

### Weekly Wrap of STI

The STI ended flat or 1.55 points lower on Friday to close at 3212.10 to end the week marginally higher following the US Federal Reserve's latest announcement on Thursday.

The STI started the week lower as the ongoing uncertainty over Britain's exit from the European Union and the trade war sent the index lower. The announcement from the US Federal Reserve in mid-week however, that they do not expect to raise interest rates for the rest of 2019 amid slower economic growth sent the index higher as the Asian markets and the STI rallied on news that the US will ease monetary tightening. The US dollar also lost ground as the US Federal Reserve retreated from the initial two increases predicted in December last year to no increase this year. However, the STI retreated from the early gains made as investor's and traders digested news of slowing economic activity in the US.

Year to date, the STI index is up by 4.7% while the Catalyst index is down by 7.6%.

### Week Ahead: 25 March – 29 March 2019

**Economic Calendar** German Ifo Business Climate Index (25 Mar), US FOMC Harker speaks (25 Mar), Singapore Industrial Production (26 Mar), HK Trade Balance (26 Mar), US Building Permits (26 Mar), US Consumer Confidence (26 Mar), ECB President Draghi speaks (27 Mar), US Trade balance (27 Mar), US Crude Oil inventories (27 Mar), US FOMC George speaks (28 Mar), US Q4 GDP (28 Mar), US FOMC Bullard speaks (29 Mar), SG Bank lending (29 Mar), UK 4Q GDP (29 Mar)

### Company Results:

### Companies News

#### 1. Smart Entertainment made partial offer for Sevak

IT solutions company Sevak, which is on the Singapore Exchange's watch-list, announced on Thursday a proposed partial offer that, if concluded, will result in the offeror and its concert parties holding 51% of the company. SAC Capital, for and on behalf of the offeror Smart Entertainment, is making a voluntary conditional cash partial offer for some 1.48 million shares in the company, representing a 12.51% stake in the firm. The partial offer will be extended to all shareholders at an offer price of S\$4 per share. This represents a premium of 25 per cent to the closing price of S\$3.20 per share on the last trading day of March 20, 2019. Details of the closing date will be announced in due course. The offer is conditional on the offeror receiving approval of more than 50% from the offer shareholders, with the offeror, concert parties and associates abstaining from voting. It is also conditional on the offeror receiving valid acceptances of no less than the 1.48 million shares. The offeror does not currently own any shares, but with its concert parties, it owns an aggregate of 4.56 million shares or a 38.49% stake. The acquisition of the offer shares would thus take its stake up to 51%. The offeror and concert parties aim to gain majority shareholding so as to acquire statutory control of Sevak, allowing them "to better control or influence the business or the future plans of the company".

#### 2. Best World appointed Independent Reviewer

Best World, in consultation with SGX RegCo, has appointed PricewaterhouseCoopers Singapore as the Independent Reviewer. The objectives of appointing the Independent Reviewer include: 1) to verify the existence of the franchisees as at 31 December 2018, 2) to validate the sales to and cash received from sales to significant franchisees, 3) to identify and make appropriate recommendations on any internal control weaknesses and breaches of the listing rules or local laws. Best World will make further announcement(s) as and when there are material developments on this matter.

#### 3. Lian Beng Group won S\$117 million contract

Lian Beng Group (the "Group") has secured a construction contract worth S\$117 million. The contract is related to construction of building over the contract period of 36 months. With the latest contract, the Group's construction order book stood at S\$1.32 billion as at 18 March 2019. This contract is expected to have a positive financial impact on the net tangible assets per share and earning per share of the Group for the financial year ending 31 May 2019.

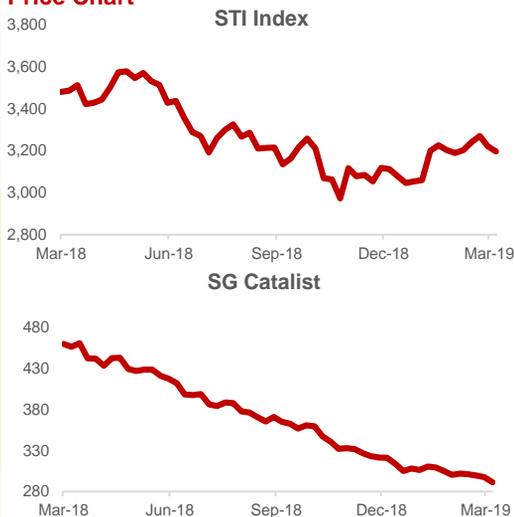
#### 3. AEM Holdings' sales orders for FY2019 to-date hit S\$174m

Test-handling machine supplier AEM Holdings said it has received sales orders worth S\$174 million as at March 21 for delivery in fiscal year 2019. This is up from the S\$140 million in sales orders previously announced in February. For the three months ended Dec 31, the group's fourth-quarter net profit plunged 54.8% to S\$4.4 million, as revenue slipped 33.4% to S\$39.3 million. This comes as revenue from its equipment systems business segment fell 33.5% to S\$38.2 million, due to a reduction in orders from its main customer, and revenue from its precision components business declined 2% to S\$1.1 million, due to a decrease in customer demand and utilisation of capacity for components manufacturing.

### Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3212.1	▼ 1.6	▲ 0.0%	▲ 0.4%	▲ 4.7%
SG Mid Cap	755.5	▲ 2.7	▲ 0.4%	▲ 1.5%	▲ 10.4%
SG Catalyst	286.0	▼ 1.4	▼ 0.5%	▼ 1.1%	▼ 7.6%
SG Small Cap	347.0	▲ 0.4	▲ 0.1%	▲ 0.2%	▲ 5.8%

### Price Chart



### Capital Markets News

#### New private home sales jumped 18% in February

Sales of private homes by developers in Singapore rose 18.5% year-on-year in February, despite an uncertain economic outlook and new property cooling measures. Developers sold 455 units last month, excluding executive condominiums, compared with the 384 homes sold the same time last year, Urban Redevelopment Authority (URA) data showed on Friday. February's sales were also 4.4% higher than the 436 units sold in January. Developers launched 596 units last month, up from 498 homes in January and 201 units in February last year. Affinity at Serangoon continued to sell well, offloading 88 units, following the announcement of the first phase of the Cross Island Line. Riverfront Residences in Hougang sold 49 homes, while The Tre Ver at Potong Pasir sold 48 units and Stirling Residences 31 homes. March will also see the launch of Singapore's largest condominium Treasure at Tampines. Touted as one of the key launches for the year, the 2,203-unit private condominium is expected to be one of the most attractively priced projects to be launched in the current market.

#### Better engagement, but virtual AGMs also come with some risks

VIRTUAL Annual General Meetings (AGMs) should mean greater convenience and accessibility for shareholders, but may also make it easier for firms to avoid thorny questions, said stakeholders and experts. Compared to traditional AGMs, virtual ones might be more appealing to the new generation of "digital native" investors, said Irving Low, head of advisory at KPMG in Singapore. This year, the Companies Act will be amended to provide for the use of digital means for firms to hold meetings and interact with stakeholders, paving the way for virtual AGMs. Announcing the news last month, Second Minister for Finance Indraneel Rajah noted that Fortune 500 companies like HP Inc and PayPal have adopted virtual AGMs, citing reduced cost. Firms often find it hard to estimate turnout, resulting in over- or under-catering of seats and refreshments, said Rachel Eng, managing director of Eng and Co LLC, part of the PwC network. Virtual AGMs could tackle this issue. And while they may not solve the problem of AGMs bunching in April, they could let shareholders attend more meetings in quick succession or even simultaneously. Cost savings are not assured for all corporates, as the costs of wider engagement through technology may outweigh those of more limited physical AGMs, said Kim Teo, group CEO of Boardroom, which offers meeting services, including virtual meetings. Virtual AGMs may be more impersonal and allow firms to filter out inconvenient questions, said experts.