

Market Indicators

	13-Mar	14-Mar	15-Mar
Mkt. T/O (S\$ mil)	1,304.6	1,219.1	1,284.5
Stock Advances	214	178	186
Stock Declines	197	235	220

Major Indices

	13-Mar	14-Mar	15-Mar
DJ Ind Avg	25,007.0	24,758.1	24,873.7
S & P 500	2,765.3	2,749.5	2,747.3
Nasdaq Comp	7,511.0	7,496.8	7,481.7
Hang Seng	31,601.5	31,435.0	31,541.1

STI Index 3,517.73 (-0.61%)



Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,316.29	-0.52%
Oil (NYMEX CWT1) US\$ / bbl	61.23	0.49%
Baltic Dry Index	1169	-0.85%

Exchange Rates



USD : SGD 1.3144 / MYR : SGD 2.9917

Source: Bloomberg

Interest Rates

3-mth Sibor	1.378%
SGS (10 yr)	2.341%

Market Colour

US: US markets showed signs of mixed sentiments with the Dow Jones (+0.5%) finishing high, while the S&P 500 (-0.1%) and Nasdaq (-0.2%) closed lower. Concerns of a trade war and uncertainty surrounding the US President's meeting with North Korea still linger. Apart from the geopolitical front, markets also await the next FOMC meeting next week. Fed funds futures market suggests a near-certainty move at next week's meeting, with two more indicated through the year.

Singapore: In the local markets, the STI falls 0.6% on lacklustre US retail data and geopolitical concerns. The STI performance was mainly led by Yangzijiang Shipbuilding (-3.0%), DBS (-1.8%), ComfortDelGro (-1.5%) and Golden Agri-Resources (-1.4%). On the economic front, Singapore's 2018 growth expectations have been raised for the second consecutive time. Private sector economists are expecting growth of 3.2%, up from an earlier forecast of 3.0% in December last year. Growth is expected to moderate to 2.8% in 2019. Economists are optimistic about the finance and insurance, wholesale and retail trade, and accommodation and food services sectors, as well as private consumption, but not so much about manufacturing and non-oil domestic exports.

Company Update

➤ **Uni-Asia Group Limited (UAG SP; BUY; TP: S\$1.81):** Surprise 6.25 cents dividend; Upside from HK property - Page 2

News

Yanlord: The Group's subsidiary, Hainan Yanlord Luqiao Investment, has acquired a 100% stake in Hainan Jinzhong Industrial Development for RMB32mn (S\$6.6mn). The consideration comprises a cash consideration of RMB10mn and a capital injection of RMB22mn. The acquisition is not expected to have any material impact on the net tangible assets or earnings per share of the group for the financial year ending Dec 31, 2018. **Yanlord offers a 4.1% dividend yield and has a consensus fair value of S\$2.02, implying a 14.8% upside.**

Oxley Holdings: Increased placement size to 156.8mn from original 98mn shares due to significant demand from institutional funds. Placement shares to be issued at S\$0.51 per share.

Recent In-depth Regional Reports

14/3	TH Media Sector: Feb18 advertising improved MoM, but still tapered YoY
14/3	TH TOA Paint (Thailand) (TOA TB; Outperform; TP: Bt 40.50): Keep moving forward
13/3	TW Compeq (2313 TT; Outperform; TP: NT\$47.00): Rigid-flex capacity expansion to drive 2018F sales growth
13/3	TW Taishin FHC (2887 TT; Neutral; TP: NT\$14.50): 4Q17 core earnings down; 2018 outlook in line
13/3	TW Wistron (3231 TT; Outperform; TP: NT\$32.00): 4Q17 EPS beats; positive 2018 outlook on smartphone & server
13/3	CN/HK Education Sector (Overweight): Minsheng Education – Future growth accelerating
13/3	CN/HK Stock Liquidity Monitor: Weekly data – Unlocked non-tradable shares & shareholding changes involving major shareholders

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

KGI Securities Research Team

Uni-Asia Group Limited

(UAG SP/UAFC.SP)

BUY - Maintain

Price as of 15 Mar 2018	1.45
12M target price (S\$)	1.81
Previous target price (S\$)	1.85
Upside (%)	24.6

Trading data

Mkt Cap (S\$m) / (US\$m)	68.1 / 52
Issued Shares (m)	47.0
Ave Daily Traded (3-Month) Vol / Val	0.0m / \$0.0m
52 week lo / hi	\$1.02 / \$1.55
Free Float	51.0%

Major Shareholders

Yamasa Co Ltd	33.5%
Evergreen Int'l	10.0%

Previous Recommendations

Date	Rating	Share Price (S\$)	Target Price (S\$)
13-Dec-17	BUY	1.230	1.850
21-Aug-17	BUY	1.370	1.920
19-Jun-17	BUY	1.170	1.920

UAG SP (1yr) VS STI


Source: Bloomberg

Joel Ng
65 6202 1192
joel.ng@kgi.com

See the last page for important disclosures.

Surprise 6.25 cents dividend; Upside from HK property

Event

Turnaround with surprise dividend uplift. 4Q17 PATMI of US\$1.4mn was a huge turnaround from the US\$13.6mn losses incurred in the same period last year. Revenues in 4Q17 rose 39% YoY due mainly to growth in its hotel income (+18% YoY) and a surge in investment returns (+294% YoY). Uni-Asia recognised a higher-than-expected US\$6.8mn fair value gain for its 2nd HK project, offset by fair value losses for its tankers and containership investments. Excluding the fair value losses from its shipping investments, 4Q17 earnings could have been US\$4.3mn or 134% higher. It declared a 6.25 SG cents full-year dividend - double that given out in 2016 - implying a decent 4.3% dividend yield.

Firm bulk shipping fundamentals. Despite retracing back from its 4-year high in Dec-17, the Baltic Dry Index (BDI) has continued to remain above 1000pts amid a recovery in iron ore and coal prices. We note the recovery in the BDI is also due to the better supply-demand balance of dry bulk vessels; orders as a percentage of total tonnage has declined to a more sustainable level.

Uplift from hotel business ahead of Tokyo 2020 Olympics and Rugby World Cup 2019. In its hotel business in Japan, Uni-Asia will be operating 21 hotels with 2,952 rooms by 2019. This will be an important milestone as earnings contribution from hotel operations can potentially provide a recurring net profit of US\$2.0-2.5m p.a. when it achieves this scale.

Valuation & Action

We reiterate our **BUY recommendation and fair value of S\$1.81**, based on the sum-of-the-parts (SOTP) valuation of its 3 business segments. Our TP is an implied 0.5x FY18F P/B and 10x FY18F P/E. Uni-Asia is positioned to ride the growth in its 3 business segments: 1) dry bulk shipping recovery, 2) completion of its 2nd/3rd HK property and investment into its 4th/5th HK property in 1H18, and 3) an increase in hotel rooms under operations ahead of two of the world's largest sporting events to be held in Japan - the Rugby World Cup 2019 and Tokyo 2020 Olympics. In the short term, its balance sheet is expected to improve as it receives cash inflow from the completion of its 2nd HK property.

Risks

Uni-Asia's shipping business (40% of Uni-Asia's FY16 revenues) is cyclical in nature. The dry bulk segment has been particularly challenging in the last five years due to the oversupply of vessels in the industry.

Financials & Key Operating Statistics

YE Dec (US\$m)	2016	2017	2018F	2019F	2020F
Revenue	86.3	103.9	106.4	112.7	117.0
PATMI	-14.2	6.2	6.5	7.4	8.3
Core PATMI	-1.8	6.2	6.5	7.4	8.3
Core EPS	-3.9	13.2	13.8	15.9	17.6
Core EPS grth (%)	-144.7	-439.9	3.8	15.2	10.8
Core P/E (x)	-28.6	8.4	8.1	7.0	6.3
DPS (SGCents)	3.0	6.3	6.3	6.3	6.3
Div Yield (%)	2.1	4.3	4.3	4.3	4.3
Net Margin (%)	-16.4	6.0	6.1	6.6	7.1
Gearing (%)	119.0	129.6	127.4	112.3	100.8
Price / Book (x)	0.4	0.4	0.4	0.4	0.4
ROE (%)	-11.3	4.6	4.6	5.0	5.3

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	28.61	73,352	(1.8%)	15.1%	1.7%	4.1%	4.3%
OCBC SP	OCBC	13.43	56,200	(0.7%)	8.4%	1.4%	3.2%	3.4%
UOB SP	UOB	28.58	47,496	(0.8%)	8.1%	1.9%	3.4%	3.7%
SGX SP	SGX	7.54	8,068	(1.0%)	2.0%	0.5%	4.0%	4.2%
PROPERTIES								
AREIT SP	Ascendas REIT	2.66	7,681	0.8%	(2.2%)	1.5%	6.0%	6.2%
CAPL SP	CapitaLand	3.68	15,586	(0.3%)	4.2%	2.2%	3.2%	3.3%
CCT SP	CapitaLand Comm Trust	1.78	6,429	0.0%	(5.7%)	3.5%	4.9%	5.0%
CT SP	CapitaLand Mall Trust	2.06	7,309	0.5%	(2.0%)	2.0%	5.3%	5.4%
CIT SP	City Development	13.38	12,166	0.8%	7.1%	0.1%	1.2%	1.2%
HKL SP	Hongkong Land USD	6.96	21,522	0.0%	(1.1%)	(0.9%)	3.0%	3.1%
UOL SP	UOL	8.79	7,402	(0.1%)	(0.9%)	0.5%	1.9%	1.9%
TELECOMMUNICATIONS								
ST SP	SingTel	3.42	55,845	0.6%	(4.2%)	1.8%	5.9%	5.3%
STH SP	StarHub	2.42	4,185	(0.4%)	(15.1%)	(2.0%)	6.5%	6.4%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	35.05	13,853	(0.7%)	(13.8%)	(2.5%)	3.3%	3.6%
JM SP	Jardine Matheson USD	62.78	59,924	(0.3%)	3.3%	(0.0%)	2.6%	2.9%
JS SP	Jardine Strategic Holding	39.00	56,779	(1.0%)	(1.5%)	(1.1%)	0.9%	0.9%
GENS SP	Genting Singapore	1.12	13,490	0.0%	(14.5%)	0.0%	3.1%	3.2%
SPH SP	SPH	2.47	3,951	(0.4%)	(6.8%)	(2.8%)	5.6%	5.4%
THBEV SP	ThaiBev	0.82	20,591	1.2%	(8.9%)	0.6%	3.3%	3.6%
VMS SP	Venture Corp	28.00	8,009	(0.8%)	36.8%	2.6%	2.5%	2.6%
TRANSPORT								
SIA SP	Singapore Airlines	11.09	13,114	(1.0%)	3.9%	1.2%	2.8%	2.6%
CD SP	ComfortDelGro	2.00	4,327	(1.5%)	1.0%	(1.0%)	5.2%	5.4%
COMMODITIES								
GGR SP	Golden Agri	0.35	4,457	(1.4%)	(5.4%)	(2.8%)	1.9%	1.9%
WIL SP	Wilmar	3.21	20,307	(0.3%)	3.9%	(0.3%)	3.1%	3.4%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.79	14,111	(0.6%)	6.0%	0.8%	3.4%	3.6%
SCI SP	Sembcorp Industries	3.08	5,498	(0.3%)	1.7%	0.7%	2.9%	3.4%
YZJSGD SP	Yangzijiang SGD	1.30	5,159	(3.0%)	(11.6%)	(3.0%)	3.4%	3.4%
SATS SP	SATS	5.14	5,737	(0.2%)	(1.2%)	0.4%	3.4%	3.6%
STE SP	ST Engineering	3.50	10,905	(0.8%)	7.4%	3.6%	4.5%	4.7%
HPHT SP	HPH Trust USD	0.34	3,893	0.0%	(14.7%)	(1.4%)	7.8%	7.9%

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	1.93	5,136	(0.5%)	(9.1%)	(0.5%)	5.1%	5.2%
MCT SP	Mapletree Commercial	1.57	4,522	0.0%	(1.8%)	1.9%	5.7%	5.7%
KREIT SP	Keppel REIT	1.22	4,135	1.7%	(2.1%)	2.5%	4.8%	4.8%
SMM SP	Sembcorp Marine	2.11	4,405	(1.9%)	14.7%	3.9%	0.9%	1.2%

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 15 Mar 18	Yield (%)
Dairy Farm Int'l Hldgs	8-Mar-18	FY17	USD 0.1450	21-Mar-18	23-Mar-18	16-May-18	USD 8.040	1.8
Hongkong Land Hldgs	8-Mar-18	FY17	USD 0.14000	21-Mar-18	23-Mar-18	16-May-18	USD 6.960	2.0
Jardine Matheson Hldgs	8-Mar-18	FY17	USD 1.2000	21-Mar-18	23-Mar-18	16-May-18	USD 62.780	1.9
Jardine Strategic Hldgs	8-Mar-18	FY17	USD 0.2250	21-Mar-18	23-Mar-18	16-May-18	USD 39.000	0.6
Mandarin Oriental Int'l	8-Mar-18	FY17	USD 0.01500	21-Mar-18	23-May-18	16-May-18	USD 2.310	0.6

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		
F J Benjamin Holdings	3 Rights Shares @ S\$0.035 for each Rights Share for every 5 ord share, 2 free detachable warrants (exercise price S\$0.04) for every 1 Rights Share validly subscribed	8-Mar-18	12-Mar-18	15-Mar-18	23-Mar-18
JB Foods	1 Rts Share @ S\$0.25 for each Rts share for every 3 existing ord share held	7-Mar-18	9-Mar-18	14-Mar-18	22-Mar-18
LifeBrandz	2 Rts Shares @ S\$0.015 for each Rts share for every 1 existing ord share held	28-Feb-18	2-Mar-18	7-Mar-18	15-Mar-18

Source: SGX Announcement

F J Benjamin Hldgs: Expected date for commencement of trading of warrants: 9.00 a.m., Tuesday, 10 April 2018

Latest Bonus & Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Roxy-Pacific Hldgs	1 Bonus share for every 1 share held	13-Apr-18	17-Apr-18	-	-

Source: SGX Announcement

Company	Offer Price	Closing Date	Offeror
CWG Int'l	SGD 0.195 Cash	5.30 p.m. on 19 Mar 2018	Elidom Investment Co., Ltd
LTC Corporation Limited	SGD 0.925 Cash	5.30 p.m. on 26 Mar 2018	Mountbatten Enterprises Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
12-Mar	13-Mar	14-Mar	15-Mar *Q4: TPV Technology	16-Mar *Q4: Lung Kee Bermuda Hldgs
19-Mar	20-Mar	21-Mar *Q4: Shangri-La Asia	22-Mar	23-Mar SG (Feb 2018): CPI Overall index and sub-indices
26-Mar SG (Feb 2018): Index of Industrial Production	27-Mar	28-Mar Q2: Second Chance Properties	29-Mar	30-Mar
2-Apr-18	3-Apr	4-Apr	5-Apr	6-Apr
9-Apr	10-Apr	11-Apr *Q2: Spore Press Hldgs	12-Apr	13-Apr SG: 1Q18 Advance GDP Estimates (Not later than 13 Apr)

* Tentative

Source: Bloomberg

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