SG Market Weekly Update
13 January – 17 January 2020

SAC CAPITAL

Weekly Wrap of STI

The STI ended 0.09% or 3.03 points higher on Friday to end at 3,281.03 as excitement over the US-China trade agreement wore off.

The STI had a slow start to the week, dipping slightly as investors cautiously awaited the signing of the "phase one" trade deal set for later in the week. Markets were given a boost on Tuesday as the United States removed China's currency manipulator label, a sign that signaled thawing in relations between the World's two largest economies. At midweek however, the index retracted on news that existing tariffs would remain in place after the imminent trade agreement, and might only be removed as part of a phase two trade deal. Still, the index reacted positively after the phase one agreement was signed as scheduled, registering modest gains for the last two trading sessions of the week.

Year to date, the STI index is up by 1.8%.

Week Ahead: 20 January – 24 January 2020

Economic Calendar: UK CBI Industrial Trends Survey (22 Jan), US Chicago Fed National Activity Index (22 Jan), SG CPI (23 Jan), US Jobless Claims (23 Jan), Euro EC Consumer Confidence Flash (23 Jan), SG Industrial Production (24 Jan), US Money Supply (24 Jan), Euro PMI Composite Flash (24 Jan), US PMI Composite Flash (24 Jan)

Company Results: Keppel Infrastructure Trust (20 Jan), Mapletree Logistics Trust (20 Jan), CapitaLand Commercial Trust (21 Jan), Keppel Pacific Oak US REIT (21 Jan), Keppel DC REIT (21 Jan), CapitaLand Mall Trust (22 Jan), Frasers Centrepoint Trust (22 Jan), Keppel REIT (22 Jan), Mapletree Commercial Trust (22 Jan), Parkway Life REIT (22 Jan), Cache Logistics Trust (23 Jan), ESR-REIT (23 Jan), Frasers Hospitality Trust (23 Jan), Keppel Corp (23 Jan), Sabana REIT (23 Jan), Tuan Sing (23 Jan)

Companies News

1. SLB Development announced 2Q20 results

Catalist-listed SLB Development Ltd. ("**SLB Development**") reported S$12.1 million in revenue for the second quarter ended 30 November 2019, a 55.5% increase compared to the corresponding period in 2018. This was mainly due to an increase in revenue contribution from Mactaggart Foodlink, offset by the absence of revenue from T-Space @ Tampines which was substantially completed in June 2018. Other operating income rose from S$0.7 million to S$1.9 million, mainly due to an increase in interest income from loans to associates, and a gain on disposal of a subsidiary. Share of losses of joint ventures and associates decreased from S$1.8 million in 2Q19 to S$0.3 million in 2Q20 mainly as a result of an increase in development profits recognised from the Riverfront Residences and Affinity @ Serangoon projects. Overall, SLB Development registered net profit attributable to owners of S$3.6 million in 2Q20, compared to the S$0.7 million loss in 2Q19.

2. Lian Beng reported a 102.8% rise in revenue in 2Q20

Lian Beng Group Ltd ("**Lian Beng**") recorded a 102.8% year on year rise in revenue to S$164.7 million for the second quarter ended 30 November 2019 ("**2Q20**"), due to higher contributions from its construction and property development segments. Higher construction segment revenue was driven by increased business activity and construction projects which were mostly in the initial stage of construction. Property development revenue rose due to higher revenue recognised from its industrial property, Mactaggart Foodlink. Other operating income increased by S$1.8 million to S$4.7 million in 2Q20, mainly due to higher interest income from loans to associates, and a gain on disposal of a subsidiary. Net profit attributable to shareholders rose 51.1% year on year to S$11.2 million, from S$7.4 million in 2Q19.

3. Yinda Infocomm announced 1H20 results

Yinda Infocomm Limited ("**Yinda Infocomm**") reported S$8.2 million in revenue for the half year ended 30 November 2019 ("**1H20**"), a 5.0% increase from 1H19 revenue of S$7.8 million. The increase in revenue was mainly due to higher contributions from the In-Building Construction segment, where revenue increased by approximately S$1.1 million to S$5.4 million in 1H20. This was partially offset by a S$0.3 million fall in revenue from Network Planning Optimisation projects and S$0.4 million lower revenue from Telecommunications Implementation projects compared to 1H19. Changes in inventories, material consumed and subcontractor cost fell by 12.2% year on year due to less reliance on subcontractors. This was in line with the increase in employee benefits expenses for projects, which rose 3.6% to S$2.5 million. The company recorded profit attributable to owners of S$95,000 for the period.

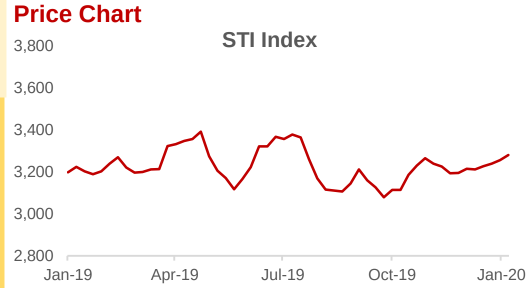
4. Frasers Commercial Trust reported improved portfolio performance for 1Q20

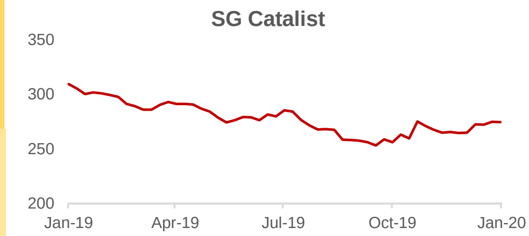
Frasers Commercial Trust ("**FCOT**") saw gross revenue for the quarter ended 31 December 2019 ("**1Q20**") rise 19.8% year on year to S$37.8 million, and net property income climb 26.5% to S$26.7 million. This was mainly from higher rental income from China Square Central, Alexandra Technopark, Central Park and 357 Collins Street, the latter two being office properties in Australia. This was partially offset by the weaker Australia Dollar. Portfolio committed occupancy rate improved, reaching 95.2% as of the end of 1Q20 compared to 95.0% at the end of the previous quarter. Gearing stood at 29.0%, and the weighted average term to maturity of FCOT's borrowings was 1.8 years. FCOT declared distribution to unitholders of S$22.0 million for 1Q20, which translates to a DPU of 2.40 Singapore cents, unchanged from the previous quarter and from 1Q19.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3281.0	▲ 3.0	▲ 0.1%	▲ 0.8%	▲ 1.8%
SG Mid Cap	771.2	▲ 1.8	▲ 0.2%	▲ 0.9%	▲ 1.7%
SG Catalist	274.5	▲ 0.4	▲ 0.1%	▼ 0.1%	▲ 0.8%
SG Small Cap	360.0	▲ 1.2	▲ 0.3%	▲ 0.9%	▲ 1.3%

Price Chart





Capital Market News

MAS and ACRA launched VCC framework

The Monetary Authority of Singapore ("**MAS**") and the Accounting and Corporate Regulatory Authority ("**ACRA**") announced the launch of the Variable Capital Companies ("**VCC**") framework. The VCC is a new corporate structure that can be used for a wide range of investment funds and provides fund managers greater operational flexibility and cost savings. Fund managers will have greater flexibility in share issuance/redemption and the payment of dividends. Managers will also be able to incorporate multiple funds in a single VCC and achieve cost efficiencies. The framework aims to enhance Singapore's value proposition as a leading full service international fund management and domiciliation centre. To encourage industry adoption, the MAS also launched a grant scheme to defray the costs involved in incorporating or registering a VCC. The grant will co-fund up to 70% of eligible expenses paid to Singapore-based service providers, capped at S$150,000 for each application, with a maximum of three VCCs per fund manager.

iSTOX secured US$5 million from Hanwha

Capital markets platform iSTOX secured a US$5 million investment from Hanwha Asset Management ("**Hanwha**"), a leading South Korean asset management company. With this investment, Hanwha joins several other financial institutions as shareholders of iSTOX. These include Temasek subsidiary Heliconia Capital Management, Thailand's Kiatnakin Phatra Financial Group, Japan's Tokai Tokyo Financial Holdings and the Singapore Exchange. iSTOX is a regulated platform that offers issuance, settlement, custody and secondary trading of digitised securities. By using advanced smart contract and distributed ledger technology, iSTOX seeks to allow investors and issuers to connect and transact directly. The company is currently enrolled in the Monetary Authority of Singapore's FinTech Regulatory Sandbox, which it expects to graduate from in the first quarter of 2020.