

## Weekly Wrap of STI

The STI ended 0.24% or 7.71 points higher on Friday to close at 3,220.40 to end a mixed week on a positive note as geo-political events dominated the headlines, with the STI ending the week 1.5% lower.

The STI started the week on a muted note as scepticism over the US-China trade issues started to creep in. The local bourse also fell after industrial production shrank to its lowest in two-and-a-half years in January. In mid week, escalating geopolitical tensions between India and Pakistan swung the local bourse back into the red. In addition, an abrupt end to the Trump-Kim summit, tempered optimism over China-US talk and the escalating India Pakistan tensions left investors with lots to ponder as February ended on a lower note.

Year to date, the STI index is up by 4.9% while the Catalist index is down by 3.9%.

## Week Ahead: 4 March – 8 March 2019

**Economic Calendar** UK Construction PMI (4 Mar), Eurozone PPI (4 Mar), SG PMI (5 Mar), CN General Services PMI (5 Mar), UK CIPS/PMI Services Index (5 Mar), Eurozone Retail Sales (5 Mar), US New Home Sales (5 Mar), US International Trade (6 Mar), US EIA Petroleum Status Report (6 Mar), US Jobless Claims (7 Mar), Eurozone Interest Rate Decision (7 Mar), US Employment Situation (8 Mar), US Housing Starts (8 Mar)

**Company Results:** Del Monte Pacific (8 Mar)

## Companies News

### 1. Far East Group posted strong FY2018 results

Catalist-listed refrigeration and air-conditioning system provider Far East Group Limited ("**Far East Group**") announced a 9.9% increase in revenue to S\$40.8 million in FY2018. The increase was mainly due to increase sales from the China and Malaysia markets. Other operating income increased by S\$31.5 million to S\$32.7 million due to (i) gain on disposal of fixed assets of S\$23.3 million, (ii) gain on disposal of fixed assets held for sale of S\$6.6 million and (iii) increase in rental and management service income of S\$1.8 million. Correspondingly, profit for the year increase by S\$25.5 million to S\$25.7 million.

### 2. Choo Chiang reported 3.1% rise in revenue for FY2018

Catalist-listed electrical products and accessories retailer Choo Chiang Holdings Limited ("**Choo Chiang**") reported a 1.93 million increase in revenue to S\$64.06 million. The distribution business increase by 3.2% to S\$63.59 million due to (i) higher sales volume and (ii) the upward adjustment of selling prices. Gross profit margin improved from 27.9% in FY2017 to 28.2% in FY2018. The Group's profit before income tax increased by 0.7% to S\$5.77 million in FY2018, while profit after tax decreased by 1.8% to S\$4.8 million.

### 3. Aoxin Q&M entered into agreement to acquire dental clinic in Shenyang

Catalist-listed Aoxin Q&M Dental Group Limited ("**Aoxin Q&M**") entered into an agreement for the acquisition of 100% shareholdings in Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd. The aggregate purchase consideration for the Proposed Acquisition is RMB10,266,000. The Management is of the view that the Proposed Acquisition is in line with the Company's plan for expansion of its dental business in North China and allows the Company to add a fully operational clinic to its portfolio.

### 4. United Global announced US\$7.6 million net profit in FY2018

Catalist-listed lubricant manufacturer and trader United Global Limited ("**United Global**") reported a revenue growth of 8.7% to US\$108.5 million due to higher sales generated from its Singapore plant and full-year contribution from new subsidiary PT Pacific Lubritama Indonesia. However, net profit attributable to shareholders fell 17.2% to US\$7.6 million mainly due to the absence of one-off gain on bargain purchase of US\$1.4 million, higher distribution cost and administrative expenses, which include a higher foreign exchange loss due to weakening of the Indonesian Rupiah, and increased income tax expense.

### 5. Sim Leisure Group made its Catalist debut at S\$0.17 apiece

Penang theme park developer Sim Leisure Group opened its Catalist debut at S\$0.17 apiece on the Singapore bourse on March 1. Sim Leisure Group placed out 26.4 million shares at \$0.22 apiece to raise a total of \$5.81 million. The bulk of its IPO proceeds of about \$5.6 million, will be used to fully redeem outstanding preference shares held by state government entity, Penang Development Corp.

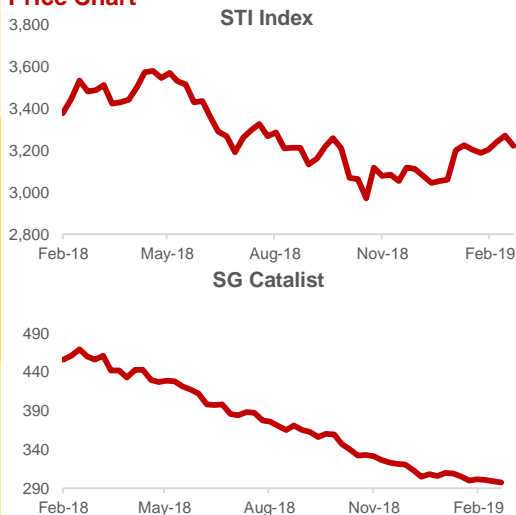
### 6. Moya back in the black with S\$2.3m Q4 earnings

Catalist-listed water treatment company Moya Holdings Asia Limited ("**Moya**") posted a net profit of S\$2.33 million for the fourth quarter, reversing from a loss of S\$380,000 a year earlier. For FY2018, Moya's revenue increased by 43% to S\$189,292 million due to full 12 month revenue contribution from the Acuatico Group in FY2018 and an increase in water sales from Tangerang and Bekasi BOT projects. Accordingly, the Group's net profit increased by S\$17.5 million or 229% to S\$25.2 million in FY2018.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3220.4	▲ 7.7	▲ 0.2%	▼ 1.5%	▲ 4.9%
SG Mid Cap	746.5	▲ 4.3	▲ 0.6%	▲ 0.5%	▲ 9.0%
SG Catalist	297.5	▲ 5.6	▲ 1.9%	▼ 0.6%	▼ 3.9%
SG Small Cap	347.3	▼ 1.0	▼ 0.3%	▼ 0.7%	▲ 5.9%

## Price Chart



## IPO News

### Reclaims launched Catalist IPO at S\$0.23

Eco-friendly construction service provider Reclaims Global launched its IPO of 20 million shares at S\$0.23 each, comprising of 19 million new shares and 1 million vendor shares, representing approximately 15.3% of Reclaims Global's enlarged post-IPO share capital of 131 million shares. Of the 20 million shares offered, 2 million are available for public offer, 13 million for placement, and 5 million are reserved for management, staff and business associates. Of the net proceeds of S\$2.76 million, S\$0.6 million will be used to expand its operational capacity and its enterprise resource planning solution. Approximately S\$0.5 million will be used to expand its recycled product range, while S\$0.3 million is earmarked for expansion by way of acquisitions, joint ventures and/or strategic alliances. The remaining S\$1.36 million will be used for general working capital purposes. The shares are set to debut on the Singapore Exchange's Catalist board on March 11.

## Capital Market News

### Immune cell gene therapy startup Gracell raised US\$85m in Temasek-led series B round

Suzhou, China-based immune cell gene therapy startup Gracell, whose technology focuses on developing modified immune cells called T-cells, raised US\$85 million through a series B round led by Temasek Holdings, Lilly Asia Ventures, Kington Capital, King Star Capital and Chengdu Miaoji. Gracell will use the proceeds to enter clinical trials for several of its next-generation candidates. The company has already completed pre-clinical development of a series of low-cost Chimeric Antigen Receptors T-cell therapy products and entered Institutional Review Board (IRB) clinical research. Gracell is expected to develop a data package from its clinical IRB studies and advance several products to Investigational New Drug filings and clinical trials in the near future.