funds can invest in Singapore (e.g. ChinaAMC Global Selective Fund, China International Fund Management, ICBC Credit Suisse Asset Management)
- Alibaba, Bosera, CIC, Sinochem, Petrochina, Huaneng are investors in Singapore equities
- 33,000 Chinese citizens have custodian accounts with CDP

## South & South East Asian Investors

- 200,000 South East Asian (excl. Singapore) citizens have custodian accounts with CDP
- 14,000 Indian citizens have custodian accounts with CDP

Source: Singapore Exchange (Dec 2015), MAS Annual Report (2015/2016)

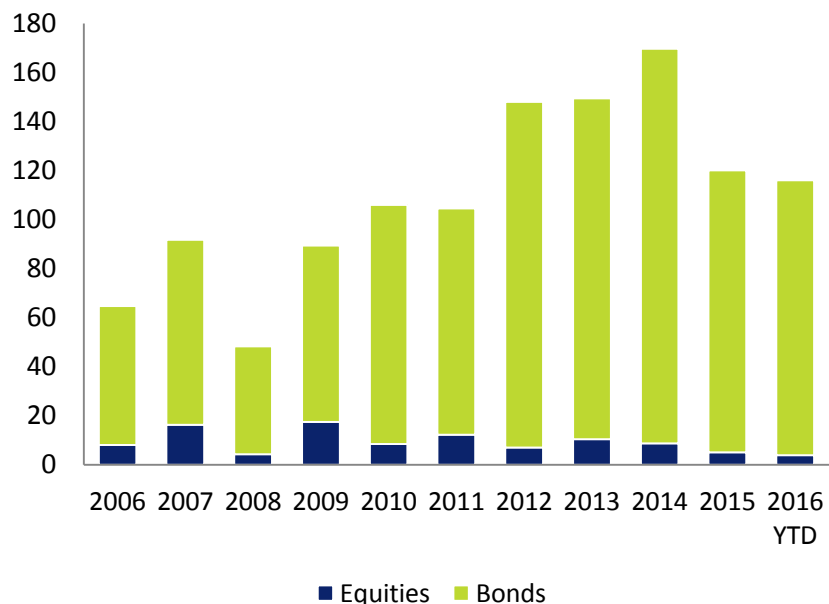


# SGX is an Attractive and Enduring Capital Raising Market

Strong investor support for SGX-listed companies in both primary and secondary markets

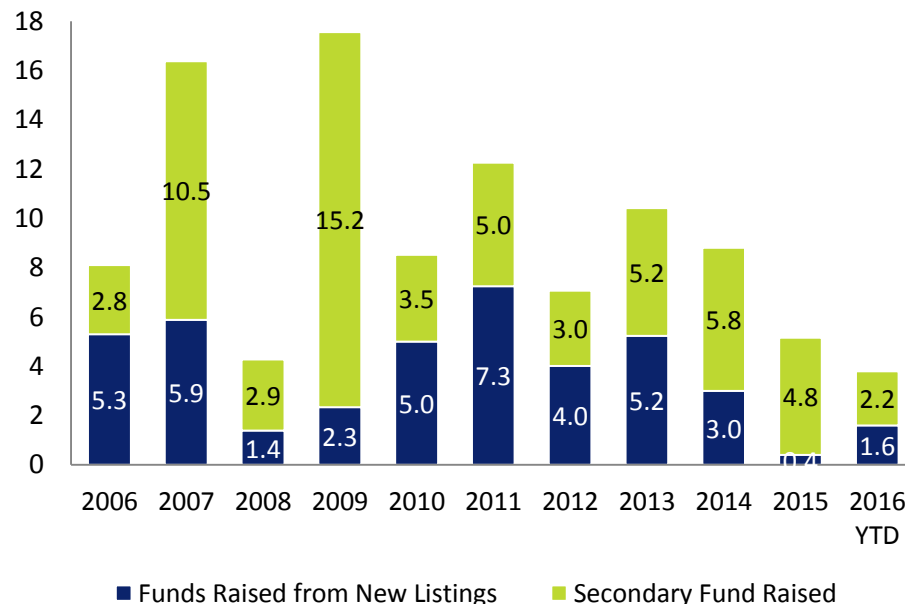
SGX-listed companies raised more than **US\$1 trillion** through debt and equity in the last decade

Funds Raised on SGX (US\$ billion)



SGX-listed companies raised **50% more funds through the secondary market** than at IPO, including US Reg-S, 144A, and Japanese POWLs

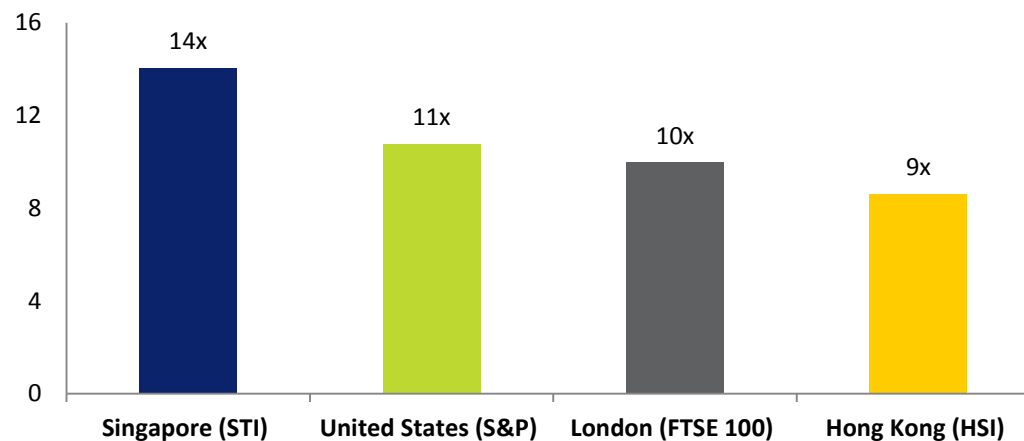
Equity Funds Raised (US\$ billion)



Source: Singapore Exchange (Sep 2016)

# Premium Valuation Against Other International Exchanges in the Last 5 Years

EV/EBITDA\* – STI vs. S&P vs. FTSE vs. HSI  
5Y Average (September 2012 – September 2016)



	5Y Average	Max	Min
<b>Singapore (STI)</b>	14x	16x	11x
<b>United States (S&amp;P 500)</b>	11x	13x	9x
<b>London (FTSE 100)</b>	10x	14x	7x
<b>Hong Kong (HSI)</b>	9x	10x	7x

Note: \* EV / EBITDA refers to Enterprise Value / Trailing 12 Month EBITDA

Source: Bloomberg (Sep 2016)

# Minerals Sector

# Singapore: Asia's Commodity Hub

## Key Hub for Base Metals, Iron Ore & Coal

Home to over 70% of top metals & mining companies

Home to over 60% of top 30 steel companies

Clearing centre for over 90% of globally-traded iron ore swaps

## Introduction of MOG Rules in 2011 was Instrumental in Driving MOG Listings

MOG rules allow pre-production companies to list, including continuing listing obligations for any MOG company

Number of MOG listings grew 3 times since introduction of rules

## Strong Government Drive to Promote the Sector

IE Singapore actively promotes Singapore as a global commodities hub through the Global Traders Programme (GTP), which serves to anchor commodity companies in Singapore

## Fast Growing Cluster of Mineral, Oil and Gas Companies on SGX

- 26 companies with total value of US\$1.5 billion and turnover velocity of 120%
- Valuation metrics by EV / Resource, which is mineral specific

### Mineral

**17 companies**  
**Mkt Cap: US\$0.9B**



### Oil & Gas

**9 companies**  
**Mkt Cap: US\$0.3B**



Source: IE Singapore, SGX,

# SGX Minerals Companies



## Gold

## Industrial Minerals

## Coal

## Diversified Businesses

<p><b>Anchor Resources Ltd *</b>  <b>CNMC Goldmine Holdings *</b>  <b>Wilton Resources *</b></p>	<p><b>Alliance Minerals Assets *</b>  <b>AsiaPhos *</b>  <b>GCCP *</b>  <b>Terratech * ^</b></p>	<p><b>BlackGold Natural Resources *</b>  <b>Geo Energy Resources</b>  <b>Golden Energy and Resources</b>  <b>Resources Prima *</b></p>	<p><b>Abterra ^</b>  <b>China Mining International ^</b>  <b>Falcon Energy ^</b>  <b>ISR Capital ^</b>  <b>Malaysia Smelting Corp ^</b>  <b>Sincap* ^</b></p>
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Note: \* Listed on Catalyst, ^has significant non-MOG business

Source: Bloomberg , SGX (August 2016)

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# Summary of MOG Listing Rules

Principal activity is exploration for or extraction of minerals

- Criteria for Admission (No revenue or profit requirements )
  - For mineral companies, established Indicated Resources
  - For Mainboard, market cap of at least S\$300mn for pre-production companies
  - Possess exploration and exploitation rights
- Qualified Person's Report (Not older than 6 months before date of lodgment)
  - Qualified Person professionally qualified, with at least 5 years relevant experience, and a member/licensee of a self-regulatory professional organisation
- Accepted Technical Standard: VALMIN, JORC, NI43-101, PERC
  - Valuation: VALMIN
- Other requirements (see rules):
  - Working Capital Requirement of 18 months from date of lodgment
  - An independent director with appropriate industry experience & expertise

# 2015 Minerals company listings

Easier to attract investor attention by listing on SGX

Exchange	2015 Minerals new listings	Total Minerals listings (Jan '16)
TSX	5 (inc. 4 < \$2m market cap)	1319
SGX	1 + 2 RTO	17
ASX	2	770
HKEx	2	83
LSE	1	156

Note: ICB, Bloomberg, SGX data



# Recent Fund Raising

## IPO and RTO Fund raising

Year	New Minerals IPOs and RTOs	Total Initial Fund Raising (S\$m)	Total Follow On Raising S\$m
2013	2	31	18
2014	3	57	18
2015	3*	53	7
2016	1	7	24

2016 IPO: Anchor Resources (Malaysian gold)

2015 IPO: GCCP (Malaysian limestone)

2015 RTOs: Blackgold Natural Resources and Golden Energy & Resources (both Indonesian thermal coal)

Source: Company announcements, SGX

\* Golden Energy and Resources initial market cap was S\$2bn, in a non fund raising transaction

# SGX Minerals companies enjoy good Turnover Velocity (TOV)

More interest to trade shares than there are available listed companies

Exchange	TOV
SGX	200%
LSE	146%
TSX	88%
ASX	81%
HKEx	44%

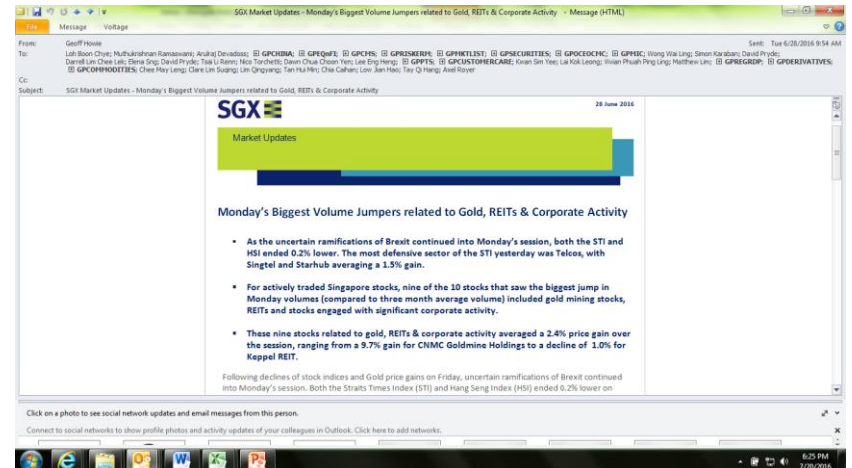
TOV is the ratio of equity value traded to market cap over a 12 month period

Source: Bloomberg and ICB, Period from 8 Nov 2015 to 7 Nov 2016

# The Market is Ready for More Mineral Listings

## How SGX supports the market

- SGX organises investor education
  - Relevant topics regards minerals (top right picture is the auditorium at “Introduction to Minerals”)
  - Target audience is Investors (retail & professional), analysts, media, regulators, bankers, etc.
  - 58 seminars with 6,000+ attendees
  - 33 new attendees per seminar
  - Web clips are posted on SGX Channel on youtube and have in total >31,000 views
- SGX publishes research & strategy reports
  - Sector Research includes Mining (see bottom right)
  - CEO interview profiles
  - Distributed to 230,000 subscribers



# SGX Offers Capital Raising Solutions for Companies at Varying Stages of Growth

	Mainboard	Catalist
<b>Companies</b>	Established companies	Fast growing companies
<b>Key Benefits</b>	<ul style="list-style-type: none"> <li>Established branding</li> <li>Access to wider range of institutional investors</li> <li>More product types</li> </ul>	<ul style="list-style-type: none"> <li>Faster time to market</li> <li>More headroom for secondary fundraising, acquisitions and disposal</li> </ul>
<b>IPO Review &amp; Post-IPO Supervision</b>	SGX	Sponsors
<b>Quotation &amp; Trading</b>	Ready cash market	

Note: The above 1-3 points are applicable to retail debt securities but not wholesale debt securities

# Thank you

For more information, please contact:

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