

Market Indicators

	9-Aug	10-Aug	13-Aug
Mkt. T/O (S\$ mil)	Closed	1,406.3	1,181.2
Stock Advances	Closed	165	163
Stock Declines	Closed	253	278

Major Indices

	9-Aug	10-Aug	13-Aug
DJ Ind Avg	25,509.2	25,313.1	25,187.7
S & P 500	2,853.6	2,833.3	2,821.9
Nasdaq Comp	7,891.8	7,839.1	7,819.7
Hang Seng	28,607.3	28,366.6	27,936.6

STI Index 3,245.34 (-1.20%)

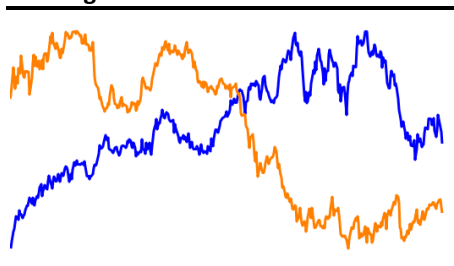


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,192.62	-1.02%
Oil (NYMEX CWT1) US\$ / bbl	67.43	-0.15%
Baltic Dry Index	1691	-0.18%

Exchange Rates



USD : SGD 1.3767 / MYR : SGD 2.9735

Source: Bloomberg

Interest Rates

3-mth Sibor	1.636%
SGS (10 yr)	2.378%

KGI Market Ideas

Over the next twelve months, our strategy is to sell into strength and build up a defensive portfolio. Among names in this theme that we like are SingTel, ST Engineering, ComfortDelGro, REITS (Frasers Centrepoint Trust, Keppel DC REIT, Manulife US REIT, Mapletree Industrial Trust), Hospitals (Raffles Medical Group) and consumer staples (Sheng Siong). Under the utilities sector, we added Sembcorp Industries and Netlink NBN Trust to our defensive portfolio.

ComfortDelgro (CD): 2Q18 results were in line with our expectations; 1H18 PATMI made up 45% of our 2018 full-year forecast. Although PATMI in the quarter declined 5.5% YoY to S\$75mn, we expect 2H18 to see improvements compared to 1H18, mainly from the full contribution from the Seletar bus package, the increase in the Downtown Line (DTL) ridership and new overseas acquisitions in the UK and Australia. CD has been aggressively expanding its overseas footprint via acquisitions, which has totalled more than S\$280mn year-to-date. Even then, the group still had S\$220mn in net cash as at end 2Q18 to deploy for further inorganic growth. CD maintained its 4.35 SG cents interim dividend, unchanged from the prior year period. Given the decent results, positive outlook and dividend yield of 4.5% – 5.0% over the next three years, we reiterate our BUY recommendation and fair value of S\$2.72. We believe the earnings improvement from 2018 onwards would lead to an expansion in valuation multiples. Hence, we peg our fair value to 19x 2018F EPS, which is based on 1SD above the 10-year mean.

Manulife US REIT (MUST): 2Q18 results were positive and in line with our expectations. MUST reported 2Q18 distributable income of US\$16.5mn (+65% YoY), mainly led by higher contribution from acquisitions of Plaza, Exchange, Penn and Phipps. DPU fell 17%, largely due to the drag from the enlarged unit base from the issuance of preferential offering and only 9 days of income contribution from Penn and Phipps. However, on an adjusted basis, DPU would have been up 5.5%. Normalising the impact of the enlarged unit base from the issuance of preferential offering, DPU would have been higher. MUST's portfolio occupancy remained robust at 96.0% (as at 2Q18) with less than 10.0% of leases, by NLA, expiring between 2H18 and 2019. The overall Weighted Average Lease Expiry (WALE), by NLA, has increased significantly from 5.7 to 6.3 years, with 60.4% of the leases, by NLA, expiring in 2023 and beyond. We noted that gross gearing has inched up slightly from 34% to 37% as a result of MUST's recent acquisitions. Debt maturity remains unchanged at 3.2 years and 100% of its debt remains fixed, at an average rate of 3.3% (as at 2Q18). We maintained our BUY recommendation with a TP of US\$0.97, revised down from US\$1.02 previously. We adjust our DPU forecast of 5.9/6.9/7.4 US cents in 2018/19/20F. The REIT offers a 2018F dividend yield of 6.9%.

Results Update

- **Manulife US REIT (MUST SP; BUY; TP: US\$0.97):** 2Q18 results in line with expectations; lower DPU on enlarged unit base - Page 5
- **MindChamps Preschool (MCHAMPS SP; BUY; TP: S\$0.86):** Strong Results from Q2; China Expansion on Track - Page 6

KGI Securities Research Team

Recent In depth Regional Reports

13/8	SG Manulife US REIT (MUST SP; BUY; TP: US\$0.970): 2Q18 results in line with expectations; lower DPU on enlarged unit base
13/8	SG MindChamps Preschool (MCHAMPS SP; BUY; TP: S\$0.860): Strong Results from Q2; China Expansion on Track
13/8	CN/HK A-share Weekly: Sentiment weak; SCI seeks support amid volatility
10/8	TW Financial Sector (Overweight): July earnings second highest YTD on dividend & investment income
10/8	TW Accton (2345 TT; Neutral; TP: NT\$90.00): To resume double-digit growth YoY in 2H18F
10/8	TW Asustek (2357 TT; Neutral; TP: NT\$261.00): 2Q18 margin & EPS missed; conservative 3Q18 margin outlook
10/8	TW Bizlink (3665 TT; Neutral; TP: NT\$218.00): 2Q18 misses on core margins; strong sales momentum yet limited margins recovery in 2H18F
10/8	TW CSRC (2104 TT; Outperform; TP: NT\$50.00): 2Q18 earnings beat
10/8	TW Feng Tay (9910 TT; Outperform; TP: NT\$211.0): July operating margin highest since 2017
10/8	TW Hu Lane (6279 TT; Neutral; TP: NT\$109.00): 2Q18 earnings miss on weak gross margin
10/8	TW Merida (9914 TT; Outperform; TP: NT\$178.00): Earnings back to growth track
10/8	TW Taiwan Cement (1101 TT; Outperform; TP: NT\$52.0): On course to a record 2018
10/8	TW Zhen Ding (4958 TT; Neutral; TP: NT\$85.00): Gross margin a strong beat on higher SLP yield
10/8	HK SMIC Group (981 HK; Neutral; TP: HK\$10.30): Advanced process node profitability remains challenging
10/8	CN/HK Stock Liquidity Monitor: Weekly data – Stock incentive & employee shareholding plans
10/8	TH Ananda Development (ANAN TB; Outperform; TP: Bt 6.70): Strong, but stronger to come
10/8	TH Asia Aviation (AAV TB; Outperform; TP: Bt 6.55): 2Q18 earnings review: Worse than expected
10/8	TH Bangchak Corporation (BCP TB; Neutral; TP: Bt 40.00): 2Q18 earnings review: Impairment loss from Galoc
10/8	TH Bangkok Expressway and Metro (BEM TB; Outperform; TP: Bt 8.68): 2Q18 earnings review: In line result
10/8	TH C.P. All (CPALL TB; Outperform; TP: Bt 92.00): 2Q18 earnings review: Pressure on GPM
10/8	TH Chularat Hospital (CHG TB; Neutral; TP: Bt 2.84): 2Q18 earnings review: Above expectations
10/8	TH CK Power (CKP TB; Underperform; TP: Bt 3.20): 2Q18 earnings review: Higher energy production
10/8	TH Electricity Generating (EGCO TB; Outperform; TP: Bt 278.00): 2Q18 earnings review: Core profit growth, but net profit hurt by FX loss
10/8	TH Hana Microelectronics PCL (HANA TB; Outperform; TP: Bt 45.00): 2Q18 earnings review: Better than expected core profit
10/8	TH IRPC (IRPC TB; Outperform; TP: Bt 7.90): 2Q18 earnings review: Beat our expectation
10/8	TH L.P.N. Development (LPN TB; Neutral; TP: Bt 10.70): Struggling with turbulence
10/8	TH Nok Airlines (NOK TB; Neutral; TP: Bt 3.49): 2Q18 earnings review: Worse than expected
10/8	TH Plan B Media (PLANB TB; Outperform; TP: Bt 8.65): 2Q18 earnings review: As good as expected
10/8	TH Pruksa Holding (PSH TB; Outperform; TP: Bt 24.80): 2Q18 earnings review: Surprised on cost efficiency
10/8	TH PTT Global Chemical (PTTGC TB; Neutral; TP: Bt 93.00): 2Q18 earnings review: Burdened by GGC's inventory loss
10/8	TH Pylon (PYLON TB; Neutral; TP: Bt 7.00): 2Q18 earnings review: Softened after strong rebound
10/8	TH Workpoint Entertainment (WORK TB; Under Review; TP: Under Review): 2Q18 earnings review: Lower than expected
9/8	TW Addcn Technology (5287 TT; Outperform; TP: NT\$347.00): 1H18 operating margin rebounds to over 50%
9/8	TW Cub Elecparts (2231 TT; Outperform; TP: NT\$400.00): 2Q18 margins miss on product mix; multiple radar projects to launch in 2H18F
9/8	TW Hota Industrial (1536 TT; Outperform; TP: NT\$169.00): 2Q18 EPS in line; gross margin to improve in 2H18
9/8	TW King's Town Bank (2809 TT; Neutral; TP: NT\$34.00): 1H18 earnings hurt by low investment gains; NIM weak
9/8	TW Pegatron (4938 TT; Neutral; TP: NT\$70.00): 2Q18 EPS beats; 2H18F sales growth secured, but margin recovery a challenge
9/8	TW Quang Viet (4438 TT; Outperform; TP: NT\$189.00): Business bottoming out from 2017 trough
9/8	TW SerComm (5388 TT; Neutral; TP: NT\$61.00): 2Q18 earnings miss; 2018F outlook conservative
9/8	TW Uni-President (1216 TT; Neutral; TP: NT\$69.00): 2Q18 results beat on higher margin
For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com	

Recent In depth Regional Reports

9/8	HK Uni-President China (220 HK; Neutral; TP: HK\$7.52): Satisfactory 1H18 results priced-in
9/8	CN/HK Economy: CPI to continue rising but short-term acceleration limited; PPI growth pullback to have little impact on cyclical sector earnings
9/8	TH ICT Sector (Mobile) (Neutral): Only ADVANC and DTAC submitted bids
9/8	TH AMA Marine (AMA TB; Under Review; TP: Under Review): 2Q18 earnings review: Better, but not good enough
9/8	TH Ananda Development (ANAN TB; Outperform; TP: Bt 6.00): 2Q18 earnings review: Surged threefold from last quarter
9/8	TH Bangkok Chain Hospital (BCH TB; Outperform; TP: Bt 19.20): 2Q18 earnings review: 5.9% above our forecast
9/8	TH Bumrungrad Hospital (BH TB; Outperform; TP: Bt 236.00): 2Q18 earnings review: 5.4% below our forecast
9/8	TH KCE Electronics (KCE TB; Neutral; TP: Bt 40.00): Precious but pricey
9/8	TH Minor International (MINT TB; Neutral; TP: Bt 39.00): 2Q18 earnings review: Extra revenue overshoot
9/8	TH Mono Technology (MONO TB; Under Review): 2Q18 earnings review: Disappointing earnings
9/8	TH Namyong Terminal (NYT TB; Outperform; TP: Bt 6.75): 2Q18 earnings review: Below expectation
9/8	TH RS (RS TB; Outperform; TP: Bt 28.75): 2Q18 earnings review: Net profit pushed by extra item
9/8	TH Siam Makro (MAKRO TB; Neutral; TP: Bt 42.00): 2Q18 earnings review: Earnings dropped YoY and QoQ
9/8	TH TPC Power Holding (TPCH TB; Outperform; TP: Bt 22.50): 2Q18 earnings review: Greater energy sold drove growth
8/8	TW Chicony (2385 TT; Outperform; TP: NT\$77.00): Stronger sales, but margin rebound less than expected in 2H18F
8/8	TW OUCC (1710 TT; Outperform; TP: NT\$40.00): 2Q18 earnings miss consensus
8/8	TW Quanta Computer Inc. (2382 TT; Neutral; TP: NT\$59.00): Operating margin pressure in 2018F
8/8	TW Sunonwealth (2421 TT; Outperform; TP: NT\$49.00): 2Q18 earnings beat; 2H18-2019F outlook positive
8/8	TW THSRC (2633 TT; Not Rated): Strong rise in 2018F earnings to boost yield to 4-6%
8/8	TW TUC (6274 TT; Outperform; TP: NT\$152.00): 2Q18 gross margin beats; ASP up on tight capacity full utilization
8/8	TW Yageo (2327 TT; Not Rated): Strong fundamentals buoy confidence
8/8	HK Minsheng Education (1569 HK; Outperform; TP: HK\$2.30): 1H18 results preview
8/8	CN Electronics Component: O-film (002456 CH) – 2Q18 results beat; upbeat 3Q18 guidance
8/8	CN Yonghui Superstores (601933 CH; Not Rated): Store openings behind schedule; long-term innovations on track
8/8	TH Construction Materials Sector (Neutral): Worth waiting for
8/8	TH ICT Sector (Neutral): TRUE not joining upcoming auctions
8/8	TH Media Sector (Neutral): 2Q18 earnings preview: Expect only QoQ growth
8/8	TH BCPG Pcl. (BCPG TB; Neutral; TP: Bt 18.20): 2Q18 earnings review: Earnings flat YoY, but grew QoQ
8/8	TH Chememan (CMAN TB; Outperform; TP: Bt 4.00): 2Q18 earnings review: Strong earnings recovery
8/8	TH Global House (GLOBAL TB; Neutral; TP: Bt 17.50): 2Q18 earnings review: Nice GPM from house brand
8/8	TH KCE Electronics (KCE TB; Neutral; TP: Bt 32.50): 2Q18 earnings review: Beat our forecast
7/8	TW Vanguard (5347 TT; Neutral; TP: NT\$68.00): Continued 8-inch capacity tightness drives strong 2H18F
7/8	TW Wiyynn (6669 TT; Not Rated): Impressive 1H18 EPS on sales & operating margin expansion
7/8	CN/HK Stock Liquidity Monitor: Weekly data – Unlocked non-tradable shares & shareholding changes involving major shareholders
7/8	TH Healthcare Sector (Neutral): 2Q18 earnings preview: Improving outlook
7/8	TH Commodities Update: OPEC and non-OPEC allies pump more in July
7/8	TH BEC World (BEC TB; Neutral; TP: Bt 9.30): 2Q18 earnings preview: Loss to continue
7/8	TH Global Power Synergy (GPSC TB; Underperform; TP: Bt 59.00): 2Q18 earnings review: Good performance, as expected
7/8	TH Indorama Ventures (IVL TB; Outperform; TP: Bt 70.00): 2Q18 earnings review: All-time high for core earnings
7/8	TH Mono Technology (MONO TB; Neutral; TP: Bt 2.50): 2Q18 earnings preview: Slower improvement expected
7/8	TH RS (RS TB; Outperform; TP: Bt 28.75): 2Q18 earnings preview: Expect growth QoQ and YoY
7/8	TH Workpoint Entertainment (WORK TB; Neutral; TP: Bt 50.00): 2Q18 earnings preview: Disappointing earnings expected
For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com	

Recent In depth Regional Reports

6/8	TW Catcher Technology (2474 TT; Outperform; TP: NT\$470.00): 2Q18 margin and EPS beat; strong 2H18 momentum intact
6/8	TW CTCL (9933 TT; Outperform; TP: NT\$58.00): New contract value to rebound markedly in 2018F
6/8	TW Dadi (8437 TT; Outperform; TP: NT\$350.00): 2Q18 core earnings in line
6/8	TW Realtek (2379 TT; Neutral; TP: NT\$118.0): Limited contribution from Ethernet chipsets for automotive market in 2019F
6/8	TW TSMC (2330 TT; Outperform; TP: NT\$270.00): Maintain high-single digit growth despite near-term impact of computer virus attack
6/8	CN/HK A-share Weekly: Downside limited despite rising worries over fundamentals; awaiting more supportive policies
6/8	CN/HK Economy: Negotiations could resume as China softens; boosting domestic demand an urgent task
6/8	CN/HK Food and Beverage (Neutral): Coffee, bakeries, restaurant chains & superstores

For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com



Manulife US REIT

(MUST SP/MANU.SI)

2Q18 results in line with expectations; lower DPU on enlarged unit base

Nicholas Siew / 62 6202 1193 / nicholas.siew@kgi.com

- **Positive 2Q18 results.** Manulife US REIT (MUST) reported 2Q18 distributable income of US\$16.5mn (+65% YoY), mainly led by higher contribution from acquisitions of Plaza, Exchange, Penn and Phipps.
- **DPU fell 17%.** Largely due to the drag from the enlarged unit base from the issuance of preferential offering and only 9 days of income contribution from Penn and Phipps.
- **But up 5.5% on an adjusted basis.** Normalising the impact of the enlarged unit base from the issuance of preferential offering, DPU would have been higher.

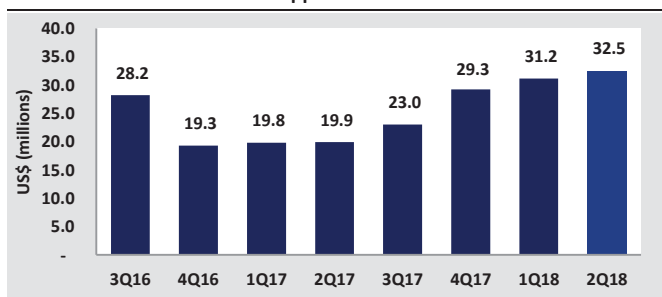
Financials & Key Operating Statistics

YE Dec USD mn	2016	2017	2018F	2019F	2020F
Gross revenue	47.5	92.0	139.6	145.4	168.7
Net property income	30.0	58.4	89.4	93.1	108.0
Distributable income	22.3	46.7	78.4	91.9	99.3
DPU (US cents)	3.6	5.8	5.9	6.9	7.4
DPS growth (%)	-	62.5	1.7	17.2	8.1
Div Yield (%)	4.7	6.4	6.8	7.9	8.6
NAV (USD)	87.0	82.0	140.7	140.7	139.9
Price / Book (x)	0.9	1.1	0.6	0.6	0.6
NPI Margin (%)	63.1	63.4	64.0	64.0	64.0
Net Margin (%)	108.8	63.0	46.7	46.4	48.1
Gearing (%)	33.6	33.5	36.3	36.3	36.3
ROE (%)	9.4	6.8	6.0	6.2	7.5

Source: Company Data, KGI Research

Portfolio statistics still remain robust. MUST's portfolio occupancy remained robust at 96.0% (as at 2Q18) with less than 10.0% of leases, by NLA, expiring between 2H18 and 2019. The overall Weighted Average Lease Expiry (WALE), by NLA, has increased significantly from 5.7 to 6.3 years, with 60.4% of the leases, by NLA, expiring in 2023 and beyond. We noted that gross gearing has inched up slightly from 34% to 37% as a result of MUST's recent acquisitions. Debt maturity remains unchanged at 3.2 years and 100% of its debt remains fixed, at an average rate of 3.3% (as at 2Q18).

Figure 1: Quarterly revenue trend (2Q18 only accounts for 9 days of contribution from Penn and Phipps)



Source: Company Data, KGI Research

2Q18 results supported by positive rental reversions of 7.2%. As at 2Q18, 94% of leases by Gross Rental Income have contractual rental escalation clauses. The positive reversions in 1H18 was mainly led by the 3 new/renewed leases in Figueroa and Exchange, which represented about 2% of the enlarged portfolio's NLA.

Buy (Maintain)

Price as of 13 Aug 18 (USD)	0.85	Performance (Absolute)	
12M TP (US\$)	0.97	1 Month (%)	1.2
Previous TP (\$)	1.02	3 Month (%)	-7.1
Upside, incl div (%)	22.0	12 Month (%)	4.3

Trading data

Mkt Cap (\$mn)	1,073	Perf. vs STI Index (Red)	
Issued Shares (mn)	1,270		
Vol - 3M Daily avg (mn)	1.3		
Val - 3M Daily avg (\$mn)	1.1		
Free Float (%)	92.6%		

Major Shareholders

Manulife Financial Corp	7.3%	Previous Recommendations	
DBS Group Holdings	3.3%	21-Feb-18	1.01
Vanguard Group	2.7%	17-Apr-18	1.01
		2-May-18	1.02

Inorganic growth strategy still unchanged; Higher emphasis on enlarged portfolio. In view of the rising interest rate environment, the management has expressed its intention to concentrate on organic growth by proactively managing leases and capital management e.g. securing early renewals of leases. Focus is on Figueroa, which will be refinanced in 2019 (16.4% of total debt).

US office market remains upbeat. The annualised real GDP for 2Q18 was reported at 4.1% from a revised 2.2% in 1Q18. The strong GDP growth in 2Q18 was mainly led by higher consumer spending, exports and government spending. Unemployment rate decreased 0.1% from the previous quarter to 4.0%. The US economy generated 213,000 non-farm jobs in June 2018, primarily in the professional and business services, health care and manufacturing sectors. While the numbers are assuring, volatility in the financial markets remain high, driven by geopolitical rhetoric. We take comfort in MUST's diversified tenant mix with no tenant contributing more than 7.5% of Gross Rental Income.

Valuation & Action: Maintained BUY with TP of US\$0.97, revised down from US\$1.02 previously. We adjust our DPU forecast of 5.9/6.9/7.4 US cents in 2018/19/20F. Risk free assumption was adjusted from 2.54% to 2.67% (consensus forecast); Discount rate adjusted down from 9.54% to 9.39%.

Risks: Interest rate risk in the medium term (near term impact of rising rates mitigated). Trade tension may have a far-reaching impact on economic activity, which could have a trickle-down effect on the REIT and its ability to renew leases. Additional supply in the respective micro markets could have a direct impact on market rents.



MindChamps

(MCHAMPS SP/CNE.SI)

BUY - MAINTAIN

Price as of 13 Aug 2018	0.70
12M target price (S\$)	0.86
Previous target price (S\$)	0.86
Upside, incl. div (%)	23.3

Trading data

Mkt Cap (S\$m) / (US\$m)	173 / 142
Issued Shares (m)	242
Ave Daily Traded (3-Month) Vol / Val	0.1m / \$0.1m
52 week lo / hi	\$0.67 / \$0.99
Free Float	26.9%

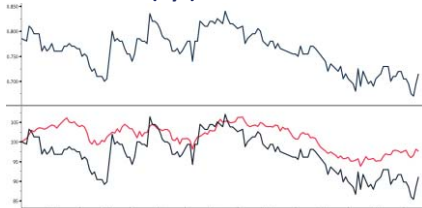
Major Shareholders

MindChamps Holdings	51.7%
Singapore Press Holding	20.0%

Previous Recommendations

Date	Rating	Share Price (S\$)	Target Price (S\$)
11-May-18	BUY	0.80	0.86

MCHAMPS SP (1yr) VS STI



Source: Bloomberg

Marc Tan
65 6202 1195
marc.tan@kgi.com

See the last page for important disclosures.

Strong Results from Q2; China Expansion on Track

Event

2Q18 Results. Mindchamps reported 2Q18 net profits of S\$1.26mn, (+83% YoY), above our estimates of S\$1.1mn. Revenues rose 60% YoY to S\$7.65mn but were offset by higher operating costs (Administrative Expenses +84% YoY, Marketing Expenses +82% YoY) from an increase in the number of staff and marketing campaigns to support overseas expansion.

Impact

Seasonality. Even though Q2 earnings came in higher than our estimates, 1H18 earnings represented only 21% of 2018F earnings, due to the underperformance of Q1 earnings. Compared to 1H2017, the group now has 7 more company-owned-company-operated (COCOs) and 11 more franchisee-owned-franchisee-operated (FOFOs) preschools. Given that Q1 has traditionally been the weakest season of the business, we believe that there is potential for earnings to surprise to the upside in 2H18 after the latest preschool acquisitions.

Higher Operating Profits. Operating profits rose 92.1% YoY to S\$1.5mn due to increased gross margins and strong revenue growth, which was offset by rising administrative and marketing costs. Gross margins rose to 64% from 58% in 2Q17 while administrative costs and marketing costs as a percentage of revenue rose to 51.7% and 2.1% respectively as compared to 45% and 1.9% in 2Q17. Following our call with management, we understand that strong growth in marketing and administrative costs will be slower in 2H2018 as the structures and staffs for expansion are now in place. In this regard, we think that operating profits will continue to improve in 2H18.

China Expansion. Following our call with management, we understand that the group's China expansion plans in 2018 are on track, with an early childhood conference planned in Beijing in November 2018 to support marketing efforts.

Valuation & Action

We maintain a BUY on MindChamps with an unchanged TP of \$0.86, after accounting for higher contribution from the new acquisitions and shares outstanding. Our target price implies a 22.6x 2018F EPS and is based on a DCF model assuming 11.1% WACC and 3% terminal growth.

Risks

Failure to raise enough capital for the US\$200m fund. Lacklustre reception to MindChamps brand in China, Reputation/Legal Risks.

Financials & Key Operating Statistics

YE Dec SGD mn	2016	2017	2018F	2019F	2020F
Revenue	18.4	22.8	30.3	36.0	42.3
Operating Profit	6.3	6.3	10.0	11.8	13.8
Net Profit	5.8	4.9	9.5	11.2	13.0
P/E (x)	25.8	40.8	20.3	17.1	14.7
EPS (cents)	3.0	1.9	3.8	4.5	5.2
EPS Growth(%)	-	-36.8%	100.4%	18.7%	16.7%
GP Margin (%)	61.4%	66.3%	67.6%	66.4%	66.3%
Net Margin (%)	31.7%	21.5%	31.3%	31.1%	30.7%
Gearing (%)	50.4%	20.4%	24.8%	21.0%	20.7%
ROE (%)	140.0%	8.6%	15.2%	15.3%	15.2%

Source: Company Data, KGI Research

STI Components and Key Metrics

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
FINANCIALS								
DBS SP	DBS	25.20	64,565	(1.5%)	7.6%	(2.3%)	4.7%	4.9%
OCBC SP	OCBC	11.57	48,489	(1.9%)	(5.3%)	(0.1%)	3.7%	3.9%
UOB SP	UOB	27.62	46,077	(1.4%)	6.7%	1.8%	4.3%	4.5%
SGX SP	SGX	7.32	7,833	(0.8%)	(0.4%)	(0.8%)	4.2%	4.4%
PROPERTIES								
AREIT SP	Ascendas REIT	2.72	7,971	(0.4%)	3.0%	(0.7%)	6.1%	6.3%
CAPL SP	CapitaLand	3.24	13,517	(2.1%)	(5.2%)	3.2%	3.7%	3.8%
CCT SP	CapitaLand Comm Trust	1.71	6,402	0.0%	(7.2%)	(0.6%)	5.2%	5.3%
CT SP	CapitaLand Mall Trust	2.19	7,772	0.0%	7.1%	1.9%	5.0%	5.2%
CIT SP	City Development	9.60	8,729	(1.2%)	(22.3%)	(0.8%)	1.8%	1.9%
HKL SP	Hongkong Land USD	6.98	22,606	(0.7%)	1.2%	(1.7%)	3.0%	3.2%
UOL SP	UOL	6.94	5,848	(1.3%)	(20.2%)	(1.3%)	2.5%	2.5%
TELECOMMUNICATIONS								
ST SP	SingTel	3.06	49,967	(2.5%)	(11.4%)	(3.5%)	5.8%	5.9%
STH SP	StarHub	1.70	2,942	0.0%	(38.2%)	0.6%	9.4%	7.4%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	33.68	13,312	(1.0%)	(14.9%)	(3.3%)	3.5%	3.8%
JM SP	Jardine Matheson USD	66.21	67,109	0.2%	11.1%	(0.8%)	2.5%	2.6%
JS SP	Jardine Strategic Holding	37.91	57,811	0.5%	(3.7%)	(1.0%)	0.9%	0.9%
GENS SP	Genting Singapore	1.08	13,009	(1.8%)	(16.1%)	(4.4%)	3.2%	3.3%
SPH SP	SPH	2.72	4,348	(1.8%)	4.9%	(3.9%)	5.1%	5.0%
THBEV SP	ThaiBev	0.70	17,578	(2.8%)	(21.6%)	(7.3%)	3.0%	3.4%
VMS SP	Venture Corp	17.75	5,105	(1.1%)	(10.8%)	(4.6%)	3.8%	3.9%
TRANSPORT								
SIA SP	Singapore Airlines	9.55	11,303	0.0%	(7.8%)	(1.2%)	4.1%	4.1%
CD SP	ComfortDelGro	2.35	5,088	(1.3%)	22.0%	2.6%	4.5%	4.8%
COMMODITIES								
GGR SP	Golden Agri	0.29	3,629	1.8%	(22.7%)	1.8%	2.4%	2.9%
WIL SP	Wilmar	3.13	19,802	(1.9%)	3.5%	(0.9%)	3.3%	3.6%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	6.68	12,107	(0.6%)	(5.5%)	(1.0%)	4.0%	4.1%
SCI SP	Sembcorp Industries	2.72	4,860	(1.1%)	(9.7%)	0.7%	2.2%	3.0%
YZJSGD SP	Yangzijiang SGD	1.03	4,064	4.0%	(27.0%)	17.0%	4.2%	4.1%
SATS SP	SATS	5.14	5,741	(1.5%)	1.1%	(0.6%)	3.7%	3.8%
STE SP	ST Engineering	3.35	10,450	(1.2%)	5.7%	(0.9%)	4.6%	4.7%
HPHT SP	HPH Trust USD	0.26	3,058	0.0%	(33.3%)	0.0%	9.3%	9.3%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

STI Reserve List (by market cap) - STI next review date: March 2018

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
SUN SP	Suntec REIT	1.89	5,042	(1.6%)	(8.7%)	1.1%	5.3%	5.3%
MCT SP	Mapletree Commercial	1.56	4,504	(0.6%)	0.3%	(2.5%)	5.8%	5.9%
KREIT SP	Keppel REIT	1.17	3,989	0.9%	(3.8%)	0.9%	5.0%	5.0%
SMM SP	Semcorp Marine	1.68	3,509	(1.2%)	(8.3%)	(3.4%)	0.9%	1.0%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

Appendix 1: Corporate Action

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 13 Aug 18
EC World REIT	7-Aug-18	1H18	SGD 0.0157	14-Aug-18	16-Aug-18	28-Sep-18	SGD 0.710
Great Eastern Hldgs	1-Aug-18	2Q18	SGD 0.10000	14-Aug-18	16-Aug-18	31-Aug-18	SGD 27.500
No Signboard Holdings - Special	11-Aug-18	3Q18	SGD 0.0026	14-Aug-18	16-Aug-18	27-Aug-18	SGD 0.172
Sembcorp Industries	3-Aug-18	1H18	SGD 0.0200	14-Aug-18	16-Aug-18	31-Aug-18	SGD 2.720
Talkmed Group Ltd	7-Aug-18	2Q18	SGD 0.00761	14-Aug-18	16-Aug-18	24-Aug-18	SGD 0.645
United Overseas Bank	3-Aug-18	1H18	SGD 0.5000	14-Aug-18	16-Aug-18	28-Aug-18	SGD 27.620
Yongmao Hldgs	30-May-18	FY18	SGD 0.0100	14-Aug-18	16-Aug-18	31-Aug-18	SGD 0.430
Aspial Corp Ltd	26-Feb-18	FY17	SGD 0.00250	15-Aug-18	17-Aug-18	31-Aug-18	SGD 0.235
Hongkong Land Hldgs	26-Jul-18	1H18	USD 0.06000	15-Aug-18	17-Aug-18	10-Oct-18	USD 6.980
Jardine Matheson Hldgs	27-Jul-18	1H18	USD 0.4200	15-Aug-18	17-Aug-18	10-Oct-18	USD 66.210
Jardine Strategic Hldgs	27-Jul-18	1H18	USD 0.1000	15-Aug-18	17-Aug-18	10-Oct-18	USD 37.910
Oversea-Chinese Banking Corp	6-Aug-18	2Q18	SGD 0.20000	15-Aug-18	17-Aug-18	8-Oct-18	SGD 11.570
Pan Hong Holdings Group Ltd	26-May-18	FY18	SGD 0.01500	15-Aug-18	17-Aug-18	29-Aug-18	SGD 0.117
Singapore Post	3-Aug-18	1Q19	SGD 0.0050	15-Aug-18	17-Aug-18	31-Aug-18	SGD 1.140
Azeus Systems Holdings Ltd	30-May-18	FY18	HKD 0.06200	16-Aug-18	20-Aug-18	31-Aug-18	SGD 0.260
Dairy Farm Int'l Hldgs	26-Jul-18	1H18	USD 0.0650	16-Aug-18	17-Aug-18	10-Oct-18	USD 9.220
Mandarin Oriental Int'l	26-Jul-18	1H18	USD 0.0150	16-Aug-18	17-Aug-18	10-Oct-18	USD 2.140
Roxy-Pacific Holdings Ltd	31-Jul-18	2Q18	SGD 0.00195	16-Aug-18	20-Aug-18	30-Aug-18	SGD 0.430
Singapore O&G Ltd	7-Aug-18	1H18	SGD 0.0080	16-Aug-18	20-Aug-18	3-Sep-18	SGD 0.360
Singapore Reinsurance Corp Ltd	7-Aug-18	2Q18	SGD 0.0050	16-Aug-18	20-Aug-18	17-Sep-18	SGD 0.315
Singapore Technologies Engrg	8-Aug-18	2Q18	SGD 0.0500	16-Aug-18	20-Aug-18	28-Aug-18	SGD 3.350
Sinwa Ltd	7-Aug-18	2Q18	SGD 0.00750	16-Aug-18	20-Aug-18	31-Aug-18	SGD 0.235
Cromwell European REIT	13-Aug-18	2Q18	Euro 0.0253	17-Aug-18	21-Aug-18	28-Sep-18	EUR 0.595
ESR-REIT	13-Aug-18	2Q18	SGD 0.010010	17-Aug-18	21-Aug-18	19-Sep-18	SGD 0.510
Sarine Technologies	12-Aug-18	2Q18	USD 0.0200	17-Aug-18	21-Aug-18	31-Aug-18	SGD 0.850
Avarga	11-Aug-18	2Q18	SGD 0.0050	17-Aug-18	21-Aug-18	31-Aug-18	SGD 0.235

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
ESR-REIT	199 New Units @ S\$0.54 each Rts share for every 1,000 existing units in ESR-REIT	5-Mar-18	7-Mar-18		
Frasers Logistics & Industrial Trust	1 new unit @ S\$0.967 per new unit for 10 existing units in Frasers Logistics & Industrial Trust (FLT)	16-May-18	18-May-18		

Source: SGX Announcement

Latest Listing Issue Announcement

Company	Offer Price	Closing Date	Offeror
Vard Hldgs	SGD 0.25 Cash	5.30 p.m. on 24 Aug 2018	Fincantieri Oil & Gas S.p.A.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
13-Aug		14-Aug		15-Aug		16-Aug		17-Aug	
SG: 2Q18 GDP @ 8 a.m. Q1: Accordia Golf Trust Q2: AP Oil Int'l / Cromwell European REIT / CSE Global / Emerging Towns & Cities Spore / ESR-REIT / Halcyon Agri Corp / Haw Par Corp / Hiap Hoe / LHT Hldgs / Sinarmas Land / Utd Engineers / Viva Industrial Trust / Wilmar Int'l / World Precision Machinery *Q2: First Resources / SIIC Environment Hldgs *Q3: LHN		Q1: Valuetronics Hldgs Q2: CNMC Goldmine Hldgs / Golden Agri-Resources / IFS Capital / KrisEnergy / mDR / Olam Int'l / Sino Grandness Food Industry Grp / Straco Corp				*Q2: TPV Technology		*Q2: Lung Kee Bermuda Hldgs	
20-Aug		21-Aug		22-Aug		23-Aug		24-Aug	
				<i>Hari Raya Haji</i>		*Q2: Far East Grp			
27-Aug		28-Aug		29-Aug		30-Aug		31-Aug	
		Q4: Karin Technology Hldgs / Oxley Hldgs		Q4: ASL Marine Hldgs					
3-Sep-18		4-Sep		5-Sep		6-Sep		7-Sep	
10-Sep		11-Sep		12-Sep		13-Sep		14-Sep	
						Q2: DLF Hldgs / Disa			

* Tentative

Source: Bloomberg

Disclaimer This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities. This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. You should independently evaluate particular investments and consult an independent financial adviser before dealing in any securities mentioned in this report.

This report is confidential. This report may not be published, circulated, reproduced or distributed and/or redistributed in whole or in part by any recipient of this report to any other person without the prior written consent of KGI Securities. This report is not intended for distribution and/or redistribution, publication to or use by any person in any jurisdiction outside Singapore or any other jurisdiction as KGI Securities may determine in its absolute discretion, where the distribution, publication or use of this report would be contrary to applicable law or would subject KGI Securities and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by KGI Securities to be reliable. However, KGI Securities makes no representation as to the accuracy or completeness of such sources or the Information and KGI Securities accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. KGI Securities and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of KGI Securities and its connected persons are subject to change without notice. KGI Securities reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) KGI Securities, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) KGI Securities, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; and (3) the officers, employees and representatives of KGI Securities may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business".)

However, as of the date of this report, neither KGI Securities nor its representative(s) who produced this report (each a "research analyst"), has any proprietary position or material interest in, and KGI Securities does not make any market in, the securities which are recommended in this report.

Each research analyst of KGI Securities who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of KGI Securities or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including KGI Securities's total revenues, a portion of which are generated from KGI Securities's business of dealing in securities.

Copyright 2018. KGI Securities (Singapore) Pte. Ltd. All rights reserved.