SG Market Weekly Update

20 May – 24 May 2019

SAC ADVISORS

Weekly Wrap of STI

The STI ended 0.29% or 9.17 points higher on Friday to close at 3,169.89 to revert some of earlier losses in a week that was once again weighed down by the US-China trade spat.

The STI started weakly on Tuesday after tech stocks dragged the Wall Street lower overnight as Google began to sever ties with Chinese telecom giant Huawei. The Singapore market was further worsened as the final readings on GDP missed expectations and the growth outlook was lowered. Despite temporary relaxation of curbs against China's Huawei as US lifted the Huawei's ban for 90 days, the mood in the Singapore bourse failed to pick up as investors remained gripped by concerns that US-China trade tensions were spilling into the technology sector. While the STI managed to reverse some of the losses and closed higher on Friday, investors continued to thread choppy water with caution as sentiment remained weighted down by the US-China trade spat and lower growth outlook.

Year to date, the STI index is up by 3.3%.

Week Ahead: 27 May – 31 May 2019

Economic Calendar: CN Industrial Profits (27 May), EU EC Economic Sentiment (28 May), US GDP (30 May), US International Trade in Goods (30 May), US Jobless Claims (30 May), US EIA Petroleum Status Report (30 May), CN CFLP Manufacturing PMI (31 May), US Personal Income and Outlays (31 May)

Company Results: Accordia Golf Trust (28 May), Valuetronics (29 May), KSH Holdings (30 May), MSM international (30 May), United Food Holdings (30 May), Camsing Healthcare (1 Jun)

Companies News

1. ANH announced extension of contract

Catalist-listed Atlantic Navigation Holdings (Singapore) Limited ("**ANH**") announced that its contract with a Middle East National Oil Company ("**NOC**") had been further extended to 24 May 2020. The original contract was awarded in March 2017 for lift-boat AOS Maintainer I to support the operations of the Middle East NOC in the Arabian Gulf. The contract was for an one-year charter with two one-year extension options. The first extension occurred in 2018. The Group also announced that the other lift boat Delta 22 had secured contract for a firm six-month charter with a two-month extension option with another NOC in the Arabian Gulf. The contract represents the third year of such similar chartering contract for Delta 22 with the same repeat customer. The contract value is expected to be approximately US$4.8 million (assuming the extension option is exercised).

2. JCG entered into sale and purchase agreement with Beverly Wilshire

Catalist-listed JCG Investment Holdings Ltd ("**JCG**") had entered into sale and purchase agreements to acquire 51% of the issued and paid up ordinary shares in the capital of Beverly Wilshire Medical Centre Group ("**Beverly Wilshire**"). Beverly Wilshire is constituted by a group of Malaysia-incorporated companies specialising in medical aesthetic treatments, healthy ageing wellness and regenerative therapies, cosmetic surgery, dental aesthetics and hair restoration. The acquisition shall be fully paid via the issuance of up to 2,550,000,000 new ordinary shares at the issue price of S$0.002 per share and the issuance of 180,000,000 new unlisted warrants exercisable into 180,000,000 new ordinary shares. JCG believed that Beverly Wilshire is synergistic and complementary to JCG's medical aesthetics and healthcare business and will strengthen and expand the Group's business into Malaysia. Dato' Ng Tian Sang @ Ng Kek Chuan, Chairman of Beverly Wilshire, has also committed to subscribe for a private placement of up to S$1 million into JCG and will be appointed as Non-Executive Chairman of JCG.

3. Neo Group reported FY2019 results

Catalist-listed homegrown integrated food solutions provider Neo Group Limited ("**Neo Group**") announced a 1.6% revenue growth to S$181.0 million for FY2019. The increase was largely attributable to the Food Catering business which saw a S$15.8 million increase due to the strengthening in recurring income from childcare and elderly market segments, ramping up "tingkat" business from newly incorporated subsidiaries as well as revenue contributed by newly acquired subsidiaries. As a result, profit before tax for FY2019 increased 90.7% to S$6.2 million and net profit attributable to owners improved 48.7% to S$5.4 million.

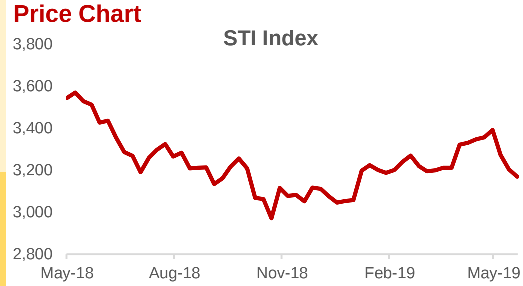
4. Sanli announced FY2019 results

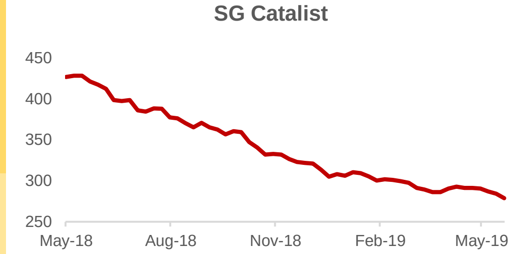
Catalist-listed Sanli Environmental Limited ("**Sanli**") reported a revenue of S$71.4 million for FY2019, a decrease of 5.6% from a year ago. The slight decrease was largely due to lower contribution from the Operations and Maintenance segment, which was offset slightly higher revenue from the Engineering, Procurement and Construction segment. Administrative expenses increased by 16.9% in FY2019 to S$6.1 million, mainly due to higher employees' remuneration from an increase in salaries and headcount for the Group's business development department and additional expenses in relation to the expansion into Myanmar. Consequently, the Group recorded a 26.4% decrease in profit before tax to S$2.8 million in FY2019.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3169.9	▲9.2	▲0.3%	▼1.9%	▲3.3%
SG Mid Cap	732.2	▲3.4	▲0.5%	▼1.8%	▲6.9%
SG Catalist	278.7	▼0.4	▼0.1%	▼2.0%	▼10.0%
SG Small Cap	338.9	▲1.6	▲0.5%	▼0.2%	▲3.3%

Price Chart





IPO News

TrickleStar lodged preliminary prospectus

Energy saving products producer TrickleStar Limited ("**TrickleStar**") had lodged a preliminary prospectus for an IPO listing on the Singapore Exchange's Catalist board. TrickleStar is in the business of designing and supplying energy-saving products such as advanced powerstrips, load controllers, energy meters, energy monitors and surge protectors for electric utilities, energy efficiency programmes, implementation contractors and energy auditors in the US. The company is headquartered in Malaysia, which serves as its corporate office, and has a sales office and main warehouse facilities in the US. Its manufacturing is outsourced to an Taiwanese independent contract manufacturer, which operates manufacturing facility in China. TrickleStar posted revenue of US$12.8 million for FY2018. Net profit was US$2.0 million, up from US$670,384 a year ago. Proceeds from the IPO will be used to scale the firm's presence in existing markets, expansion into new markets, establishing new sales channels, product development, acquisitions of products, businesses and assets and general working capital purposes.

Alliance Healthcare priced shares at S$0.20

Alliance Healthcare Group ("**Alliance Healthcare**") is offering 32 million shares at S$0.20 apiece to raise S$4.5 million from its proposed listing on the Singapore Exchange's Catalist board. Of the 32 million shares, 1 million will be sold by way of public offer, while 31 million shares will be by way of placement. After deducting listing expenses, the net proceeds of S$4.5 million will be used for the expansion of its network of clinics and medical facilities, acquisitions, joint ventures and/or strategic alliances and to invest into technology systems and expanding its pharmaceutical services business. For the financial year ended June 30, 2018, Alliance Healthcare's revenue increased by nearly 15% year on year to S$33.8 million, while net profit more than doubled to S$3.1 million.