

## Weekly Wrap of STI

The STI ended 1.3% up or 31.88 points higher on Thursday to end at 2,571.32, in line with rising benchmarks elsewhere in Asia, with China, Hong Kong, Malaysia, South Korea and Thailand posting gains. Financial markets in Asia are closed on Friday for public holidays.

The STI opened higher for the week, ahead of a third major government package to be announced on Monday afternoon. The rally ended by mid-week, following a late-session dip for key Wall Street indices as investors nursed reservations over whether the recent slower rise in the number of Covid-19 infections globally was sustainable, and whether the largest oil-producing countries will strike a deal this week to cut output and bring the supply glut to an end. As global indices recovered near the end of the week, the STI joined the rally to close higher for the week.

Year to date, the STI index is down by 20.2%.

## Week Ahead: 13 April – 17 April 2020

**Economic Calendar:** China FDI (13 Apr), China Trade Balance (13 Apr), Singapore GDP (13 Apr), US Import and Export Price Index (14 Apr), US API Weekly Crude Oil Stock (14 Apr), US Core Retail Sales (15 Apr), US Industrial Production (15 Apr), US Crude Oil Inventories (15 Apr), Bank of Canada Press Conference (15 Apr), UK BRC Retail Sales Monitor (15 Apr), Australia Employment Change (16 Apr), Singapore Trade Balance (16 Apr), China GDP (16 Apr), EU CPI (17 Apr)

**Company Results:** -

## Companies News

### 1. Building materials turnaround marked new direction for Hong Leong Asia

Hong Leong Asia (HLA) posted a 39% jump in net profit to S\$34.4 million for 2019, up from S\$24.8 million in 2018. The profit after tax and minority interest (PATMI) mix between the Singapore building materials unit and China Yuchai International, HLA's Chinese diesel engines unit was 30:70, versus a PATMI mix of almost 100% Yuchai in 2018. The Singapore building materials unit is the largest producer of precast concrete elements for public housing construction. HLA plans to grow its building materials business via acquisitions, and is searching for targets with a technology spin or environmental sustainability angle. Currently HLA's Island Concrete falls behind Pan-United, which is the market leader with the highest number of batching plants scattered across Singapore.

### 2. Oxley sold 73% of Singapore projects, to recognise S\$2.4 billion in revenue

Oxley Holdings has sold 73% of its Singapore development portfolio, which comprises 3,923 units in total. The group is set to recognise S\$2.4 billion in secured revenue from its Singapore projects. The sum will be recognised over the next two years. The bulk of the secured revenue comes from sales at Riverfront Residences, in which Oxley has a 35% stake, and Affinity at Serangoon, in which the group has a 40% stake. Oxley is set to recognise S\$900 million in secured revenue from Riverfront Residences, which is 86% sold. It will also recognise S\$608.4 million from Affinity at Serangoon, which is 68% sold. In the past two years, the group has sold over S\$3.2 billion worth of properties. Two Oxley projects - The Addition and Sea Pavilion Residences - are fully sold. Oxley will recognise revenue of S\$16.6 million from The Addition, and S\$17.1 million of revenue from Sea Pavilion Residences. Kent Ridge Hill Residences, in which Oxley has a 100% stake, is 55% sold, and the secured revenue amounts to S\$280.4 million.

### 3. Hi-P got approval to continue manufacturing operations

Hi-P International has obtained the go-ahead from the Singapore authorities to continue its manufacturing operations at 11 International Business Park in Jurong during the circuit-breaker period that lasts till May 4. Its wholly owned subsidiary, South East Asia Moulding Company, has ceased production and is awaiting approval for an exemption from the suspension of business activities.

### 4. Lendlease Global Reit withdraws profit and distribution forecasts for FY20 & FY21

Lendlease Global Commercial Reit is withdrawing its profit and distribution forecasts for the financial years ending June 30, 2020 and June 30, 2021 as set out in its initial public offering (IPO) prospectus. This is due to the impact of the Covid-19 outbreak on its portfolio. Lendlease Global Reit had initially forecasted a loss of S\$15.6 million and a distribution per unit (DPU) of 3.82 Singapore cents for FY2020, and a profit of S\$45.1 million and DPU of 5.29 Singapore cents for FY2021. As at Dec 31, 2019, Lendlease Global Reit had a gearing ratio of 34.9% and a cash balance of S\$88.5 million. Its weighted average running cost of debt was 0.86% per annum with an interest coverage ratio at 10.8 times.

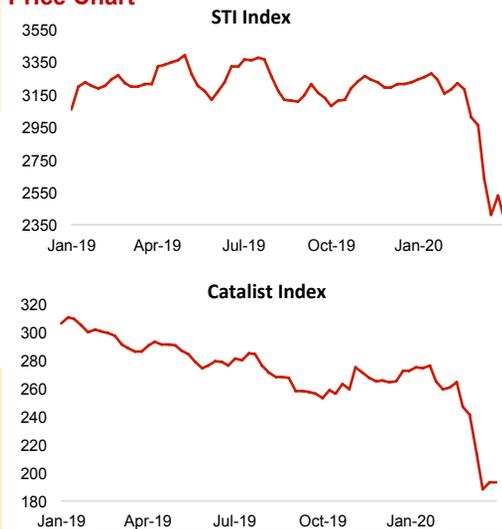
### 4. CFM Holdings got go-ahead to continue operations

Metal-stamping firm CFM Holdings on Thursday said it has received verbal approval from the authorities to continue operating during the circuit-breaker period. Its Singapore subsidiaries Cheong Fatt Holdings and CFM Infratrade have received approval from the Ministry of Trade and Industry to be exempted from the suspension of business activities, which will be in effect till May 4. CFM said it is still unable to assess the impact that the heightened safe-distancing measures will have on its earnings per share and net asset value (NAV) per share for the current financial year ending June 30, 2020.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2571.3	▲ 31.9	▲ 1.3%	▲ 4.8%	▼ 20.2%
SG Mid Cap	537.4	▲ 2.4	▲ 2.0%	▲ 6.9%	▼ 22.1%
SG Catalist	193.2	▲ 1.6	▲ 0.9%	▲ 4.4%	▼ 25.3%
SG Small Cap	225.0	▲ 2.8	▲ 4.2%	▲ 8.3%	▼ 29.8%

## Price Chart



## Capital Market News

### SGX regulator suspended new entries to watch list; expedites fund raising

Singapore Exchange Regulation (SGX RegCo) will suspend entry into its financial watch-list. SGX RegCo said placing issuers on the financial watch-list during this trying period might cause "undue prejudice to companies in navigating the business challenges in this climate". Companies on the SGX watch-list are compelled to turn around their financial performance after three years of losses and when market capitalization falls below S\$40 million. SGX RegCo will provisionally suspend the half-yearly reviews on the first market days of June 2020 and December 2020 to place issuers on the financial watch-list.

To help mainboard issuers with potential liquidity issues, SGX will also allow companies to seek a general mandate for an issue of pro-rata shares and convertible securities of up to 100% of share capital (excluding treasury shares and subsidiary holdings in each class). This is an enhancement from a 50% share issue limit previously, and is effective from April 8, 2020 until December 31, 2021. The limit on the total number of shares and convertible securities issued other than on a pro-rata basis remains at not more than 20%. Shareholder approval must be obtained at the company's annual general meeting (AGMs) or by convening an extraordinary general meeting.

### ACRA, SGX RegCo gave companies more time to hold AGMs

The Accounting and Corporate Regulatory Authority (ACRA) and SGX RegCo are giving companies a 60-day time extension to hold their AGMs. For ACRA, the 60-day extension applies to both listed and non-listed AGMs due during the April 16 to July 31 period. Meanwhile, SGX RegCo will automatically extend by 60 days the AGM deadline for all Singapore-listed companies whose financial year ends on or before March 31, 2020.