

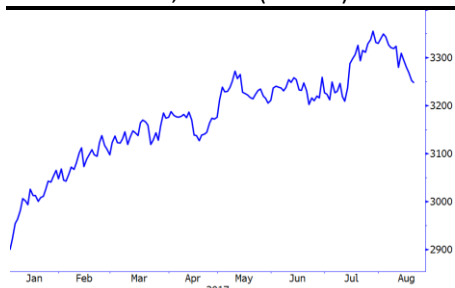
## Market Indicators

	17-Aug	18-Aug	21-Aug
Mkt. T/O (S\$ mil)	1,162.0	1,145.3	946.6
Stock Advances	222	180	183
Stock Declines	231	235	256

## Major Indices

	17-Aug	18-Aug	21-Aug
DJ Ind Avg	21,750.7	21,674.5	21,703.8
S & P 500	2,430.0	2,425.6	2,428.4
Nasdaq Comp	6,221.9	6,216.5	6,213.1
Hang Seng	27,344.2	27,047.6	27,154.7

**STI Index** 3,246.99 (-0.15%)

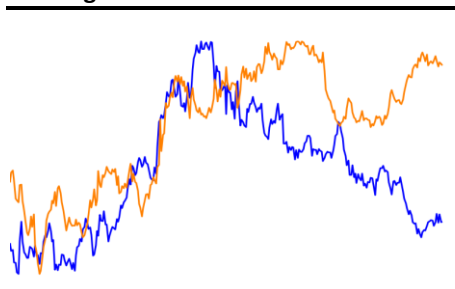


Source: Bloomberg

## Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,291.16	0.25%
Oil (NYMEX CWT11) US\$ / bbl	47.43	-1.98%
Baltic Dry Index	1260	1.04%

## Exchange Rates



USD : SGD 1.3609 / MYR : SGD 3.1478

Source: Bloomberg

## Interest Rates

3-mth Sibor	1.121%
SGS (10 yr)	2.087%

KGI Securities Research Team

## Market Colour

U.S. stock markets were a mixed bag with the S&P 500 and DJIA finished higher while Nasdaq ended in the red. Energy stocks ended lower, likely influenced by lower WTI oil prices in the absence of any positive news from a meeting of oil producers to discuss compliance with the OPEC output cuts. Gold prices resumed its climb towards \$1,300 pounces per ounce ahead of the economic policy symposium of global central bankers at Jackson Hole.

In Asia, Thailand grew faster than expected with GDP growth of 1.3% for the second quarter. This matched the first quarter's pace which was the fastest in four years, resulting from stronger exports and tourism. Singapore shares continue to slide for the fifth straight session on Monday as the STI ended 0.15% lower.

## Results Update

➤ **Uni-Asia Group Limited (UAG SP; BUY; TP: S\$1.920):** Respectable performance; attractive valuations - Page 2

## News

**Capitaland:** Set up its first private equity fund in Vietnam that closed at US\$300 million to boost its expansion into Grade A commercial real estate in Vietnam. The commercial fund - Capitaland Vietnam Commercial Fund I (CVCFI) - will have a life span of eight years with CapitaLand holding a 40% stake while the remaining interests will be held by major institutional investors.

**Trendlines:** Announced that it has together with Chinese private equity firm Shoushan Wealth Holdings, set up China-Israel New Trend (Taizhou) Medical Technology. The latter, which will be based in Shanghai, is a joint venture to help Trendlines' medical sector portfolio companies and other medical companies.

**Serial System:** Entered into a JV agreement with an individual called Ting Ding Ing. The newly incorporated JV company, Bast Investment Pte Ltd, has agreed to subscribe for 10 shares in Musang Durian for RM10 million (S\$3.17 million) ringgit. Musang Durian is engaged in the business of manufacturing, processing, trading and exporting durian puree and durian-related products.

**CWG International:** Announced that it has been successful in its bid for the land use rights of a land parcel at Changshu city, Jiangsu province, China for 454 million yuan (S\$92.8 million). The land parcel comprises a site area of about 40,612 sqm with a plot ratio of 2.1.

**TEE International:** Its proposed privatisation offer through a scheme of arrangement failed to get the go ahead at an adjourned scheme meeting with shareholders. About 82.1% of the number of shareholders present voted for the resolution that required a simple majority vote but in terms of number of shares, the scheme drew 74.84% of support - marginally short of the 75% in value of the shares that was required to push the scheme through.

**Ellipsiz:** Posted a 11% fall in FY17 earnings to \$8.5 million from \$9.6 million in FY16. It declared a final and special dividend totalling 6.5 Singapore cents.

Business Times / Bloomberg / Straits Times / The Edge Markets / SGX

## Commentaries From The Trading Desk

14/8	<a href="#">To Buy or Not to Buy?</a>
4/8	<a href="#">DBS reports Q2 numbers</a>
27/7	<a href="#">OCBC earnings and Singapore retail shakeup?</a>

Note: The comments and views in this section are those of the Trading Desk team and do not necessarily coincide with the views of the Fundamental Equities Research team.

# Uni-Asia Group Limited

## (UAG SP/UAFC.SP)

**BUY - Maintain**

Price as of 18 Aug 2017	1.37
12M target price (S\$)	1.92
Previous target price (S\$)	na
Upside (%)	40.0

**Trading data**

Mkt Cap (S\$m) / (US\$m)	64.4 / 47
Issued Shares (m)	47.0
Ave Daily Traded (3-Month) Vol / Val	0.0m / \$0.0m
52 week lo / hi	\$0.94 / \$1.55
Free Float	100.0%

**Major Shareholders**

Yamasa Co Ltd	33.5%
Evergreen Int'l	10.0%

**Previous Recommendations**

Date	Rating	Share Price (S\$)	Target Price (S\$)
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.

**Respectable performance; attractive valuations**
**Event**

2Q17 PATMI increased 180% YoY to US\$2.7m as its shipping business segment returned to a net profit of US\$2.6m compared to a loss of US\$2.4m in 2Q16. Uni-Asia generated US\$6m of operating cash flow in 1H17, the highest in five years.

**Impact**

**Industry fundamentals improving.** The Baltic Dry Index (BDI) has risen above the 1200 levels for the third time in 2017 amid a recovery in iron ore and coal prices. We note the recovery in the BDI is also due to the better supply-demand dynamics of dry bulk vessels; orders as a percentage of total tonnage has declined to a more sustainable level.

**90% of revenues from recurring sources including charter fees and hotel income.** Most of its vessels are on medium to long term charters with international shipping companies. In its hotel business, Uni-Asia will be operating 16 hotels with 2,650 rooms in Japan by FY18, in-line with the group's target of having 3,000 rooms under its management by FY19. This will be an important milestone as earnings contribution from hotel operations by itself 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 maintain our TP of S\$1.92**, based on the sum-of-the-parts (SOTP) valuation of its 3 business segments. Our TP is an implied 0.5x FY17F P/B and 8.2x FY17F P/E. Uni-Asia is positioned to ride the growth in its 3 business segments as 1) we expect a dry bulk shipping recovery, 2) completion of its second Hong Kong property which we estimate would yield US\$5m profit this year, 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.

**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)	2015	2016	2017F	2018F	2019F
Revenue	77.1	86.3	90.6	97.1	103.6
PATMI	2.7	-14.2	7.8	6.7	7.3
Core PATMI	4.1	-1.8	7.8	6.7	7.3
Core EPS	8.7	-3.9	16.7	14.2	15.5
Core EPS grth (%)	125.6	na	na	-15.0	9.6
Core P/E (x)	11.2	-25.1	5.9	6.9	6.3
DPS (SGCents)	6.3	3.0	4.0	4.0	4.0
Div Yield (%)	4.6	2.2	2.9	2.9	2.9
Net Margin (%)	3.5	-16.4	8.6	6.9	7.1
Gearing (%)	95.6	119.0	111.8	100.0	84.1
Price / Book (x)	0.3	0.4	0.4	0.4	0.3
ROE (%)	1.9	-11.3	5.9	4.8	5.0

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 FY16 (%)	Div Yield FY17 (%)
<b>FINANCIALS</b>								
DBS SP	DBS	20.49	52,367	(0.0%)	21.8%	(2.7%)	3.2%	3.4%
OCBC SP	OCBC	11.02	46,183	0.2%	27.7%	(3.2%)	3.3%	3.5%
UOB SP	UOB	23.45	38,915	(0.2%)	18.5%	(2.7%)	3.1%	3.3%
SGX SP	SGX	7.47	7,993	0.9%	5.7%	(0.9%)	4.1%	4.3%
<b>PROPERTIES</b>								
AREIT SP	Ascendas REIT	2.65	7,647	0.4%	20.5%	(0.7%)	6.0%	6.2%
CAPL SP	CapitaLand	3.73	15,842	(0.5%)	26.9%	(1.3%)	2.7%	2.9%
CCT SP	CapitaLand Comm Trust	1.72	5,311	(1.4%)	23.0%	0.0%	5.3%	5.2%
CT SP	CapitaLand Mall Trust	2.12	7,517	(0.5%)	17.3%	1.4%	5.2%	5.2%
CIT SP	City Development	11.32	10,293	(1.5%)	38.7%	(1.5%)	1.4%	1.3%
GLP SP	Global Logistic	3.23	15,172	0.3%	49.5%	0.0%	1.9%	2.0%
HKL SP	Hongkong Land USD	7.48	23,989	(0.5%)	20.4%	(1.4%)	2.6%	2.8%
UOL SP	UOL	8.15	6,628	(0.5%)	38.9%	(0.6%)	1.8%	1.8%
<b>TELECOMMUNICATIONS</b>								
ST SP	SingTel	3.74	61,071	(0.3%)	5.3%	(0.8%)	4.9%	5.1%
STH SP	StarHub	2.59	4,478	1.2%	(3.4%)	0.0%	6.2%	6.1%
<b>CONSUMER SERVICES AND GOODS</b>								
JCNC SP	Jardine C&C	39.44	15,588	(0.4%)	(2.7%)	(2.4%)	2.9%	3.2%
JM SP	Jardine Matheson USD	65.66	64,717	0.7%	20.9%	(1.9%)	2.4%	2.5%
GENS SP	Genting Singapore	1.19	14,250	(0.4%)	32.7%	0.4%	2.5%	2.6%
SPH SP	SPH	2.80	4,476	0.0%	(19.3%)	1.1%	5.9%	5.8%
THBEV SP	ThaiBev	0.92	22,976	(1.1%)	10.7%	(2.1%)	3.2%	3.4%
<b>TRANSPORT</b>								
SIA SP	Singapore Airlines	10.57	12,499	2.4%	10.5%	0.3%	2.4%	2.2%
CD SP	ComfortDelGro	2.19	4,737	(0.9%)	(7.5%)	(2.9%)	4.9%	5.3%
<b>COMMODITIES</b>								
GGR SP	Golden Agri	0.36	4,585	(2.7%)	(14.8%)	(4.0%)	1.9%	2.7%
WIL SP	Wilmar	3.10	19,606	(1.0%)	(11.8%)	(2.2%)	2.5%	3.2%
<b>OFFSHORE &amp; MARINE/INDUSTRIALS</b>								
KEP SP	Keppel Corp	6.24	11,312	(1.4%)	11.1%	(2.3%)	3.5%	3.8%
SCI SP	Sembcorp Industries	2.94	5,246	(1.3%)	5.5%	(2.6%)	2.8%	3.2%
YZJSGD SP	Yangzijiang SGD	1.60	6,112	(0.3%)	102.2%	0.6%	2.7%	2.7%
SATS SP	SATS	4.83	5,406	0.2%	1.8%	0.4%	3.6%	3.8%
SIE SP	SIA Engineering	3.50	3,919	0.3%	7.6%	(1.4%)	4.1%	4.3%
STE SP	ST Engineering	3.56	11,101	0.0%	14.7%	(1.9%)	4.2%	4.4%
HPHT SP	HPH Trust USD	0.43	5,106	1.2%	7.1%	(4.4%)	6.4%	6.6%

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

**STI Reserve List (by market cap) - STI next review date: 31 August 2017**

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
SUN SP	Suntec REIT	1.87	4,954	(0.3%)	18.2%	(1.3%)	5.3%	5.2%
MCT SP	Mapletree Commercial	1.55	4,446	(1.0%)	15.7%	(0.3%)	5.8%	5.8%
KREIT SP	Keppel REIT	1.16	3,883	(0.4%)	18.4%	1.8%	5.2%	5.2%
YLLG SP	Yanlord Land	1.75	3,389	(1.4%)	35.7%	(3.8%)	2.8%	3.1%
SMM SP	Sembcorp Marine	1.58	3,291	(0.3%)	15.5%	(1.3%)	1.5%	1.7%

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

**Appendix 1: Corporate Action**
**Dividends**

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 21-Aug-17	Yield (%)
Bumitama Agri	14-Aug-17	2Q17	SGD 0.007500	<b>22-Aug-17</b>	24-Aug-17	4-Sep-17	SGD 0.710	1.1
Nordic Group	14-Aug-17	2Q17	SGD 0.006530	<b>22-Aug-17</b>	24-Aug-17	5-Sep-17	SGD 0.420	1.6
Dairy Farm Int'l Hldgs	3-Aug-17	1H17	<b>USD</b> 0.065000	<b>23-Aug-17</b>	25-Aug-17	19-Oct-17	<b>USD</b> 7.680	0.8
Hongkong Land Hldgs	3-Aug-17	1H17	<b>USD</b> 0.060000	<b>23-Aug-17</b>	25-Aug-17	19-Oct-17	<b>USD</b> 7.480	0.8
Jardine Strategic Hldgs	4-Aug-17	1H17	<b>USD</b> 0.095000	<b>23-Aug-17</b>	25-Aug-17	19-Oct-17	<b>USD</b> 43.300	0.2
Mandarin Oriental Int'l	3-Aug-17	1H17	<b>USD</b> 0.015000	<b>23-Aug-17</b>	25-Aug-17	19-Oct-17	<b>USD</b> 1.985	0.8
Jardine Cycle & Carriage	4-Aug-17	1H17	<b>USD</b> 0.180000	<b>24-Aug-17</b>	28-Aug-17	6-Oct-17	SGD 39.440	0.6
Q & M Dental Grp	14-Aug-17	2Q17	SGD 0.007000	<b>24-Aug-17</b>	28-Aug-17	8-Sep-17	SGD 0.645	1.1
Global Invt	11-Aug-17	1H17	SGD 0.006500	<b>25-Aug-17</b>	29-Aug-17	16-Oct-17	SGD 0.153	4.2
First Sponsor Grp	26-Jul-17	2Q17	SGD 0.010000	<b>29-Aug-17</b>	31-Aug-17	20-Sep-17	SGD 1.365	0.7
First Resources	11-Aug-17	2Q17	SGD 0.012500	<b>30-Aug-17</b>	4-Sep-17	12-Sep-17	SGD 1.815	0.7
Olam Int'l	14-Aug-17	2Q17	SGD 0.035000	<b>30-Aug-17</b>	4-Sep-17	11-Sep-17	SGD 2.070	1.7
Dasin Retail Trust	11-Aug-17	2Q17	SGD 0.030100	<b>6-Sep-17</b>	8-Sep-17	20-Sep-17	SGD 0.835	3.6
Vibrant Group	29-Jun-17	FY17	SGD 0.015000	<b>6-Sep-17</b>	7-Sep-17	0-Jan-00	SGD 0.395	3.8
BHG Retail REIT	8-Aug-17	2Q17	SGD 0.027400	<b>8-Sep-17</b>	12-Sep-17	27-Sep-17	SGD 0.740	3.7
OUE	3-Aug-17	2Q17	SGD 0.010000	<b>15-Sep-17</b>	19-Sep-17	29-Sep-17	SGD 1.960	0.5
Singapore Exchange - Base	27-Jul-17	FY17	SGD 0.050000	<b>27-Sep-17</b>	29-Sep-17	6-Oct-17	SGD 7.470	0.7
Singapore Exchange - Variable	27-Jul-17	FY17	SGD 0.080000	<b>27-Sep-17</b>	29-Sep-17	6-Oct-17	SGD 7.470	1.1

Source: SGX Announcement

**Buyout**

Company	Offer Price	Remarks	Closing Date	Offeror
Cityneon Holdings Ltd	SGD 0.90	Cash	5.30 p.m. on 29 Aug 2017	Lucrum 1 Investment Ltd
Utd Engineers (Ord Offer Share)	SGD 2.60	Cash	5.30 p.m. on 29 Aug 2017	Yanlord Perennial Invt (S) Pte. Ltd.
Utd Engineers Ltd (Pref Offer Share)	SGD 2.60	Cash	5.30 p.m. on 29 Aug 2017	Yanlord Perennial Invt (S) Pte. Ltd.

Source: SGX Announcement

\* Tentative

## Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
21-Aug	22-Aug	23-Aug SG (Jul 2017): CPI  *Q2: Shangri-La Asia Q4: Parkson Retail Asia	24-Aug	25-Aug SG: 2Q17 GDP (Not later than 25 Aug) SG (Jul 2017): Index of Industrial Production  *Q2: Lung Kee Bermuda / Tan Chong Int'l *Q4: Karin Technology Hldgs
28-Aug *Q4: Hai Leck	29-Aug *Q2: Courage Marine *Q4: ASL Marine Hldgs / GRP	30-Aug *Q2: Alibaba Pictures Grp	31-Aug STI Review  Q4: EMS Energy	1-Sep-17
4-Sep	5-Sep	6-Sep	7-Sep	8-Sep
11-Sep	12-Sep	13-Sep	14-Sep	15-Sep
18-Sep	19-Sep	20-Sep	21-Sep	22-Sep

---

**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 2017. KGI Securities (Singapore) Pte. Ltd. All rights reserved.