Playing the Temasek restructuring stories

CLSA'S THEMES	RATIONALE
Keppel Offshore & Marine and Sembcorp Marine (SMM) to consolidate into a single yard	Synergies and competitive positioning
Sembcorp Industries (SCI) to privatise SMM	Depressed valuations
SCI to divest SMM	Depressed valuations
Temasek to privatise Singapore yards	Depressed valuations for offshore players
Singtel to spin off data centre assets	Ease capital expenditure (capex) and focus on core business; promote more Reit listings
ST Telemedia to spin off data centre assets	Ease capex and focus on core business; promote more Reit listings
CapitaLand to merge with Mapletree	Create larger scale and improve return on equity (ROE)
CapitaLand to merge with Keppel Land	Create larger scale and improve ROE; divestment of Keppel Land could narrow revalued net asset value discount for Keppel Corp
CapitaLand Commercial Trust (CCT) to merge with Keppel Reit	Overlapping asset class, cost synergies, valuation rerating from increase in size
CapitaLand Mall Trust (CMT) to merge with CapitaLand Retail China Trust or CapitaLand Malaysia Mall Trust	Overlapping asset class
Mapletree Industrial Trust to merge with Mapletree Logistics Trust	Overlapping asset class, cost synergies
Mapletree Commercial Trust to merge with Mapletree North Asia Commercial Trust	Overlapping asset class, valuation rerating from increase in size
CCT to merge with CMT	Cost synergies, valuation rerating from increase in size
SIA to privatise SIA Engineering (SIAEC)	Low liquidity, cheap valuations
SIA's sale of SIAEC to ST Engineering	Low liquidity, cheap valuations

Source: CLSA