SG Market Weekly Update
26 August – 30 August 2019

Weekly Wrap of STI

The STI ended 0.80% or 24.69 points higher on Friday to end at 3,106.52, as optimism over China-US trade talks gave markets a late boost.

The STI, along with other Asian indices, was sent reeling at the start of the week as both China and the United States announced step-ups in tariffs on Friday last week. This resulted in the STI momentarily erasing its gains for the year. Investor sentiment remained poor following news that Singapore's manufacturing output growth fell in July and remaining in negative territory for a third straight month. However, with news that China indicating that it would not seek to implement retaliatory measures to escalate the trade war, but would instead focus on dialogue and collaboration with the United States, the STI managed to claw its way up to close higher on Friday.

Year to date, the STI index is up by 1.2%.

Week Ahead: 2 September – 6 September 2019

Economic Calendar: CN, Germany, UK and Euro PMI Manufacturing Index (2 Sep), AU RBA Announcement (3 Sep), Euro PPI (3 Sep), US PMI Manufacturing Index (3 Sep), SG PMI (3 Sep), Euro Retail Sales (4 Sep), US International Trade (4 Sep), US Jobless Claims (5 Sep), US Factory Orders (5 Sep), US Fed Balance Sheet (6 Sep), Euro GDP (6 Sep)

Company Results: -

Companies News

1. ISOTeam announced 63.0% surge in revenue in FY2019

Catalist-listed ISOTeam Ltd. ("**ISOTeam**") saw a 63.0% surge in revenue to S$136.6 million for FY2019. This was driven by revenue growth across all segments, reflective of the Group's success in cross-selling its services. Net profit attributable to equity holders rose to S$6.8 million for FY2019, from S$0.5 million in FY2018. As of 31 July 2019, company's order book stood at S$113.5 million, which is expected to be delivered over the next two years. Management indicated that the company aims to look for growth opportunities outside of Singapore, with its recently proposed acquisition of Pure Group spearheading this initiative.

2. Hatten Land registered 22.4% revenue growth in FY2019

Catalist-listed Hatten Land Limited ("**Hatten Land**"), a leading property developer in Melaka, Malaysia, reported 22.4% revenue growth to RM281.4 million for FY2019 on the back of higher contributions from various property development projects. The Group's net profit for the period was RM12.2 million, a sharp reversal from the RM4.7 million loss in FY2018. Management highlighted several potential catalysts for property sales growth, such as measures to encourage first-home buyers which were announced during Malaysia's Budget 2019, as well as the launch of the *Visit Melaka Year 2019* campaign.

3. Disa sold a record number of codes in 4Q2019

Catalist-listed digital security solutions provider Disa Limited ("**Disa**") announced a new record for number of codes sold for 4Q2019 at 1,394,727 codes. This translated to a 4Q2019 revenue of S$171,000 for the sale of code segment, a 131.1% increase as compared to the restated figure in corresponding period. For the full year, Disa recorded a full year revenue of S$508,000 for FY2019 as compared to S$239,000 from a year ago. The increase was mainly attributable to the increase in revenue in the sale of codes segment, which saw a 160.9% increase for the year to S$441,000 for FY2019. Moving forward, the company intends to focus on making inroads into selling its *3S Smart Barcodes* for non-electronics products, and gaining more retailers as partners.

4. TEHO International generated S$0.9 million in operating profit for FY2019

Catalist-listed TEHO International Inc Ltd. ("**TEHO**") saw a 13.2% increase in revenue from its core Marine and Offshore segment to S$53.6 million for FY2019, primarily attributable to its mooring and rigging business. For its real estate business, revenue fell to S$0.8 million, due to the absence of revenue contribution from its sale of the completed Elite Terrace project. Growth in the group's core segment which has higher gross margins translated to higher overall gross profit, which rose 14.5% year on year to S$18.8 million. This improvement in gross margin, coupled with prudent cost management, helped narrow net loss for FY2019 to S$0.5 million, 79.0% lower than FY2018. TEHO intends to focus on its mooring and rigging business, with its latest wire rope rigging facility in Houston, Texas expected to drive growth in the Americas.

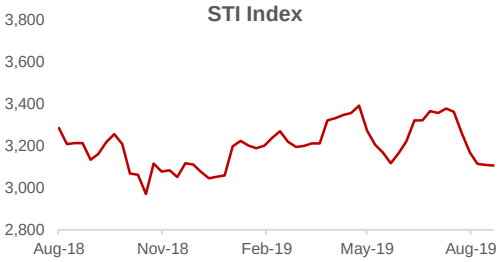
5. ST Group Food reported maiden results since listing, growth in outlet numbers

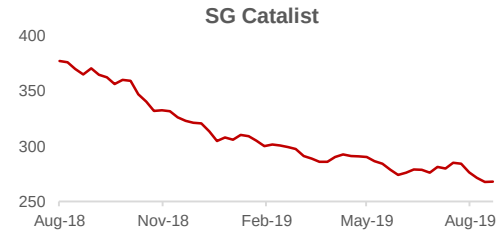
ST Group Food Industries Holdings Limited ("**ST Group**"), a Catalist-listed Food and Beverage group, grew its revenue by 42.9% in FY2019. The group operates in Australia, New Zealand, Malaysia and the UK, and counts notable brands such as "NeNe Chicken" and "Gong Cha" in its portfolio. Excluding one off listing expenses of AUD$2.0 million, profit after tax and minority interests would have been AUD$4.0 million, a 46.5% year on year growth. The Group's outlet count increased from 73 as of 30 June 2018 to 113 as of 20 August 2019, and it has signed contracts to open another nine outlets by December 2019.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3106.5	▲ 24.7	▲ 0.8%	▼ 0.1%	▲ 1.2%
SG Mid Cap	725.4	▲ 3.9	▲ 0.5%	▼ 0.2%	▲ 6.0%
SG Catalist	267.5	▲ 2.6	▲ 1.0%	▼ 0.2%	▼ 13.6%
SG Small Cap	340.1	▲ 0.3	▲ 0.1%	▼ 0.9%	▲ 3.7%

Price Chart





Capital Market News

Novelship announced US$2 million in seed funding

Singapore-based streetwear marketplace platform Novelship announced that it secured US$2.05 million in seed funding. The funding round was led by Global Founders Capital, which has invested in prominent technology companies such as Facebook and e-commerce company Lazada. Novelship intends to use the funds raised to fuel expansion in key markets outside Singapore, which include Malaysia, Hong Kong and Indonesia. Novelship's platform matches buyers and sellers of streetwear products, and the company physically verifies each product that is sold. Upon a successful transaction, sellers will ship the product to Novelship, where it is professionally authenticated and thereafter shipped to the buyer. Since October 2018, more than 1,500 items have been sold through the platform.

Singapore led Southeast Asia in HealthTech investment deal value in 2018

According to research by Galen Growth Asia and Singapore's Economic Development Board ("**EDB**"), Healthcare Technology ("**HealthTech**") startups in Singapore raised US$105 million across 21 deals in 2018, ranking the country fourth after China, India and Japan, and first in ASEAN by deal value. Total funding in the Asia Pacific region amounted to US$6.3 billion. Over the three years from 2015 to 2018, the number of HealthTech startups in Singapore grew 64% from 106 to 174. Testament to the maturing local HealthTech ecosystem, 13% of 2018's funding load went to startups at Series A and Series B stages, an increase from 7% in 2015. 2018 saw 58 entities invest in Singapore-based HealthTech startups, with four of these investors making more than one investment. The bulk of investors originated from Singapore, with Venture Capital firms making up more than half the number. SG Innovate led the pack with 4 investments.

*Important Notice: This document has been prepared solely for the purpose of introducing the information set out herein (**"Information"**). The Information in the report has been obtained or derived from sources believed by SAC Advisors Private Limited (**"SAC"**) to be reliable. However, SAC and any parties mentioned herein does not assume any accuracy or completeness of such sources or Information for any forward-looking statements (which may be subject to numerous assumptions, known and unknown risks) or for correcting any errors herein and SAC accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. This document solely represents the views of SAC and does not constitute any offer, solicitation, recommendation or invitation for in relation to the securities of any company described herein, neither does it constitute investment advice. This document is strictly confidential and by receiving it, the recipient agrees not to disclose it to any other person or use it for any purpose other than as contemplated herein. This document may include information of a proprietary nature. This document does not purport to constitute all the information that the recipient might require and, in particular, does not address risk issues. It is not intended to form the basis of any investment decision or contract. Recipients of this document are solely responsible for making their own assessment of the matters herein, including assessment of risk, and consulting their own professional advisers.*