SG Market Weekly Update

4 June – 8 June 2018

Weekly Wrap of STI

The STI ended 1.1% or 36.7 points lower on Friday to close at 3436.4. The week started at 0.63% higher, a result of better-than-expected US employment data reported on 1 June. For the week, STI was up 8.86 points or 0.3%.

Midweek saw the STI and Asian stocks gained after US jobs data bolstered optimism in the world's largest economy, all but firming an interest rate increase from the Federal Reserve later this month. However, in line with the regional markets, STI edged lower on Friday after a risk-off session in global markets, which saw technology stocks retreat.

Year to date, the STI index is up by 1.0 % while the Catalist index is down by 12.3%.

Week Ahead: 11 June – 15 June 2018

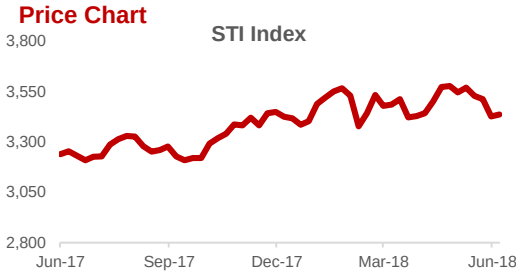
Economic: US Redbook (12 June), US EIA Petroleum Status Report (13 June), US EIA Natural Gas Report (14 June), US Money Supply (14 June), US FOMC Rate Decision (14 June), China Industrial Production (14 June)

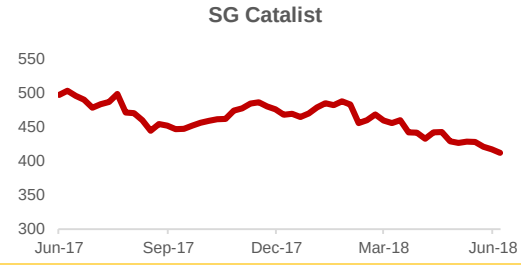
Company Results: -

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3436.4 ▼	36.7 ▼	1.1% ▼	0.3% ▲	1.0% ▲
SG Mid Cap	742.1 ▼	4.5 ▼	0.6% ▼	0.1% ▼	3.3% ▼
SG Catalist	412.1 ▼	1.9 ▼	0.5% ▼	1.3% ▼	12.3% ▼
SG Small Cap	375.6 ▼	1.8 ▼	0.5% ▼	0.5% ▼	7.7% ▼

Price Chart





Companies News

1. Nippecraft gets in-principle nod from SGX to transfer to Catalist

Paperr products maker Nippecraft has received an in-principal approval from the Singapore Exchange ("**SGX**") to transfer the company's listing from the SGX mainboard to the Catalist board. In a filing with the SGX on Thursday, Nippecraft said that it had received the in-principal approval from the SGX on Wednesday. The proposed transfer is subject to a number of conditions, including compliance with the listing requirements of the SGX and shareholders' approval being obtained. If the transfer is successful, Nippecraft will be removed from the SGX financial watch list. It was put on the watch list four years ago on March 5, 2014 - for posting three straight years of losses and having a market cap that fell below S$40 million. In a separate filing with the SGX on Thursday, Nippecraft said that it has been granted an extension of time of up to four months to meet the requirements by July 1, 2018, for its removal from the watch list. For fiscal 2017, Nippecraft had made a net profit before tax of US$97,000, but did not meet the market cap requirement to exit the watch list as its average daily market cap over the last six months did not exceed S$40 million. As at Thursday, Nippecraft's market cap stood at S$14.4 million. SAC Capital is appointed to act as its continuing sponsor.

2. Edition to buy 51% stake in cyber security firm Hyperlync with US$3.5m facility

Catalist-listed Edition has entered into a binding memorandum of understanding ("**MOU**") to acquire 51% of cybersecurity firm Hyperlync Technologies' ("**Hyperlync**") enlarged share capital by extending a 2-year credit facility of up to US$3.5 million (S$4.7 million). Edition, which offers software and content for cellular telephones, also plans to extend a S$1 million 6-month, 8% bridging loan to Hyperlync. This amount will be considered a drawdown on the eventual US$3.5 million facility, which will also bear interest at 8%. This facility may, at the option of the company, be limited to a maximum amount of US$3 million if Hyperlync does not hit certain performance targets. As security for the bridging loan, Edition will have the right to convert the loan into 30% of Hyperlync's total issued share capital if Hyperlync defaults. Edition said that the acquisition is part of its business strategy to continue investing in the technology sector. The counter last traded at S$0.005 apiece last Monday, down 16.7%.

3. Disa rises 10%, most heavily traded counter on SGX

Shares in Catalist-listed Disa were hotly traded last Monday with some 53.2 million shares exchanging hands, making it the most actively traded counter by volume for the day. The shares of the anti-theft technology provider were trading at S$0.011 Singapore cents apiece, up 10%, or S$0.001. Disa founder Eddie Chng revealed that the firm is currently in talks to get major US retailers such as The Kroger Co to use its anti-theft technology by the end of the year. Retail giant Walmart has already approved the use of Disa in its stores. Headquartered in Singapore, Disa which was previously known as Equation Summit, also has operations in Asia and the US. However, those retailers are not Disa's customers. Disa sells its solutions to manufacturers, who use Disa's technology to digitally lock their products until released at the point of sale at the store. By getting major retailers to agree to accept their technology, Disa is hoping to entice more manufacturers to sign up.

4. Lee Metal to be suspended as BRC Asia's control hits 90.45%

BRC Asia has secured enough acceptances to gain control of 90.45% of Lee Metal Group ("**Lee Metal**"), and will proceed with plans to delist the target company. The deadline for accepting the offer remains at 5.30pm on June 21. Because the public float is below the 10% minimum set by the Singapore Exchange, trading in Lee Metal will be suspended at the close of the offer. BRC Asia, a steel prefabrication company, is offering to buy industry peer Lee Metal at S$0.42 per Lee Metal share. The deal has received a green light from the Competition and Consumer Commission of Singapore. BRC Asia has said that it plans to maintain Lee Metal's business and retain existing employees. Shares in Lee Metal Group last traded flat at S$0.42 apiece on Tuesday, while shares in BRC Asia last traded at S$1.28 on as at 9.34am last Wednesday. SAC Capital is the independent financial adviser.

5. Resources Prima Group hopes to submit resumption of trading proposal to SGX by June 28

Suspended Indonesian coal miner Resources Prima Group said it hopes to submit a resumption of trading proposal to the Singapore Exchange before June 28. The group has been operating under severe cash flow constraints since its main operating subsidiary PT Rinjani Kartanegara entered bankruptcy in October last year. But the group said it is currently in advanced discussions with a potential investor to provide financing to the company. The board is therefore of the view that the group is currently able to demonstrate that it can continue as a going concern. The group also reported a US$4.78 million net loss in the 3 months to Dec 31, 2017, widening from a re-presented net loss of US$1.89 million in the same period a year earlier. Revenue from continuing operations was US$275,000, from zero in the same period a year ago.

IPO News

1. Malaysia timber firm Jawala makes Catalist debut

Malaysian sustainable timber company Jawala Inc ("**Jawala**") made its trading debut on the Catalist board of the Singapore Exchange at 2pm on 1 June. Its shares opened at S$0.265 - up slightly from the initial public offering ("**IPO**") price of S$0.25. Incorporated in August 2017, Jawala holds a 100-year licence agreement to manage a 11,043 hectare plantation in Sabah's Sapulut Forest Reserve. It harvests and supplies timber from salvage logging to produce sawn timber, veneers and plywood. With a market capitalisation of about S$30 million, the listing of Jawala brings the total number of companies listed on Catalist to 206, with a combined market capitalisation of about S$12 billion. Jawala closed at S$0.26 with about 4.5 million shares changing hands.

2. After dash to HK, Ron Sim aims to strike it right with V3 IPO

After the initial rush to kickstart the initial public offering ("**IPO**") process for his company in Hong Kong just months after it was delisted here, OSIM founder Ron Sim ("**Mr Sim**") is biding his time. V3, Mr Sim's repackaged massage chair and lifestyle products group, got the go-ahead from the Hong Kong Stock Exchange to proceed with an IPO in October last year, he said. Although V3's IPO application will lapse again at the end of June, he can get that extended to the end of the year for a small fee. Revenue has climbed back above the S$600 million mark, and net profit has also risen, he added. The largest chunk of V3's revenue comes from sales of OSIM massage chairs**.** As for V3 and its much-anticipated IPO, Mr Sim would not be drawn to commit to a firm timeline.

Capital Market News

1. MAS to introduce new corporate structure for investment funds next year

The Monetary Authority of Singapore ("**MAS**") will introduce a new corporate structure for investment funds by next year for institutional investors and fund managers in the city state. "The structure–Singapore Variable Capital Company ("**S-VACC**")– will allow asset managers to achieve greater synergies through co-locating their management and domiciliation activities," said Ravi Menon, MD, MAS. He added that MAS has simplified regulations to facilitate the activities of venture capital ("**VC**") and private equity ("**PE**") managers, and that the increased availability of such alternative investments has 'helped to attract sovereign wealth funds and pension funds' to Singapore. MAS is also developing 2 significant initiatives involving setting up of an infrastructure debt distribution facility to help crowd-in institutional investors.

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