

Weekly Wrap of STI

The STI ended 0.36% or 11.52 points higher on Friday to close at 3202.25 in positive territory for the day, but failed to recover from the slide in the early week.

The STI recovered in the later part of the week from an extended slide through Monday to Wednesday amid concerns on the slow progress in US-China trade talks, persisting US government shutdown, IMF's downgrade of its global growth outlook and Brexit-related uncertainties. The STI eventually inched up on Thursday and Friday tracking regional indices as the market traded on positive developments in US-China trade talks, the uncertainty of this however, capped any meaningful gains.

Year to date, the STI index is up by 4.3% while the Catalist index is down by 1.4%.

Week Ahead: 28 January – 1 February 2019

Economic Calendar: Japan Retail Sales (29 Jan), US International Trade in Goods (29 Jan), US GDP (30 Jan), US EIA Petroleum Status Report (30 Jan), US ADP Employment Report (30 Jan), China Manufacturing PMI (30 Jan), Japan Employment (31 Jan), US FOMC Meeting Announcement (31 Jan), US Jobless Claims (31 Jan), US Personal Income and Outlays (31 Jan), Eurozone Unemployment (31 Jan), US Employment Situation (1 Feb)

Company Results: Fortune REIT (28 Jan), M1 Ltd (28 Jan), Parkway Life REIT (28 Jan), Ascendas Hospitality Trust (29 Jan), Ascott REIT (29 Jan), CDL Hospitality Trust (29 Jan), OUE Hospitality Trust (29 Jan), Starhill Global REIT (29 Jan), Ascendas REIT (30 Jan), Frasers Hospitality Trust (30 Jan), OUE Commercial REIT (30 Jan), Capitaland Retail China Trust (1 Feb), AIMS AMP Capital Industrial REIT (1 Feb), Singapore Post (1 Feb)

Companies News

1. DeClout received voluntary conditional cash offer from Tokyo-listed Kyowa

Leading Japanese engineering conglomerate, Kyowa Exeo Corporation (**"Kyowa"**) first made a voluntary conditional cash offer on 7 Jan to acquire all the issued and paid-up outstanding ordinary shares of DeClout Limited (**"DeClout"**), a Catalist-listed company. The offer stands at S\$0.13 per share, representing a 18.2% premium over its last transacted price of S\$0.11 per share on 3 Jan, its last trading day. On 23 Jan, Kyowa received valid acceptances that resulted in it carrying more than 50% of the total shares, rendering the offer unconditional. With a track record in providing IT infrastructure and cloud services in Singapore, the proposed acquisition of DeClout is in line with Kyowa's regional expansion strategy to diversify its portfolio and leverage on DeClout's footprint in Southeast Asia to penetrate these key markets. Following the acquisition, Kyowa intends to privatise and delist DeClout from SGX-ST and make DeClout its wholly-owned subsidiary. This will give Kyowa greater flexibility in managing and optimising DeClout's business and resources.

2. Sanli Environmental Limited secured a total of S\$51.5 million worth of construction works contracts from the Public Utilities Board (PUB)

Catalist-listed Sanli Environmental Limited (**"Sanli"**), an established environmental engineering company experienced in water and waste management, announced that it has successfully secured new contracts totaling S\$51.5 million in both of its key business segments, Engineering, Procurement and Construction (**"EPC"**) and Operations and Maintenance (**"O&M"**). The EPC contract is valued at S\$51 million and involves the replacement of mechanical and electrical equipment at Kranji water reclamation plant, while the remaining S\$0.5 million from the O&M contract relates to the maintenance of the replaced equipment at the same plant. Clinching these new contracts would further bolster Sanli's order books to S\$185.9 million after the firm's previous contract win of S\$54.3 million grew its order book to S\$134.4 million in Nov 2018. These PUB contracts are also expected to contribute to the company's revenue for the coming two years ending FY2020.

3. Medinex Limited entered into a sale and purchase agreement to acquire 55% of equity interest in Sen Med Holdings Pte Ltd

Catalist-listed Medinex Limited (**"Medinex"**), provider of professional healthcare support services to medical clinics, has entered into a sale and purchase agreement to acquire 55 ordinary shares of Sen Med Holdings Pte Ltd (**"Sen Med"**). Sen Med has a total paid-up share capital comprising 100 ordinary shares at S\$1 each and the proposed acquisition will give Medinex 55% of its total equity interest. Upon completion of the acquisition, Medinex intends to make Sen Med its subsidiary. This move complements Medinex's core business and aligns with its growth strategy to expand its range of medical support services and provide an integrated one-stop platform for existing and new clients using Sen Med's healthcare offerings in x-rays, pre-employment screenings and health check-ups.

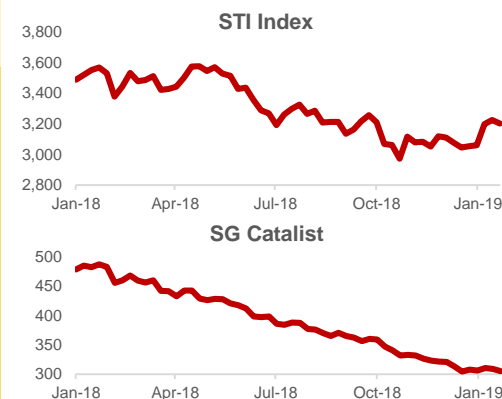
4. Koyo Engineering awarded S\$77 million mechanical service contract by Land Transport Authority (LTA)

Koyo Engineering, a wholly-owned subsidiary of Catalist-listed Koyo International Limited (**"Koyo"**), was awarded a contract valued at S\$77 million by LTA for the supply and installation of mechanical services as part of the Kim Chuan Depot Extension for Circle Line 6. The contract win will boost Koyo's current order book to S\$102.1 million and is expected to contribute positively to the company's earnings for financial year ending 31 Dec 2019.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3202.3	▲ 11.52	▲ 0.4%	▼ 0.7%	▲ 4.3%
SG Mid Cap	728.6	▲ 5.65	▲ 0.8%	▲ 1.7%	▲ 6.4%
SG Catalist	305.1	▼ 0.39	▼ 0.1%	▼ 1.3%	▼ 1.4%
SG Small Cap	344.2	▲ 0.70	▲ 0.2%	▲ 0.4%	▲ 4.9%

Price Chart



IPO News

Grand Venture IPO raised S\$13.2 million

Grand Venture Technologies (**"Grand Venture"**), Singapore's home-grown manufacturer, kicked off the year's public listings as SGX's first IPO for 2019. The offer consisted of a public tranche and a placement tranche, and these shares were all fully subscribed at the IPO's closing on 21 Jan. Grand Venture raised proceeds of S\$11.8 million with the successful placement of 42.9 million new shares at S\$0.275 per share. Additionally, 5.1 million shares at the same price were also fully subscribed by investment holding company Sunshine Power following an agreement, bringing its gross proceeds to S\$13.2 million and its net proceeds to S\$10.9 million. In the public tranche, Grand Venture's IPO was oversubscribed by 1.3 times with 288 applicants applying for an aggregate of 12.5 million shares. Application proceeds received amounted to approximately S\$3.4 million. With the IPO's closing, the company's market capitalisation is expected to grow to S\$64.4 million, an increase from S\$58.6 million at the time of the offer. Grand Venture's shares commenced trading on the Catalist board on 23 Jan, opening at S\$0.27, slightly below its initial IPO price of S\$0.275 cents. It ended flat at S\$0.275 on the Catalist board after its first day of trading.

Capital Market News

Go-Jek made first close of ongoing US\$2 billion funding round

Go-Jek has secured US\$920 million from investors including Google, Tencent and JD.com as part of its ongoing US\$2 billion funding round. The newly raised funds will be used to deepen Go-Jek's presence in new markets and advance its fintech unit. Go-Jek is currently present in Singapore, Thailand and Vietnam, apart from its home market of Indonesia. It also made a recent strategic acquisition acquiring a significant stake in Philippines-based e-wallet startup Coins.ph. It's archrival Grab has been aggressively fundraising as well, having received commitments of over US\$3 billion out of its target of US\$5 billion. Grab is currently valued at US\$11 billion.