

### Weekly Wrap of STI

STI ended 0.92% or 32.58 points higher on Friday to close at 3,570.17, thanks to the strong gains in the US following benign US inflation data which was viewed as an indication of declining odds of aggressive Federal Reserve interest rate hikes.

Despite the stronger Wall Street last Friday, the STI started on a weak note, extending last Friday's losses, ahead of a handful of event risks, including US's renegotiation of a trade deal with Mexico and Canada, and the too-tight-to-call elections in neighbouring Malaysia. On Tuesday, the STI finally snapped 3-day losing streak, helped by the stronger Wall Street and in line with the regional markets. While the local index continued to register stronger performance on Wednesday, the STI dropped 0.31% on Thursday, following the unexpected election results in Malaysia. It however ended the week with strong gains, thanks to the sharp rise in the US.

Year to date, the STI index is up by 4.9% while the Catalist index is down by 8.8%.

### Week Ahead: 14 May – 18 May 2018

Economic: China Money Supply (14 May), US Redbook (15 May), EIA Petroleum Report (16 May), SG Domestic Exports (17 May), Fed Balance Sheet (18 May), US Jobless Claims (17 May)

Company Results: Olam International (14 May), Roxy-Pacific Holdings (14 May), Vallianz Hldgs (14 May), Fragrance Group (15 May), Noble Group (15 May), SIA Engineering Co (15 May), Singapore Airlines (17 May), Singtel (17 May)

### Companies News

#### 1. Pacific Star Development's net profit rises 9.5 % to S\$2.5m

Pacific Star Development ("PSD") saw net profit attributable to equity owners increase 9.5% to S\$2.5 million from the previous year in its fifth quarter ended March 31. Earnings per share dropped to 0.49 Singapore cent from 0.71 Singapore cent in the first quarter ended March 2017, due to an enlargement of shares from 14.9 million as of Jan 1, 2017 to 499.67 million by June 30, 2017. In November 2017, the company had announced a change in its financial year to end in June 30, from Dec 31. Revenue for the quarter surged 52.4% to S\$22.7 million from the previous year, due to contributions of its mixed-use development Puteri Cove Residences & Quayside project in Puteri Harbour, which has attained the certificate of completion and compliance for Phase 1. But it also faced higher cost of sales of S\$12.7 million in Q5 2017, S\$5.0 million higher than the year ago. Total expenses also rose by 21.7% to S\$2.9 million in Q5 2017 mainly due to higher marketing costs. The group said it is expecting the Puteri Cove project to benefit from higher buying demand from new condominiums from the rising population in Iskandar Puteri and the developments like the upcoming Kuala Lumpur-Singapore high speed rail. Pacific Star Development shares closed S\$0.015 or 8.3% higher at S\$0.2 on May 7.

#### 2. HC Surgical taps IPO proceeds for equity stake in endoscopy practice

Medical services group HC Surgical Specialists ("HC Surgical") said after Monday's trading close that it has reallocated about S\$800,000 of its initial public offering net proceeds mainly to acquire a 51% equity stake in Jason Lim Endoscopy and Surgery Pte Ltd ("JLES"). On Monday, the listed group entered into a sale-and-purchase agreement for the equity stake in JLES for S\$832,000. Post-acquisition, the sole proprietor behind the acquisition target, Dr Jason Lim Wei-Min, will join HC Surgical as a specialist surgeon and will oversee JLES. The agreement called upon HC Surgical to pay S\$150,000 in cash as part of the purchase consideration on signing the deal with JLES and Dr Lim. As the nominee of JLES, Dr Lim will receive 300,000 new shares that will be pegged at 68 Singapore cents apiece in HC Surgical on starting his employment with the listed company. On the same date, HC Surgical will pay another S\$478,000 in cash to JLES. The acquisition deal is subject to several conditions, including the appointment of HC Surgical's chief executive Heah Sieu Min and one other nominee as directors of JLES. On completing the proposed acquisition of the 51% stake, HC Surgical will enter into a second sale-and-purchase agreement to buy out the remaining 49% equity interest in JLES. HC Surgical disclosed separately on Monday the reallocation of some S\$800,000 of IPO net proceeds.

#### 3. Japan Foods Q4 profit grows 67.8% to S\$0.9m as diners slurp up ramen, new brands

Japan Foods Holding's ("Japan Foods") net profit rose 67.8% to S\$938,000 for its fiscal fourth quarter amid better sales from its Menya Musashi ramen restaurants and new brands. Japan Foods has declared a final cash dividend of 1.30 Singapore cents per share, up from a year-ago payout of 1.25 Singapore cent. For the full year ended March, net profit grew 24% to S\$5.8 million, or 3.33 Singapore cents per share. Revenue increased 6.5% to S\$16.2 million for the fourth fiscal quarter. That increase was partly attributable to a S\$0.8 million revenue growth from the Menya Musashi brand as Japan Foods converted two existing restaurants under other brands to Menya Musashi outlets and opened a new restaurant at the Northpoint City mall in Singapore. One Menya Musashi restaurant was, however, converted to an Ajisen Ramen outlet in Bedok Mall in March 2017. Japan Foods also recorded S\$1.6 million of additional revenue for the fourth quarter from new restaurants operating under the Shitamachi Tendon Akimitsu and Curry is Drink brands. However, restaurants under the New ManLee Bak Kut Teh, Kazokutei, Fruit Paradise, Boteyju, Hanamidori and Dutch Baby Cafe brands saw revenue fall by S\$0.9 million during the period amid closures and lower same-store sales. Looking ahead, Japan Foods said that it was "cautiously optimistic" despite expected challenging conditions in the next 12 months. The group will continue to seek to expand in South-east Asia and Japan through joint ventures, acquisitions and sub-franchising of brands, the company said.

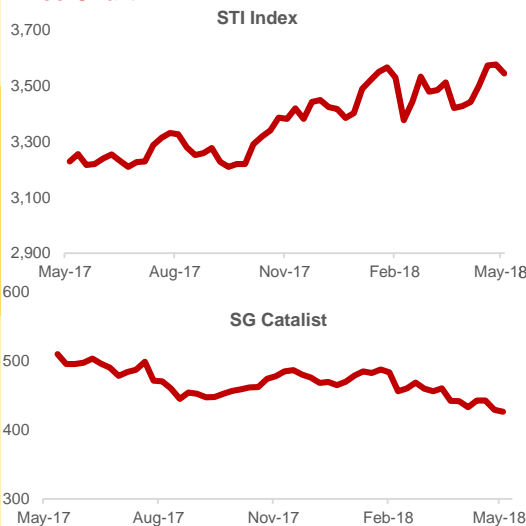
#### 4. MoneyMax launches live e-auction site

MoneyMax Financial Services ("MoneyMax") - together with Japan-based Internet auction company Aucnet - has launched an online live B2B auction platform for luxury goods, SG e-Auction, to cater to the Asean market. According to MoneyMax, it is the first of its kind platform in Singapore for the sale of luxury branded merchandise, gold and diamond goods, allowing buyers and sellers to conduct cross-border trades. SG e-Auction also provides inspection and evaluation services to assure consumers of the quality and authenticity of the products. Lim Yong Guan, chief executive of MoneyMax, said: "We are excited about the new opportunities brought by the launch of this new online platform. Specifically, this distribution channel allows us to tap into the growing market of pre-owned luxury goods in South-east Asia on the back of a rising middle-income class. I'm happy to share that currently we have members from Singapore, Malaysia, Vietnam, Hong Kong, Japan and the US."

### Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3570.2	▲ 32.58	▲ 0.9%	▲ 0.7%	▲ 4.9%
SG Mid Cap	771.7	▲ 2.16	▲ 0.3%	▲ 1.1%	▲ 0.6%
SG Catalist	428.5	▼ 0.05	▲ 0.0%	▲ 0.4%	▼ 8.8%
SG Small Cap	387.4	▲ 0.89	▲ 0.2%	▲ 0.9%	▼ 4.8%

### Price Chart



### IPO News

#### 1. Spackman to seek Catalist listing for combined entity of 2 subsidiaries

Spackman Entertainment Group ("Spackman") announced on Monday that its board has approved the spin-offs of subsidiaries Novus Mediagroup and Frame Pictures, with a view to eventually listing them on the Catalist board as a combined entity. Spackman owns 51% of film distributor Novus Mediagroup, and fully owns Frame Pictures Co, which leases equipment for movie production. Post spin-off, both companies will be combined into an as yet unnamed combined entity. Spackman believes this will allow the combined entity of Novus Mediagroup and Frame Pictures to independently raise the capital necessary to capitalise on the "rapidly growing" post-theatrical and camera equipment leasing markets, Spackman said in a media statement. Catalist-listed Spackman last traded at S\$0.071 a share on May 4, down S\$0.003 or 4.054%.

#### 2. Malaysia timber company Jawala lodges preliminary documents for Catalist IPO

Sabah, Malaysia-based timber company Jawala has lodged a preliminary prospectus ahead of a planned initial public offering ("IPO") on the Singapore Exchange's Catalist board. Terms on pricing, the size of the offering and timing have yet to be set. UOB Kay Hian is the sponsor, issue manager, underwriter and placement agent for the deal. Jawala, which manages an 11,043-hectare licensed area in the Sapulut Forest Reserve in Sabah, will use proceeds from the offering to develop the plantation site within the licensed area. It will also use some of the proceeds for working capital. The main direct shareholder of Jawala is privately held Jawala Corp. Jawala Corp is in turn controlled by the family of Abdul Majid Khan, a prominent Sabah businessman who is also chairman of Malaysia-listed wood and construction group Jaycorp, and one Chee Ah What, who is unrelated to the family.

#### 3. Hyphens Pharma prices IPO at S\$0.26 a share to raise S\$13.5m

Hyphens Pharma International ("Hyphens"), which sells speciality pharmaceutical products, is seeking to raise S\$13.5 million in net proceeds ahead of a listing on the Singapore Exchange's ("SGX") Catalist board. Hyphens is offering a total of 29.6 million shares (9.9% of the company) at S\$0.26 apiece. Cornerstone investors will take up another 10.1% stake in Hyphens. The public offer comprising three million shares closes next Wednesday at noon. Trading will commence on May 18. At S\$0.26 a share, Hyphens has a price-to-earnings ratio of 13 times. It will have a market cap of S\$78 million immediately upon listing.