SG Market Weekly Update
24 February – 28 February 2020

SAC CAPITAL

Weekly Wrap of STI

The STI ended 3.23% down or 100.62 points lower on Friday to end at 3,011.08 as an overnight sell off in the US and European markets over the spread of the Covid-2019 virus weighed on index.

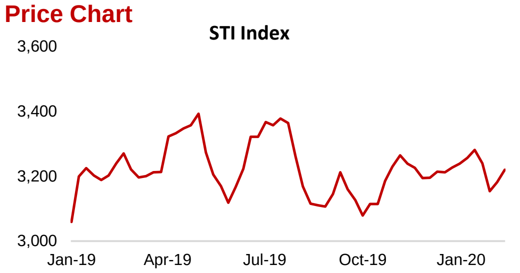
The STI opened flat at the start of the week as investor's tread cautiously over the impact of the Covid-2019 virus. As news streamed in however, of the Covid-2019 virus spreading in different parts of Europe and the US, US market and European markets started to see a sell-off as investors switched to risk-off mode. On Thursday night, conflicting remarks from US health officials and the Trump Administration saw markets gap down strongly in Asia, with the STI, Shanghai Composite Index, down over 3.2%, 3.7% and 1.9% respectively.

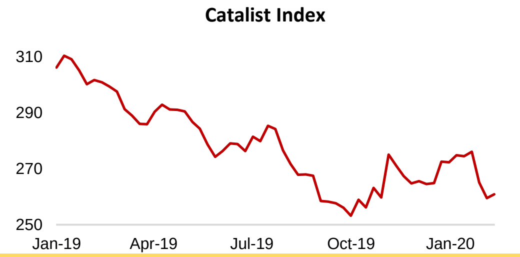
Year to date, the STI index is down by 7.4%.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3011.1	▼100.6	▼ 3.2%	▼ 1.2%	▼ 7.4%
SG Mid Cap	755.6	▼21.9	▼ 3.0%	▼ 6.5%	▼ 9.2%
SG Catalist	247.0	▼ 8.3	▼ 3.2%	▼ 6.6%	▼ 9.4%
SG Small Cap	336.1	▼ 9.9	▼ 2.9%	▼ 4.8%	▼ 5.7%

Price Chart





Week Ahead: 2 March – 6 March 2020

Economic Calendar: China Caixin Manufacturing PMI (2 Mar) EUR Markit Manufacturing PMI (2 Mar), US ISM Manufacturing PMI (2 Mar), US ISM Non-manufacturing PMI (4 Mar), EUR Retail Sales (4 Mar), Japan Leading Economic Index (6 Mar), US Non Farm Payrolls (6 Mar)

Company Results: Dairy Farm (5 Mar), Hong Kong Land (5 Mar), Jardine Matheson (5 Mar), Jardine Strategic (5 Mar), Mandarin Oriental (5 Mar)

Companies News

1. Interra Resources recorded lower revenue but turned a profit for 4QFY2019

Petroleum exploration and production firm Interra Resources announced fourth-quarter 2019 revenue that was 6% higher as compared to last year. This was largely due to increased sales of shareable oil by 3% to 78,393 barrels in Q4 2019 from 76,280 barrels in Q3 2019. For the whole year, the shareable production increased from 266,419 barrels for FY 2018, to 314,467 barrels in FY 2019, an increase of 18% over the previous financial year. The shareable production increase was largely the result of drilling successes earlier in the year combined with gains seen from the reactivations of shut-in wells and new perforations of prospective reservoirs. In 4QFY2019, Interra Resources also recorded a profit of US$589,000, a turnaround from the loss of US$463,000 in the previous year.

2. Megachem announced net profit of S$4.0 million for FY2019

Catalist-listed global one-stop specialty chemical solutions provider Megachem reported a revenue of S$113.8 million and net profit after tax of S$4.0 million for the full year ended 31 December 2019. When compared against the first half ended 30 June 2019, the second half ended 31 December 2019 achieved increased topline of 4.0% to S$58.0 million, as a result of higher contributions from both segments. Sales from the Distribution segment improved by 3.4% in H2 2019 to S$55.9 million, buoyed mainly by sales to North Asia and Australia, which grew by 28.9% and 28.5% respectively in H2 2019, whilst sales to ASEAN picked up marginally by 1.2%. Sales from the Group's Manufacturing segment grew 23.7% to S$2.1 million for H2 2019.

3. Koufu Q42019 net profit fell 13.4% to S$6.5 million

Food court and coffee shop operator Koufu reported Q42019 net profit that fell 13.4% to S$6.5 million for the fourth quarter ended Dec 31. This came as depreciation charges increased sharply to S$20.7 million from S$2.8 million in Q42018, largely due to depreciation charges on right-of-use assets recognised upon the adoption of new leasing standards SFRS(I) 16 from January 2019. Revenue rose 5.7% to S$60.3 million from S$57 million a year ago, largely on contributions from five new tea beverage kiosks opened in the quarter under review. Earnings per share were S$0.0117, down from S$0.0135 in the fourth quarter of the previous year. For the full year, net profit rose 13% to S$27.7 million from S$24.5 million a year ago. Revenue climbed 6.1% to S$237.5 million from S$223.8 million previously, with the opening of new food courts, coffee shops, food and beverage (F&B) stalls, restaurants and F&B kiosks. Overall revenue from existing food courts and coffee shops also increased in FY2019. The board has proposed a final dividend of S$0.015 per share, up from the S$0.012 dividend paid out in the corresponding period of the previous year. Combined with an interim dividend of one cent paid out earlier, the total dividends for FY2019 will be S$0.025.

4. Banyan Tree Q4 profit more than doubled to S$12.8 million

Banyan Tree Holdings saw its net profit more than doubled to S$12.8 million for the fourth quarter ended Dec 31, 2019, from S$5.6 million a year ago. This comes as revenue for Q4 rose 71% to S$158.5 million, from S$92.8 million a year ago due to higher revenue from all operating segments. Earnings per share stood at S$0.0152 for the quarter, up from 0.0067 a year ago, the resort operator said in a regulatory filing on Friday. No dividend was declared for the full year, versus a final dividend of S$0.0105 a year ago. For the full year ended Dec 31, net profit tumbled 95.2% to S$651,000, while revenue rose 5% to S$347 million. The group expects to open, in the next 12 months, eight new resorts across Thailand, Malaysia, Indonesia, China, Cambodia, Qatar and Greece, the latter three being new markets.

Capital Market News

SGX gave listcos 2-month breather for AGM amid fears of large gatherings during outbreak

SINGAPORE Exchange Regulation (SGX RegCo) will give all firms, not just those with China operations, an additional two months to hold their annual general meeting (AGM) due to concerns about large-group meetings amid the Covid-19 outbreak. "This waiver is being granted due to feedback expressed by shareholders who want to participate in and vote at AGMs but may be concerned about attending large-group meetings amid the Covid-19 situation," SGX RegCo said. "Today's time extension is for issuers, irrespective of their place of business or operations, that need more time to implement measures to address these concerns," it added. With more time, companies have more flexibility to consider the best way to conduct their AGMs, SGX RegCo said. They should consider alternative arrangements including organising virtual information sessions before their AGMs, providing a simultaneous webcast of the AGM proceedings as well as providing shareholders with a forum to ask questions and engage with management and the board of directors. Instead of physically attending AGMs, shareholders may want to consider voting via proxies. Issuers may also arrange for alternative AGM venues to cut the group size at any one particular venue, SGX RegCo said. On Feb 7, SGX RegCo granted only firms with significant China operations an extension up to June 30 to hold their AGMs. That followed feedback from audit professionals who found it challenging to perform audits due to the measures put in place by the authorities amid the Covid-19 outbreak. To ensure that shareholders continue to get information on a timely basis, companies that wish to delay their AGM must continue to issue their annual reports to shareholders and the Exchange by April 15, 2020, and provide the requisite AGM notice of at least 14 days. They are also still required to release their unaudited financial statements for FY Dec 2019 by Feb 29, 2020. ACRA will waive the fees for applications for extension of time, and companies seeking the waiver must notify SGX RegCo via the RegCo Submissions Portal.