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Tepid showing from reverse takeover listings



Entertainment event firm UnUsUaL, which organised Jacky Cheung's Singapore concert in February, was one of five IPOs this year. It started trading on April 10 and has been the most bullish, closing at 48 cents yesterday, up 140 per cent from its 20 cent offer price. PHOTO: UNUSUAL ENTERTAINMENT

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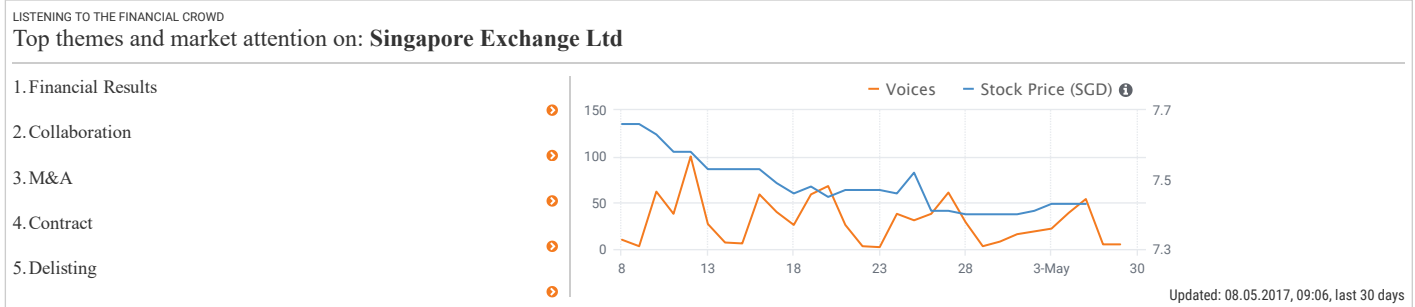
In contrast, IPOs this year have performed much better

✉️
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Capital World had a tepid start when it resumed trading yesterday, following a reverse takeover (RTO) by Terratech Group.

Shares of the property developer closed at 18.2 cents in its first session, after a backdoor listing on the Catalist board - 9 per cent down from the 20 cent issue price.

This reflected a generally dismal performance among the RTO listings on the Singapore Exchange (SGX) this year, while initial public offerings (IPOs) - or new listings - have performed much better.



In an RTO, a listed acquirer looking to explore a new business issues shares to a private firm, which then assumes control of the merged and listed entity.

Capital World was the third RTO listing this year, following Pacific Star Development and Hatten Land.

SGX listings so far this year

	Listing type	Listing date	Offer price (cent)	Last close (cent)	Change from offer price (%)
Samurai 2K Aerosol	IPO	Jan 16	20	31.5	▲ 57.5
Dasin Retail Trust	IPO	Jan 20	80	80	0
Pacific Star Development	RTO	Feb 16	26.7	21	▼ 21.3
Hatten Land	RTO	Feb 28	28	23	▼ 17.9
Kimly Limited	IPO	March 20	25	45	▲ 80
UnUsUaL	IPO	April 10	20	48	▲ 140
Aoxin Q & M	IPO	April 26	20	27	▲ 35
Capital World	RTO	May 05	20	18.2	▼ 9

Source: SHAREINVESTOR.COM, SINGAPORE EXCHANGE
STRAITS TIMES GRAPHICS

All three are property firms with a strong focus on Malaysia.

Pacific Star Development debuted on Feb 16 with an issue price of 26.7 cent; its shares have pared 21.3 per cent to 21 cents.

Hatten Land, which listed on Feb 28, dropped 17.9 per cent from its issue price to 23 cents yesterday.

Meanwhile, the five IPOs this year - Samurai 2K Aerosol, Dasin Retail Trust, Kimly, UnUsUaL and Aoxin Q&M - have generally had a far more positive showing.

Entertainment event firm UnUsUaL has been the most bullish. It started trading on April 10 and closed at 48 cents yesterday - up 140 per cent from its 20 cent offer price.

Coffee shop operator Kimly has also been a favourite since listing on March 20, having gained 80 per cent to close at 45 cents yesterday; its offer price was 25 cents.

The latest IPO in the market, Chinese dental firm Aoxin Q&M, listed on April 26 with an offer price of 20 cents. It closed 35 per cent higher at 27 cents yesterday.

Said remisier Desmond Leong: "The IPOs this year have done quite well. In fact, all of them except Dasin have jumped from their offer prices and this is quite impressive."

Dasin Retail Trust last closed at 80 cents, level with its offer price.

The SGX expects a healthier IPO pipeline this year compared with last year, when there were 16 new listings that raised over \$1.8 billion.


The much improved market sentiment - as reflected by the 12.1 per cent gain to the Straits Times Index so far this year - should entice more companies still waiting for the favourable moment to get listed at higher valuations.

But there is still a lack of big listings to truly excite the market and generate fund flows, said Azure Capital chief executive Terence Wong.

Of the five IPOs since January, only Dasin Retail Trust was listed on the mainboard. The rest are on the Catalist board.

Last year, 11 of the 16 IPOs were Catalist listings.

Said Mr Wong: "We need to see more big IPOs to add depth and breadth to the market, to prove that the SGX isn't just a one-trick pony focusing on property trusts... After a resilient first quarter, I do think that's going to happen."

 [SGX listings so far this year](#)