

PRESS RELEASE

AIM tops amount of funds raised for second year running

- **In Asia Pacific, SESDAQ attracted 3 companies in the first half of 2007**
- **With its proposed changes, SESDAQ is expected to be market of choice for fast growing companies**

Singapore, 28 August 2007 - The most successful growth markets are raising more funds than some of their main market rivals and are progressing towards becoming international exchanges according to the new Global Growth Markets Guide, published by Grant Thornton International.

AIM has become the market of choice for many international fast growing companies as companies quoted on AIM raised a total of about US\$29 billion and US\$19.6 billion in 2006 and the first half of 2007 respectively, a big jump of almost 80% when compared to 2005. The record amount raised by AIM listed companies helped to make AIM the most active growth market in the world for the second year running, beating NASDAQ which raised about US\$17.375 billion to the second placing again. More companies are listed on AIM in 2006 than all the companies in other growth markets even though the number of companies listed on AIM has slowed to 138 in the first half of 2007 compared to 462 in whole of 2006 because the average size of new listings is getting much bigger.

AIM has an average of 1,535 companies listed in 2006, an increase of almost 25%. The increase is staggering considering that there is a relatively large number of companies already listed. As AIM rakes in the largest increase among all markets, NASDAQ sees a decline in the average number of companies listed from 3,187 to 3,145 as tougher regulatory environment began to hurt. Except for Hong Kong's GEM and NASDAQ, all other major markets see an increase in the number of companies listed, with Mothers

Market in Japan leading the pack. The average number of companies listed on SESDAQ saw a relatively small increase of only 3.6% in 2006, as the number increases from 167 to 173 in 2006.

Ong Peng Wee, corporate finance director of Grant Thornton Corporate Finance Pte Ltd, said, “With such a strong showing in the past three years, AIM has firmly set itself as the leading market for young fast growing companies from around the world. Not only has AIM beaten NASDAQ to second place for two years running, the average size of an AIM listed company has grown from US\$63 million in 2005 to US\$91 million in 2006. The large increase in the amount of funds being raised on AIM can be attributed to the considerable increase in investment funds that are being listed in 2006.”

In comparison, companies listed on Singapore’s SESDAQ raised a total of US\$160 million in 2006 but with Gallant Venture making a large portion of that amount as it raised S\$140 million (US\$92 million). In the first half of 2007, SESDAQ attracted only 3 companies, raising a total of about US\$13 million. Singapore Exchange plans to revamp SESDAQ later this year. With such a radical change, we expect SESDAQ to be the leading growth market in Asia. Singapore Exchange hopes to position its new junior market as the leading growth market in Asia.

Mr Ong said, “Singapore Exchange is certainly moving in the right direction in trying to revamp SESDAQ as this will allow growth companies to list much more quickly and lower costs. There will also be more certainty for companies seeking to list as the Sponsor can help the companies prepare for listing. To illustrate, the success of London’s AIM lies in its flexibility in allowing companies from almost any industry to be listed.”

Some of the developments experienced by these markets include an overall upward trend in liquidity. The TSX-V, SESDAQ and GEM have experienced share trading increases (measured by value) of 126%, 104% and 96% respectively in 2006. In absolute terms, AIM monthly average turnover of

almost US\$9 billion far exceeds that of TSX-V and SESDAQ at US\$2.45 billion and US\$442 million respectively.

“There is a general increase in liquidity across all markets in our study. This is important as investors generally prefer a more liquid market. I would expect liquidity to increase as corporate governance improves in these markets,” said Mr Ong, “For example, AIM has introduced a new set of stricter rules in early 2007 to improve corporate governance and the quality of the companies that are admitted onto AIM.”

Fig 1: Average number of companies listed on global growth markets 2003 - 2006

Average number of companies listed on global new markets 2003- 06							
	2003	2004	2004 YOY growth (%)	2005	2005 YOY growth (%)	2006	2006 YOY growth (%)
NASDAQ	3,335	3,229	-3.18%	3,187	-1.30%	3,145	-1.32%
TSX-V	2,274	1,961	-13.76%	2,003	2.14%	2,226	11.13%
AIM	713	875	22.72%	1,232	40.80%	1,535	24.59%
KOSDAQ	865	885	2.31%	894	1.02%	938	4.92%
GEM	175	198	13.14%	203	2.53%	200	-1.48%
SESDAQ	128	148	15.63%	167	12.84%	173	3.59%
Mothers Market	54	96	77.78%	130	35.42%	164	26.15%

Source – Grant Thornton Global Growth Market Guide 2007

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Notes to editors:

The 2007 Global Growth Markets Guide (GGMG) published by Grant Thornton International is the sixth in a series of market guides. Previously known as the Global New Markets Guide, the change in name is in recognition of the structural changes in global stock markets.

The latest report analyses the merits of the 41 stock markets competing to list growth company stocks.

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