

## MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI	3318.1	-0.1	-0.3	15.2
Dow Jones	22048.7	-0.2	0.7	11.6
S&P 500	2474.0	0.0	0.2	10.5
NASDAQ	6352.3	-0.3	0.1	18.0
FTSE (UK)	7498.1	-0.6	1.7	5.0
Nikkei	19738.7	-1.3	-0.9	3.3
Hang Seng	27757.1	-0.4	1.6	26.2
Shanghai Composite	3275.6	-0.2	0.1	5.5
VIX	11.1	1.4	8.3	-20.9

## SG MARKET SUMMARY

Daily Market Value (S\$m)	1280.9
Daily Market Volume (mln)	1852.0
52-week STI High	3354.7
52-week STI Low	2761.0

## KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SIBOR	1.1	0.0	0.1	15.6
3 Mth Swap Offer Rate	0.8	2.2	5.0	-17.5
SG 10 YR Bond Yield	2.1	-0.6	0.9	-14.6
US 10 YR Bond Yield	2.2	-0.6	-2.0	-8.0

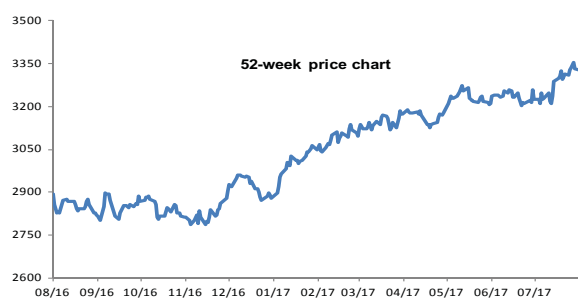
## US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	22016.0	0.0	0.8	12.3
S&P 500	2471.2	-0.1	0.1	11.0
NASDAQ	5919.0	-0.1	0.6	21.7

## COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	1275.9	-0.1	0.5	10.7
Crude Oil	49.6	0.8	-1.2	-7.7
Baltic Dry	1038.0	0.2	9.7	8.0
Crude Palm Oil	2630.0	0.0	-1.7	0.0

## FSSTI INDEX



Source: Bloomberg

## FINANCIAL MARKETS

- US stocks fell between 0.1 - 0.3% on continued worries about geopolitical tensions between US and North Korea.

## IDEA OF THE DAY

- Manulife US REIT (US\$0.925, up 0.005) announced that its distributable income of US\$20.4 mln for 1H 2017 has exceeded projection by 7.1%, largely due to higher property income and lower interest costs. As a result, the REIT recorded a DPU of 3.23 US cents in 1H 2017, which was 8.0% higher than the projected DPU during its IPO. For 2Q 2017, DPU was 1.58 US cents and exceeded projection by 7.5%. For 2Q 2017, the REIT recorded net property income of US\$12.8 mln which was 3.7% above projection.

Management said, "We continue to deliver a strong set of results by outperforming our 1H 2017 DPU projection by 8.0%. Our latest portfolio valuation increase of 2.8% further affirmed the inherent strength of our initial portfolio underpinned by the strong fundamentals of the U.S. commercial real estate market. During this period, we announced our maiden acquisition of 500 Plaza located in New Jersey. This acquisition demonstrates growth and scalability, and will start to contribute from 3Q 2017 onwards. Post our first acquisition, we will continue to seek yield accretive deals to grow the REIT in a sustainable manner."

As at 30 June 2017, the REIT's portfolio valuation increased 2.8% from the previous valuation in 31 December 2016 to US\$857.5 million. With a high occupancy rate of 95.9% based on committed leases, weighted average lease expiry of 5.3 years and limited percentage of leases expiring in 2017, the Manager expects the portfolio to deliver a stable performance. Moving forward, the Manager will continue to manage the REIT's assets proactively to strengthen the performance of the portfolio.

On 20 July 2017, Manulife US REIT announced the completion of its maiden acquisition in New Jersey, 500 Plaza Drive for the purchase price of US\$115 million. Plaza is connected to Midtown Manhattan via bus and train and is approximately three miles to New York City via Lincoln Tunnel. This 11-storey Class A office building joins the ranks of the REIT's initial portfolio of high quality income-producing assets, Figueroa in Downtown Los Angeles, Michelson in Orange County and Peachtree in Midtown Atlanta, producing strong and visible income growth for the REIT. With 461,525 sq ft of Net Lettable Area ("NLA"),

Plaza also significantly increase the REIT's NLA by approximately 25.9% to 2,245,473 sq ft. The acquisition of Plaza was partly funded by a private placement in which the Manager has declared an advanced distribution of 3.20 US cents per unit for the period from 1 January 2017 to 28 June 2017 to existing Unitholders. Plaza's contribution will be reflected in the REIT's financial results for the quarter ending 30 Sept 2017 ("3Q 2017").

Gearing of 34.2% as at 31 March 2017 was reduced to 30.4% as at 30 June 2017, as the cash proceeds of US\$80.5 million raised for Plaza was not deployed by 30 June 2017. Assuming that the Plaza's acquisition was completed by 30 June 2017 (including securing a US\$40.0 million mortgage), the adjusted leverage ratio would have been 33.1%. As at 30 June 2017, the REIT had a debt maturity profile of 3.1 years.

The U.S. reported an annualised real GDP growth rate of 2.6% for the second quarter of 2017, up substantially from the 1.2% reported for the first quarter and 1.6% for calendar year 2016. Since January, the unemployment rate has declined by 40 basis points to 4.4% in June 2017. The U.S. economy created 222,000 non-farm jobs in June, exceeding the 188,000 per month average year to date in 2017. This rate of employment growth is supportive of continued healthy absorption in the office market. The REIT's current borrowings are at fixed interest rates with no refinancing required until 2019, hence insulating them from interest rate increases.

Rent growth has decelerated recently but was still robust, with JLL reporting 3.7% rent growth over the last 12 months for Class A office properties as of 2Q 2017. Market conditions continue to be generally favourable in the three markets that Manulife US REIT has invested in, with minimal new supply and rising market rents.

We are expecting DPU of 6.4 cents going forward translating to a still attractive forward yield of 6.9%, hence we maintain our BUY recommendation and raise our target price to US\$1.00.

## OTHER HIGHLIGHTS

- ▶ Rotary Engineering (\$0.355, unchanged) reported 2Q17 net profit fell by 43% yoy to \$1.2 mln as the Group recognised a net forex loss of S\$0.3 mln during the quarter. This comprises an exchange loss which relates to the depreciation of USD against SGD as at balance sheet date, partially offset by the exchange gain of S\$0.1M from foreign currency contracts. In 2Q16, we note that earnings was also higher as the Group reached completion on major projects. Nevertheless, revenue in 2Q17 improved 21% yoy to \$62.8 mln, mainly contributed by newly secured projects being executed in the current quarter. Amidst continued uncertainty in the macro economy, the Group's liquid storage terminal EPC business environment remains challenging. Against the backdrop of current business conditions, the Group will continue to tap on opportunities that arise in the bulk liquid storage and distribution business whilst prudently manage its costs in executing projects. Till date, the Group's order book, excluding maintenance, stands at S\$463.2 mln. Balance sheet remains healthy with cash and cash equivalents stands at S\$82.4 mln. This represents a current ratio of 1.4 and low debt to equity ratio of 0.11 as management seeks to preserve financial flexibility. Valuation wise, the stock is now trading at trailing P/E of 15.0x and P/B is 1.2x.
- ▶ mm2 Asia Ltd (\$0.47, up 1.5 cent) announced that the Company has received the deposit back in full from Village Cinemas Australia Pty Ltd ("Village Cinemas Australia") following its last announcement on 24 July 2017 that completion of the Golden Village Cinema purchase had not been completed. Recall that Village Cinemas Australia was unable to procure fulfilment of certain conditions under the Shareholders Agreement entered into between Village Cinemas Australia and their existing coshareholder of Dartina Development Limited, and the deal could not be completed. Village Cinemas Australia has since returned to the group its deposit in full as provided in the SPA. It is currently in discussions with Village Cinemas Australia on possible options to proceed with the transaction. Management remains committed to its cinema business as it has had a cinema growth strategy in place since the day the group made its first cinema acquisition. While the deal with Village Cinemas Australia would have fit well with mm2 Asia, its cinema growth strategy is not dependent on this one acquisition alone. Meanwhile, it is currently pursuing other opportunities in parallel to these discussions with Village Cinemas Australia.
- ▶ Dyna-Mac Hldgs (\$0.139, up 0.5 cents) announced a profit warning and that it is expected to report a net loss for 2Q2017.
- ▶ Oxley Hldgs (\$0.57, unchanged) said that it had acquired an additional 5mln shares in United Engineers (\$2.73, unchanged) from the open market at an average price of S\$2.735 on 04-Aug-17, thus increasing its stake from 7.11% to 7.89%. This move also increases Eric Low's total interest (deemed and direct) in United Engineers from 8.13% to 8.91%.
- ▶ United Food (\$0.355, unchanged) issued a profit warning and that it is expected to report a net loss for 2Q17, mainly due to the continuing stoppage of soybean production.
- ▶ BlackGold Natural Resources (\$0.115, up 0.4 cents) updated that its Coal Reserves at its PT Samantaka Batubara Concession ("PT SB Concession") as at 09-Jun-17 have more than tripled from its last reported estimates, which were announced on 08-Aug-16. The Coal Reserves and Coal Resources as at 09-Jun-17 have increased by 227% and 150% respectively, according to its latest independent qualified person's report for the financial year ended 31-Dec-16, which was prepared by the Company's independent consultant, PT GMT Indonesia. Total Coal Reserves estimates at PT SB Concession increased from 45mln tonnes to 147mln tonnes, while Coal Resources estimates increased from 210mln tonnes to 520mln tonnes
- ▶ AsiaPhos Ltd (\$0.099, down 0.2 cents) announced that its mines and production facilities in Sichuan were not affected by the 7.0 magnitude earthquake that struck Jiuzhaigou County, Sichuan, the PRC on 08-Aug-17, and that the epicentre of the Sichuan Earthquake was approximately 300 kilometers away from the Group's mines and production facilities. There was also no disruption to the Group's operations and no report of any casualty at the Group's mines and production facilities.
- ▶ Riverstone Hldgs (\$1.055, unchanged) confirmed that its wholly-owned subsidiary, Eco Medi Glove Sdn Bhd, had awarded to a company incorporated in Malaysia for the construction of a new glove factory building under Phase 5 at the land located at Lot 23826, Kawasan Industri Kamunting Raya, Mukim Assam Kumbang, Taiping, Perak, Malaysia. Total contract sums for the aforesaid transaction is RM14.7mln, and construction of the new glove factory building is expected to be completed by Ma-18. The new glove factory building will be constructed to house production facilities which can potentially add production capacity by approximately 1.4bln gloves to 9bln gloves by end-2018.

## FSSTI STOCK SELECTION

### HIGHEST CONSENSUS FY17E DIV YIELD (%)

1 STARHUB	6.15
2 HUTCHISON PORT-U	5.91
3 ASCENDAS REIT	5.91
4 SINGAPORE PRESS HOLDINGS	5.73
5 CAPITALAND MALL	5.39

### LOWEST CONSENSUS FY17 P/E (X)

1 DBS GROUP	11.42
2 OCBC BANK	12.12
3 UNITED OVERSEAS BANK	12.15
4 WILMAR INTERNATIONAL	12.83
5 YANGZIJIANG SHIPBUILDING	13.60

### LOWEST TRAILING P/B (X)

1 HONGKONG LAND	0.52
2 UOL GROUP	0.79
3 HUTCHISON PORT-U	0.79
4 GOLDEN AGRI-RESOURCES	0.86
5 JARDINE MATHESON	0.88

### LOWEST TRAILING EV/EBITDA (X)

1 HONGKONG LAND	3.74
2 SINGAPORE AIRLINES	4.98
3 YANGZIJIANG SHIPBUILDING	5.34
4 COMFORTDELGRO	6.20
5 STARHUB	8.05

Source: Bloomberg Estimates (FSSTI Universe)

**SHARE TRANSACTIONS**
**02 - 04 AUGUST**

Company	Party	Buy	Sell	Transacted Price* (\$)	Market Price (\$)	New Balance	Stake (%)
<b>ACQUISITIONS</b>							
Health Management Int'l	Kabouter Management, LLC	200,700	-	0.675	-	49,383,900	6.02
Lafe Corp	The Ho Family Trust Limited	52,700	-	0.89	-	14,943,923	58.99
Raffles Medical Group	Aberdeen Asset Management	1,296,000	-	1.21	-	88,759,158	5.01
<b>DISPOSALS</b>							
OUE Commercial REIT	Ng Lak Chuan	-	362,500	0.73	-	0	0

\* ND: Not Disclosed

**STABILISATION EXERCISE**

Company	Date	No. Of Shares Purchase	Price Range (\$)	Cumulative	% Of Total
NetLink NBN Trust	19 July 2017	55,000,000	0.805 - 0.81	55,000,000	44.6
	20 July 2017	11,984,900	0.805 - 0.81	66,984,900	54.3
	21 July 2017	2,000,000	0.805	68,984,900	55.9
	24 July 2017	1,000,000	0.805	69,984,900	56.7
	25 July 2017	1,500,000	0.81	71,484,900	57.9
	26 July 2017	1,500,000	0.805 - 0.81	72,984,900	59.1
	03 August 2017	3,500,000	0.81	76,484,900	61.9

**SHARE BUYBACK**

Company	No. of shares	Price (\$)	Cumulative Purchases	Of Maximum (%)
OCBC	200,000	11.14	8,760,000	2.1
Singapore Post	150,000	1.305	150,000	0.07

## DIVIDENDS (LIST IS NOT EXHAUSTIVE)

Company	Amount	Last Day Cum-Dividend	First Day Ex-Dividend	Date Payable
Old Chang Kee	1.5¢ final	07 Aug	08 Aug	25 Aug
OUB Commercial Reit	1.38¢	07 Aug	08 Aug	05 Sep
Starhub	4¢ interim	07 Aug	08 Aug	25 Aug
Fortune Reit	HK25.53¢	08 Aug	10 Aug	21 Aug
GP Industries	1.5¢ final	08 Aug	10 Aug	24 Aug
Sheng Siong Group	1.55¢ interim	08 Aug	10 Aug	29 Aug
Willaſ-Array Elec	HK31¢ final	08 Aug	10 Aug	25 Aug
Neo Group	1¢ final	10 Aug	11 Aug	23 Aug
SembCorp Marine	1¢ interim	10 Aug	11 Aug	29 Aug
United Overseas Bank	35¢ interim	11 Aug	14 Aug	28 Sep
Breadtalk Group	1¢ interim	14 Aug	15 Aug	31 Aug
Courts Asia	1.29¢ final	14 Aug	15 Aug	30 Aug
Great Eastern Holdings	10¢ interim	14 Aug	15 Aug	31 Aug
Pan Hong Holdings Group	1¢ final	14 Aug	15 Aug	25 Aug
Roxy-Pacific Holdings	0.214¢	14 Aug	15 Aug	25 Aug
Hiap Seng Engineering	0.5¢ final	15 Aug	16 Aug	28 Aug
Sunningdale Tech	2.5¢ interim	16 Aug	17 Aug	31 Aug
Design Studio Group	1.25¢ interim	17 Aug	18 Aug	08 Sep
Raffles Medical Group	0.5¢ interim	18 Aug	21 Aug	31 Aug
GP Batteries International	1.5¢ final	18 Aug	21 Aug	05 Sep
Transit-Mixed Concrete	1¢ final	18 Aug	21 Aug	08 Sep
Genting Singapore	1.5¢ interim	22 Aug	23 Aug	20 Sep
First Sponsor Group	1¢ interim	28 Aug	29 Aug	20 Sep
XMH Holdings	0.5¢ final	06 Sep	07 Sep	21 Sep
Singapore Exchange	13¢ final	26 Sep	27 Sep	06 Oct
Lian Beng Group	1.25¢ final	02 Oct	03 Oct	13 Oct
K1 Ventures	6.5¢ final	24 Oct	25 Oct	08 Nov

## WHAT'S AHEAD

# AUGUST 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 CWT	2 Breadtalk Group Genting Singapore Hakcyon Agri Corporation OUE Commercial Reit Starhub	3 Ascendas Hospitality Trust CapitalLand Dairy Farm Intl EC World Reit First Ship Lease Trust Genting Singapore PLC HongKong Land Holdings Lippo Malls Indonesia Retail Trust Mandarin Oriental Intl RHT Health Trust Sembcorp Industries Thakral Corporation	4 Challenger Technologies Cosco Shipping Intl (S) DBS Group Holdings Far East Hospitality Reit Hi-P International Jardine Matheson Holdings Jardine Strategic Holdings Singapore Post UOL Group	5
6	7 Aspial Coporation Best World International China Everbrightt Water Frasers Centrepoint Ltd Ho Bee Land Straco Corporation Vicom	8 BHG Retail Reit Fragrance Group Global Logistic Properties Hong Leong Finance Manulife US Reit Perennial Real Estate Holdings	9	10 AP Oil International CSE Global Frencken Fuxing China Group Hiap Hoe iReit Global Group Kingsmen Creatives Megachem Prudential Plc SBS Transit Wilmar International	11 City Developments ComfortDelgro Corporation Emering Towns & Cities Global Investments Haw Par Corporation Hong Leong Asia Hotel Royal KSH Holdings LHT Holdings MDR Mewah International Singapore Reinsurance Corp SingTel Sino Grandness Food Industry ST Engineering Thai Beverage World Precision Machinery	12
13	14 Accordia Golf Trust Amara Holdings Asian Pay Television Trust CNMC Goldmine Holdings Golden Agri-Resources IFS Capital Tat Hong Holdings Valuetronics Holdings	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29 ASL Marine Holdings	30	31		

## SGX WATCH-LIST

### 49 Companies Minimum Trading Price Only

8Telecom  
Ace Achieve  
Asia Fashion  
ASTI  
AusGroup  
Beng Kuang  
Casa Holdings  
Chasen  
China Dairy  
China Gaoxian Fibre Fabric

China Great Land  
China Haida  
China Jishan  
China Sports  
Chiwayland  
Cosmosteel  
Fabchem China  
Foreland Fabrictech  
Forise International  
Global Yellow Pages

Hoe Leong  
Hu An Cable  
Informatics  
Ipc International  
Jackspeed  
KS Energy  
KTL Global  
Leader Environmental  
Lorenzo  
Luzhou Bio-Chem

M Development  
Mun Siong  
Nico Steel  
Nutryfarm International  
Ossia International  
Ouhua Energy  
Pavillon  
Plastoform Holdings  
Qian Hu  
Regal International

Seroja Investments  
Star Pharmaceutical  
Suntar Eco-City  
The Stratech Group  
Travelite Holdings  
United Food  
USP Holdings  
Vibropower Corp  
Ziwo

### 20 Companies Minimum Trading Price & Profitability And Market Cap

A-Sonic Aerospace  
Attilan  
Blumont  
Cacola Furniture  
Chinasing  
China Taisan  
Compact Metal Industries  
Dapai International  
Dragon Group  
Europtronic

FJ Benjamin  
Full Apex  
Huan Hsin  
Innopac  
Jadason  
Mirach Energy  
MMP Resources  
Nippecraft  
Oceanus  
Swee Hong

### 15 Companies Profitability And Market Cap Only

Advance SCT  
BH Global  
China Essence  
China Hongcheng  
CNA Group  
HL Global  
Lafe Corp  
Lankom Electronics  
Miyoshi Precision  
Next-Gen Satellite

Novo Group  
Pacific Healthcare  
PSL Holdings  
S i2i  
Texchem-Pack

### 32 Companies Granted Extension To Be Assessed For Minimum Trading Price In September

Asia Enterprises  
Ban Leong Technologies\*  
BBR  
Broadway  
C&G Environmental  
China Sky  
Dyna-Mac  
Ezra  
Falcon Energy\*  
Fragrance

Global Invacom  
Hafary  
Innotek  
King Wan\*  
KrisEnergy\*  
Manhattan Resources  
Marco Polo Marine  
Mermaid Maritime  
Nam Cheong  
OKH Global\*

Parkson Retail Asia\*  
Ramba Energy\*  
RH Petrogas  
Rickmers Maritime  
Soup Restaurant  
Sunvic Chemical\*  
Swissco Holdings\*  
Tee Land  
UPP  
Vard Holdings\*

Ying Li  
Yuuzoo

\* Issuers which have been granted an extension of time on 01 June 2016

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