

Weekly Wrap of STI

The STI finished 0.2% higher on Friday, as investors' focus their attention for the upcoming earnings season and short-covering, overshadowed trade war fears. The STI began the week in the green following another strong US jobs report which reinforced confidence in the US economy and on bargain-hunting as the government's announcement of additional buyer stamp duty on the market last week caused a sell-down last Friday. The STI however, took a turn in the midweek following US President Trump's announcement of additional tariffs on US\$200 billion worth of Chinese goods, renewing fears of an escalating trade war.

Year to date, the STI index is down by 4.2% while the Catalist index is down 18.2%.

Week Ahead: 16 July – 20 July 2018

Economic: China GDP (16 July), UK Jobless Claims (17 July), UK Jobless Claims Change (17 July), US Industrial Production (17 July), UK CPI (18 July), US Initial Jobs Claims (19 July)

Company Results: Soilbuild Business Space REIT (16 July), Qian Hu Corp (16 July), First REIT (17 July), Keppel Telecommunications & Trust (18 July), United Overseas Insurance (18 July), SATS (19 July), Keppel Corp (19 July), CapitaLand Commercial Trust (19 July), Sembcorp Marine (20 July), CapitaLand Mall Trust (20 July)

Companies News

1. Acromec clinched S\$2.9m contract to outfit day surgery centre

Engineering services provider Acromec has secured a S\$2.9 million contract in the healthcare sector that it expects to complete by the quarter ending Dec 31, 2018. Acromec's order book now stands at S\$21 million, the company said. The contract, the third healthcare project secured in the last month, is for the outfitting of an established private-sector day surgery centre, said Acromec, which specialises in designing and constructing facilities that require controlled environments like laboratories, clean rooms and medical facilities. This contract is expected to contribute positively to the earnings per share and net tangible assets per share of the group for the current financial year ending September 2018. Acromec executive chairman and managing director Lim Say Chin said: "I see increasing growth in demand from private medical centres for our services. Healthy economies in Singapore and the region will hopefully give rise to more people who can afford higher end medical care."

2. Advancer Global Limited completed acquisition of Envirocare Landscape

Advancer Global Limited has acquired 76% of Envirocare Landscape (S) Pte. Ltd., following a proposed acquisition announced earlier last year. The acquisition was collectively bought by Advancer Global Limited and Fat Trees. Advancer paid S\$68,058 while Fat Trees paid S\$21,492 for the remaining 24% shares. The consideration was funded through Advancer's internal resources.

3. Oxley executives scooped 11 million shares at S\$3.9 million

Oxley Holdings executive chairman and chief executive Ching Chiat Kwong bought more than 11 million company shares on the open market from Tuesday to Thursday for S\$3.9 million, joining the company's deputy chief executive in a bout of buying activity this week. On Tuesday, Mr Ching purchased 8.4 million shares over three transactions at per-share prices between S\$0.3476 and S\$0.3502. On Wednesday, he bought a further 1.8 million shares at S\$0.3561. This was followed by two transactions on Thursday, which saw Mr Ching pick up another 1 million shares at S\$0.36 apiece. On average, Mr Ching acquired the shares at a per-share price of about S\$0.351. The transactions took his total stake in Oxley, a property development company, to 41.45% from 41.23%. He was joined by Oxley deputy CEO Eric Low, who bought 2.97 million shares at the open market for S\$1.05 million, or an average price of S\$0.354.

4. LHN clinched first management service project in Myanmar

Real estate management group LHN Group has secured its first management service project in Myanmar with a serviced residence contract in Yangon. The client, Mother Construction Co, has hired LHN to renovate and provide property management and leasing services to a 13-storey property in the Mingala Taung Nyunt Township close to Yangon's central business district. The contract size was not disclosed. The property will be renovated to comprise 88 one-bedroom units and amenities and facilities. The serviced residence will be managed under LHN's 85 SOHO brand and is expected to be operational in early January 2019.

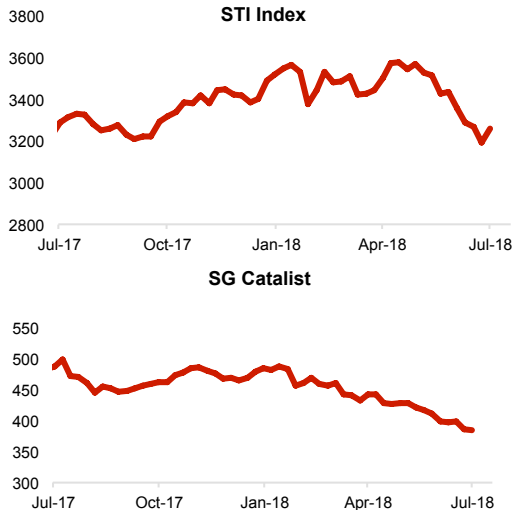
5. LionGold to receive S\$3.5m loan from CEO, extends bond maturity date

Catalist-listed LionGold Corp has entered into a loan agreement with its chief executive officer and executive director Tan Soo Khoon Raymond for an unsecured, interest-free loan of up to S\$3.5 million, the company said on Friday. Mr Tan holds 1.8 million ordinary shares in LionGold, or approximately 0.02 per cent of the company's issued share capital. As the loan is interest-free, the value at risk is zero and LionGold is not required to seek shareholders' approval, it added. In a separate announcement, LionGold said it has extended the maturity date of its convertible bonds issued in 2015 to Premier Equity Fund Sub Fund E, which is managed by Value Capital Asset Management. LionGold said the 2.5 per cent redeemable convertible bonds, with an aggregate principal amount of up to S\$100 million, were previously due 2018. The maturity date has been extended from three years to 4 1/2 years from the closing date of the first sub-tranche of Tranche 1 Bonds, and will now be March 16, 2020.

Market Snapshot

Table with 6 columns: Symbol, Price, Change, 1D % Change, 5D % Change, YTD % Change. Rows include STI, SG Mid Cap, SG Catalist, and SG Small Cap.

Price Chart



IPO News

1. Koufu priced IPO at S\$0.63 a share to raise S\$70.5m

Ahead of its listing on the Singapore Exchange mainboard, food court operator Koufu has priced its initial public offering ("IPO") at S\$0.63 a share. The IPO will raise net proceeds of S\$70.5 million, through the sale of 51.2 million new shares and 45.8 million shares currently owned by Koufu founder Pang Lim and his wife. This means that only S\$43 million of the IPO proceeds will go to the company, with the couple pocketing the rest. Koufu will have a market cap of S\$349.8 million upon its debut, and a price-to-earnings ratio of 13 times based on 2017 earnings. The IPO comprises of a placement tranche of 90.7 million shares and a public offer of 6.3 million shares. Separately, three cornerstone investors have taken up 21 million cornerstone shares. They will still own 78.7 per cent of Koufu after the IPO, or 75.5 per cent if an over-allotment option is exercised in full. The two have agreed to a six-month lock-up period on their shares.

Capital Market News

1. Singapore-based One Animation closed Series B round

Singapore-based computer graphics animation studio, One Animation, has closed a Series B financing round led by Hong Kong's STI Financial Group. The size of the deal was undisclosed, but it will make STI a major shareholder in the company. Along with Jungle Ventures, STI was a Series A investor in 2015, when One Animation raised US\$7.5 million led by Jungle Ventures. One Animation will use the new proceeds to market its toys and push merchandise expansion into new markets, it said. It will also develop new intellectual properties and hire more talent. Founded in 2008, One Animation's productions are broadcast worldwide on networks such as Disney Channel, Cartoon Network, Nickelodeon and Discovery Kids.

2. GoGoVan raised US\$250m in first phase of new funding round

GoGoVan - an on-demand delivery van service backed by Singapore's Centurion Private Equity and Singapore Press Holdings - has raised US\$250 million in new funding. GoGoVan chief executive and co-founder Steven Lam said that the company could be fundraising for a second phase of this financing round, given strong interest by other investors. "The timing of the second phase will depend on the momentum of the investors. But we're in no rush," said Mr Lam. Asked if the startup has plans for an initial public offering in the near term, he said that an IPO is "always an option".