

Weekly Wrap of STI

The STI ended 0.37% or 11.11 points higher on Friday to close at 3052.49 despite thin trading volume as the US markets closed for Thanksgiving.

The STI started the first half of the week lower despite the global equity markets expecting a calmer week. Tensions at the APEC summit underscored uncertainties that overshadowed prospects for the upcoming G-20 meeting, of which the market anticipated positive breakthroughs in the US-China trade relationship, while a US tech rout contributed to the sea of red on the local bourse. At mid week, the STI staged a comeback ranging from the rebound in Wall Street and an overnight recovery in oil prices which ignited sentiments that perhaps emerging markets had seen the worst of declines. The STI eked out slight gains by the end of the week, albeit a muted session of trading as the US markets were closed on Thursday for Thanksgiving.

Year to date, the STI index is down by 10.3% while the Catalyst index is down by 31.3%.

Week Ahead: 26 November – 30 November 2018

Economic Calendar: Germany Ifo Survey (26 Nov), China Industrial Profits (27 Nov), US Consumer Confidence (27 Nov), US GDP (28 Nov), US International Trade in Goods (28 Nov), US New Home Sales (28 Nov), US EIA Petroleum Status Report (28 Nov), US FOMC Minutes (29 Nov), Fed Chairman Jerome Powell Speaks (29 Nov), Euro EC Economic Sentiment (29 Nov), US Personal Income and Outlays (29 Nov), US Jobless Claims (29 Nov), China Manufacturing PMI (30 Nov), Euro CPI (30 Nov), Fed Member John Williams Speaks (30 Nov)

Company Results: CosmoSteel Holdings (28 Nov), Swiber Holdings (30 Nov)

Companies News

1. Consideration for the proposed acquisition in TSH Corporation reverse takeover raised to S\$19.4m

Following an independent valuation, the consideration for assets being injected into TSH Corporation Limited (“**TSH Corporation**”) through a reverse takeover, had been raised to S\$19.4 million. Catalyst-listed TSH Corporation, a cash company that used to operate businesses in consumer electronics and security devices, is planning to acquire all of Sloshed! Pte. Ltd. (“**Sloshed!**”), a pub operator and liquor distributor, in exchange for TSH shares that will give Sloshed!’s current owners a majority stake in TSH. In a supplement agreement, the sellers of Sloshed! had also agreed to waive \$1.19 million of a shareholders’ loan to Sloshed!, and a further \$265,492 shareholders’ loan to The Other Room, a bar that will be owned by Sloshed! following a restructuring.

2. ISOTeam clinched projects worth S\$23.75 million

Building maintenance and estate upgrading contractor ISOTeam Ltd. (“**ISOTeam**”) secured 23 projects worth an aggregate of S\$23.75 million. Bulk of the contracts are painting-related, including 7 Repair & Redecoration projects worth approximately S\$10.81 million for 47 HDB blocks and 11 Coating & Painting projects worth approximately S\$9.59 million for commercial and private residential buildings. The remaining projects consist of 2 Addition & Alteration projects worth approximately S\$1.65 million, 2 Mechanical & Electrical projects worth S\$1.46 million and 1 Interior Design project with an approximate value of S\$0.24 million. The contracts are expected to have a positive impact on the company’s financials for the current financial year ending 30 June 2019.

3. Aspen Group signed MOU and IASA with Marriott

Aspen Vision City Sdn. Bhd. (“**Aspen Vision**”), a subsidiary of Catalyst-listed Aspen (Group) Holdings Limited (“**Aspen Group**”), entered into a Memorandum of Understanding and Interim Advisory Services Agreement with Marriott International, Inc (“**Marriott**”), appointing Marriott’s Aloft brand as the hotel operator in the world class master planned development-Aspen Vision City (“**AVC**”) in Batu Kawan, Penang, Malaysia. AVC will be a joint development by Aspen Group and IKEA Southeast Asia. Aloft Hotel in AVC, which is scheduled for completion in 2023, will be the first international branded hotel in Batu Kawan which is touted as the third satellite city for Penang. The Hotel will form part of a mixed development to be constructed on Plot 4 of AVC and will have direct access to the regional integrated shopping centre and the IKEA Store at AVC. It will also serve to provide necessary amenity for the entire AVC mixed development and mainland Penang.

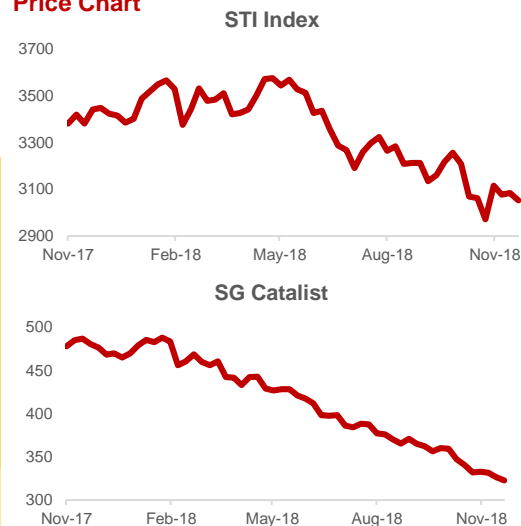
4. CPH entered into conditional sale and purchase agreement with Delphium Capital

Catalyst-listed CPH Ltd. (“**CPH**”) entered into an agreement with Delphium Capital PLC (“**Delphium Capital**”) for the proposed acquisition of its wholly-owned subsidiary, oCap Management Pte. Ltd. The purchase consideration of S\$61,815,400 will be fully satisfied by the issuance and allotment of 5,151,283,333 new shares at S\$0.012 per share in CPH to Delphium Capital. Subjected to Catalyst Rules and shareholders approval, the proposed acquisition will result in a reverse takeover of CPH. CPH sees the proposed acquisition as an opportunity to diversify from its loss-making printed circuit board business and to enhance the long-term interests of its shareholders.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3052.5	▲ 11.1	▲ 0.4%	▼ 1.0%	▼ 10.3%
SG Mid Cap	686.8	▲ 1.1	▲ 0.2%	▼ 0.8%	▼ 10.5%
SG Catalyst	323.1	▲ 2.1	▲ 0.6%	▼ 1.0%	▼ 31.3%
SG Small Cap	327.7	▲ 0.7	▲ 0.2%	▼ 0.6%	▼ 19.4%

Price Chart



IPO News

Medinex eyes Catalyst IPO

Medical support services company Medinex is seeking to list on the Catalyst board of the Singapore Exchange to raise fund for expansion and possible acquisitions. According to the preliminary offer document, the deal will be an all-placement IPO comprising of new shares and vendor shares sold by existing shareholders. Medinex plans to use the funds for business expansion via potential acquisitions, joint ventures and the expansion of their marketing and business development team. Medinex may also acquire human resources consulting group Ark Leadership. Medinex reported a net profit attributable to shareholders of S\$1.06 million for 1H18, up from S\$583,000 a year ago.

Capital Market News

SGX outlined guidelines for ICO

The Singapore Exchange (“**SGX**”) laid out guidelines for listed companies planning to conduct an initial coin offering (“**ICO**”). Listed issuers planning to carry out an ICO are first expected to consult the Singapore Exchange Regulation (“**SGX RegCo**”) and provide legal and auditor’s opinion on the ICO. The SGX will provide a checklist to the listed issuer on the compliance matters to be addressed. The company must also include disclosures so that shareholders are informed of the rationale for, and risks, relating to the ICO; the use of funds raised; any impact on existing shareholders’ rights; the accounting and valuation treatments for the ICO; and any financial impact on the issuer from the token issuance. In addition, the company is to carry out checks to address money laundering and terrorist financing risks. After the ICO, SGX RegCo expects the listed issuer to keep its shareholders informed of material information, the development of the ICO and digital tokens on a timely basis, as well as the use of ICO proceeds.