SG Market Weekly Update
27 May – 31 May 2019

Weekly Wrap of STI

The STI ended 0.80% or 25.24 points lower on Friday to close at 3,117.76 as trade worries and growth concerns remained the market focus throughout the week and sent the market into a sea of red.

The STI started week flat as the market lacked catalysts given that the US and UK markets closed for holiday. A sustained dip in US Treasury yields and an inverted yield curve, which served as a sign of looming recession, sent the Singapore market further south. Investor sentiment was further shaken on the growing fears that China could use rare-earth metals as a countermeasure to US tariffs. Before the week ended, the market was dealt further blows due to US President's tariff threat on Mexico and disappointing Chinese manufacturing data which contracted more than expected. As the bitter trade war was showing no signs of ending anytime soon, the Singapore bourse ended the month of May in the red.

Year to date, the STI index is up by 1.6%.

Week Ahead: 3 June – 7 June 2019

Economic Calendar: CN PMI Manufacturing Index (3 Jun), UK CIPS/PMI Manufacturing Index (3 Jun), US ISM Manufacturing Index (3 Jun), AU RBA Interest Rate Decision (4 Jun), EU HICP Flash (4 Jun), CN General Services PMI (5 Jun), EU Retail Sales (5 Jun), UK CIPS/PMI Services Index (5 Jun), US EIA Petroleum Status Report (5 Jun), EU ECB Announcement (6 Jun), SG PMI (6 Jun), US International Trade (6 Jun), US Jobless Claims (6 Jun), US Employment Situation (7 Jun)

Company Results: -

Companies News

1. Tung Lok announced FY2019 results

Catalist-listed Tung Lok Restaurants (2000) Ltd ("**Tung Lok**") reported a lower revenue of S$80.6 million for FY2019, a 5.9% or S$5.1 million decrease from a year ago. The fall in revenue was largely attributed to the closure of 4 non-performing outlets and lower catering revenue. Overall, Tung Lok reported a profit of S$1.0 million for FY2019, a reversal of the S$1.8 million loss suffered in FY2018. This was due to the better performance of the restaurant division, which was partially offset by the decline in catering division.

2. Jubilee tripled its net profit to S$3.3 million for FY2019

Catalist-listed Jubilee Industries Holdings Ltd ("**Jubilee**") reported that revenue for FY2019 increased 2.3% to S$163.7 million. The increase in revenue was largely contributed by the acquisition of Honfoong Plastics Industries Pte. Ltd., but was partially offset by a decrease in revenue from the electronic components distribution business unit. Gross profit for the Group increased 65.2% to S$12.6 million while gross margin improved from 4.8% for FY2018 to 7.7% for FY2019. Correspondingly, net profit for FY2019 increased by 249.4% to S$3.3 million.

3. Hiap Tong reported a 25.4% growth in revenue to S$54.2 million for FY2019

Catalist-listed Hiap Tong Corporation Ltd ("**Hiap Tong**") announced that revenue for FY2019 increased by S$10.9 million or 25.4% to S$54.2 million for FY2019. The increase was mainly attributed to an increase in a higher leasing rates and higher utilization rates from the leasing business and higher number of cranes servicing PSA for port services business. Overall, profit for the year increased by S$1.1 million or 94.6% to S$2.2 million for FY2019.

4. Unusual recorded strong FY2019 financial performance

Catalist-listed UnUsUal Limited ("**Unusual**") reported a 22.6% surge in revenue for FY2019 to S$56.9 million on the back of higher revenue contributions from its promotion and other business segments, which was partially offset by a decrease in production revenue. In tandem with the revenue growth, gross profit grew 28.5% to S$23.0 million in FY2019 and the Group recorded a S$3.2 million or 32.0% increase in net profit to S$13.2 million. Moving forward, Unusual will continue to strengthen its business with better entertainment products and look towards the ownership of globally appealing shows and live entertainment Intellectual Properties.

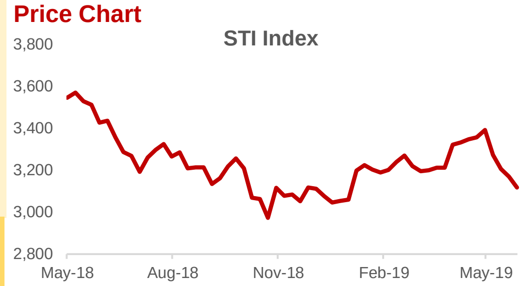
5. China Star Food announced strong FY2019 results

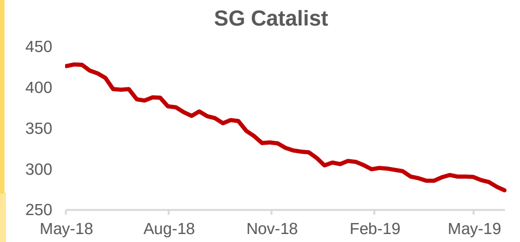
Catalist-listed China Star Food Group Limited ("**China Star Food**") announced a 63.1% or RMB 135.7 million increase in revenue for FY2019 to RMB 357.0 million mainly due to an increase in sales from candies and crisps as a result of better market penetration from the increased effort in higher in-house production volume. In tandem with a rise in revenue, gross profit also increased by approximately RMB 42.1 million or 70.2% to RMB101.9 million while gross margin improved 1.5 percentage point to 28.6% due to a change in the sales mix in FY2019 across the various product categories of the Group which commanded different profit margins. As a result, net profit increased by 167.9% to RMB 33.4 million as compared to a net profit of RMB 12.5 million a year ago.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3117.8	▼ 25.2	▼ 0.8%	▼ 1.6%	▲ 1.6%
SG Mid Cap	728.2	▼ 1.8	▼ 0.2%	▼ 0.5%	▲ 6.4%
SG Catalist	274.2	▼ 1.5	▼ 0.5%	▼ 1.6%	▼ 11.4%
SG Small Cap	337.7	▼ 1.6	▼ 0.5%	▼ 0.3%	▲ 3.0%

Price Chart





Capital Market News

Temasek set up fund dedicated to impact investing

Temasek Trust, the philanthropic arm of investment company Temasek Holdings, established ABC World Asia, a private equity fund for impact investing. The intention of an impact investing is to generate positive, measurable social or environmental impact, alongside a compelling risk-adjusted return. ABC World Asia will invest in companies that demonstrate commitment towards themes such as financial and digital inclusion, better health and education, climate and water solutions, sustainable good and agriculture, and smart and liveable cities. ABC world Asia will be headquartered in Singapore and will invest in companies primarily in South Asia, South-east Asia and China. According to CEOs of Temasek Trust and ABC World Asia, there is scope for impact investing to help bridge the financing gap in support of the United Nations Sustainable Development Goals and there are compelling opportunities in impact investing across Asia, where the industry is still in its infancy stage.

EV Growth closed first fund at US$200 million

South-east Asia focused Venture Capital firm EV Growth reached the final close of its first fund at US$200 million, exceeding its initial target of US$150 million. Investors include SoftBank Group Corp, Pavilion Capital, Indies Capital and other regional investors. EV Growth, which has its headquarter in Singapore, is a joint venture between East Ventures, SMDV and YJ Capital Inc. EV Growth focuses on providing growth capital to startups in Indonesia and the rest of South-east Asia and adopts an industry-agnostic focus, where it does not focus on a specific type of sector when investing, but targets companies across a wide range of industries. Its portfolio of companies currently include Indonesian cosmetics marketplace Sociolla, multi-platform online media company IDN Media, and tech-based education company Ruangguru.