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News Release

4 July 2016

SGX launches independent research paper on Retail sector

Singapore Exchange (SGX) launched an independent research report covering the retail sector in four ASEAN countries (Singapore, Indonesia, Malaysia and Thailand). This is part of SGX's on-going efforts to educate and keep investors better informed of the sectors that are covered by its listed companies.

Titled "*ASEAN RETAIL: Overview, Trends and Outlook, with a focus on SGX-listed Companies*", the independent research report was commissioned by SGX and developed by research firm Frost and Sullivan. The report indicated growth potential for ASEAN's retail industry, anchored on rising middle-class consumers, increasing spending power and rising e-commerce sales.

The report is segmented into six retail subsectors and for each, covers an in-depth analysis of the key sector drivers and an overview of the SGX-listed companies that are in these sectors.

Consumer companies make up the biggest proportion of SGX-listed companies. There are a total of 162 consumer companies listed on SGX, across subsectors such as Retail, Food & Beverage and Agri-commodities, with total market capitalisation of more than S\$140 billion. Of these 162 consumer companies, 43 are in the retail sector, with combined market capitalisation of S\$30 billion.

Simon Lim, Head of Equity Capital Market (Sectors), SGX, said, "The Consumer sector has always been one of SGX's focused sectors. Despite headwinds facing the retail sector recently, we recognised the need to keep investors informed of the sector's longer-term growth outlook in ASEAN, which continues to be backed by strong demographic and macroeconomic fundamentals. The emergence of e-commerce also presents an exciting growth opportunity for the sector. "

In addition to the launch of this research report, on 28 June 2016, SGX also held a Consumer sector corporate access day for 48 institutional investors and a Retail sector investor education seminar which was attended by about 200 retail investors.

A copy of the research report can be downloaded at sgx.com/retailcluster. Please refer to Annex A for an infographic overview of the research report findings.

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About Singapore Exchange (SGX)

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and 90% of listed bonds originating outside of Singapore.

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SGX is the world's most liquid offshore market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

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ASEAN Retail Sector

Region offers compelling growth opportunities despite economic headwinds

To read the white paper please visit sgx.com/retailcluster



Projected Growth in ASEAN Retail

Retail sales in Thailand, Singapore, Malaysia, and Indonesia projected to collectively reach US\$1 trillion by 2018.¹



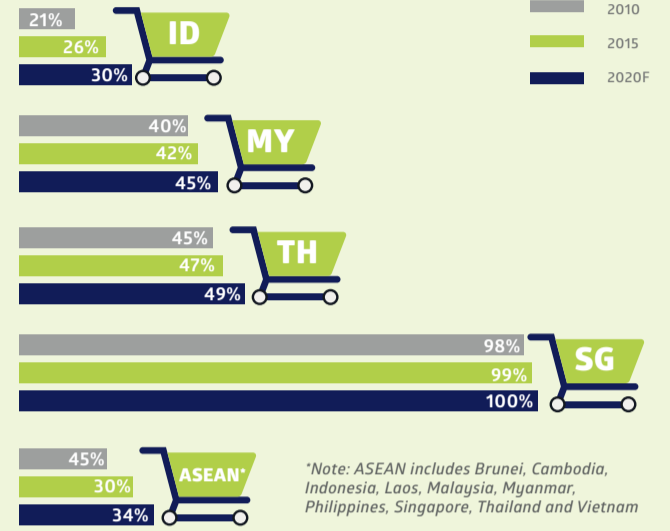
KEY GROWTH TRENDS

Anchored by rising demand and fast growing incomes, the region offers immense retail potential.

I) Rising middle class consumers driving domestic consumption

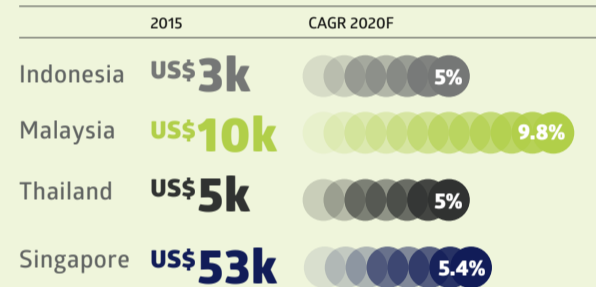
Domestic consumption expected to increase to 75% of GDP in 2025, from 62% in 2010, mainly driven by middle-class consumers.²

Percentage of Middle Class, ASEAN, 2010-2020F



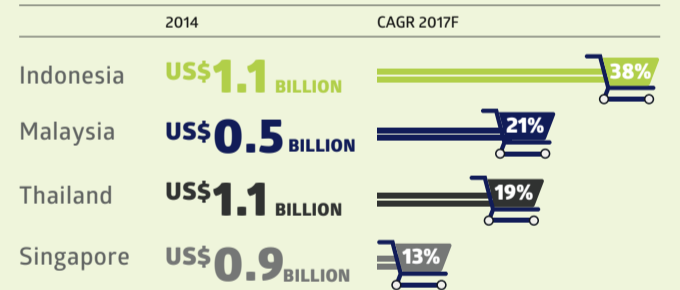
II) Higher spending power propelled by fast-growing incomes

GDP per Capita, Selected ASEAN Countries, 2015-2020F³



III) Growth in E-commerce sales offers new opportunities for retailers

E-Commerce Market Size, Selected ASEAN Countries, 2014-2017F⁴



Snapshot of 4 ASEAN Retail Powerhouses

SINGAPORE

- Pros:** Highest GDP per capita in the region and projected sustained growth creates a stable consumer base
- Cons:** High rental cost and tight labour market

MALAYSIA

- Pros:** Government push to drive the country's development as a duty-free shopping hub
- Cons:** Low consumer confidence indicates cautious spending

INDONESIA

- Pros:** World's 4th most populous nation with highest consumer confidence in the region
- Cons:** Spending power hampered by slowest pace of GDP per capita growth among the 4 countries

THAILAND

- Pros:** Pick up in consumer confidence and recovery in tourist arrivals likely to continue
- Cons:** Low population growth and ageing society could impede retail spending

SGX's Retail Cluster



43 listed retail companies as of Dec 31, 2015



SGD 30 BILLION Total market value



Demand Drivers in Singapore's 6 Key Retail Sectors

1 Lifestyle & Homeware

- High GDP per capita of US\$53,000 in Singapore will continue to stimulate spending.
- Retailers adding online retail as additional revenue source to their brick-and-mortar business.

2 Automotive

- Lower cost of automobiles with increase in COE quotas until 2018 as a large fleet of deregistered cars enter the market.⁵
- Greater availability and ease of securing loans.

3 Jewellery & Watches

- Higher demand spurred by Millennials' propensity to spend on luxury products.
- Growing consumer base with greater spending power provided by sustained GDP per capita growth and increasing number of high net worth individuals.

4 Fashion & Apparel

- Higher spending power on comfort goods with GDP per capita in Singapore expected to sustain strong growth of 5.4% until 2020.
- Surge in e-commerce offers a new revenue stream as retailers align online and physical presence to optimise shoppers' experience.

5 Pawnbroking

- Greater social acceptance with modern store formats and transparent, fair practices.
- Rising cost of living encouraging people to seek additional funds through pawnbrokers.

6 Education

- Adoption of Education Technology (EdTech) revolutionising private education in Singapore.
- S\$19 billion government grants for research, educational institutes, and entrepreneurship programmes expected to spur growth in the sector.⁶