

STI In A Snapshot

The STI closed Friday higher at 3095.22, up 2.7% or 81.37 points for the week. The markets had a good week overall with the passing of the US\$1.9 trillion bill and optimism on a strong economic recovery.

The Singapore market started off positively, tracking the Wall Street gains on Friday in the previous week and the US Tech stocks rebound on Tuesday. However, midweek came a softer trading despite the stabilising of US Treasury yields. The STI opened stronger on Friday, tracking Wall Street highs after the US Congress approved a US\$1.9 trillion economic relief package. The package comes as the government pushes ahead with a vaccine drive that will allow lockdowns to be eased, paving the way for economic recovery. In addition, the anticipated meeting of US and China officials will raise hopes of better US-China relations. Overall, fears over inflation and a possible interest rate hike are subsided for now.

Year-to-date, the STI is up 8.8%.

Week Ahead: 15 March – 19 March 2021

Mon (15 Mar)	CN Fixed Asset Investment, CN Industrial Production, US NY Empire State Manufacturing Index
Tue (16 Mar)	US TIC Net Long-Term Transactions, US Retail Sales, US Export/Import Price Index, US Industrial Production, US Manufacturing Production, US Retail Inventories Ex Auto
Wed (17 Mar)	SG Non-Oil Exports, EUR CPI, US Building Permits, US Housing Starts
Thu (18 Mar)	US Interest Rate Projection, US Fed Interest Rate Decision, GB BOE Interest Rate Decision, US Philadelphia Fed Manufacturing Index, US Philly Fed Employment
Fri (19 Mar)	JP National Core CPI, JP BoJ Interest Rate Decision

Company News

1. Lifebrandz 1HFY21 saw net profit, pulled up by other operating income

Catalist-listed multi-faceted solutions company Lifebrandz Ltd (“Lifebrandz”) saw net profit to owners of S\$3.1 million in 1HFY21 ended 31 January 2021, a turnaround from a S\$1.3 million net loss in 1HFY20. This was despite a decline in revenue to S\$19,000 in 1HFY21. The increase in other operating income to S\$2.5 million, which buoyed net profit, was mainly due to (i) waiver of loans from shareholders, namely Bounty Blue and Capital Square amounting to S\$2.1 million; (ii) a gain on derecognition of lease liabilities of S\$0.3 million due to ceasing operation of Hashida Sushi; and (iii) reversal of reinstatement cost of S\$0.1 million in relation to the reinstatement of premise rented for Hashida Sushi.

3. Sysma turned profitable with 36.7% increase in revenue

Catalist-listed construction company Sysma Holdings Limited (“Sysma”) posted a 36.7% increase in revenue from S\$18.6 million in 1HFY20 to S\$25.5 million in 1HFY21 ended 31 January 2021. This is mainly due to the revenue contributed by the entities acquired in February 2020, namely KH Engineering Limited and its subsidiaries and KH Instrumentation Pte Ltd, which amounted to \$9.3 million. This is offset by a S\$2.5 million decrease due to certain projects being substantially completed. Other income also increased, mainly due to S\$1.8 million in government grant income, offset by the decrease in interest from fixed deposits of approximately S\$0.5 million. Overall, profit to owners was S\$1.0 million, from a net loss of S\$0.2 million a year ago. Management commented that the orderbook amounted to S\$54.0 million as at 31 January 2021, and the building construction business continued to remain stable in 1HFY21.

4. FJB attained exclusive rights for Airfree Purifiers in Indonesia

Catalist-listed retailer F J Benjamin (“FJB”) announced that Portugal’s air purifier AIRFREE had granted them exclusive rights to distribute its products in Indonesia. FJB’s Indonesian associate, PT Gilang Agung Persada, will distribute the purifiers through its own online platforms, and various retail stores including those selling electrical and baby products. FJB set up a Health and Wellness division and began to distribute AIRFREE products in Singapore last year and sales have met with expectations as consumers became more health conscious during the Covid-19 pandemic. FJB said it will be launching AIRFREE in Malaysia and Indonesia next month. Management commented that in time of Covid-19, the rights for the air purifier distribution is timely.

1. MC Payment received subscription for placement shares amounting to S\$4.0m

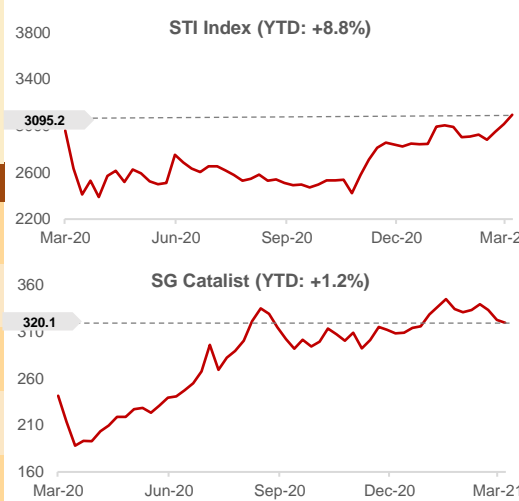
Catalist-listed digital services payment firm MC Payment announced the proposed placement of 16 million shares, on a best-efforts basis, at an issue price of S\$0.40 per share (12.0% discount to VWAP on 4 March 2021). The aggregate consideration would amount to S\$6.4 million for gross proceeds and S\$5.5 million for net proceeds, if fully subscribed. On March 10, they had received 10 million placement shares, amounting to S\$4.0 million in gross proceeds to date. MC Payment is expected to receive S\$3.2 million net proceeds from the share placement. Of this amount, S\$1.8 million will be used to redeem its outstanding Series D Convertible Bonds maturing in June 2021, while the balance S\$1.4 million will be utilised for payment of outstanding expenses with respect to their reverse takeover.

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Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3095.2	▼ 10.8	▼ 0.3%	▲ 2.7%	▲ 8.8%
SG Mid Cap	726.2	▼ 0.5	▼ 0.1%	▲ 1.5%	▲ 4.2%
SG Catalist	320.1	▼ 2.0	▼ 0.6%	▼ 0.9%	▲ 1.2%
SG Small Cap	306.0	▼ 0.6	▼ 0.2%	▲ 1.3%	▲ 1.4%

Singapore Indices



Capital Market News

Aztech Global debuts on mainboard 7% above issue price

Internet of Things (IoT) and data communication firm Aztech Global (“Aztech”) began trading on 12 March 2021 through IPO of its shares on SGX Mainboard. Aztech began its trading debut at S\$1.37, 7% above its IPO issue price of S\$1.28 per share. Aztech announced that the public tranche of its IPO saw an 18.4x subscription. Its placement shares were also subscribed 16.4x. Based on the invitation price of S\$1.28 and post-invitation share capital of 773.72 million shares, Aztech’s market capitalisation stood at about S\$990.4 million. The net proceeds of around S\$188.6 million will be used for purposes such as the expansion and enhancement of its manufacturing facilities, enhancement of its research and development capabilities, exploring further growth in the IoT (Internet of Things) market, as well as business expansion through mergers and acquisitions (M&A).

Singapore’s status as business hub to be strengthened

Minister for Trade and Industry Chan Chun Sing said that in the post-pandemic new normal, Singapore aims to remain a global business hub. Many of the lower value-add functions of the previous business hubs will be outsourced and offshored to other places in a much more decentralised fashion, and thus, there will be fewer hubs, but they will be of higher quality. The real important work, according to Mr Chan, is to generate intellectual capital, aggregating talent and mobilising capital to the selected business hubs. Even if the economy rebounds to its earlier size, “it will be quite a different economy qualitatively” as sectors, skills, products and services would have changed, he commented. He said that instead of looking to the pre-Covid world, he called for new capabilities to meet opportunities in areas such as precision engineering, biotechnology, infocommunications, “green tech” and urban solutions.