

EVENT SCHEDULE



Trading Member of SGX since 1973

- 6.00pm • Mr Linus Loo, Mr Nicholas Yon & Mr James Lim, *Research Team of Lim & Tan Securities Pte Ltd*
- 7.00pm • Ms Loke Chunying, *Investor Relations of Yangzijiang Financial Holdings Ltd*
- 7.20pm • Mr Samuel Kamal Ryan & Ms Zhou Yan, *Investor Relations of Yangzijiang Shipbuilding Holdings Ltd*
- 7.40pm • Mr Dominic Lim, *Head of Investor Relations of SGX*
- 8.00pm • Question and Answer Session by Ms Liu Hua, CFO & COO of Yangzijiang Financial Ltd and Director of Yangzijiang Shipbuilding Holdings Ltd, Mr Dominic Lim & Mr Linus Loo.

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LTS PORTFOLIO 2023 RECOMMENDATIONS

	Name	Price	Market Cap (\$mIn)	Trailing PE	Forward PE	Current PB	Dividend Yield	52 Week Low	52 Week High	Gearing	Net Cash to Market Cap	Target Px	Potential upside
Property Related	UOL	\$6.35	5,363	9.1x	15.4x	0.52x	2.4%	\$5.95	\$7.57	28.0%	N.A	\$8.35	31.5%
	Wingtai	\$1.47	1,117	8.8x	10.9x	0.33x	4.0%	\$1.43	\$1.93	2.5%	N.A	\$1.95	32.7%
Conglomerate	ST Engineering	\$3.37	10,497	18.4x	18.3x	4.49x	4.5%	\$3.12	\$4.22	240.0%	N.A	\$4.55	35.0%
	Civmec	\$0.57	298	6.4x	6.1x	0.88x	4.8%	\$0.57	\$0.72	8.9%	N.A	\$1.05	78.0%
Technology / Telco	SingTel	\$2.55	40,062	21.6x	16.8x	1.49x	3.6%	\$2.31	\$2.88	26.4%	N.A	\$3.15	23.5%
	Venture Corp	\$16.83	4,896	15.7x	13.2x	1.74x	4.5%	\$15.71	\$19.52	N.A	14.3%	\$20.35	20.9%
	Innotek	\$0.41	95	35.7x	33.9x	0.52x	4.8%	\$0.38	\$0.84	N.A.	80.5%	\$0.60	46.3%
Banking / Finance	DBS	\$34.58	88,996	12.3x	11.4x	1.60x	4.2%	\$29.45	\$37.49	6.1%*	N.A	\$39.84	15.2%
	OCBC	\$12.12	54,464	10.0x	9.2x	1.07x	4.6%	\$10.98	\$13.54	6.8%*	N.A	\$14.46	19.3%
	UOB	\$28.74	48,128	11.0x	10.3x	1.14x	4.2%	\$25.47	\$33.33	6.4%*	N.A	\$33.74	17.4%
Building Materials	Pan United	\$0.40	279	11.1x	9.8x	1.33x	4.0%	\$0.30	\$0.47	N.A.	2.0%	\$0.54	35.0%
Transport	Comfort Delgro	\$1.36	2,946	19.1x	15.5x	1.09x	3.6%	\$1.23	\$1.63	N.A	10.0%	\$1.70	24.7%

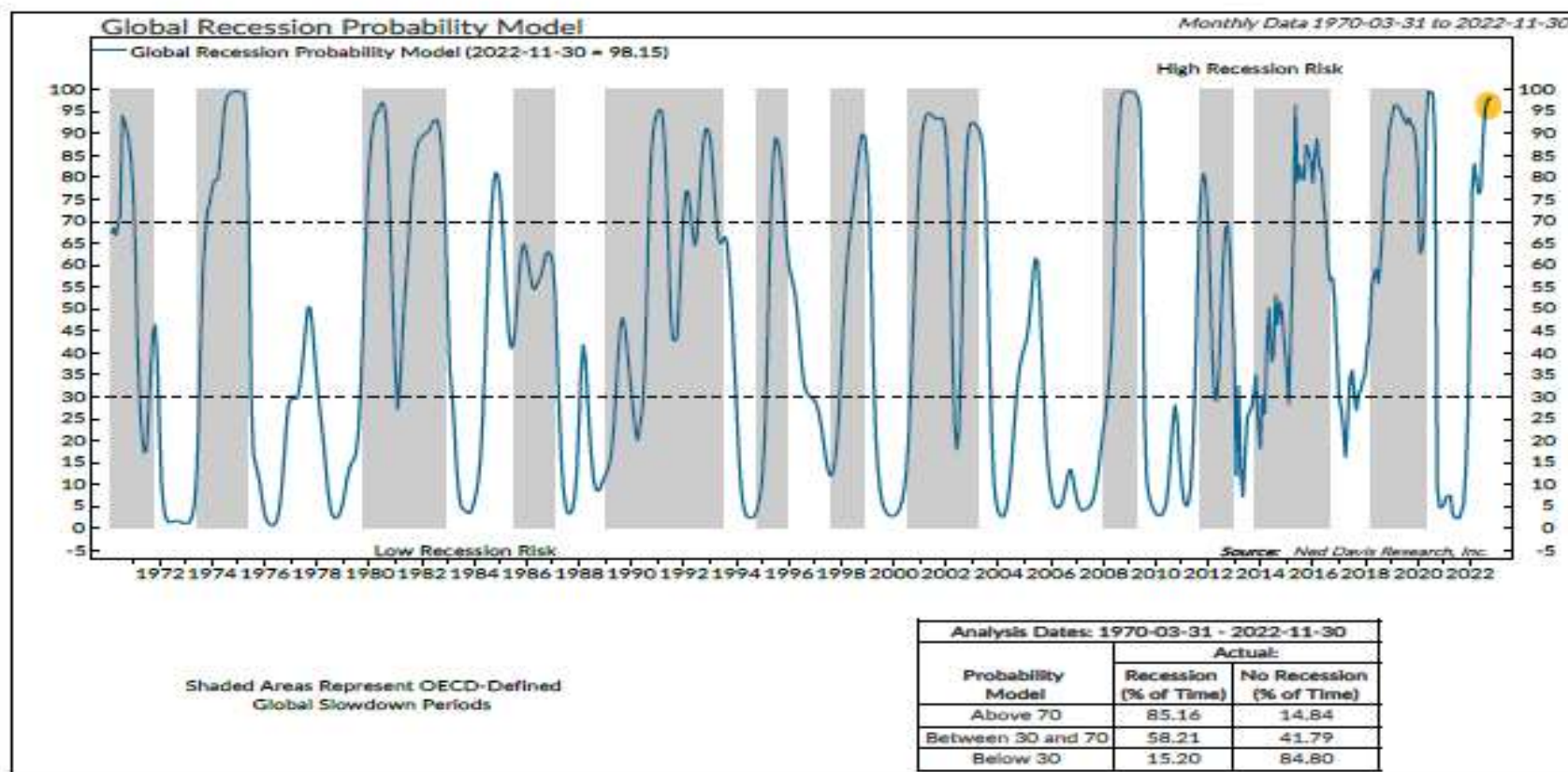
* BANKING SECTOR LEVERAGE RATIOS

GUEST COMPANIES

	Name	Price	Market Cap (\$mIn)	Trailing PE	Forward PE	Current PB	Dividend Yield	52 Week Low	52 Week High	Gearing	Net Cash to Market Cap	Target Px	Potential upside
Banking / Finance	SGX	\$8.49	9,084	20.1x	19.2x	5.87x	3.8%	\$8.16	\$10.13	N.A.	8.8%	\$10.08	18.7%
	Yangzijiang Financial	\$0.34	1,255	4.1x	6.0x	0.30x	6.0%	\$0.31	\$0.70	N.A.	35.8%	\$0.74	117.6%
Shipbuilding	Yangzijiang Shipbuilding	\$1.28	5,057	8.0x	10.1x	1.58x	3.9%	\$0.63	\$1.30	N.A.	14.2%	\$1.40	9.7%

NED DAVIS RESEARCH PROPRIETARY MODEL SUGGESTS HIGH PROBABILITY OF A RECESSION SOMETIME IN 2023

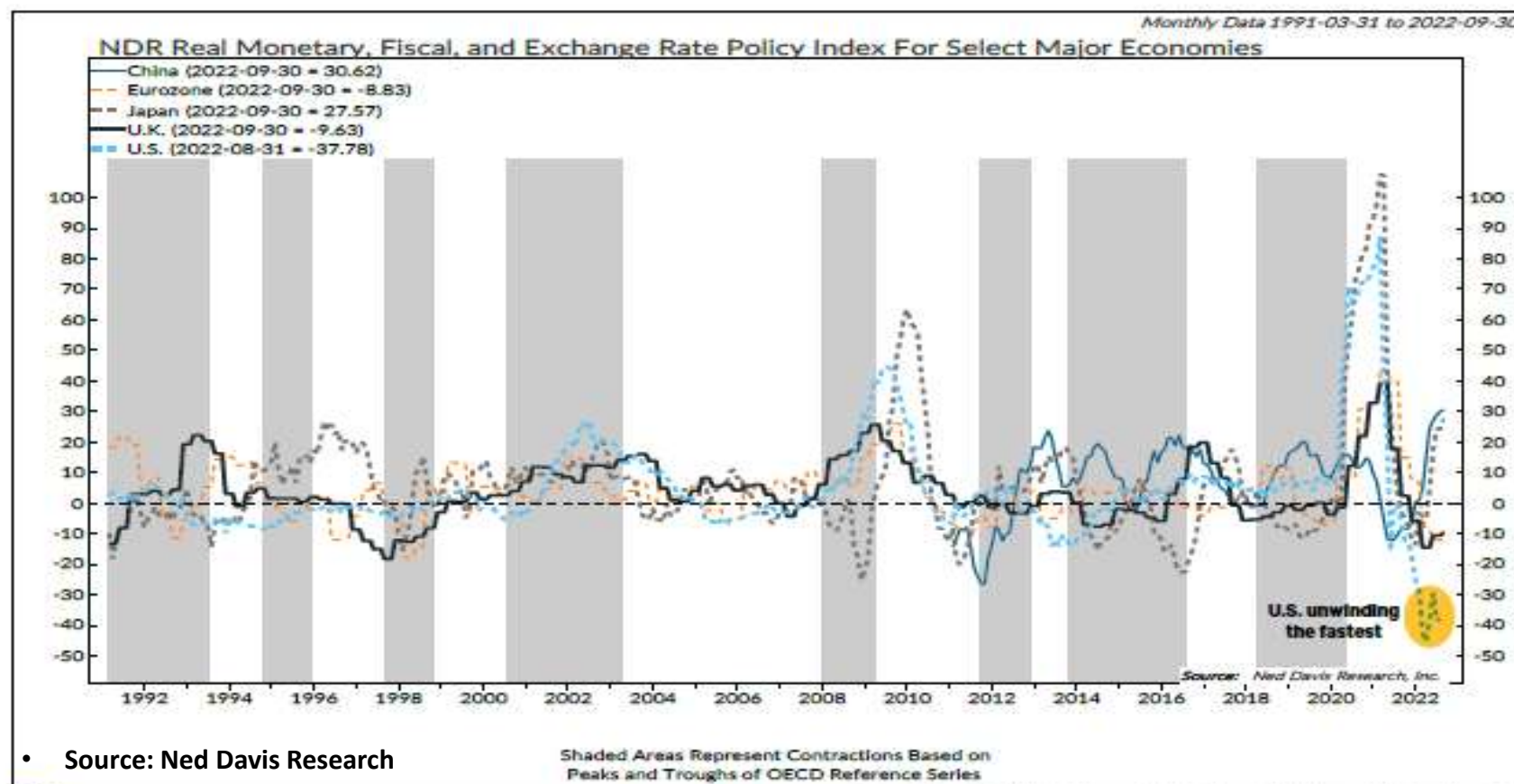
Global Global economy is in a sustained slowdown.



- Source: Ned Davis Research

NED DAVIS RESEARCH – RADIPLY FADING MONETARY & FISCAL SUPPORT MEANS DON'T FIGHT THE FED

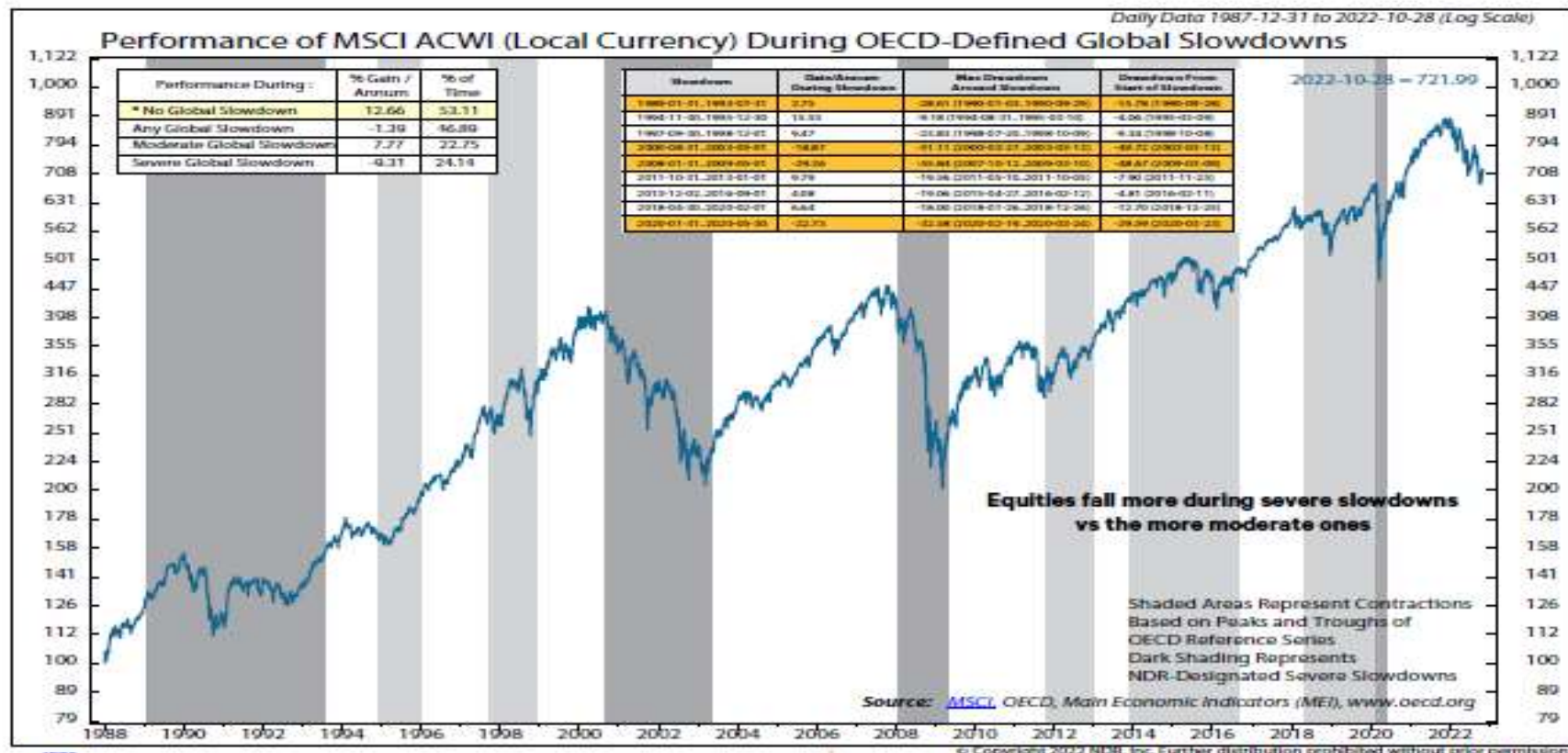
Monetary and fiscal support is fading rapidly almost everywhere.



• Source: Ned Davis Research

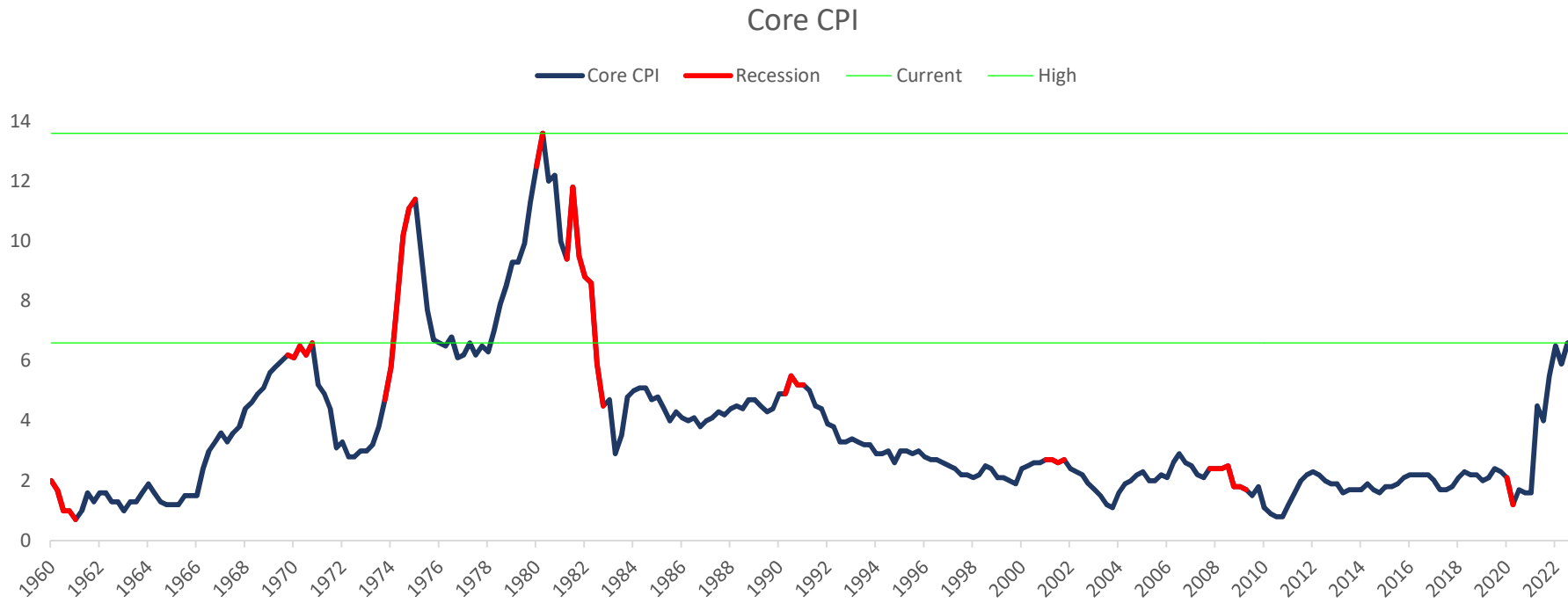
NED DAVIS RESEARCH – HISTORICALLY, GLOBAL SLOWDOWNS ALWAYS ASSOCIATED WITH EQUITY BEAR MARKETS

Global slowdowns almost always associated with equity bear markets.



- Source: Ned Davis Research

US CORE CONSUMER PRICE INDEX AT 7% SIGNALS HIGH PROBABILITY THAT USA WILL ENTER A RECESSION



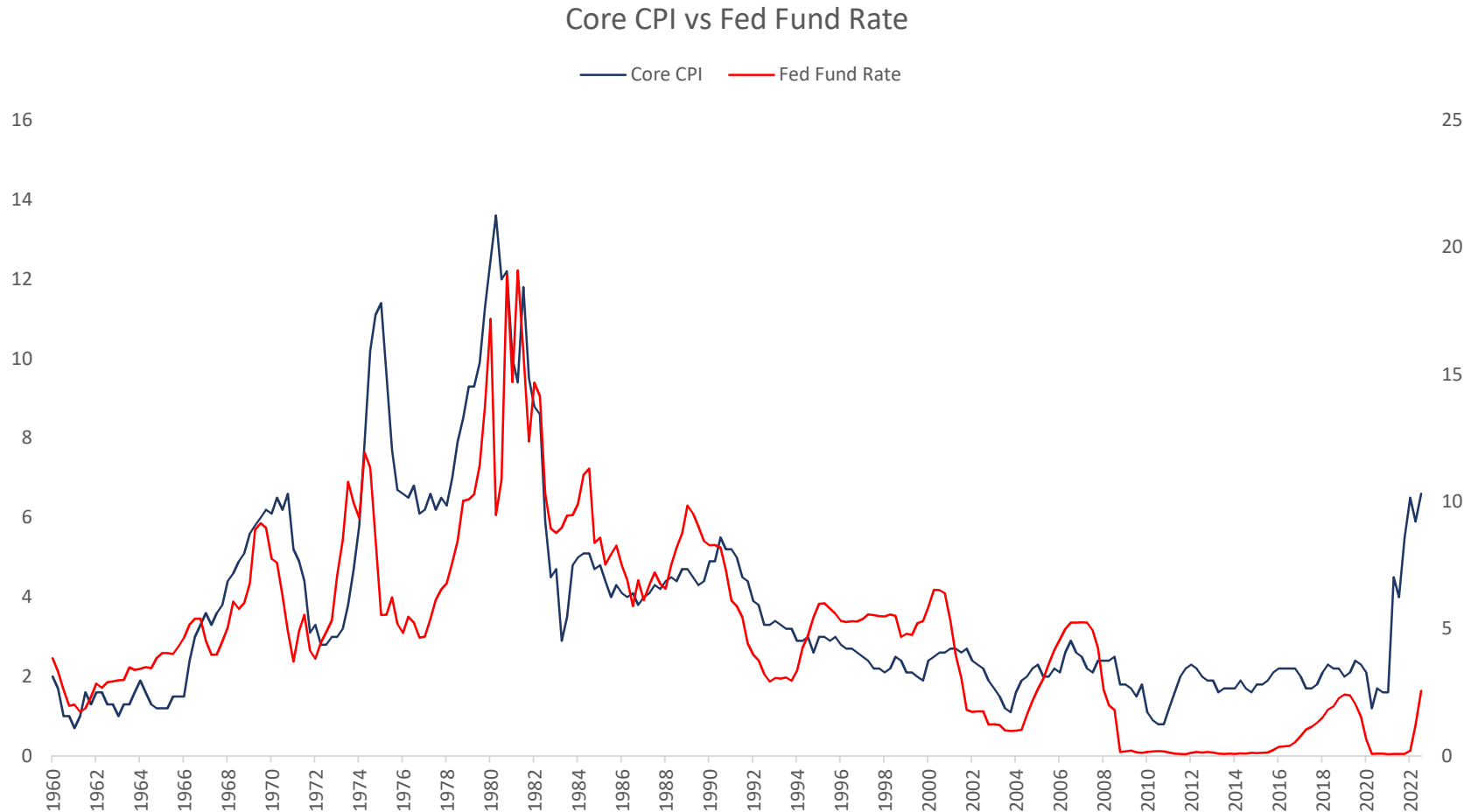
1980-82 Recession

The economy suffered two recessions in this period. Tightened monetary policy from Jan-80 to Jul-80 & Energy Crisis from Jul-81 to Nov-82. The Fed caused this recession by raising interest rates to combat inflation. The Iranian oil embargo aggravated economic conditions by reducing US oil supplies, which drove prices up.

GDP was negative for six of the 12 quarters. The worst was Q2 1980 at -8.0%. Unemployment rose to 10.8% in November and December 1982. It was above 10% for 10 months.

- **Source: LTS Research, Bloomberg**

US FED FUNDS RATE RISING RAPIDLY, US FED DOT PLOTS EXPECTED TO HIT OVER 5.0% BY 2023 FROM 3.75% - 4% NOW



- Source: LTS Research, Bloomberg

PREPARE FOR RECESSIONARY CONDITIONS IN 2023 AS INTEREST RATE RISE TO RESTRICTIVE LEVELS OF >5%



RAPIDLY RISING RISK-FREE RATES IN US & SINGAPORE

		6 Months	1 Year	2 Years	5 Years	10 Years
Singapore	T-bill	3.96%	3.70%			
	SGS Bonds			3.06%	3.23%	3.40%
US	T-bill	4.43%	4.76%			
	Govt Bond			4.72%	4.39%	4.22%

BOND YIELD CURVE HAS INVERTED –YIELD CURVE INVERSIONS HAPPENED IN PAST 10 US RECESSIONS



- Source: LTS Research, Bloomberg

BCA RESEARCH – 2022/2023 = 1981/1982

- According to BCA Research Chief Strategist Dhaval Joshi, history does not repeat but it rhymes. The period that closely resembles the current 2022 period is that of the 1980/1981 period where the US CPI rate was similarly ranging near the 8-10% level and where similar to 2Q2022, there was a simultaneous sell-off in stocks, bonds, inflation protected bonds, industrial commodities and also gold.
- It is extremely “rare” for stocks, bonds, inflation protected bonds, industrial commodities and gold to sell off together like what happened in 2Q2022. The last time this happened was in 2Q1981. Meaning this is a “1-in-a-100” quarter event conjoining 2Q2022 with that of 2Q1981.
- The very hawkish US Federal Reserve of Jay Powell resembles that of the Paul Volcker Fed. Now just as then, the US Fed is obsessed with bringing US CPI back down to repair their badly battered credibility in managing inflation back to their 2% target range. Then just as now, US CPI is ranging near the 8-10% level.

BCA RESEARCH – PERFECT STORM IN 2023

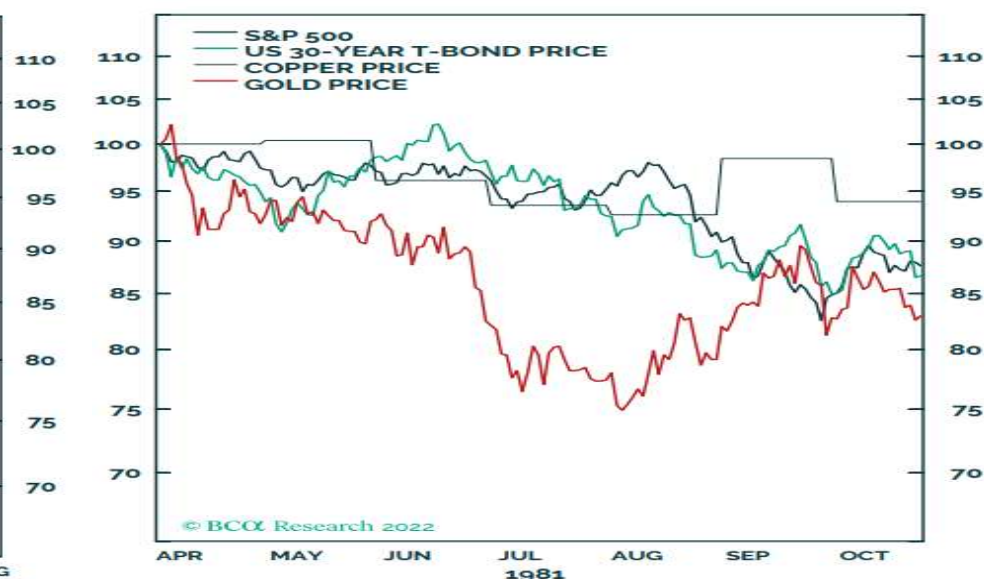
- According to BCA Research, another similarity over this 2 time period is the war between 2 commodity producing neighbours (in 1981/1982) was the war between Iraq/Iran and now the war is between Russia/Ukraine. Now just as then, the war between 2 commodity producing neighbours has unleashed a supply shock which is adding to the inflation paranoia.
- The inflation paranoia is worsened by a major war between 2 commodity producing neighbours, forcing the world's central bankers to become trigger happy in their coordinated global action in their battle against inflation, dragging the world economy into a coordinated slowdown/recession.
- BCA Research opines that this extremely rare star alignment of inflation fears (triggered by both expansionary monetary policy during the Covid-19 pandemic coupled with supply shock of war between Russia and Ukraine) has resulted in rapidly rising interest rates and quantitative tightening policies which will very likely result in a recessionary / stag-flationary environment going into 2023, causing continued weakness in equity markets, fixed income markets, commodity markets as well as gold/silver with cash effectively earning a real yield due to rapidly rising interest rates. A perfect storm for all main-stream assets is expected in 2023.

BCA RESEARCH – 2022/2023=1981/1982

A 1-In-A-100 Event: The 'Everything Sell-Off' In 2022...



...And The 'Everything Sell-Off' In 1981



Similarities	
2022	1980-1982
Everything sell off	
Jay Powell Fed	Paul Volcker Fed
Inflation	
Russia/Ukraine War	Iraq/Iran War

- Source: BCA Research

S&P 500 INDEX – IF 1980/1982 WERE TO REPEAT ITSELF



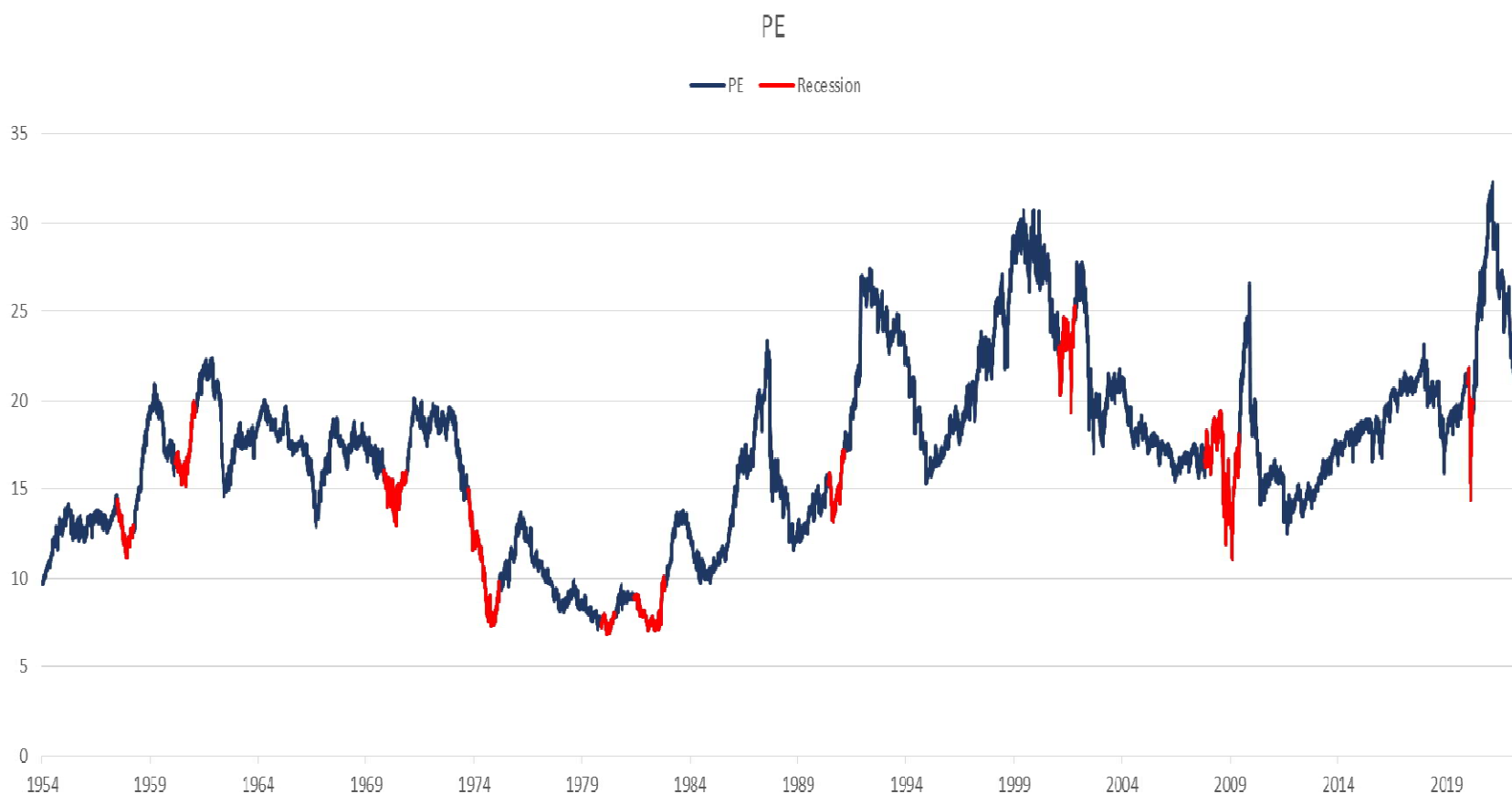
- Source: LTS Research, Tradingview

IF A DEEPER CRISIS LIKE 2008/2009 WERE TO REPEAT, DOWNSIDE COULD BE A LOT MORE SERIOUS



- Source: LTS Research, Tradingview

S&P 500 INDEX – 18X PE IS AT MEAN BUT FAR FROM US RECESSIONARY PERIODS AVERAGE OF 10X - 15X

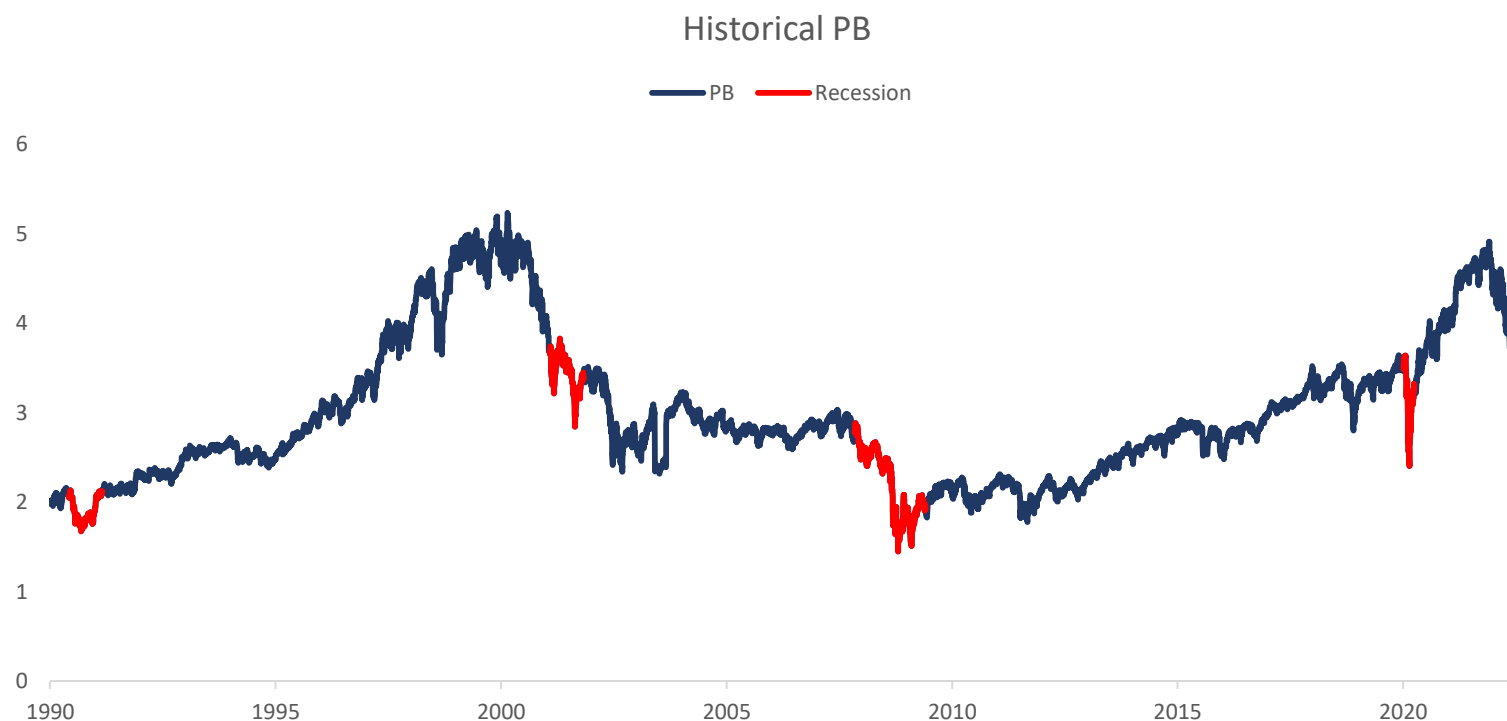


- **Source: LTS Research, Bloomberg**

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S&P 500 CURRENT P/B RATIO OF 3.9X IS STILL FAR FROM 2-3X LEVELS OF PAST RECESSIONARY PERIODS

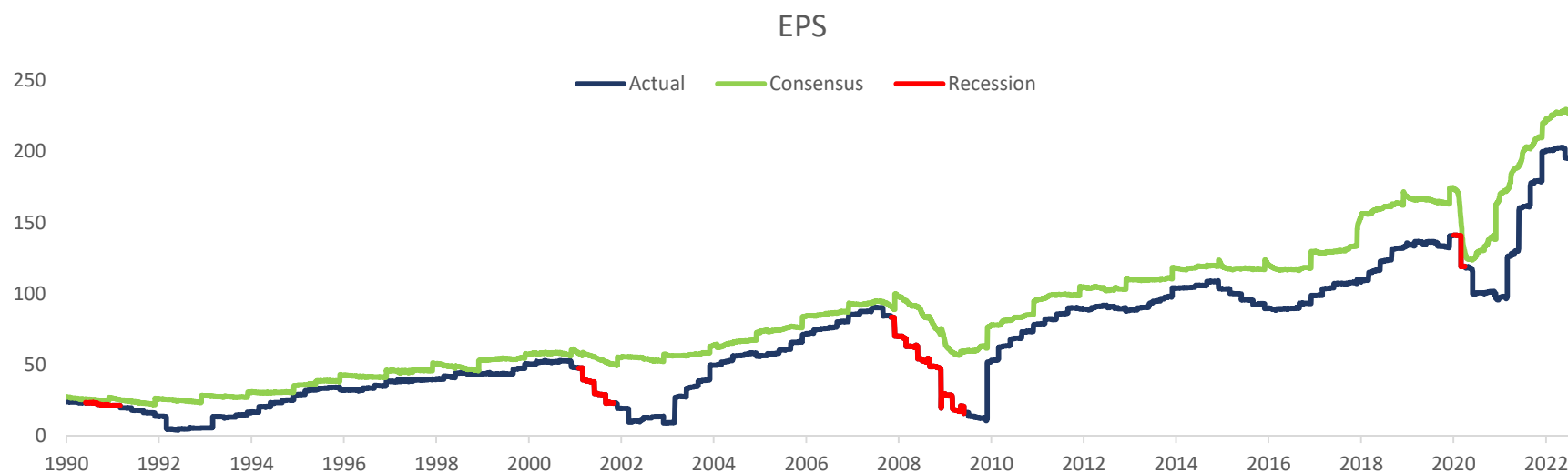


- Below 2x P/B may signal a bottom. Past recessionary periods average 2-3x P/B.

- Source: LTS Research, Bloomberg

S&P 500 CURRENT EPS DECLINE ONLY 5% AGAINST PAST RECESSIONARY PERIODS AVERAGING 39%

		EPS % decline
Tight monetary policy	Jul-90 - Mar-91	9%
Dot com Bubble	Mar-01 - Nov-01	52%
Great Recession	Dec-07 - Jun-09	81%
COVID-19	Feb-20 - Apr-20	16%
	Average	39%
Current	Jun 22- Current	5%



- Source: LTS Research, Bloomberg

S&P 500 HAS DECLINED FOR 304 DAYS AND IS DOWN 23% AGAINST PAST AVERAGE DECLINES OF 36% AND 423 DAYS



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Historical events	Date	GDP decline (Peak-trough)	High	Low	Duration (Peak to trough)	Max S&P Decline	Days
Great Depression	Aug-29 - Mar-33	-26.7%	30.10	4.77	29 Jul 29 - 30 May 32	-84.2%	1037
Tight fiscal policy	May-37 - Jun-38	-18.2%	18.09	9.89	1 Mar 37 - 1 Apr 38	-45.3%	397
After WW2	Feb-45 - Oct-45	-12.7%	18.7	14.34	1 May 46 - 1 May 47	-23.3%	366
Tight monetary policy	Nov-48 - Oct-49	-1.7%	16.82	14.89	1 Jun 48 - 1 Jun 49	-11.5%	366
Tight monetary policy	Jul-53 - May-54	-2.6%	24.75	22.71	31 Jul 53 - 14 Sep 53	-8.2%	46
Tight monetary policy	Aug-57 - Apr-58	-3.7%	49.13	38.98	15 Jul 57 - 23 Oct 57	-20.7%	101
Tight monetary policy	Apr-60 - Feb-61	-1.6%	72.64	52.96	12 Dec 61 - 25 Jun 62	-27.1%	196
Tight monetary policy	Dec-69 - Nov-70	-0.6%	109.37	71.17	29 Nov 68 - 26 May 70	-34.9%	544
Oil Crisis	Nov-73 - Mar-75	-3.2%	121.74	60.96	11 Jan 73 - 4 Oct 74	-49.9%	663
Tight monetary policy (W-shaped)	Jan-80 - Nov 82	-2.4%	140.66	102.82	Dec-80 - Aug-82	-26.9%	617
Energy Crisis							
Tight monetary policy	Jul-90 - Mar-91	-1.4%	369.78	294.51	16 Jul 90 - 11 Oct 90	-20.4%	119
Dot com Bubble	Mar-01 - Nov-01	-0.3%	1552.87	768.63	24 Mar 00 - 10 Oct 02	-50.5%	931
Great Recession	Dec-07 - Jun-09	-5.1%	1576.09	666.79	11 Oct 07 - 6 Mar 09	-57.7%	513
COVID-19	Feb-20 - Apr-20	-19.2%	3393.52	2191.86	19 Feb 20 - 20 Mar 20	-35.4%	31
	Average	-7.1%				-35.4%	423
Current	Date	GDP decline (Peak-trough)	High	Low	Duration (Peak to trough)	Current S&P Decline	Days
Tight monetary policy	Mar 22 - Current	-	4818.62	3577.03	4 Jan 22 - Current	-23.0%	304

- Source: LTS Research, Various

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SINGAPORE PAST BEAR MARKET DECLINES AVERAGE 36% (200 DAYS ON AVERAGE)

Fourteen Bear Markets for Straits Times Index since 1985			
Start Date	End Date	Days	Decline
4/3/85	15/4/86	274	33.9%
11/8/87	7/12/87	83	53.7%
16/7/90	11/10/90	62	34.4%
4/1/94	4/4/94	60	21.7%
31/10/94	23/1/95	57	20.6%
5/2/96	4/9/98	645	62.8%
3/1/00	30/5/00	103	29.5%
22/8/00	21/9/01	272	45.5%
19/3/02	10/3/03	244	35.9%
11/10/07	9/3/09	352	62.0%
9/11/10	5/10/11	229	23.7%
15/4/15	21/1/16	192	28.5%
2/5/18	30/10/18	125	20.1%
14/1/20	23/3/20	48	31.7%
Average		196.1	36.0%

- Source: LTS Research, Bloomberg

AS GLOBAL MARKETS TURN DEFENSIVE / RISK-OFF, SINGAPORE MOVES TO SECOND BEST PERFORMER IN 2022

	2022 YTD (%Gains)	2021(% Gains)	2022 GDP Forecast	2021 GDP Growth
JCI (INDON)	7.9%	10.1%	5.2%	3.5%
FSSTI	-0.7%	9.8%	3.6%	7.0%
SET (THAI)	-2.7%	14.4%	3.3%	1.1%
NIKKEI (Jap)	-4.2%	4.9%	1.6%	1.7%
FTSE (UK)	-4.6%	14.3%	4.2%	7.2%
KLCI	-7.0%	-3.7%	7.0%	3.1%
DOW JONES	-9.6%	18.7%	1.7%	5.7%
CAC (France)	-12.3%	28.9%	2.5%	7.0%
PSE (Philippines)	-13.6%	-0.2%	1.7%	5.7%
DAX (Germany)	-16.6%	15.8%	1.5%	2.8%
S&P 500	-18.2%	26.9%	1.7%	5.7%
SHANGHAI	-20.5%	4.8%	3.3%	8.1%
TWSE (Taiwan)	-28.9%	23.7%	1.7%	5.7%
NASDAQ	-29.0%	21.4%	1.7%	5.7%
HANG SENG (HK)	-37.1%	-14.1%	-0.4%	6.5%

- Source: LTS Research, Bloomberg

DESPITE THE STRONG PERFORMANCE, 4TH CHEAPEST IN PE TERMS, 2ND CHEAPEST IN P/B AND DIVIDEND YIELD

	Est. 2022 PE (x)	PE RATIO (x)	PB RATIO (X)	DIV YIELD (%)
HANG SENG	8.2	5.7	0.6	4.5
TWSE (Taiwan)	9.2	9.3	1.7	5.4
SHANGHAI	10.3	12.9	1.3	3.2
FSSTI	11.8	11.5	1.1	4.5
KLCI	14.3	16.3	1.4	4.2
PSE (Philippines)	14.6	15.7	1.5	2.3
NIKKEI	14.9	27.2	1.7	2.2
JCI (INDON)	15.1	1.2	2.1	2.5
SET (THAI)	15.3	15.2	1.6	2.8
MSCI World Index	15.4	16.5	2.7	2.2
S&P 500	17.5	19.0	3.9	1.7
DOW JONES	17.8	18.8	4.4	2.1
NASDAQ	25.3	48.1	4.4	0.9

- Source: LTS Research, Bloomberg

1 DELISTING IN SINGAPORE EVERY 2 WEEKS, IMPLYING UNDERVALUATION. AVERAGE DELISTING PE 23X, P/B 1.2X



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Company	Last Price (S\$)	Offer Price (S\$)	PE (x)	PB (x)	EV/EBITDA (x)	Premium to last traded price
SP Corp	0.590	1.590	N.A	1.0	N.A	169%
Lafe Corp	0.400	0.900	N.A	N.A	N.A	125%
Elec & Eltek	US\$ 1.17	US\$ 2.33	16.1	1.0	6.9	99%
Cheung Woh	0.150	0.285	N.A	1.2	0.5	90%
San Teh	0.150	0.280	N.A	3.1	N.A	82%
TPV Technology	0.430	0.680	19.1	0.7	3	59%
GL Ltd	0.560	0.800	N.A	0.8	75	43%
Moya Hldgs Asia	0.065	0.092	9.4	1.0	3.8	42%
Hwa Hong	0.290	0.400	45.4	1.4	23.1	40%
Keppel T&T	1.360	1.910	14.4	0.8	76.3	40%
Millenium and Corpthorne	8.660	11.900	61.8	0.8	13.4	37%
TTJ Hldgs	0.169	0.230	23.7	0.6	10.2	36%
Courts Asia	0.150	0.210	N.A	1.4	10.7	35%
GYP Properties	0.149	0.200	N.A	1.3	N.A	34%
M1	1.630	2.060	14.0	3.9	6.3	26%
Global Logistics Properties	2.530	3.380	15.2	1.0	6.9	25%
Memtech	1.090	1.350	14.9	1.1	7.1	24%
CapitaLand	3.310	4.100	N.A	1.0	N.A	24%
Singapore Medical Group	0.325	0.400	13.0	1.2	6.5	23%
Chosen	0.190	0.240	17.3	1.0	5.3	21%
Wheelock Properties	1.740	2.100	20.1	0.8	30.4	21%
Roxy-Pacific	0.405	0.485	N.A	1.3	49.7	21%
Jardine Strategic Hldgs	US\$27.45	US\$33.00	N.A	0.6	12.8	20%
Singapore Reinsurance	0.295	0.354	41.0	0.8	N.A	20%
Fragrance Group	0.118	0.138	31.1	0.7	71.1	17%
MS Holdings	0.006	0.007	N.A	0.5	9.1	17%
Singapore O&G	0.255	0.295	16.8	3.3	8.5	16%
SPH	1.880	2.100	N.A	1.0	12.5	12%
Average			23.3	1.2	20.4	43%

- Source: LTS Research, Bloomberg

PROPERTY RELATED DEAL VALUES HAVE SURGED >100% IN 2021/2022, SIGNALLING THE CHEAPNESS OF SINGAPORE

Name	Date	Transaction Summary	Transaction Value (\$mIn)	Premium after announcement (%)	PB(x)
Wheelock	18-Jul-18	Exit offer S\$2.10 for remaining 23.8%	456	21.0	0.78
Keppel T&T	27-Sep-18	Exit offer S\$1.91 for remaining 20.8%	222	40.0	1.24
ART/Ascendas	3-Jul-19	Ascott Reit acquiring all the A-HTRUST Stapled Units for a consideration of S\$1.0868 per A-HTRUST Stapled Unit, comprising S\$0.0543 in cash and 0.7942 Ascott Reit-BT Stapled Units issued at a price of S\$1.30	1,235	11.0	1.07
FLT/FCT	2-Dec-19	Consideration of S\$1.680/FCOT Unit + 1.233 new FLT Units	1,537	0.6	1.02
United Engineers	19-Dec-19	Exit offer S\$2.70 for remaining 30.9%	531	0.3	2.10
CMT/CCT	22-Jan-20	Consideration per CCT Unit of S\$2.1238, comprises 0.720 new CMT Units (S\$2.59) and S\$0.2590 in cash	8,193	0.0	1.17
Lum Chang	17-Nov-20	Cash offer S\$0.38 for remaining 57.3%	82	8.6	0.56
Soilbuild Business Trust	14-Dec-20	Exit offer S\$0.550 for remaining 69.72%	488	27.9	1.00
GL Limited	15-Jan-21	Exit offer S\$0.80 for remaining 27.0%	319	43.0	0.83
Jardine Strategic	8-Mar-21	Cash offer US\$33.00 for remaining 15%	7,700	20.2	0.57
Capitaland	22-Mar-21	Consideration S\$4.102 via Capital Rdn	10,276	24.0	0.95
Lian Beng	14-Jun-21	Cash offer \$0.50, 23.6% attained out of 56.4% sought	250	6.4	0.34
Fragrance	9-Jul-21	Exit offer \$0.138 for remaining 14.2%	132	16.9	0.71
Roxy Pacific	20-Sep-21	Exit offer \$0.485 for remaining 23.56%	307	19.8	1.30
SPH	15-Nov-21	Consideration S\$2.40 per share, consisting cash of S\$1.602 and 0.782 SPH REIT (S\$0.80)	3,821	27.7	1.14

SINGAPORE HAS THE LOWEST DEATH RATE AND HIGHEST VACCINATION RATE IN THE WORLD, RE-OPENED FROM APR'22

SORTED BY DEATH RATE as at 6 NOVEMBER '2022

Ranking (by cases)	Country	Total Cases	Total Deaths	Population	Infected rate	Death rate	Vaccinated	Vaccinated rate
45	Singapore	2,123,328	1,687	5,958,130	35.64%	0.08%	5,541,061	93.0%
6	South Korea	25,856,910	29,390	51,372,555	50.33%	0.11%	44,385,888	86.4%
9	Japan	22,674,944	47,027	125,570,123	18.06%	0.21%	102,841,931	81.9%
3	France	36,946,904	157,277	65,611,777	56.31%	0.43%	51,767,692	78.9%
4	Germany	35,823,771	154,535	84,411,371	42.44%	0.43%	64,490,287	76.4%
71	China	1,049,210	5,226	1,439,323,776	0.07%	0.50%	1,306,905,989	90.8%
47	Hong Kong	1,947,695	10,470	7,639,471	25.50%	0.54%	6,783,850	88.8%
8	Italy	23,624,011	179,436	60,253,555	39.21%	0.76%	48,624,619	80.7%
7	UK	23,930,041	194,704	68,721,300	34.82%	0.81%	54,221,106	78.9%
1	USA	99,647,812	1,098,235	335,257,001	29.72%	1.10%	224,957,448	67.1%
2	India	44,661,516	530,509	1,411,792,000	3.16%	1.19%	969,901,104	68.7%
10	Russia	21,463,850	390,588	146,080,111	14.69%	1.82%	78,006,779	53.4%
5	Brazil	34,892,871	688,425	216,098,222	16.15%	1.97%	175,255,658	81.1%
Source: Worldometers.info , Reuters, MOH								

SINGAPORE HEALTHCARE SYSTEM RATED BEST IN THE WORLD , PUTTING SINGAPORE ON THE RADAR OF THE WORLD'S RICHEST TYCOONS / CORPORATIONS / FAMILY OFFICES



Trading Member of SGX since 1973

The following 10 countries have been assessed (by the World Health Organization in 2021) as providing the best healthcare for their population in the world and they are ranked below:

- Singapore
- Japan
- Switzerland
- South Korea
- Norway
- Hong Kong
- Iceland
- Denmark
- Netherlands
- Austria

SHORT TERM PAINS OF COOLING MEASURES PATH THE WAY FOR LONGER-TERM / MORE SUSTAINABLE GAINS



GOOD TRACK RECORD OF WEATHERING CRISIS



- Source: LTS Research, PropNex

SINGAPORE HAS “DEFENSIVE” APPEAL AMIDST THE UNCERTAIN GLOBAL ECONOMIC ENVIRONMENT, TRADING IN A RANGE. SHORT TERM RANGE 3K–3.2K. LONG TERM 2.5K–3.5K



- Source: LTS Research, Bloomberg

PORTFOLIO 11 (OVERALL) OUTPERFORMED BY 5.1%

Company	25-Apr-22	4-Nov-22	gain (%)	Div (%) *	gain + div	Diff	Initial ^	Date ^	Gain since ^
KSH Hldgs	\$0.350	\$0.335	-4.3%	2.9%	-1.4%		\$0.728	1-Jun-16	-28.1%
Far East Hospitality Trust	\$0.665	\$0.600	-9.8%	2.3%	-7.5%		\$0.665	25-Apr-22	-7.5%
UOL Group	\$7.120	\$6.260	-12.1%	2.1%	-10.0%		\$6.10	23-Nov-18	13.3%
BRC Asia	\$1.590	\$1.660	4.4%	3.8%	8.2%		\$1.52	19-Nov-19	30.3%
Pan United	\$0.420	\$0.400	-4.8%	3.8%	-1.0%		\$0.345	19-Nov-19	27.5%
Civmec	\$0.640	\$0.595	-7.0%	0.0%	-7.0%		\$0.695	1-Nov-21	-14.2%
Venture Corp	\$17.000	\$16.130	-5.1%	4.4%	-0.7%		\$12.930	1-Jun-17	53.8%
SingTel	\$2.650	\$2.520	-4.9%	1.8%	-3.1%		\$3.75	1-Jun-17	-12.1%
UOB	\$30.78	\$28.40	-7.7%	3.9%	-3.8%		\$27.37	6-Apr-18	25.1%
DBS	\$33.40	\$34.47	3.2%	3.2%	6.4%		\$27.28	6-Apr-18	49.5%
OCBC	\$11.99	\$12.04	0.4%	4.7%	5.1%		\$12.56	6-Apr-18	14.0%
Singapore Medical Group	\$0.320	\$0.395	23.4%	2.8%	26.3%		\$0.32	25-Apr-22	26.3%
Portfolio gain/loss			-2.0%	3.0%	1.0%	5.1%	^ depicts share price during initial recommendation, date of initial recommendation and gains (capital + dividends) since initial recommendation		
Straits Times Index	3339	3130	-6.3%	2.2%	-4.1%				
* dividend yield is based on period under review and not annualised									

OUR LAST 11 PORTFOLIOS OUTPERFORMED THE MARKET ON AVERAGE BY 4.3 PERCENTAGE POINTS (* DELISTINGS)

	Portfolio 11	Portfolio 10	Portfolio 9	Portfolio 8	Portfolio 7	Portfolio 6	Portfolio 5	Portfolio 4	Portfolio 3	Portfolio 2	Portfolio 1	Average
Period under review	25-Apr-22 to 04-Nov-22	01-Nov-21 to 22-Apr-22	06-May-21 to 31-Oct-21	01-Oct-20 to 30-Apr-21	01-Jul-20 to 30-Sep-20	19-Nov-19 to 30-Jun-20	19-Mar-19 to 18-Nov-19	22-Nov-18 to 18-Mar-19	06-Apr-18 to 21-Nov-18	16-Oct-17 to 05-Apr-18	01-Jun-17 to 13-Oct-17	
Recommended Stocks	KSH Hldgs	HongKong Land	HongKong Land	HongKong Land	Avi-Tech	BRC Asia	DBS	CSE Global	City Dev	City Dev	Ellipsiz	
	Far East HT	City Dev	Bukit	Bukit	Bukit	CSE Global	FCT	DBS	CCT	Capitaland	Frencken	
	UOL	Ho Bee	Sembawang	Sembawang	Sembawang	Fu Yu	Frencken	Fu Yu	CSE Global	DBS	Hotung Invs	
	BRC Asia	UOL	Ho Bee	Keppel Corp	City Dev	GL Ltd *	Fu Yu	GL Ltd *	DBS	Ellipsiz	KSH Hldgs	
	Pan United	KSH Hldgs	UOL	UOL	Fu Yu	KSH Hldgs	GL Ltd *	Ho Bee	FCT	FCT	Memtech *	
	Civmec	Tiong Woon	UOB	Keppel REIT	HK Land	Keppel Corp	HL Finance	Hotel Ppties	Ho Bee	Keppel Corp	Parkway REIT	
	Venture Corp	Grand Banks Y	OCBC	Avi-Tech	Micro	Innotek	Innotek	HL Finance	OCBC	Memtech *	Spindex	
	SingTel	Civmec	SGX	Fu Yu	Mechanics	Overseas Edu	Memtech *	KSH Hldgs	Parkway REIT	Sunningdale *	SingTel	
	UOB	InnoTek	InnoTek	InnoTek	SingTel	Pan United	MIT *	Memtech *	SGX	Semb Ind	SGX	
	DBS	Broadway Ind	Spindex	SingTel	SPH REIT *	Penguin Int'l *	SGX	OCBC	SingTel	ST Eng	Sunningdale *	
	OCBC	CSE Global	Tiong Woon	Overseas Edu	UOL	Sunningdale *	UOB	Pacific Cen	UOB	UOL	ST Eng	
	Sing Medical *	Spindex	Food Empire	Food Empire	Venture Corp	UOL	UOL	SPH *	UOL	Wheelock *	United Eng *	
		UOB	Tianjin ZX	UOB Kay Hian				UOB	Wheelock *	Venture	Venture	
		OCBC						UOL				
% gain + dividends	1.0%	1.7%	4.6%	37.5%	4.8%	-13.0%	18.1%	12.9%	-5.1%	8.7%	13.8%	7.7%
% gain + dividends for Straits Times Index	-4.1%	8.1%	1.8%	32.0%	-0.6%	-15.1%	3.8%	9.6%	-8.9%	5.3%	5.5%	3.4%
Outperformance / Underperformance	5.1%	-6.4%	2.9%	5.5%	5.4%	2.1%	14.3%	3.3%	3.8%	3.4%	8.3%	4.3%

* in the midst or delisted after having received takeover offer

OUR SMALL CAP PORTFOLIO 11 TO PORTFOLIO 6 OUTPERFORMED THE MARKET ON AVERAGE BY 5.6 PERCENTAGE POINTS (* DELISTINGS)

Performance of small cap stocks (defined as market cap below S\$500mln) from Portfolio 11 to Portfolio 6

	Portfolio 11	Portfolio 10	Portfolio 9	Portfolio 8	Portfolio 7	Portfolio 6	Average
Period under review	25-Apr-22 to 04-Nov-22	01-Nov-21 to 22-Apr-22	06-May-21 to 31-Oct-21	01-Oct-20 to 30-Apr-21	01-Jul-20 to 30-Sep-20	19-Nov-19 to 30-Jun-20	
Recommended Stocks	KSH Hldgs	KSH Hldgs	InnoTek	Avi-Tech	Avi-Tech	BRC Asia	
	BRC Asia	Tiong Woon	Spindex	Fu Yu	Micro Mechanics	CSE Global	
	Pan United	Grand Banks Y	Tiong Woon	InnoTek		Fu Yu	
	Civmec	Civmec	Food Empire	Overseas Edu	Fu Yu	KSH Hldgs	
	Sing Medical *	InnoTek		Food Empire		Innotek	
		Broadway Ind				Overseas Edu	
		CSE Global				Pan United	
		Spindex				Penguin Int'l *	
						Sunningdale *	
No. of stocks	5	8	4	5	3	9	5.7
% gain + dividends	6.1%	-2.9%	-2.7%	51.4%	15.6%	-12.1%	9.2%
% gain + dividends for Straits Times Index	-4.1%	8.1%	1.8%	32.0%	-0.6%	-15.1%	3.7%
Outperformance / Underperformance	10.2%	-11.0%	-4.5%	19.3%	16.3%	3.0%	5.6%

OUR LARGE CAP PORTFOLIO 11 TO PORTFOLIO 6 OUTPERFORMED THE MARKET ON AVERAGE BY 0.7 PERCENTAGE POINTS (* DELISTINGS)

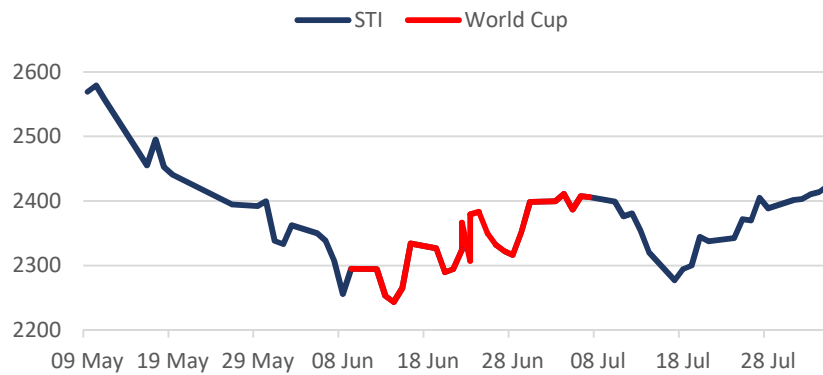
Performance of large cap stocks (defined as market cap above S\$500mln) from Portfolio 11 to Portfolio 6

	Portfolio 11	Portfolio 10	Portfolio 9	Portfolio 8	Portfolio 7	Portfolio 6	Average
Period under review	25-Apr-22 to 04-Nov-22	01-Nov-21 to 22-Apr-22	06-May-21 to 31-Oct-21	01-Oct-20 to 30-Apr-21	01-Jul-20 to 30-Sep-20	19-Nov-19 to 30-Jun-20	
Recommended Stocks	Far East HT	HongKong Land	HongKong Land	HongKong Land	SingTel	GL Ltd *	
	UOL	City Dev	Bukit Sembawang	Bukit Sembawang	Bukit Sembawang	Keppel Corp	
	Venture Corp	Ho Bee				UOL	
	SingTel	UOL	Ho Bee	Keppel Corp	City Dev		
	UOB	UOB	UOL	UOL	SPH REIT *		
	DBS	OCBC	UOB	Keppel REIT	HK Land		
	OCBC		OCBC	SingTel	UOL		
			SGX	UOB Kay Hian	Venture Corp		
			Tianjin ZX				
No. of stocks	7	6	8	7	7	3	6.3
% gain + dividends	-1.9%	8.0%	8.3%	27.6%	0.1%	-15.6%	4.4%
% gain + dividends for Straits Times Index	-4.1%	8.1%	1.8%	32.0%	-0.6%	-15.1%	3.7%
Outperformance / Underperformance	2.2%	-0.1%	6.5%	-4.4%	0.7%	-0.5%	0.7%

* in the midst or delisted after having received takeover offer

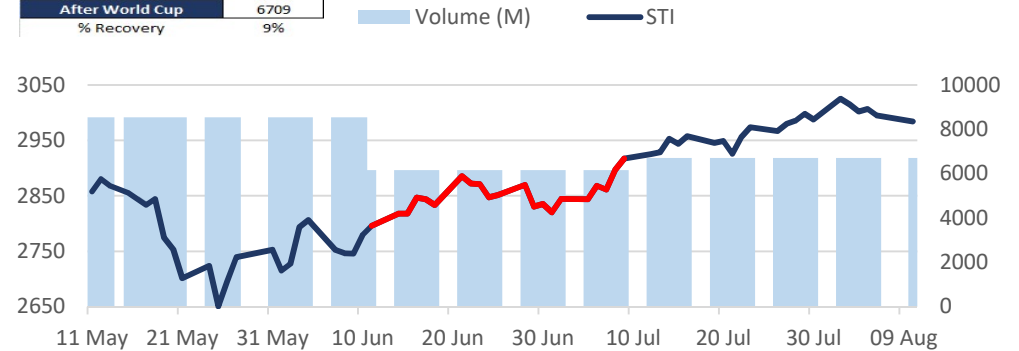
HISTORICAL WORLD CUP IMPACT ON STI (PRICE & VOLUME)

2006 World Cup

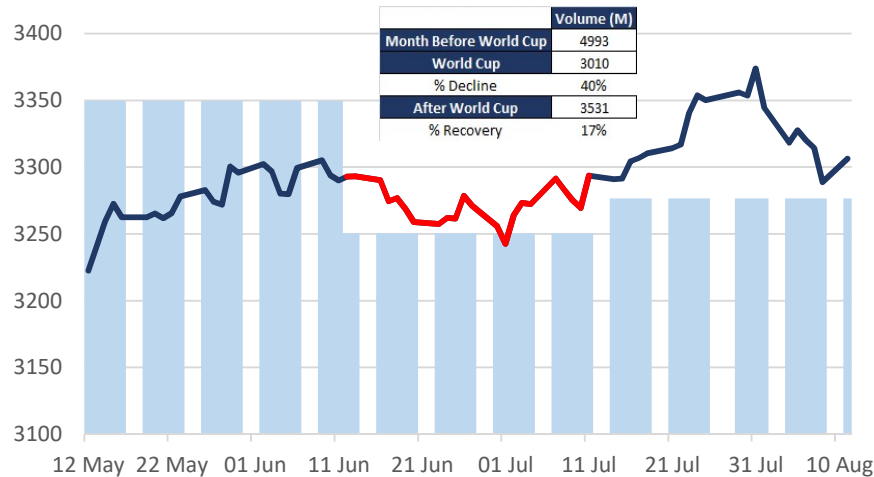


	Volume (M)
Month Before World Cup	8543
World Cup	6163
% Decline	28%
After World Cup	6709
% Recovery	9%

2010 World Cup

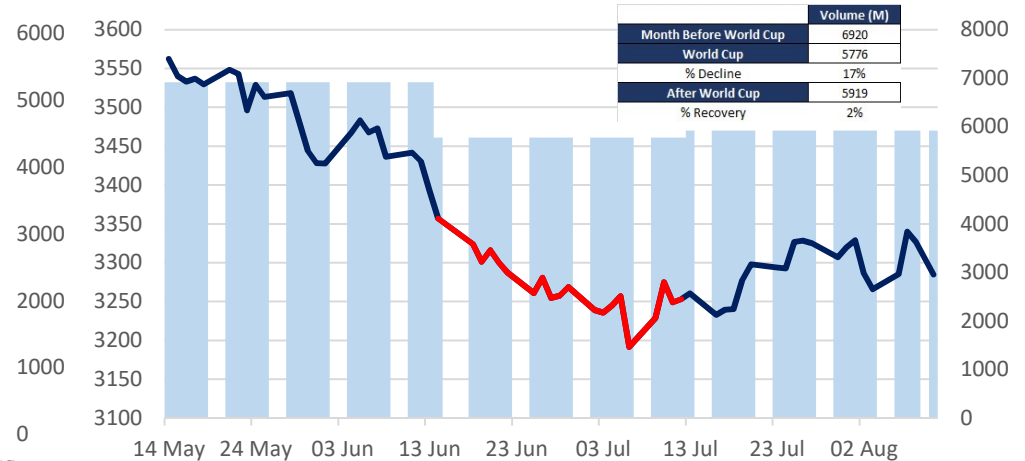


World Cup 2014



	Volume (M)
Month Before World Cup	4993
World Cup	3010
% Decline	40%
After World Cup	3531
% Recovery	17%

2018 World Cup



	Volume (M)
Month Before World Cup	6920
World Cup	5776
% Decline	17%
After World Cup	5919
% Recovery	2%

- Source: LTS Research, Bloomberg

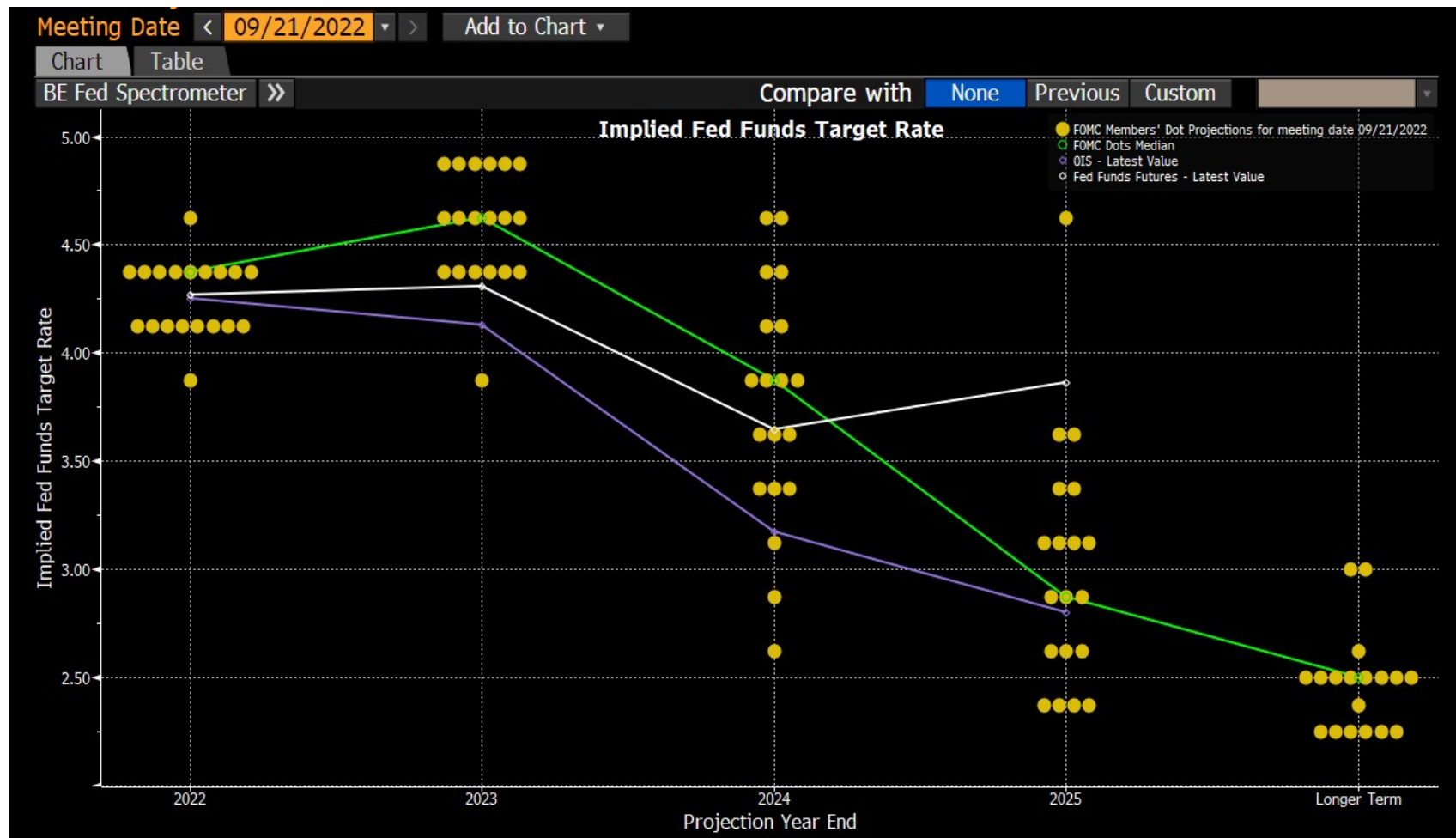
SINGAPORE BANKS ARE WELL POSITIONED TO BENEFIT FROM RISING INTEREST RATES, STRONGER LOANS GROWTH, BETTER NPL ENVIRONMENT

- The yield for 10 year US government bonds has surged 2x on a YoY basis to 4.0% currently from 2% last year. In Singapore, bond yields have also moved up in tandem to 4.0% currently. Higher bond yields are a reflection of rate hike expectations by the US Federal Reserve as they have signaled that the US Fed Funds Rate is expected to hit close to 4.4% by end 2022 and close to 5.0% by mid- 2023. All this is in response to the inflationary pressures that have proven to be less transitory than what the US Federal Reserve Committee had initially expected, currently running red hot at over 8% (core CPI near 7%).
- Singapore Banks are best positioned to benefit from rising interest rates and historically every 1% point movement in interest rates is estimated to add \$800-2,000 million to Singapore banking sector bottom-lines. Higher bond yields would also reduce competition from the bond markets as an alternative source of funding for corporate customers, thus benefitting corporate loans growth. Singapore banks expect mid single digit loans growth in 2022, thanks to the economic recovery in Singapore as well as steady and resilient home loans.
- Management of the 3 Singapore banks are positive on their business outlook for 2022, underpinned by (a) mid single digit loans growth backed by stronger corporate/SME demand and steady demand from the insatiable appetite for property purchases; (b) the higher interest rate environment is expected to benefit their net interest margins; (c) acquisitions of Citigroup's businesses by UOB & DBS and other inorganic growth initiatives to help accelerate growth and ROE targets; (d) resilient asset qualities, stabilizing NPL ratios and solid credit management overlays will help to mitigate unforeseen bad debts/loans.

SINGAPORE BANKS ARE CYCLICAL PLAYS AND BENEFITS FROM THE UPTURN IN BUSINESS & CONSUMER SENTIMENTS AS SINGAPORE RE-OPENS

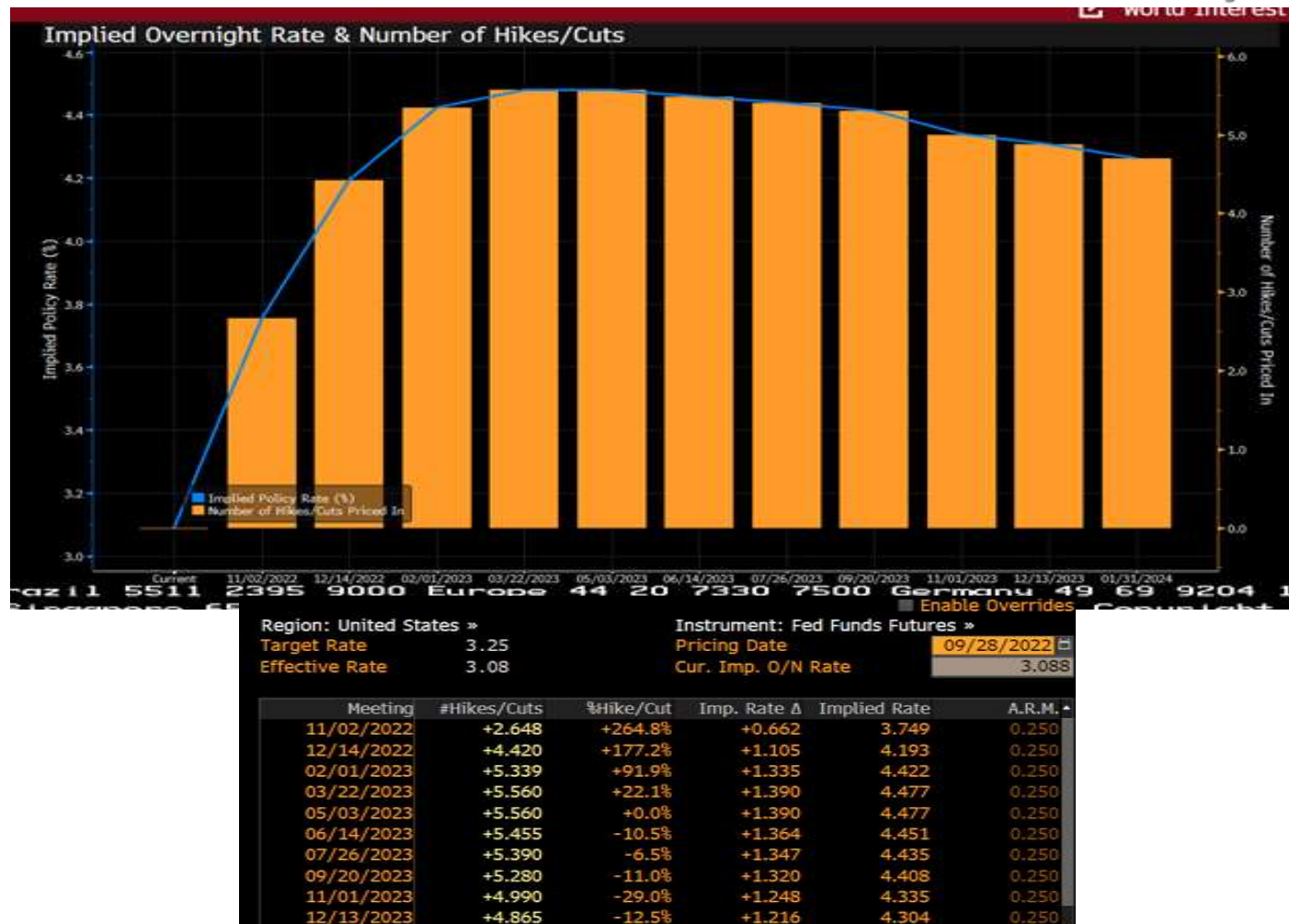
- Decisive shift to treat COVID-19 as endemic. Singapore has introduced the Vaccinated Travel Framework to replace the existing Vaccinated Travel Lane (VTL) scheme. Fully vaccinated travelers and children aged 12 and below with Covid-19 test two days before departure will be able to enter Singapore starting 1 Apr 22. They no longer have to take a Covid-19 antigen rapid test (ART) within 24 hours of arrival. Travelers are no longer restricted to take only designated flights to enter Singapore quarantine-free. Quota on the number of daily arrivals is abolished and there are no entry approvals needed for all vaccinated travelers. The tourism industry benefits from the decisive shift in policy to treat COVID-19 as an endemic.
- The Singapore-Malaysia causeway is fully reopened. Those who are fully vaccinated will be able to travel freely between Singapore and Malaysia by land, including by driving, without testing or quarantine starting 1 Apr 22. The move will kick-start short trips between the two countries, helping boost the hospitality, construction, food and beverage as well as other ancillary service industries that require imported workers from Malaysia.
- Finally, Singapore will be doing away with visiting quotas while large scale events with more than 1,000 people will see the capacity limits increased to 100% from 75% previously. This will likely see a resurgence in MICE & concerts. There will be no more limits on employees returning to the workplaces, up from 50-75% previously. Banks are cyclical plays and are well positioned to benefit from the improving consumer & business sentiments and the strong economic recovery is expected to reduce credit costs and non-performing loan formations.

US FED FUND FUTURES SIGNALING US FED FUND RATE OF MORE THAN 5% IN 2023 VERSUS 3.75%-4.00% NOW



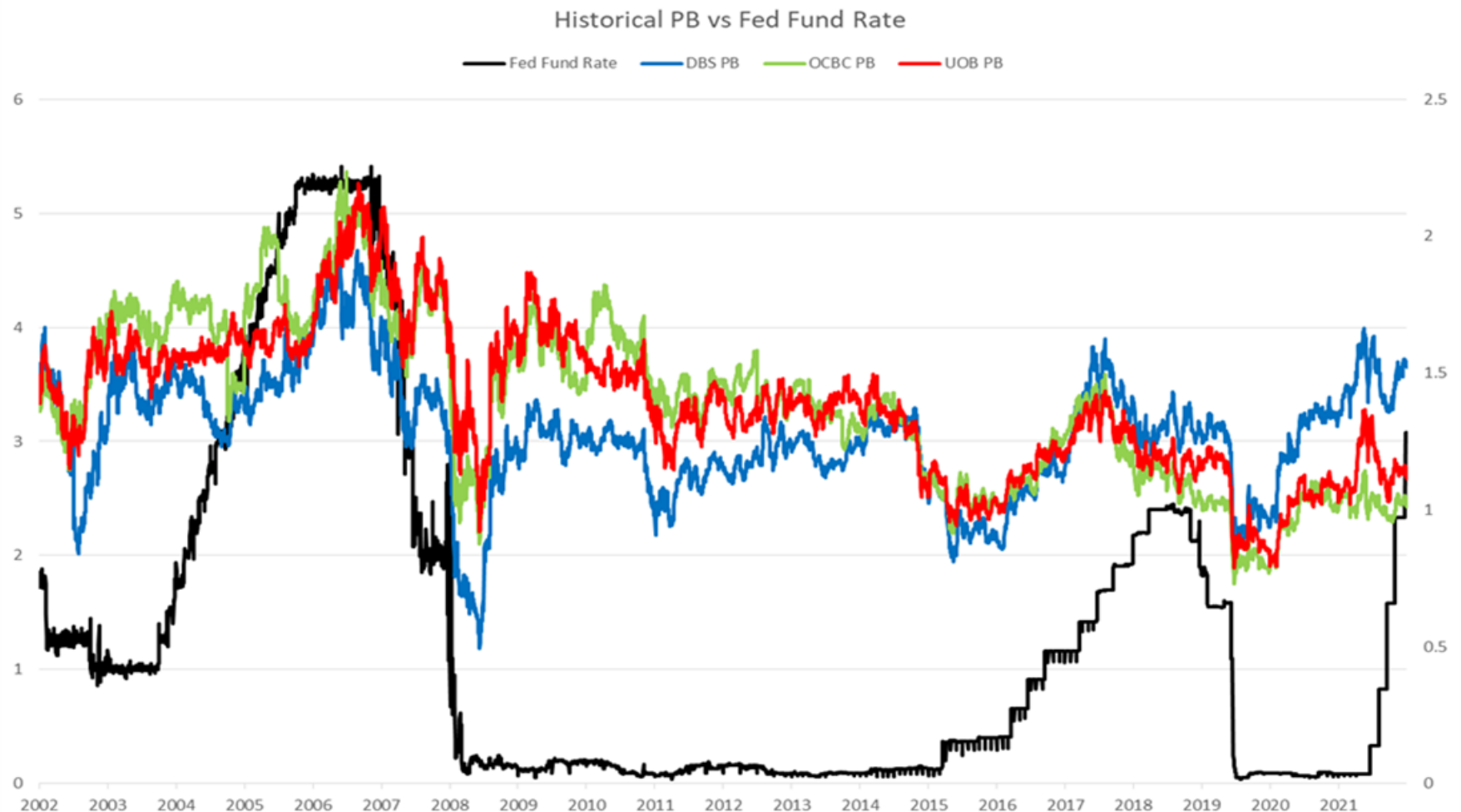
- Source: LTS Research, Bloomberg

EVERY 100 BASIS POINT HIKE EXPECTED TO ADD S\$1 BILLION TO S\$2 BILLION TO BANKING SECTOR PROFITS



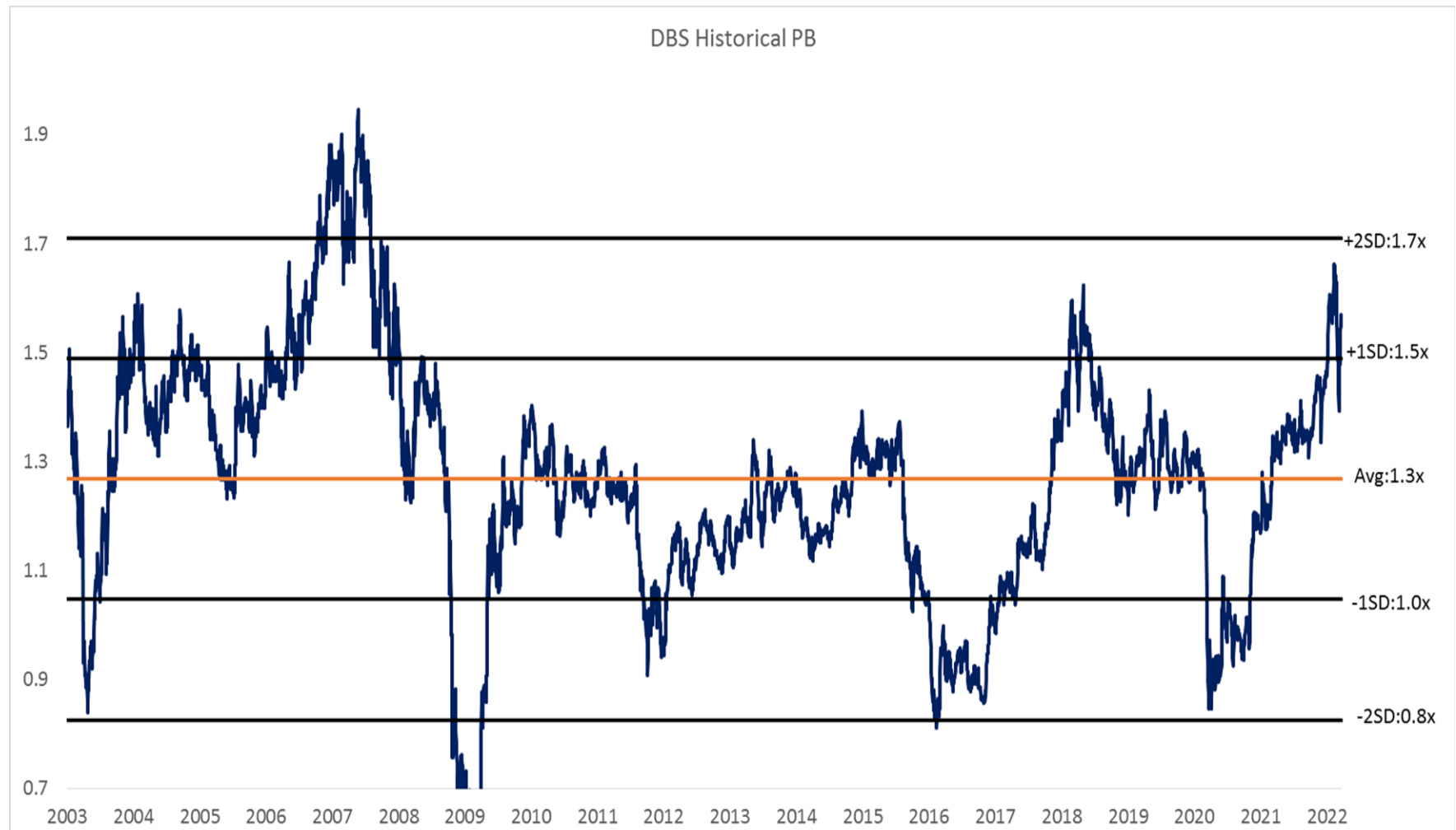
- Source: LTS Research, Bloomberg

LAST TIME FED FUNDS RATE AT 5%, P/B OF BANKS AT 2X



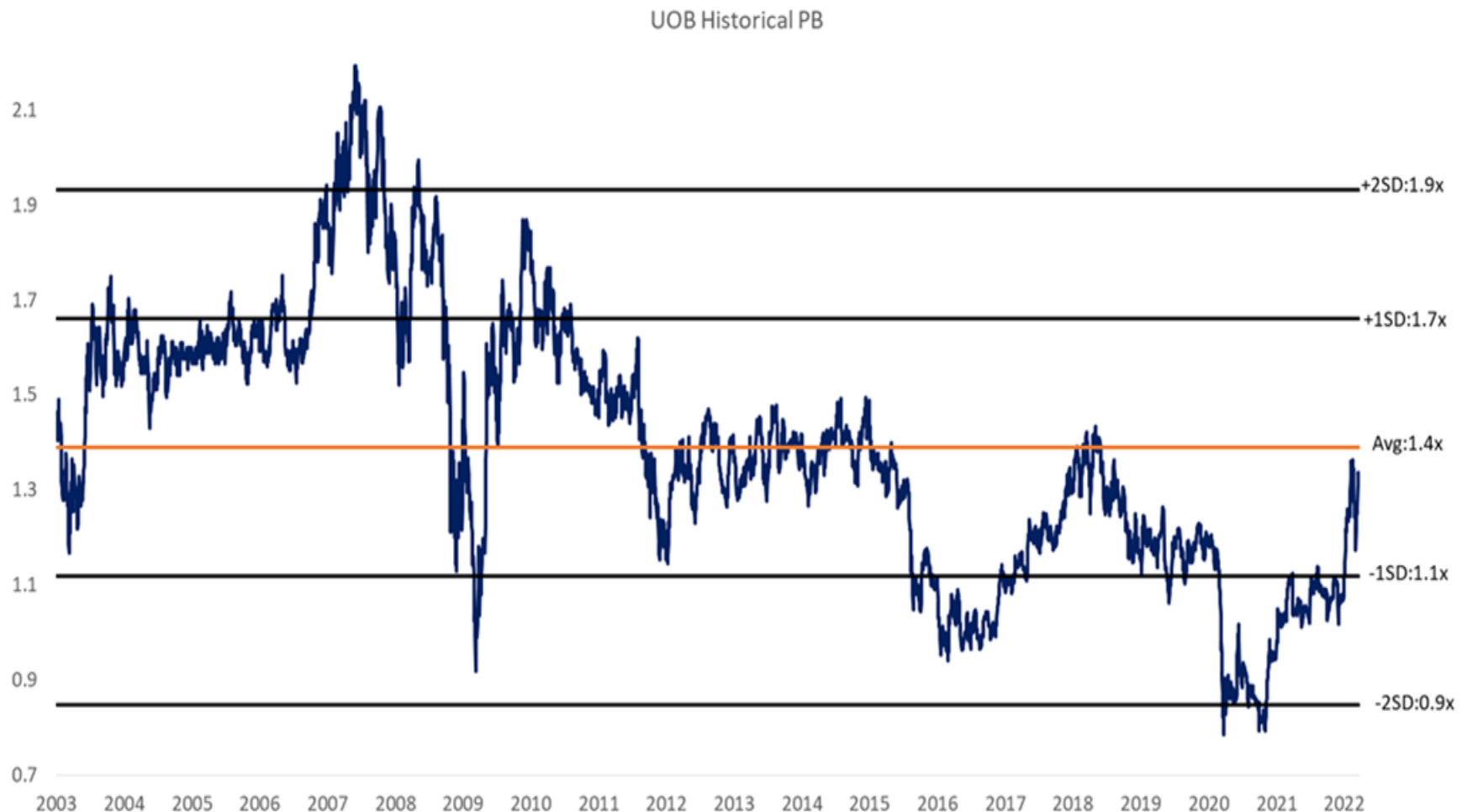
- Source: LTS Research, Bloomberg

DBS – LAST TIME FED FUNDS RATE AT 5%, P/B HIT 2X



- Source: LTS Research, Bloomberg

UOB – LAST TIME FED FUNDS RATE HIT 5%, P/B HIT 2.1X



- Source: LTS Research, Bloomberg

OCBC – LAST TIME FED FUNDS RATE HIT 5%, P/B HIT 2.2X



- Source: LTS Research, Bloomberg

BANKING LOANS GROWTH IS ACCELERATING AND IS EXPECTED TO REBOUND TO 5-6% AS SINGAPORE RE-OPENS IN 2H2022



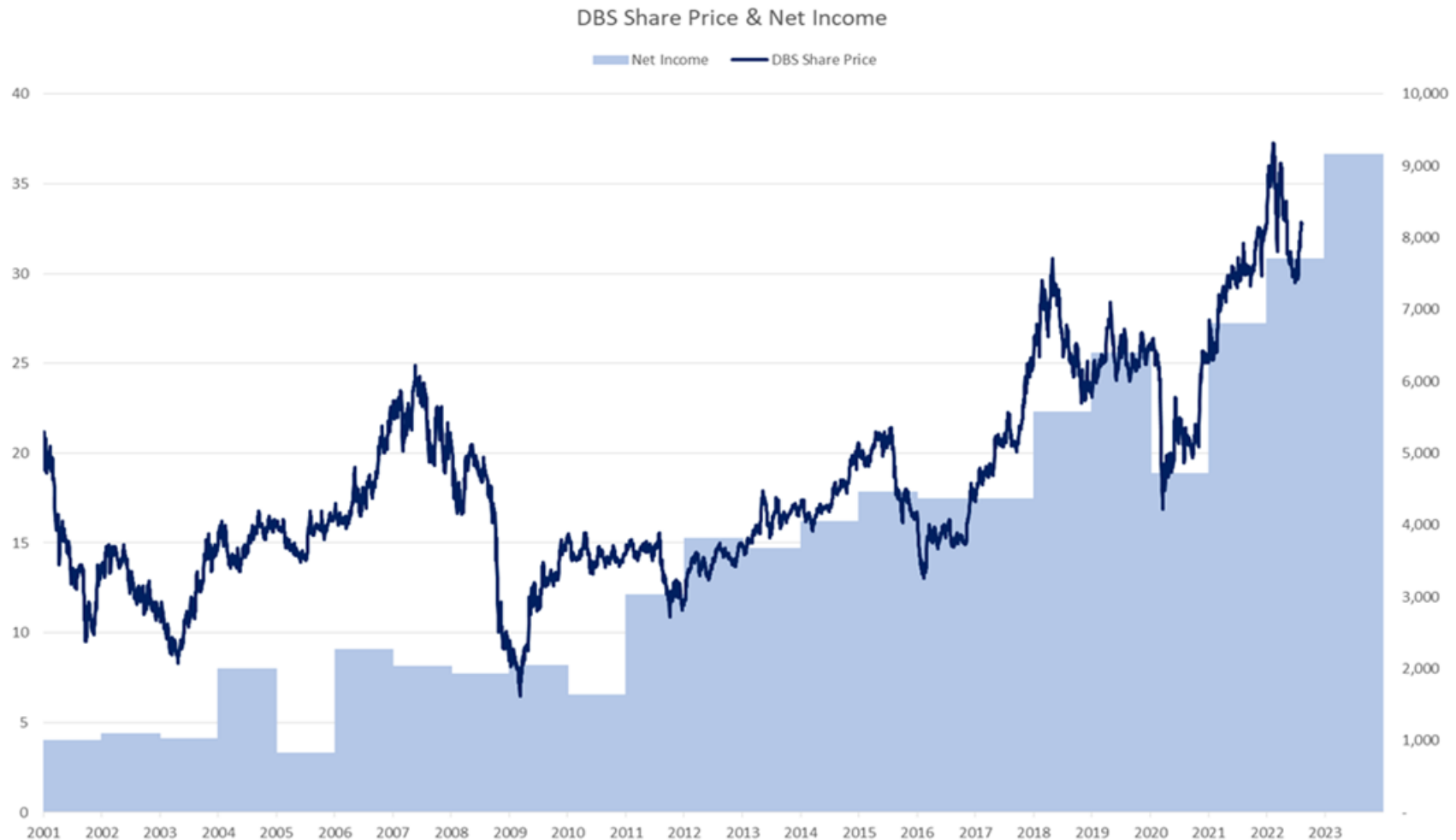
- Source: LTS Research, Bloomberg

SG BANKING SECTOR NON PERFORMING LOAN RATIO HAS STABILIZED AROUND 1.3%-1.5% (EXPECTED TO BE STABLE)



- Source: LTS Research, Bloomberg

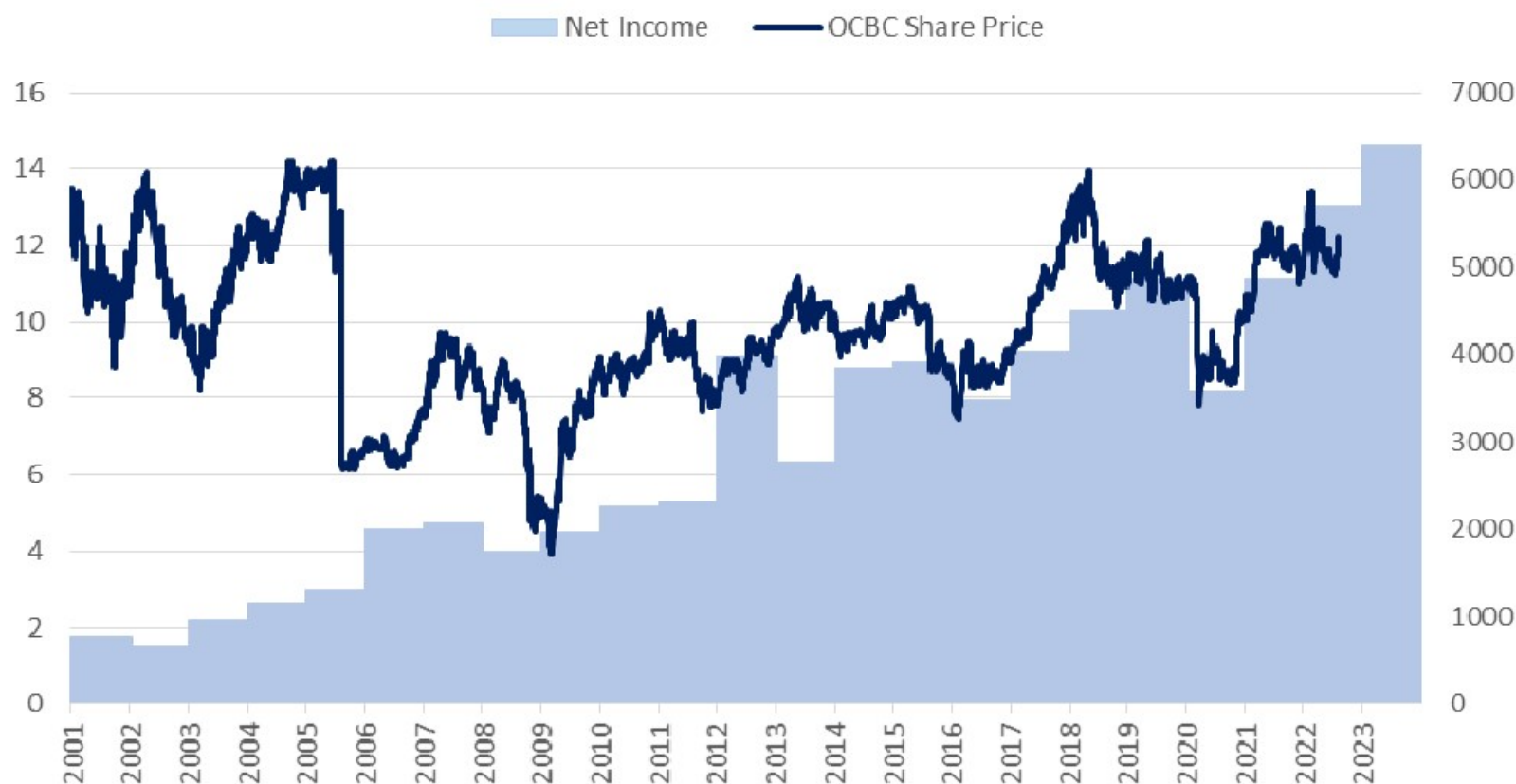
DBS SHARE PRICE TRACKS NET PROFIT CLOSELY, IMPLIES UPSIDE AHEAD AS PROFIT IS EXPECTED TO RISE 13%-19%



- Source: LTS Research, Bloomberg

OCBC SHARE PRICE TRACKS NET PROFIT, IMPLIES UPSIDE AHEAD AS PROFIT IS EXPECTED TO GROW 12%-24%

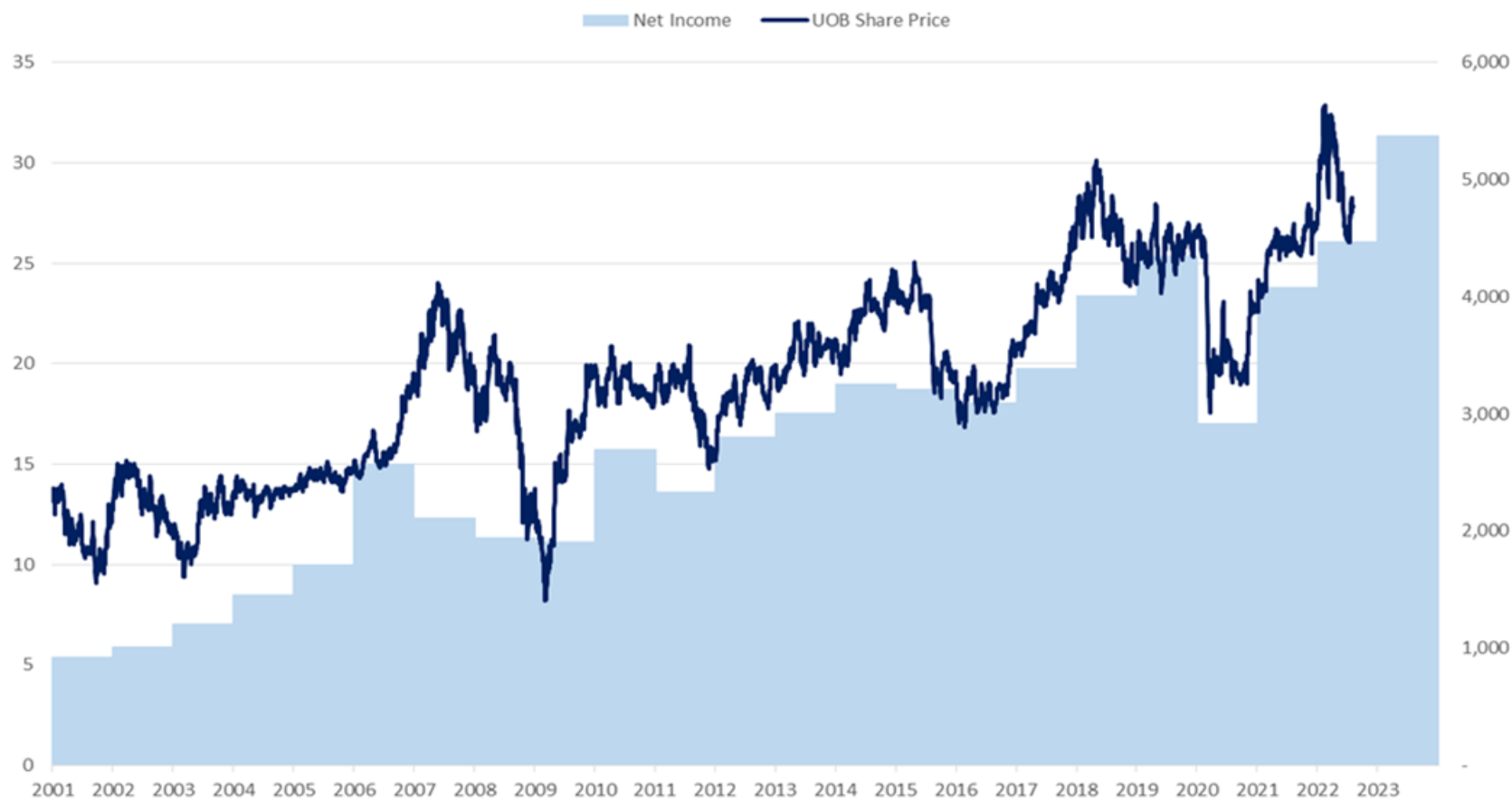
OCBC Share Price & Net Income



- Source: LTS Research, Bloomberg

UOB SHARE PRICE TRACKS NET PROFIT, IMPLIES UPSIDE AHEAD GIVEN EXPECTED GROWTH RATE OF 16%-20%

UOB Share Price & Net Income



- Source: LTS Research, Bloomberg

GLOBAL BANKING SECTOR COMPARISONS

As at 8 Nov 22													
NAME	CRNCY_ADJ_MKT_CAP	ST_PE_RATIO	PE_RATIO	BOOK_IRN_ON	ARN_COMQY	DVD_YLD	INFO_TOTAL	NN_NET	INT_MARGIN	YTD RETURNS	BEST_TARGET_PRICE	PX_LAST	Return Potential
DBS GROUP HOLDINGS LTD	89.0	11.4x	12.3x	1.6x	1.0%	12.8%	4.2%	1.3%	1.4%	6.3%	39.8	34.7	14.7%
OVERSEA-CHINESE BANKING CORP	54.5	9.2x	10.0x	1.1x	1.0%	10.7%	4.6%	1.5%	1.6%	6.6%	14.5	12.2	19.0%
UNITED OVERSEAS BANK LTD	48.1	10.3x	11.0x	1.1x	1.1%	10.4	4.2%	1.6%	1.6%	7.0%	33.7	28.8	17.3%
HONG LEONG FINANCE LTD	1.1	N.A	9.0x	0.5x	0.6%	4.4%	5.1%	1.0%	1.5%	-1.3%	N.A	2.4	N.A
SING INVESTMENTS & FINANCE	0.2	N.A	7.6x	0.6x	1.0%	7.7%	5.5%	2.1%	2.4%	-1.4%	N.A	1.5	N.A
SINGAPURA FINANCE LTD	0.1	N.A	9.1x	0.5x	0.8%	3.6%	2.6%	N.A	2.5%	-4.6%	N.A	0.8	N.A
GOLDMAN SACHS GROUP INC	179.7	10.5x	9.3x	1.1x	0.9%	13.1%	2.8%	0.8%	0.5%	-5.2%	388.8	362.6	7.2%
BANK OF AMERICA CORP	416.6	11.6x	11.3x	1.2x	0.9%	10.6%	2.4%	0.5%	1.7%	-16.8%	41.5	37.0	12.1%
MORGAN STANLEY	202.9	13.1x	12.0x	1.6x	1.1%	12.6%	3.6%	0.3%	0.9%	-12.8%	92.1	85.6	7.6%
CITIGROUP INC	124.3	6.4x	4.9x	0.5x	0.7%	7.9%	4.5%	0.5%	2.0%	-24.3%	55.8	45.7	21.9%
JPMORGAN CHASE & CO	540.6	11.4x	10.8x	1.5x	1.0%	13.8%	3.0%	0.7%	1.6%	-17.0%	138.0	131.4	5.0%
BARCLAYS PLC	39.0	4.7x	5.0x	0.5x	0.4%	9.2%	4.1%	2.0%	1.1%	-18.4%	230.4	152.6	51.0%
LLOYDS BANKING GROUP PLC	45.6	6.1x	7.1x	0.7x	0.5%	10.3%	5.1%	1.6%	2.1%	-12.1%	61.7	42.0	46.8%
HSBC HOLDINGS PLC	154.3	6.9x	9.0x	0.7x	0.4%	7.2%	3.1%	1.8%	1.2%	6.9%	653.0	479.4	36.2%
STANDARD CHARTERED PLC	26.0	6.3x	9.2x	0.4x	0.3%	5.4%	1.8%	2.7%	1.2%	24.4%	757.1	558.0	35.7%
CHINA MINSHENG BANKING COR-H	27.0	3.2x	3.0x	0.2x	0.5%	5.6%	10.3%	1.8%	1.9%	-19.1%	2.3	2.4	-4.7%
BANK OF CHINA LTD-H	163.4	3.3x	4.0x	0.4x	0.8%	11.2%	9.8%	1.3%	1.8%	-6.4%	3.5	2.6	34.4%
CHINA CONSTRUCTION BANK-H	197.5	3.2x	3.2x	0.4x	1.0%	12.5%	9.8%	1.4%	2.1%	-19.1%	6.6	4.4	50.2%
AGRICULTURAL BANK OF CHINA-H	182.2	3.2x	3.1x	0.3x	0.8%	12.0%	10.4%	1.4%	2.1%	-13.4%	3.3	2.3	41.3%
CHINA CITIC BANK CORP LTD-H	37.6	2.5x	2.4x	0.3x	0.7%	11.8%	11.5%	1.4%	2.0%	-9.2%	4.1	3.1	33.3%
BANK OF BEIJING CO LTD -A	16.7	3.7x	3.7x	0.4x	0.8%	10.6%	7.5%	1.3%	1.8%	-8.3%	4.9	4.1	21.5%

- Source: LTS Research, Bloomberg

OCBC & UOB AT 1.1X P/B RATIO HAS LEAST DOWNSIDE RISKS COMPARED TO PAST CRISIS TROUGH LEVELS, IMPLIES DEFENSIVE APPEAL

Singapore Banks		DBS		OCBC		UOB	
Past Crisis							
Dates		Trough PB (x)	Upside/Downside (%)	Trough PB (x)	Upside/Downside (%)	Trough PB (x)	Upside/Downside (%)
Sept'98	Asian Financial Crisis	0.38	-75%	0.57	-43%	0.55	-50%
Sept'01	911 Terrorist Attack	1.24	-17%	1.44	44%	1.25	14%
Apri'03	SARS Epidemic	0.91	-39%	1.37	37%	1.27	15%
Mar'09	Global Financial Crisis	0.75	-50%	0.92	-8%	0.95	-14%
Oct'11	Euro Debt Crisis	1.01	-33%	1.31	31%	1.21	10%
Feb'16	O&G Crash	0.82	-45%	0.95	-5%	0.95	-14%
Mar'20	Covid-19 Pandemic	0.96	-36%	0.83	-17%	0.88	-20%
Current PB (x)		1.5		1		1.1	

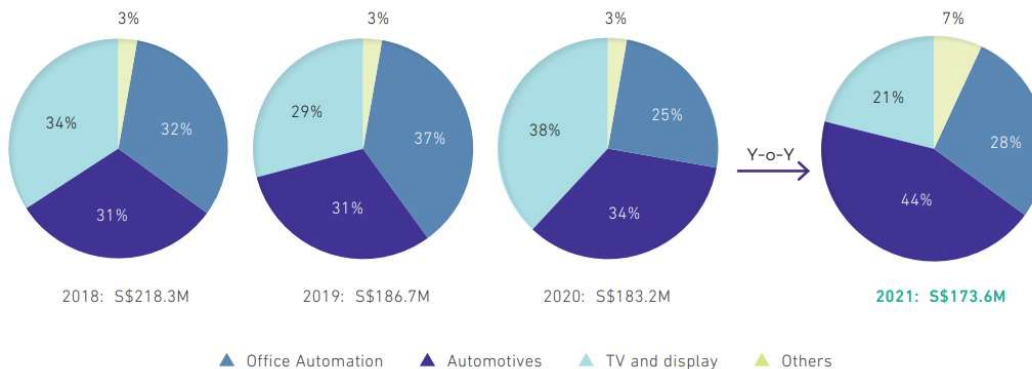
POTENTIAL UPSIDES FOR 3 BANKS BETWEEN 15-20%

Banks	DBS	OCBC	UOB
Share Price as at 7 Nov 22 (S\$)	34.43	12.12	28.50
Market Cap (S\$bln)	89.38	54.60	48.18
2020 Net Profit (S\$bln)	4.77	3.27	2.23
2021 Net Profit (S\$bln)	6.81	4.61	3.84
2021 Net Profit Growth (%)	42.77	40.98	72.19
2022 Net Profit (S\$bln)	7.7	5.7	4.5
2022 Net Profit Growth (%)	13.22	23.86	16.41
2023 Net Profit (S\$bln)	9.2	6.4	5.4
2023 Net Profit Growth (%)	18.8	12.3	20.1
2020 PE (x)	17.6	16.1	19.7
2021 PE (x)	12.3	11.4	11.4
2022 PE (x)	11.4	9.4	10.7
2023 PE (x)	9.6	8.4	9.0
PB Ratio (x)	1.6	1.1	1.1
2021 Dividend Yield (%)	4.3	4.5	4.6
2022 Dividend Yield (%)	4.2	4.6	4.2
Consensus TP (S\$)	39.8	14.5	33.7
Upside to Consensus TP (%)	15.7	19.3	18.4
ROA (%)	1.1	1.1	1.0
ROE (%)	12.8	10.7	10.4
NPL (%)	1.2	1.2	1.3
Interest Margin (%)	1.90	2.00	1.90
YTD Perf (%)	6.3	6.6	7.0
STI YTD Returns (%)	0.9	0.9	0.9

Innotek Ltd



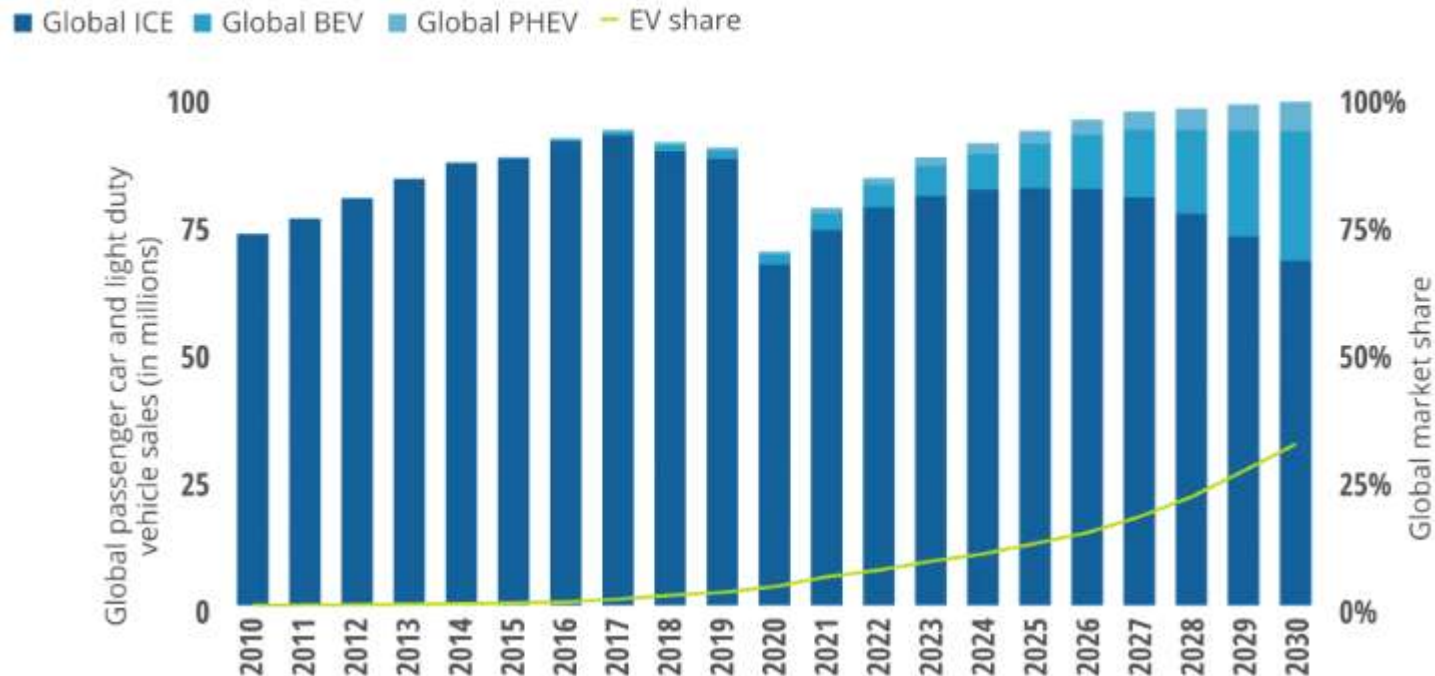
Revenue By Products



- Innotek Limited is a precision metal components manufacturer serving the consumer electronics, office automation and automotive industries.
- Investment Merits
 1. Recovery in China's auto sales and TV and Office automation in 2H22F and FY23F
 2. Diversification and new fast growing business segments (electric vehicles, 5G, energy storage and medical tech) in FY23F
 3. Robust balance sheet with net cash position
 4. Lower raw material costs and favorable currency movements
- Key Statistics
 - Market Cap: \$95 M
 - Price Close: \$0.41
 - P/B: 0.5x
 - Forward P/E: 33.9x
 - Dividend Yield: 4.8%
 - Current net gearing: Net cash position of S\$76.5 mln (80.5% of market cap)
 - 52 week low/high: S\$0.84 / S\$0.38
 - Major Shareholder: Advantec Holding (36.2%), CEO Lou YL (13.37%)

Global EV - Robust Growth

Outlook for annual global passenger-car and light-duty vehicle sales, to 2030

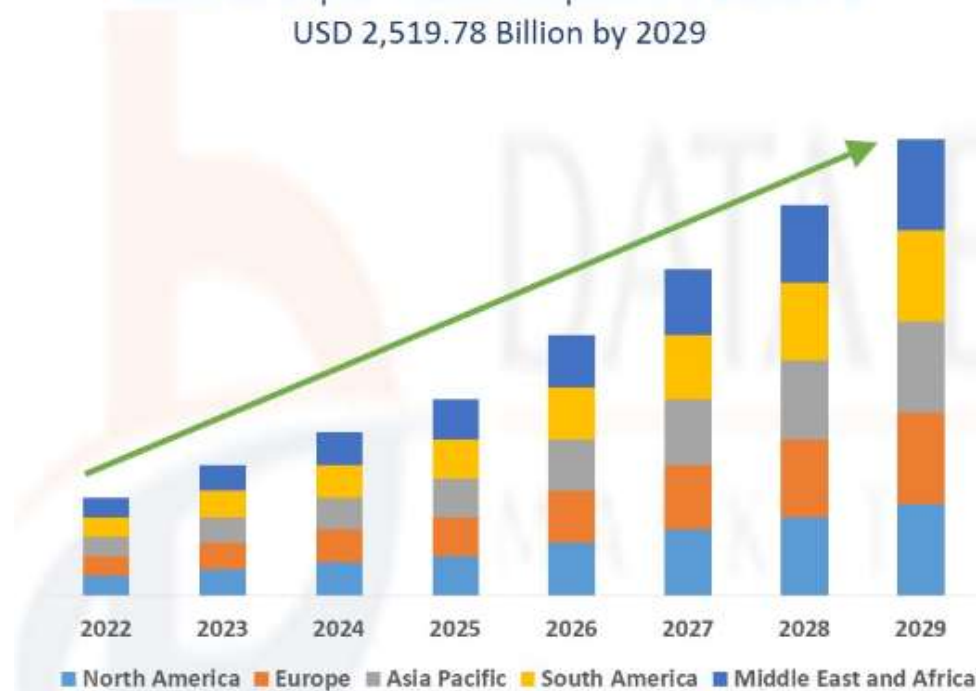


- Deloitte Global EV forecast: Compound annual growth rate of 29% achieved over the next ten years: Total EV sales growing from 2.5 million in 2020 to 11.2 million in 2025, then reaching 31.1 million by 2030. EVs would secure approximately 32% of the total market share for new car sales.
- By 2030 China will hold 49% of the global EV market, Europe will account for 27%, and the United States will hold 14%.

• **Source: LTS Research, Deloitte**

Global 5G Chipset - Steady Growth

Global 5G Chipset Market is expected to account for
USD 2,519.78 Billion by 2029



- Data Bridge: 5G Chipset Market Expected to Reach \$2,519.78 Billion by 2029 with CAGR of 49.02%
- Mordor Intelligence: By 2025, it is expected that there will be around 30 global smart cities, and 50% of these are expected to be located in North America and Europe.

- **Source: LTS Research, Data Bridge**

Energy Storage – Strong Outlook

Global cumulative energy storage installations

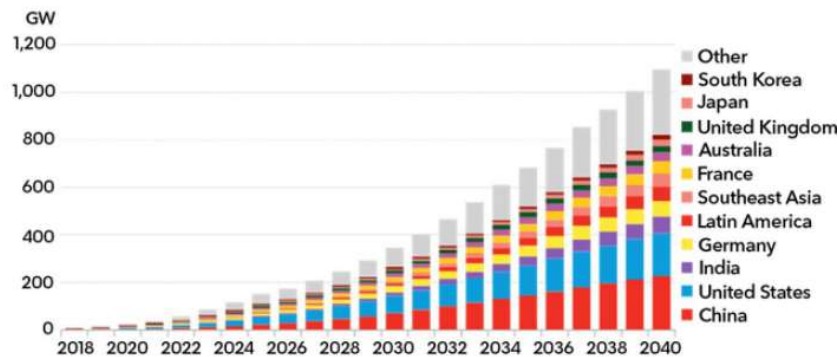
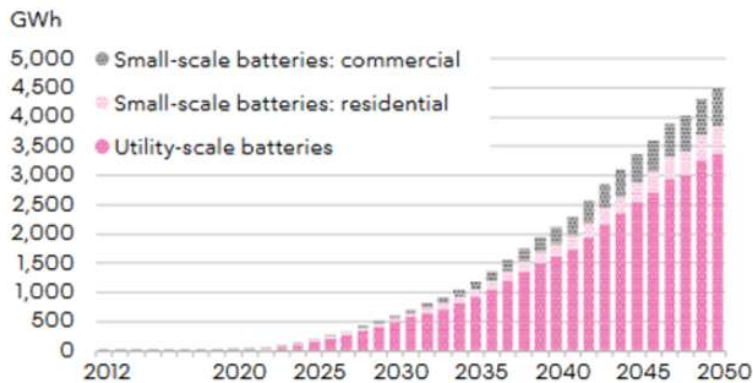
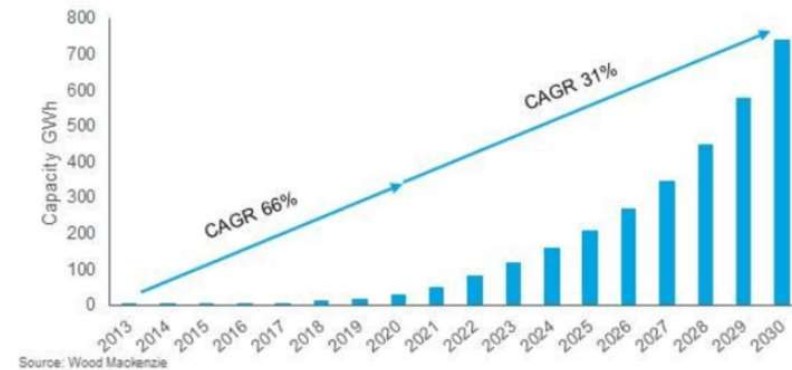


Figure 3: Global cumulative battery storage energy capacity, 2020-2050



Cumulative global energy storage deployments

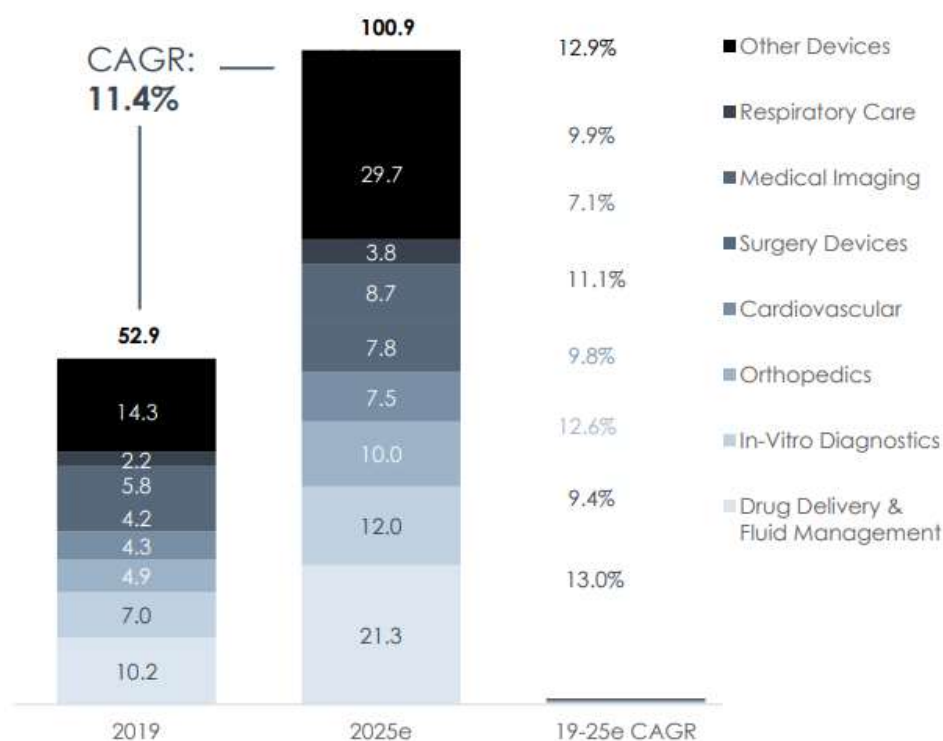


- WoodMac: Global energy storage capacity is now expected to grow at a CAGR of 31% through 2030.
- Global stationary energy storage installations will grow 122-fold from 2018 to 2040, rising from 9GW/17GWh to 1,095GW/2,850GWh.

• Source: LTS Research, WoodMac, Bloomberg

MedTech – Robust Outlook

MedTech CDMO Market by Application: 2019-2025e (US\$B)



- The MedTech contract manufacturing market is expected to grow by an average of 11.4% YoY through 2025.
- Ageing population
- Increased demand for improved healthcare in developing markets

• **Source: LTS Research, Med Device Online**

Investment Merit : Strong Recovery Expected

FYE Dec (\$\$ mln)	FY17	FY18	FY19	FY20	FY21	1H22	2H22F	FY22F	FY23F
Total Revenue	213.0	218.3	186.7	183.2	173.6	84.4	100.0	184.4	233.3
Gross Profit	39.0	46.7	40.8	45.0	11.6	11.6	21.2	32.8	58.8
Operating Profit	15.8	23.4	19.4	19.2	6.4	-0.1	13.4	13.3	25.7
Net Profit	9.9	20.2	16.7	13.9	11.5	-1.7	4.5	2.8	12.0
Net Profit Growth	-14.7%	105.1%	-17.7%	-16.7%	-17.3%			-75.7%	328.6%
Gross Profit Margin	18.3%	21.4%	21.8%	24.6%	6.7%	13.7%	21.2%	17.8%	25.2%
Operating Profit Margin	7.4%	10.7%	10.4%	10.5%	3.7%	-0.1%	13.4%	7.2%	11.0%
Net Profit Margin	4.6%	9.3%	8.9%	7.6%	6.6%	-2.0%	4.5%	1.5%	5.1%

Automotive	     
TV / Display	    
Office Automation	     

Automotive

- Strong recovery expected amid resumption of projects
- Consumer demand to remain robust, driven by
- Chinese Government's stimulus measures
- EV sales grew 94% y-o-y to 1.7 million units; market expect to continue long term growth
- In response, InnoTek will focus efforts on securing new projects within the EV market

TV and Display

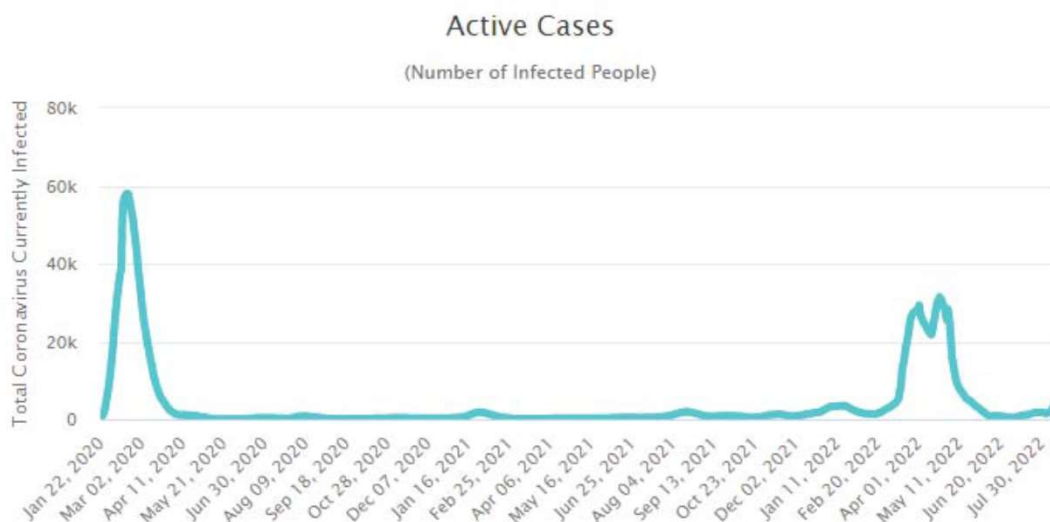
- Orders expected to recover progressively as COVID restrictions ease
- Product demand expected to remain robust, as key customers expected to maintain their market position

OA

- Products expect to recover gradually in the short-term
- In view of customers relocating production lines out of China to SEA, Group will continue to expand into Southeast Asia and move up the value chain into sub-assembly

Source: LTS Research, InnoTek

Investment Merit : Reversal of Covid-19 Impact



Bloomberg
Asia Edition ✓

“The downward trend of the economy was turned around and it recovered and stabilized in the third quarter,” Li said at a meeting Wednesday, according to a report in state media. The final three months of the year have the heaviest weight in annual economic activity and many already announced policies are expected to have greater impact in that period, he said.

End of Hong Kong's Covid quarantine fuels hope of looser China rules

International businesses welcome easing of restrictions but attention turns to mainland policy

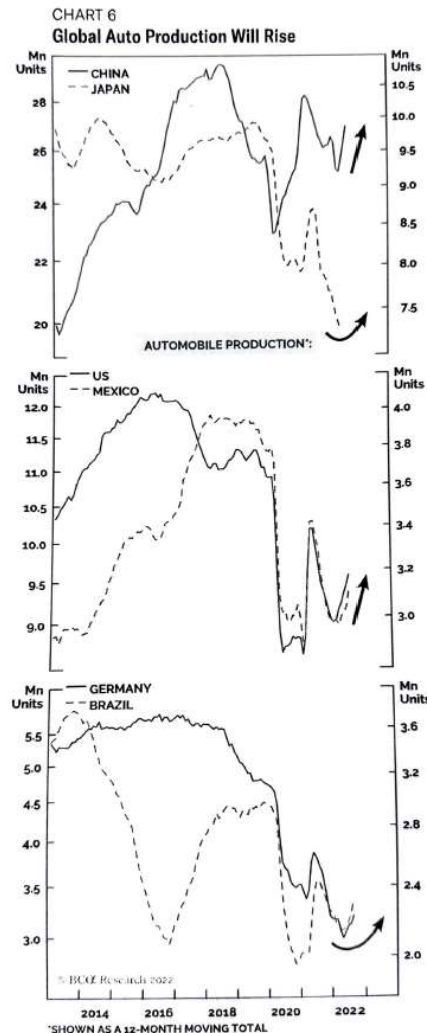


Hong Kong's chief executive John Lee waves during a parade in Hong Kong on Saturday © Anthony Kwan/AP

- With the lockdown in Shanghai and Hong Kong lifted, the low utilisation rate of their Suzhou factory has since recovered to 70% of full capacity

- **Source: LTS Research, Bloomberg**

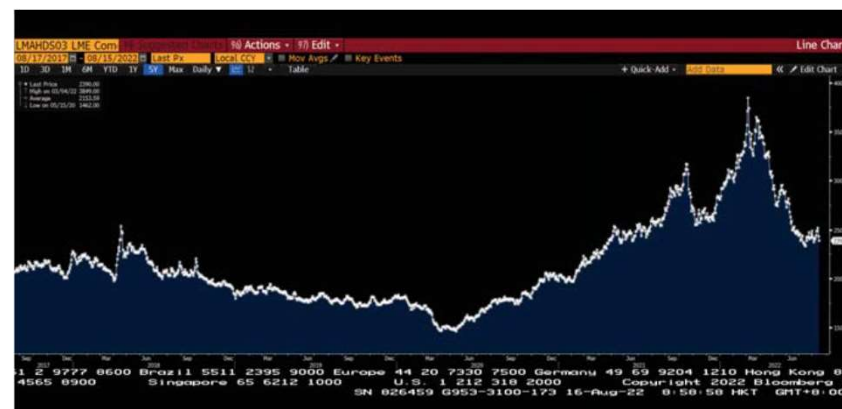
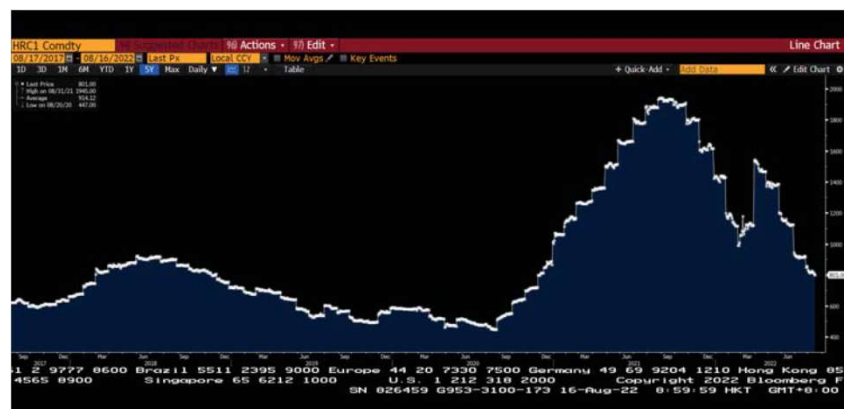
Investment Merit : Semicon Shortage Easing



- According to BCA, chip shortage has eased and they expect single digit growth in automobiles, servers and industrial electronics.
- Automobile output remains well-below pre-pandemic levels and BCA expects semiconductor producers to be able to produce automotive chips to reduce lingering shortages

- Source: LTS Research, BCA

EASING OF RAW MATERIAL COSTS



- Easing of raw material costs such as steel (left chart) and copper (right chart)
- Fixed costs are rapidly covered as machine utilisation rates improve with positive operating leverage
- Management guided for profit margins to normalize starting 2H22F, back to c.20% range

• Source: LTS Research, Bloomberg

FAVORABLE CURRENCY MOVEMENTS



- USD strengthened against CNY and THB
- More than half of InnoTek's revenue is paid in USD, while major costs were paid out in CNY and THB
- Contributing to better margins

• **Source: LTS Research, Bloomberg**

INVESTMENT MERIT : ROBUST BALANCE SHEET WITH NET CASH POSITION

- Innotek is presently in a net cash position of S\$76.5 mln which equates to 80.5% of current market cap
- This compares favourably with the industry average, where the various SGX-listed technology manufacturers are on average in a net cash position that equates to 17% of their respective market capitalisations
- InnoTek's cash position is a powerful tool to capitalize on higher interest rates = higher interest income in a hawkish environment
- Management is actively looking for M&A targets (outside of China) as manufacturers currently have weaker valuation

FYE Dec (S\$ mln)	FY17	FY18	FY19	FY20	FY21	FY22F	FY23F
Dividend Per Share	0.010	0.015	0.015	0.020	0.020	0.020	0.020
Earnings Per Share	0.043	0.089	0.073	0.061	4.960	1.298	5.190
Dividend Yield	1.2%	2.3%	3.5%	3.5%	4.7%	4.7%	4.7%

- Chairman has expressed that he will maintain dividends regardless of this year's financial performance
- Strong balance sheet and cash position to pay out S\$0.02/share

SHARE PURCHASES BY CEO

Date	No. of shares	Price (S\$)
8-Apr-16	200,000	0.133
11-Apr-16	300,000	0.130
18-May-16	26,000	0.148
18-May-16	65,000	0.145
19-May-16	2,000	0.150
5-Jul-16	385,200	0.154
18-Jul-18	14,082,700	0.400
13-Jan-21	2,000,000	0.185
8-Mar-22	3,000,000	0.350
Average		0.359

- Source: LTS Research, Bloomberg

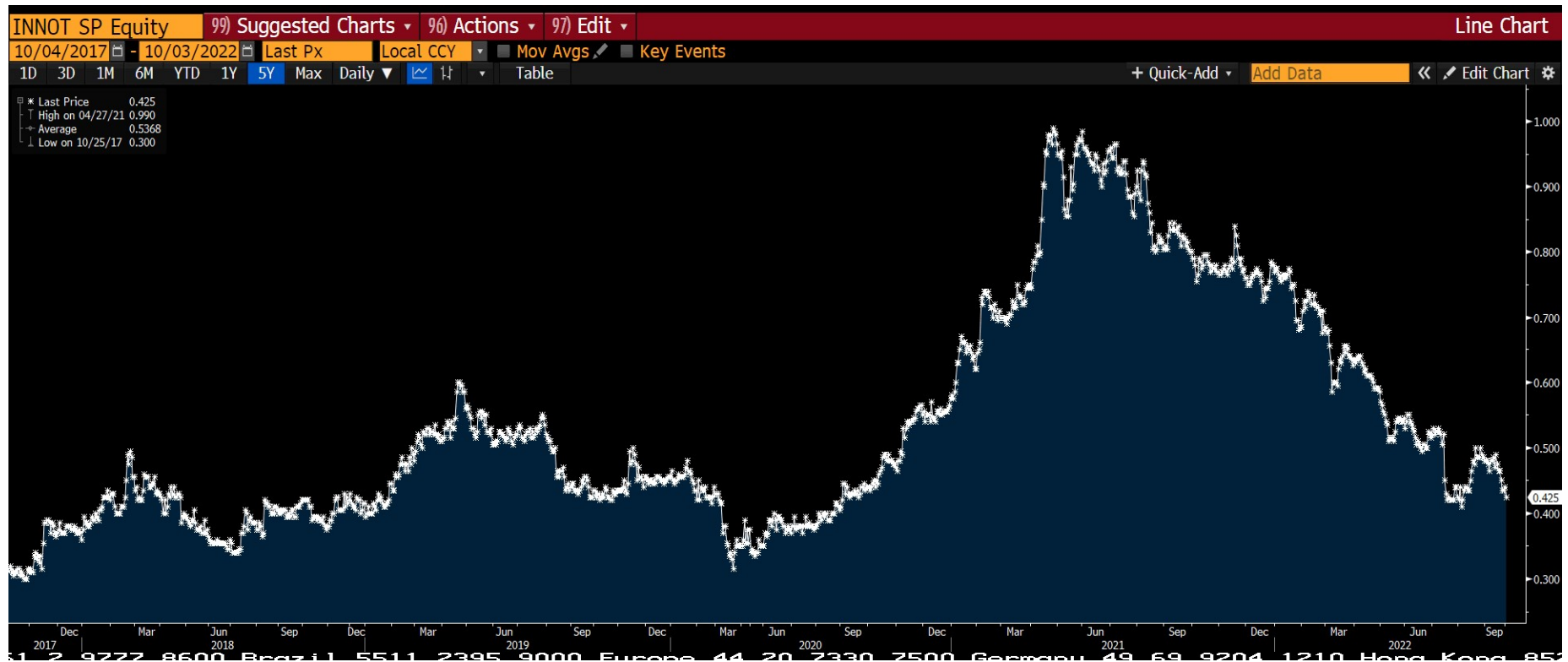
SHARE BUYBACK

Date	No. of shares	Price (S\$)	Cumulative
23/5/2013	100,000	0.280	22,821,000
21/5/2013	17,000	0.280	22,721,000
29/2/2012	349,000	0.514	22,704,000
28/2/2012	100,000	0.515	22,355,000
27/2/2012	383,000	0.503	22,255,000
24/2/2012	449,000	0.500	21,872,000
20/10/2011	25,000	0.355	21,423,000
19/10/2011	150,000	0.355	21,398,000
18/10/2011	90,000	0.360	21,248,000
13/10/2011	49,000	0.355	21,158,000
11/11/2011	50,000	0.355	21,109,000
10/10/2011	79,000	0.345	21,059,000
6/10/2011	20,000	0.340	20,980,000
4/10/2011	60,000	0.340	20,960,000
3/10/2011	38,000	0.350	20,900,000
22/9/2011	110,000	0.360	20,862,000
16/9/2011	41,000	0.370	20,752,000
6/9/2011	125,000	0.350	20,711,000
5/9/2011	44,000	0.350	20,586,000
2/9/2011	50,000	0.360	20,542,000
25/8/2011	87,000	0.345	20,492,000
22/8/2011	200,000	0.314	20,405,000
19/8/2011	200,000	0.330	20,205,000
18/8/2011	80,000	0.340	20,005,000
16/8/2011	200,000	0.345	19,925,000
15/8/2011	10,000	0.340	19,725,000
15/8/2011	100,000	0.340	19,715,000

Max shares allowed	22,395,242
Total bought	22,821,000
% of Max allowed	102% (Exceeded)
Average cost	0.406

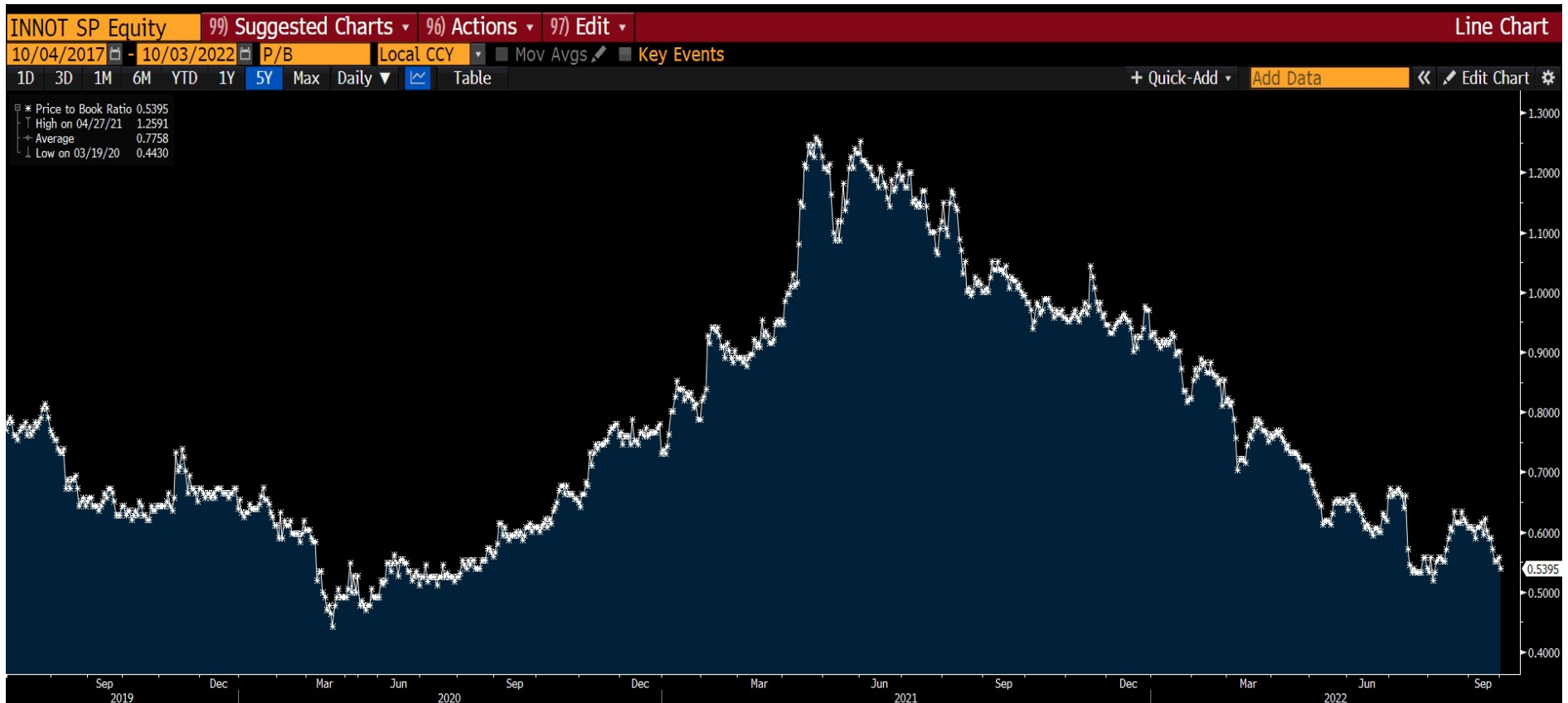
- Source: LTS Research, SGX

Historical Price chart of InnoTek



- Source: LTS Research, Bloomberg

Historical PB chart of InnoTek



- Source: LTS Research, Bloomberg

Risks



- Due to the ongoing supply chain issues, the Group expects prices for raw materials to rise, and shortage in electronic components parts (including IC chips) to continue. Should this prevailing supply chain issue turn out to be worse than what Innotek is expecting, its financials would in turn be negatively affected
- Customers relocating production lines out of China to Southeast Asia, which could affect long term growth
- According to the IHS Markit report, automobiles will experience growth in both China and the overseas markets in the next few years. In Greater China, IHS Markit forecasts modest growth for 2022 of 1.6 percent, to 24.3 million units. Europe is expected to produce 18.5 million units in 2022, up from an estimated 15.7 million this year. For the North American region, IHS' maintains forecasts at 15.2 million units, growth of over 2.2 million units year over year. A more normalized supply chain is forecast to support vehicle output levels of 90.6 million units for 2023, a further 10% y/y increase, and comfortably above pre-pandemic output levels of 2019. Should the automotive market turn bearish and this forecast is revised downwards, Innotek would accordingly be impacted.

Pan-United Corporation Ltd



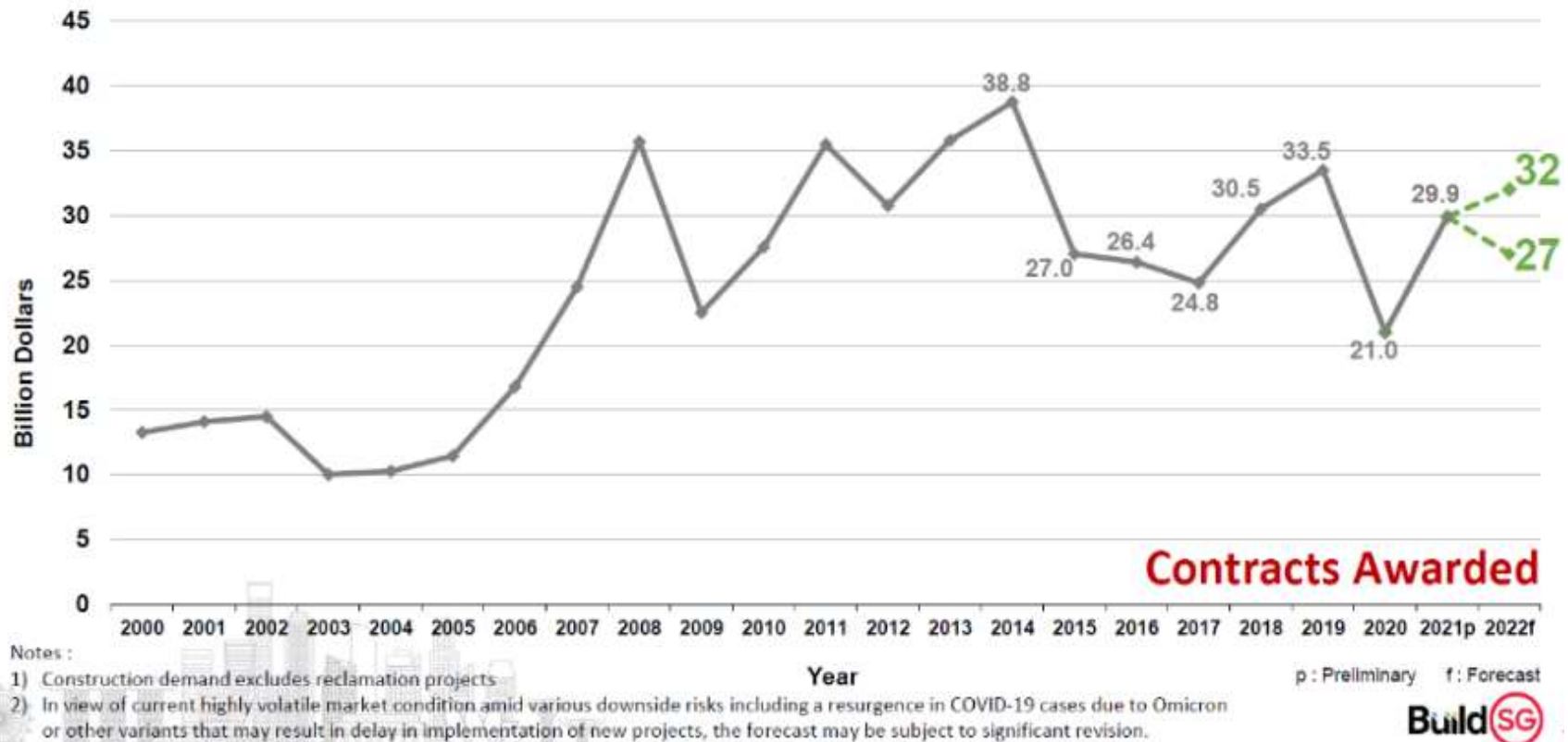
Trading Member of SGX since 1973

- Company Pan-United is a technologically driven, pure-play concrete player with 40% market share in Singapore. It is also one of the top 3 largest RMC supplier in Ho Chi Minh city.
- Has strong track record with many iconic projects in Singapore and boasts over 300 highly specialized concrete solutions across customers in various industries
- Investment Merits
 - Multi-year construction demand remains strong
 - Technologically driven
 - Share buyback
 - Forefront of sustainability for a RMC player
- Key Information
 - Market Cap: S\$279mln
 - Current Price: S\$0.40
 - Target Price: S\$0.54 (33% upside)
 - Forward PE: 9.8x
 - PB: 1.3x
 - EV/EBITDA: 6.9x
 - Dividend Yield: 4.0%
 - Major Shareholder: Ng Family (60.0%)



2022 CONSTRUCTION DEMAND PROJECTION

Projected 2022: \$27b-\$32b



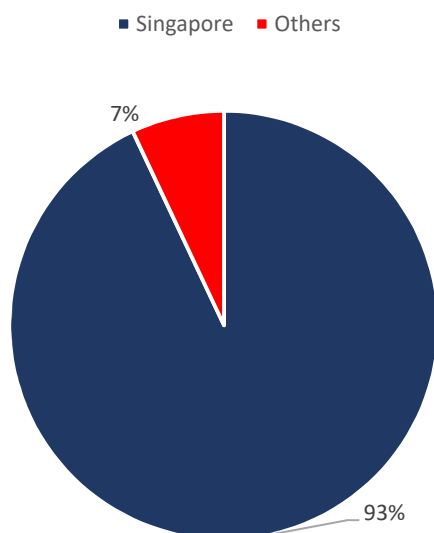
- Source: LTS Research, BCA Singapore

MAJOR MULTI-YEAR CONSTRUCTION PROJECTS

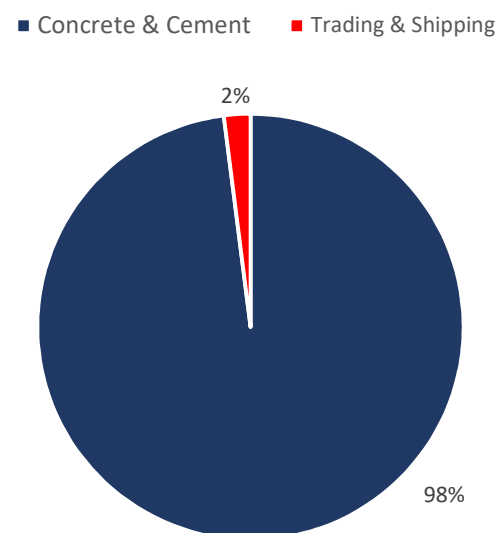
Major upcoming Construction Projects	Start	End	Est. Cost (billion)	Remarks
Sengkang Punggol LRT Depot Expansion, Berth & Jetty Facilities (Tuas, Jurong Island), other civil engineering	2022	-	S\$8.6 - S\$10.5	Civil Engineering
MOH SGH Elective Care Centre, Chill@ChongPang Integrated Dev, LASALLE College extension @ Rochor, International French School extension, Other institutional	2022	-	S\$3.3 - S\$4.1	Institutional and others
JTC Distribution Centre @ Bulim, PUB Tuas WRP, Energy Storage Facilities, Biopharmaceutical Manufacturing Plants, other Industrial	2022	-	S\$4.1 - S\$5.1	Industrial
Certis Cisco Centre and PIL Building redev, Hotel refurbishment at Bayfront Area, Commercial Dev at Sentosa Beachfront, Singapore Science Centre Relocation, others	2022	-	S\$2.6 - S\$3.2	Commercial
Private Residential	2022	-	S\$3.7 - S\$4.0	Residential
New flats and upgrading	2022	-	S\$4.5 - S\$4.7	
Alexandra Hospital	2023-2026	-	-	
Downtown Line Extension to Sungei Kadut				
Integrated Hospital @Bedok				
Toa Payoh Integrated Development				
Cross Island Line	2020	2029	S\$41	
Tuas Mega Port	2015	2040	S\$20	
Changi Airport T5	2020	2030	S\$10	
North South Corridor	2017	2026	S\$3.1	
Greater Southern Waterfront	2024 -2029	-	-	
Integrated Resorts Extension	2019	2026	S\$3.3	
Crisp Project (ExxonMobil)	2019	2023	Multi-billion	
Linde Project (Jurong Island)	2019	2023	S\$2	
Deep Tunnel Sewage System (Phase 2)	2017	2025	S\$6.6	

REVENUE BY SEGMENT

FY21 Revenue by Geographical Location



FY21 Revenue by Business Segment



- Source: LTS Research, Pan-U

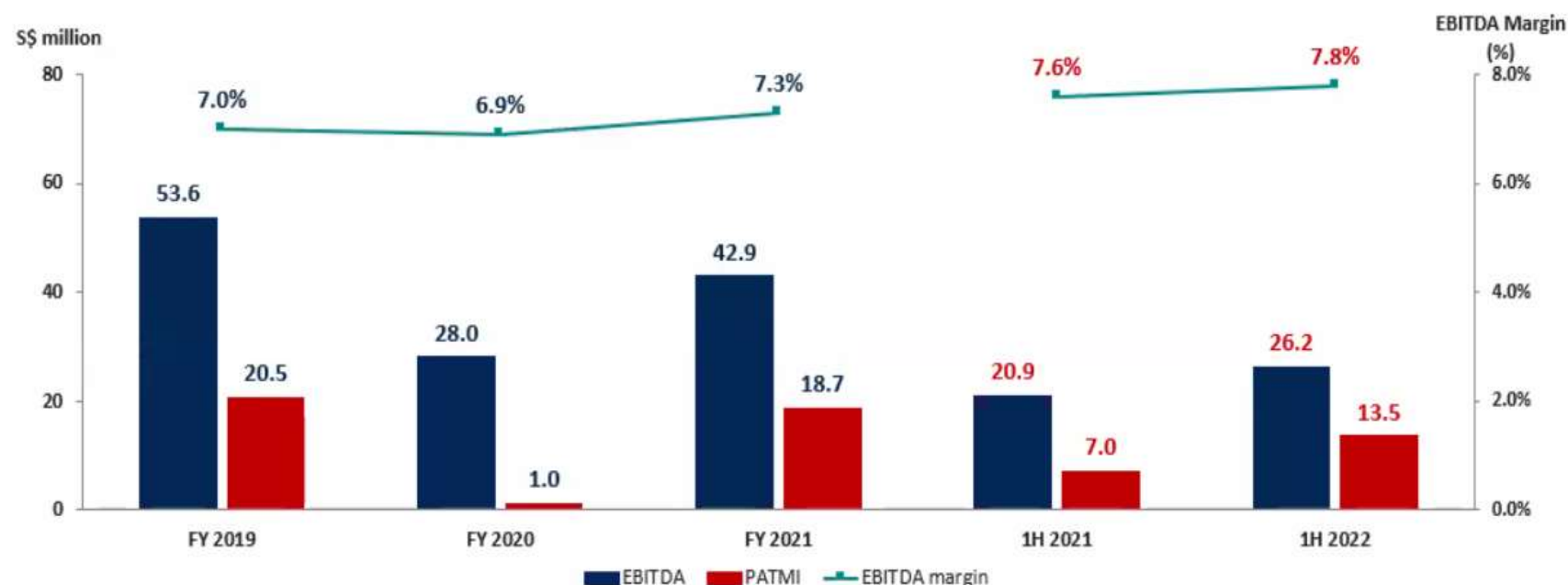
PAN-UNITED'S WIDE ARRAY OF PRODUCTS

Product	Function
PanU Dense	With dense microstructure
PanU Anti-corrosion	For anti-corrosion
PanU Super Hi-Strength	For super high load-bearing structures and buildings
PanU Long Pump	For long distance pumping
PanU Cool	For large-volume casting
PanU Green	For sustainability
PanU Illuma	For illumination
PanU Colour	For aesthetics and safety
PanU Watercrete	For underwater casting
PanU Shield	For radiation protection
PanU SCC	For congested and inaccessible areas
PanU Rapid	For quick recovery
PanU Flex	For road structures
PanU CTB	For airports and roads
PanU CarbonCure	For sustainability

- Source: LTS Research, Pan-U

FINANCIAL HIGHLIGHTS

Total Revenue	S\$ 768.2m	S\$ 405.0m	S\$ 586.9m	S\$ 276.6m	S\$338.1m
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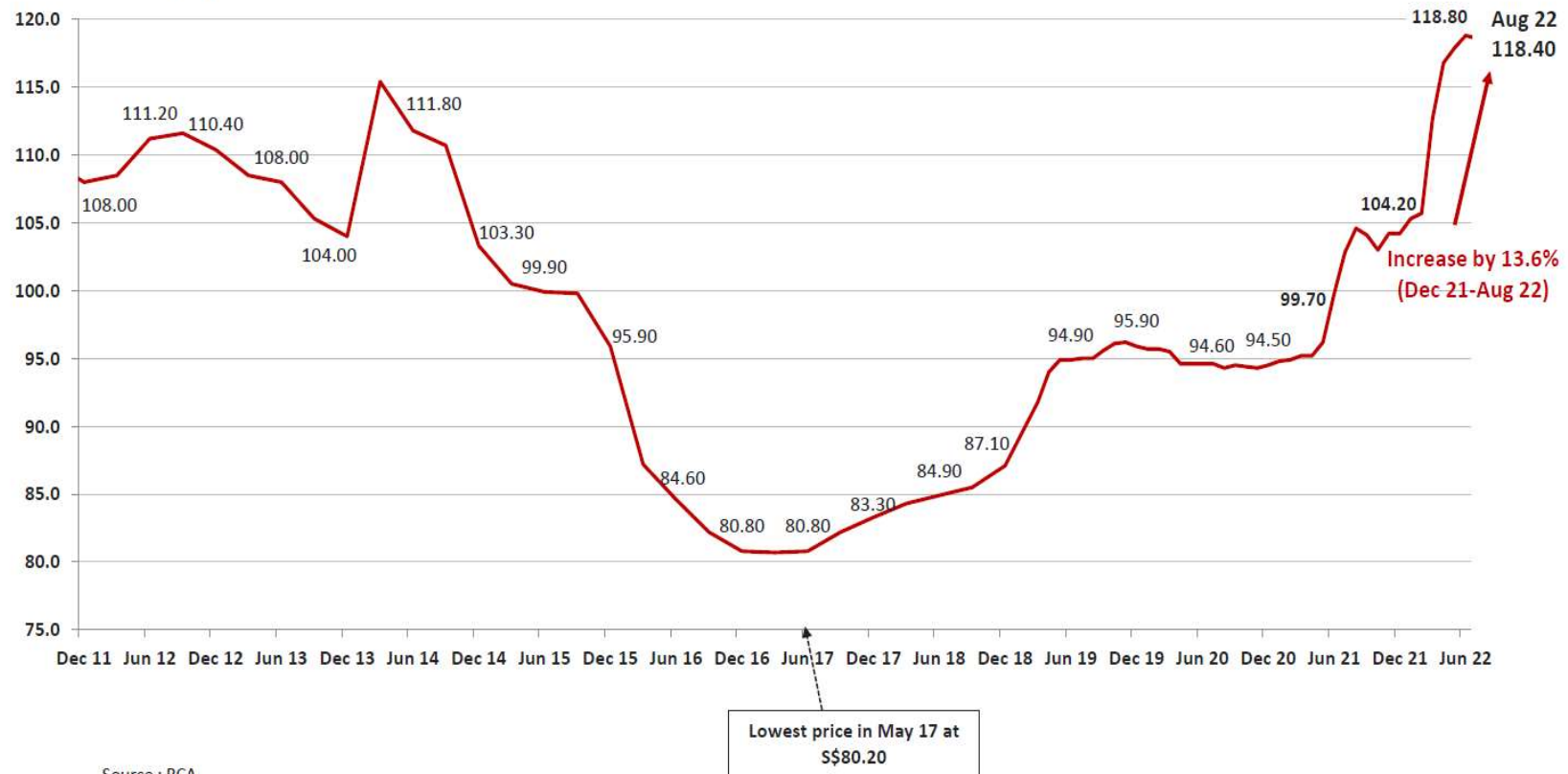


EBITDA EBITDA Margin	FY 2019	FY 2020	FY 2021	1H 2021	1H 2022
C&C	S\$58.3m 9.4%	S\$32.3m 8.3%	S\$50.1m 8.7%	S\$24.9m 9.1%	S\$31.0m 9.4%
Trading	S\$2.5m 1.6%	S\$0.9m 5.0%	S\$0.6m 4.2%	S\$0.2m 5.5%	S\$0.3m 5.2%

- Source: LTS Research, Pan-U

HISTORICAL PRICE OF RMC

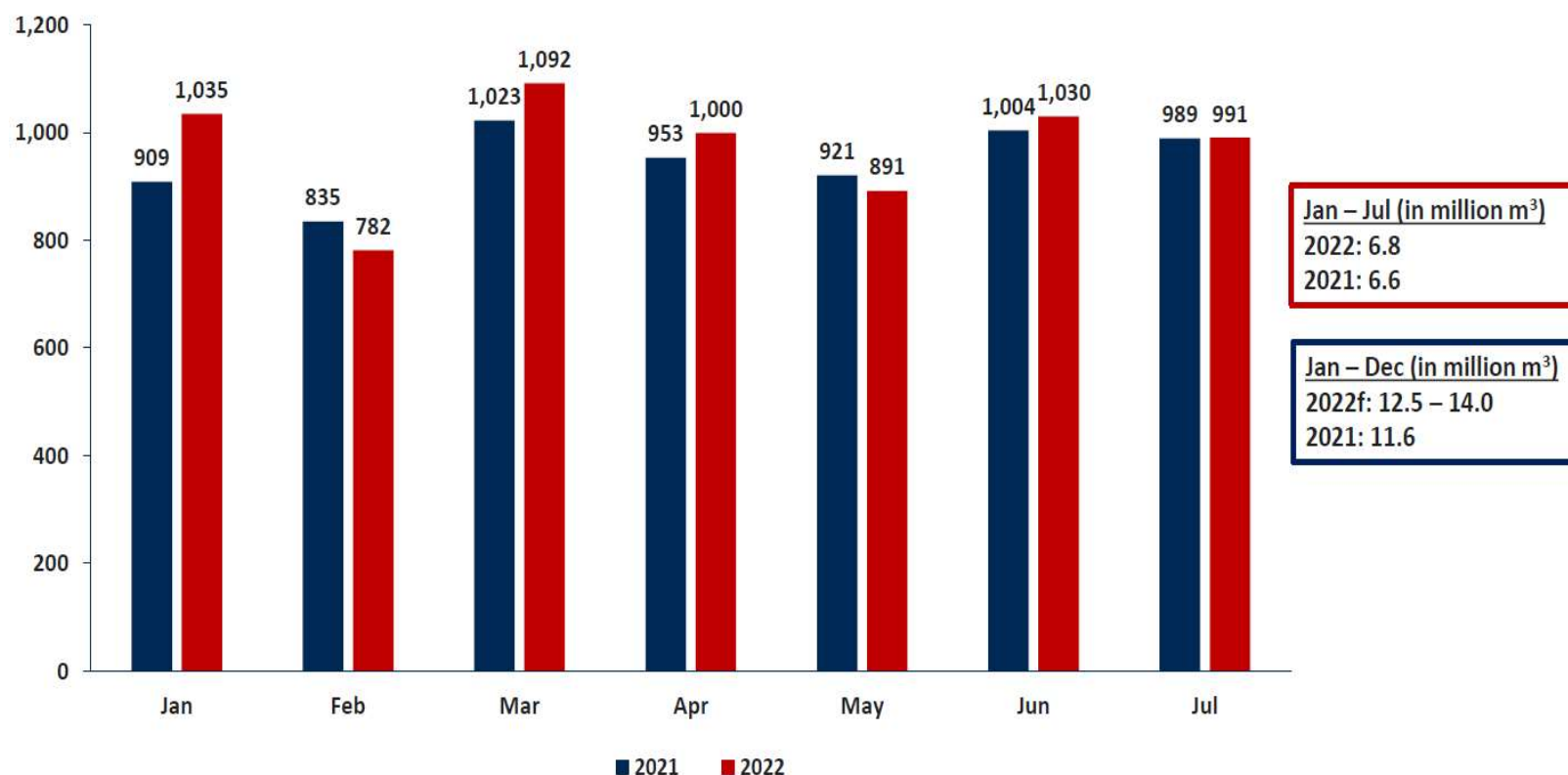
Price of RMC (S\$/m³)



Source : BCA

VOLUME OF RMC (2021 VS 2022)

Volume of Demand ('000 m³)



- Source: LTS Research, Pan-U

BALANCE SHEET HIGHLIGHTS

	FY20	FY21	1H22
Cash and Cash Equivalents	67.6	64.1	61.8
Net Borrowings (exclude lease liabilities)	19.8	-17.5	-5.7
Current ratio	1.64	1.65	1.65

SHARE BUYBACK (APRIL 22 MANDATE)

Date of Share Buyback	No. of shares buyback	Average Price (\$)	Total Cost (\$)
7/11/2022	44,000	0.400	17,600
1/11/2022	44,000	0.405	17,820
25/10/2022	90,000	0.397	35,730
21/10/2022	160,000	0.399	63,840
20/10/2022	14,000	0.395	5,530
30/9/2022	170,000	0.420	71,400
29/9/2022	155,000	0.417	64,635
26/9/2022	151,000	0.428	64,628
22/9/2022	79,000	0.430	33,970
19/9/2022	50,000	0.432	21,600
16/9/2022	6,600	0.435	2,871
15/9/2022	160,000	0.435	69,600
12/9/2022	109,000	0.437	47,633
8/9/2022	104,000	0.435	45,240
2/9/2022	150,000	0.438	65,700
1/9/2022	17,000	0.432	7,344
29/8/2022	190,000	0.432	82,080
25/8/2022	300,000	0.431	129,300
30/6/2022	300,000	0.448	134,400
20/6/2022	113,100	0.439	49,651
8/6/2022	16,700	0.43	7,181
7/6/2022	70,000	0.422	29,540
6/6/2022	48,000	0.421	20,208
27/5/2022	149,000	0.424	63,176
26/5/2022	45,000	0.412	18,540
23/5/2022	19,900	0.415	8,259
17/5/2022	72,000	0.41	29,520
13/5/2022	75,000	0.407	30,525
12/5/2022	198,800	0.407	80,912
11/5/2022	50,000	0.391	19,550
10/5/2022	120,000	0.39	46,800
	3,271,100		1,384,782

Mandate (22 Apr 22)	
Total allowed	70,058,182
Total bought	3,271,100 4.7%
Total cost	\$ 1,384,782
Average cost	\$ 0.423

SHARE BUYBACK (2012 MANDATE)

2012 Share Buy Back



2012 Share buyback	
Date	No. of shares
May-12	1,410,000
Jun-12	2,409,000
Jul-12	1,346,000
Aug-12	2,053,000
Sep-12	150,000
Oct-12	670,000
Nov-12	386,000
Dec-12	66,000
Total buyback	8,490,000

Total buyback is 15.3%
of

Max no of shares allowed to buyback 55,641,156

- May 2012 – May 2013: Share price rose 105%

SHARE BUYBACK (APRIL 22 MANDATE)

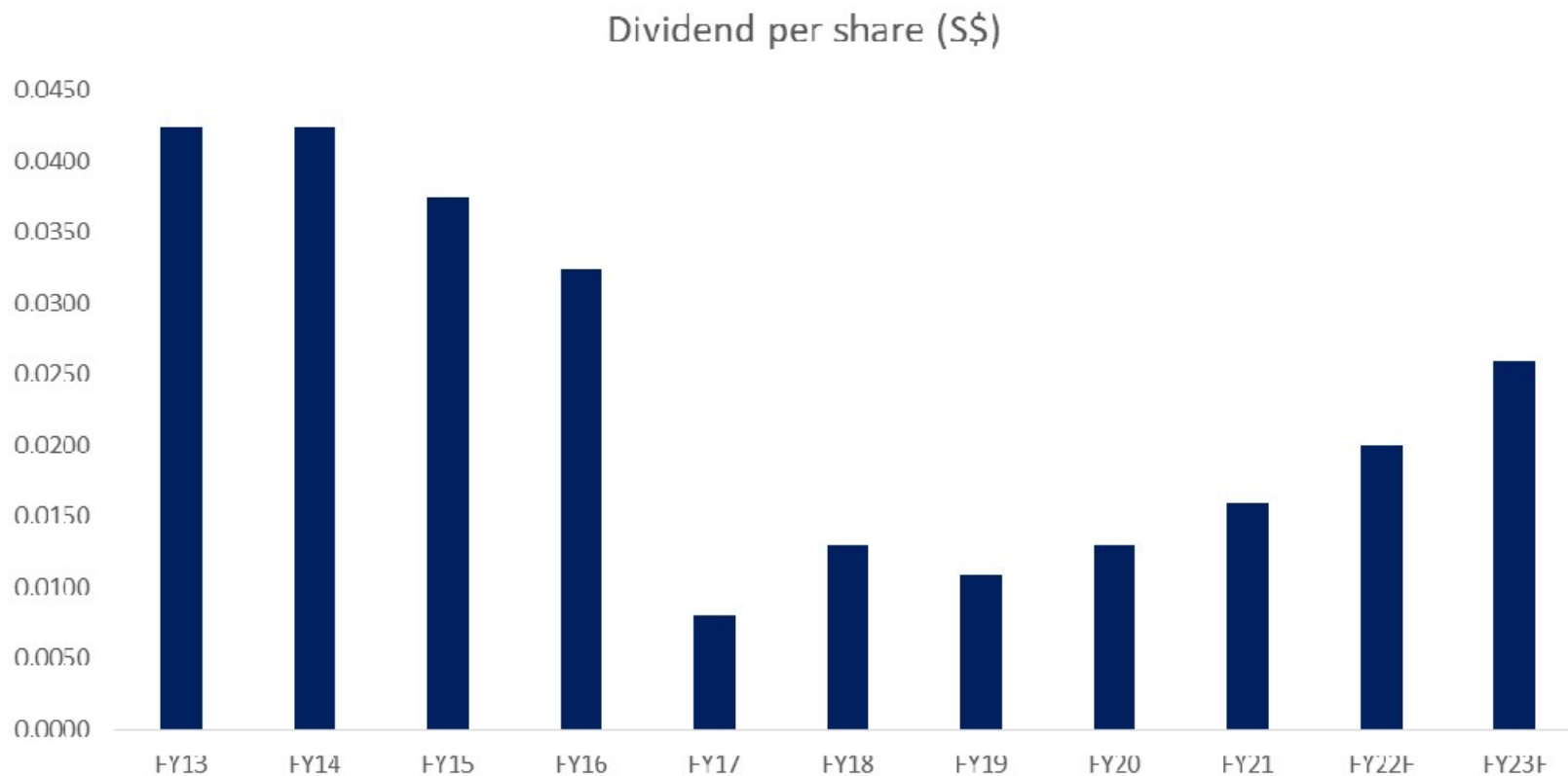
2021 - 2022 Share Buyback



Mandate (22 Apr 22)	
Total allowed	70,058,182
Total bought	3,271,100 4.7%
Total cost	\$ 1,384,782
Average cost	\$ 0.423

- Dec 21 – Nov 22: Share price rose from S\$0.30 to \$0.40 (+33%)

DIVIDEND



- **Source: LTS Research, Bloomberg**

TECHNOLOGY AS A GROWTH DRIVER



AiM (Artificial Intelligence Mixing) in-transit concrete management system.

AiM eradicates the need for quality assessors and product technicians to be physically present at the worksite to test and approve the concrete quality from each mixer truck.

AiR Offered in the form of a software as a service (“SaaS”), the AiR platform is modular and customisable depending on the user company.

- streamlining daily operations
- higher productivity
- yield substantial cost savings for RMC companies which employs AiR.
- Algorithms and machine learning are built into AiR to seamlessly overcome operational painpoints.
- eDOs and e-invoices allowed employees to work from home and minimise physical contact.



PanU New Generation Self-Compacting Concrete (PanU NewGen SCC).

This specialised rheologic concrete flows to hard-to-fill corners and requires only 3 workers per concrete pumping pipe as opposed to 7 workers needed previously.

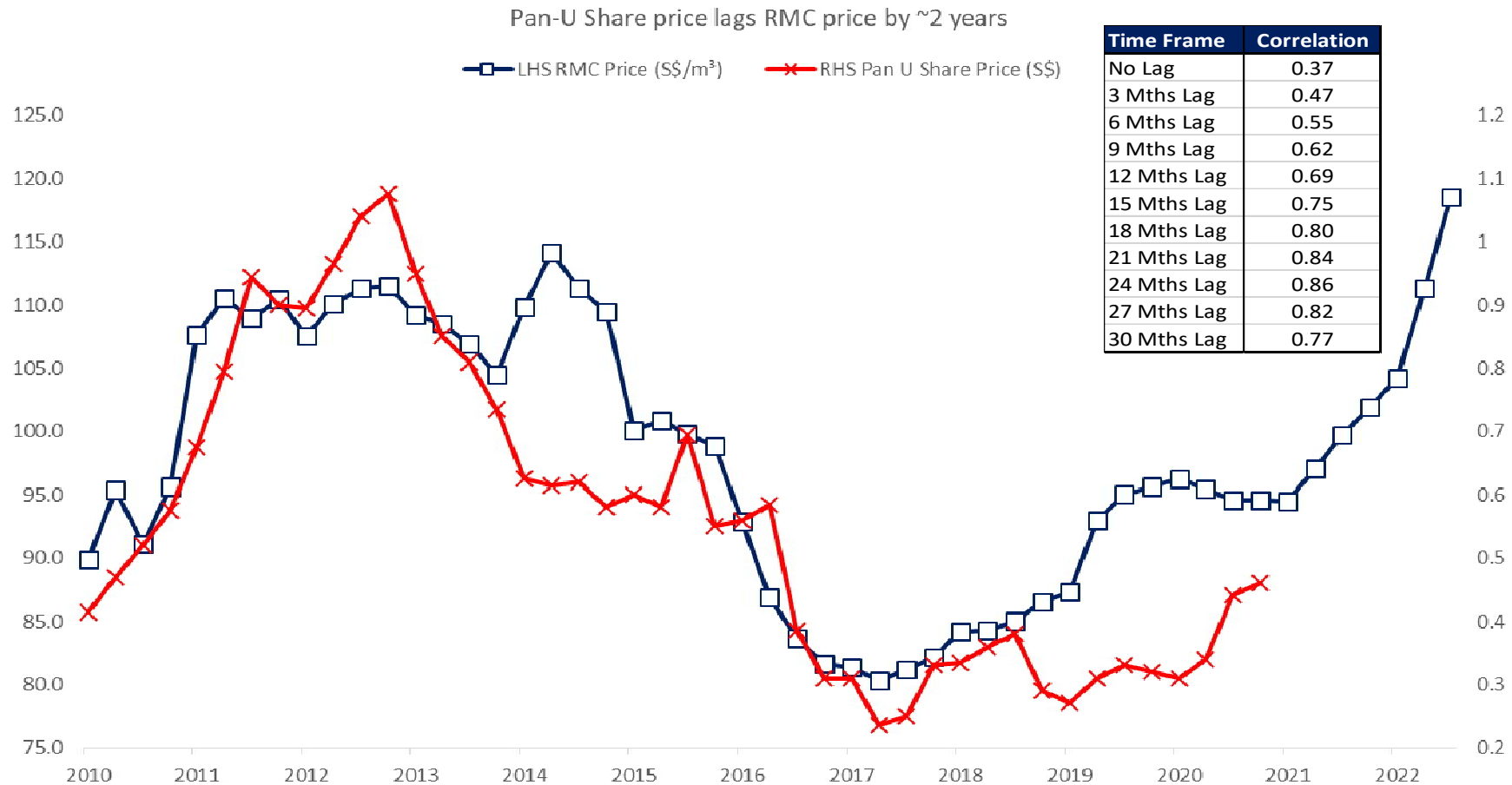
GREEN INITIATIVES

Period ending	Singapore Green Plan	Pan United's Sustainability Targets
2030	Green 80% of Singapore's buildings (by Gross Floor Area)	Offer only low-carbon concrete.
	80% of new buildings (by Gross Floor Area) to be SLE buildings	
	Best-in-class green buildings to see an 80% improvement in energy efficiency (over 2005 levels)	
2040	Internal Combustion Engine (ICE) vehicles will be phased out by 2040. All newly registered vehicles will be cleaner-energy models starting from 2030.	Offer carbon-neutral concrete products. (Currently conducting studies on powering their trucks with hydrogen and electricity.)
2050	Cut emissions by 50% from their peak	Be a carbon-neutral ready-mix concrete company

- Pan-United is the leader for low carbon concrete products
- Sustainability targets align with Singapore's Green Plan
- Strong working relationship with government-owned companies
- Green initiatives to decarbonise solutions in the built environment and their truck fleet

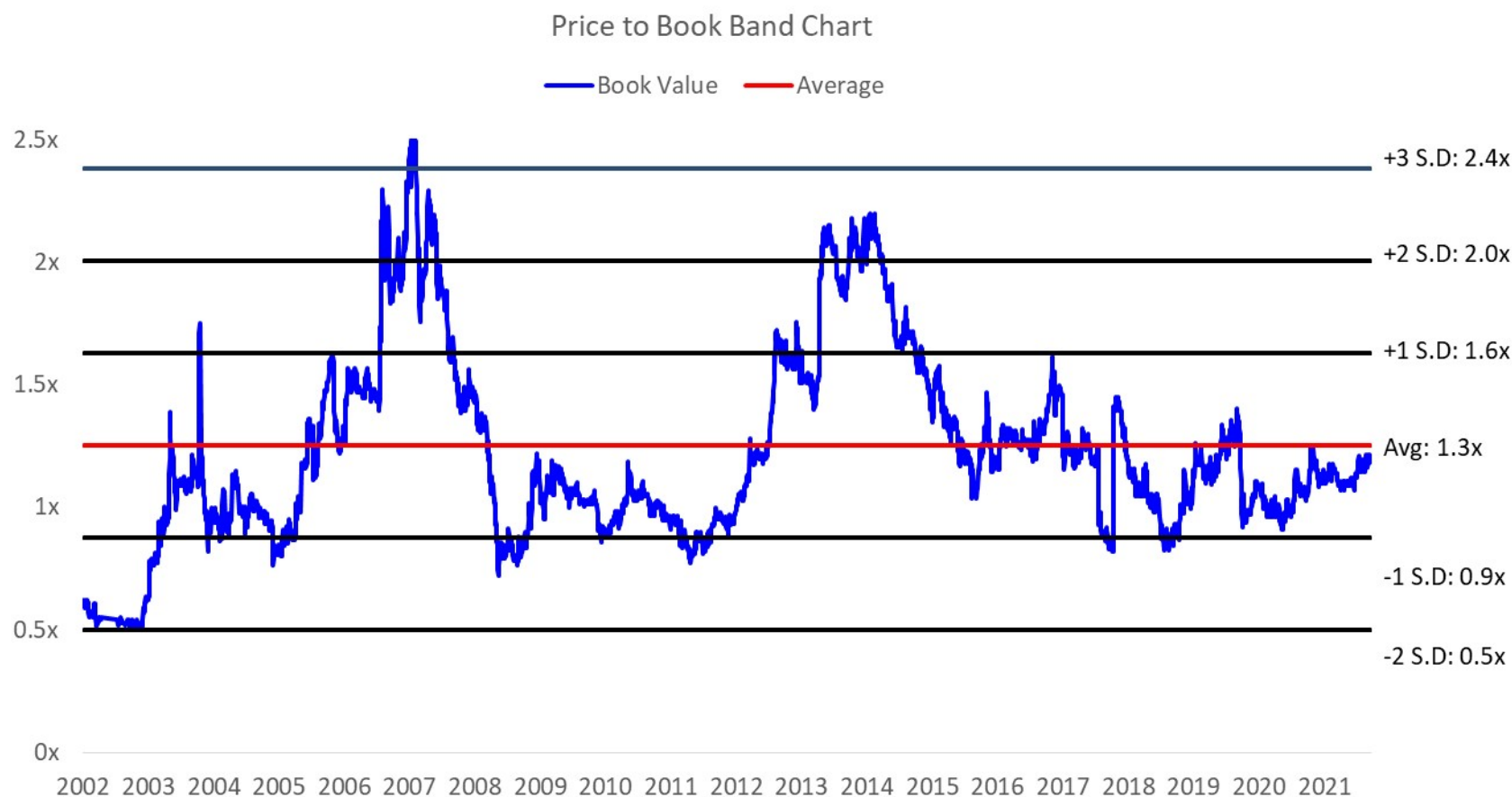


CORRELATION BETWEEN PAN-U SHARE PRICE AND RMC PRICE



- Source: LTS Research, BCA, Pan-U

HISTORICAL PB



- Source: LTS Research, Bloomberg

CHEAP VALUATION

Name	Market Cap (S\$bn)	Forward PE	PE (x)	EV/EBITDA Fwd (x)	PB (x)	ROE (x)	Div Yield	Last Price	52w High	52wk Low
PAN-UNITED CORP LTD	0.3	9.8	11.1	6.9	1.3	12%	4.0%	0.40	0.47	0.30
ENGRO CORP LTD	0.1	-	3.8	-	0.4	11%	6.2%	1.00	1.35	1.00
TAIWAN CEMENT	10.0	26.4	21.5	13.8	1.1	5%	2.8%	31.90	45.64	29.80
HOLCIM LTD	41.3	10.9	11.0	6.2	1.1	10%	4.7%	47.31	50.37	36.98
CHINA NATIONAL BUILDING MA-H	8.1	3.8	3.1	5.1	0.4	14%	15.1%	5.37	11.60	4.49
MALAYAN CEMENT BHD	0.8	35.3	35.0	16.7	0.7	3%	-	2.01	3.14	1.84
EUGENE CORP	0.3	-	10.9	11.6	0.3	8%	4.8%	3,510.00	5,290.00	3,180.00
ASIA CEMENT CHINA HOLDINGS	0.9	6.0	5.8	0.2	0.3	5%	17.0%	3.10	6.40	2.74
TAIHEIYO CEMENT CORP	2.4	17.4	10.8	5.1	0.5	-	3.4%	2,040.00	2,486.00	1,861.00
ADBRI LTD	1.0	11.8	10.1	10.0	0.9	9%	10.2%	1.68	3.37	1.34
ULTRATECH CEMENT LTD	34.5	35.8	28.0	17.1	4.0	16%	0.5%	6,968.30	8,256.45	5,157.05
CEMENTOS MOLINS SA	1.7	10.1	11.0	8.9	1.1	11%	3.1%	17.80	19.00	14.90
SIAM CITY CEMENT PUB CO LTD	1.7	10.9	11.6	8.3	1.2	10%	6.1%	148.50	175.50	145.00
SEMEN INDONESIA PERSERO TBK	4.1	19.1	20.3	7.2	1.2	6%	2.2%	7,800.00	9,700.00	5,850.00
Average		16.4	13.9	9.0	1.0	9%	6.2%			

- 2022F PE trading at a 40% discount to peers

- Source: LTS Research, Bloomberg

RISKS

- **Covid-19, new variants, dengue and workplace safety issues.** With the heightened alert on health and safety, these interruptions may remain to be a thorn in the flesh with every effort to ramp up construction activities.
- **Geopolitical unrest, inflation and rising costs.** Oil prices had been on the rise again, with OPEC+ looking to deep oil output cuts. This could drive inflation higher which translates to higher freight costs and raw materials such as sand for Pan-United.
- **Lack of experienced workers.** It takes approximately a year for new workers to learn the ropes and productivity to ramp up. At the same time, the industry is anticipating experienced workers to return to work to improve the situation.



- Civmec is a heavy engineering and construction services provider in Australia focused on the Resources, Energy, Infrastructure and Marine & Defence sectors
- Investment Merits
 1. Strong order book
 2. Defensive company with recurring revenue streams
 3. Cheap valuations, Strong financials
- Key Statistics
 - Market Cap: S\$296mln
 - Price Close: S\$0.59 (Target Price = S\$1.05)
 - P/B Ratio: 0.9x
 - P/E Ratio: 6.2x
 - Dividend Yield: 4.6%
 - FY22 Net Gearing: 8.9%
 - 52 week low/high: S\$0.57/S\$0.73
 - Major Shareholder(s):
 - James Finbarr Fitzgerald (19.5%)
 - Patrick John Tallon (19.5%)

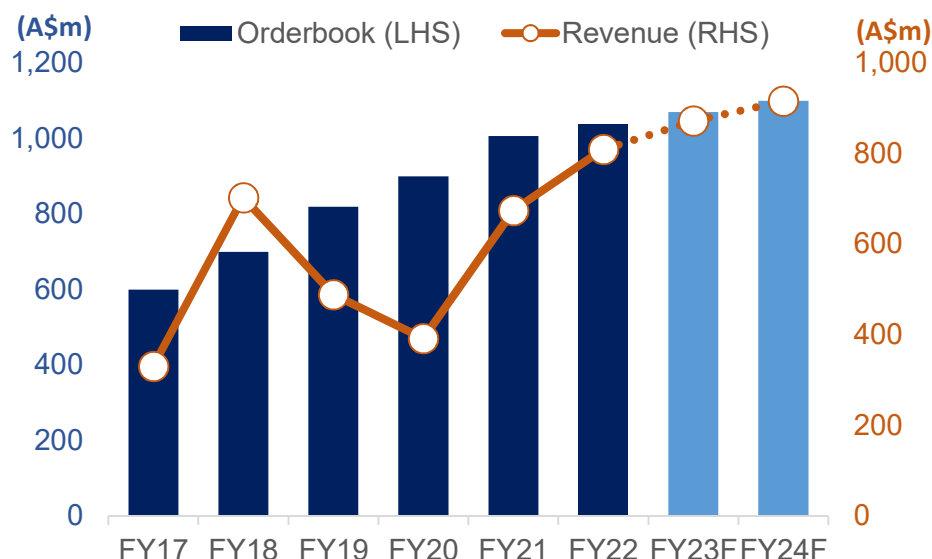
• Source: LTS Research, Civmec

FY22 Results

	FY22 (A\$M)	FY21 (A\$M)	+ / (-) %
Sales revenue	809.3	674.2	20.0
Gross profit	90.8	75.0	21.1
EBITDA	94.5	73.8	28.0
EBITDA Margin	11.7%	10.9%	0.8pp
NPAT	50.8	34.8	46.0
NPAT Margin	6.3%	5.2%	1.1pp

- **Growth in top and bottom lines.** Civmec reported FY22 net income of A\$50.8mln, up 46.0% from A\$34.8mln a year earlier, while revenue increased 20.0% to A\$809.3mln. Civmec's FY22 net income is 12% above the consensus estimate of A\$45.4mln.
- **Order book as of end-FY22 remained resilient** at A\$1.04bln, securing the majority of revenue for the next 12 months. Civmec remains positive about the pipeline opportunities to continually replenish its order book.
- EBITDA margin increased 0.8pp to 11.7% while net margin increased 1.1pp to 6.3%.

1. Strong order book



Capex Spending

	2021	2022F	2023F
Rio Tinto (US\$m)	7,400	7,500	9,500
BHP (US\$m)	7,120	7,545	7,600
Chevron (US\$m)	11,700	15,000	16,000

- Increase in order book over the past 5 years
- Order book increased 12% CAGR over the past 5 years to A\$1.04 billion at end-FY22. It secures the majority of revenue for FY23, with a portion extending as far back as 2029.
- Order book expected to increase in the coming years with the Australian government pumping money into infrastructure and naval shipbuilding industries
 - Dividends stable and increasing in past 5 years – 0.7ct in FY17 to 3cts in FY22. Increased revenue and earnings will allow higher dividends to be paid out comfortably.
- Increase in capital expenditure forecasted by Civmec's major resources and energy clients.

2. Defensive company with recurring revenue streams

Key Projects	
Private Sector	Public Sector
Iron Bridge Magnetite Project	Offshore Patrol Vessels
Mesa A Iron Ore Project	Perth Kids' Bridge
Lithium Refinery Project	Causeway Pedestrian and Cyclist Bridge
Dumper tray bodies	Transport for NSW Bridge Projects
Shiploader and Berth Replacement (SABR) Project	Sydney Gateway Project SB31 Bridge and Viaduct
Scarborough Project – subsea structures	

Recurring Revenue	
Current	Maintenance & Shutdown Contracts
Future	Offshore Patrol Vessels maintenance

- Ongoing projects in both the public and private sectors, dampening cyclical fluctuations of the economy on the business.
 - When public sector is busy, private sector is less busy and vice versa. Sustainability of revenue and earnings.
- Public sector – projects in rail and road, infrastructure, naval defence.
- Private sector – projects in oil & gas, metals and minerals, clean energy.
- 20% of order books is recurring in nature – including maintenance works for resources and energy clients such as Roy Hill, FMG, Alcoa, Rio Tinto, Chevron, QAL.
 - Establishing permanent facilities in Port Hedland and Gladstone region near major players, expected to be productive within the next 12-18 months.

2. Defensive company with recurring revenue streams



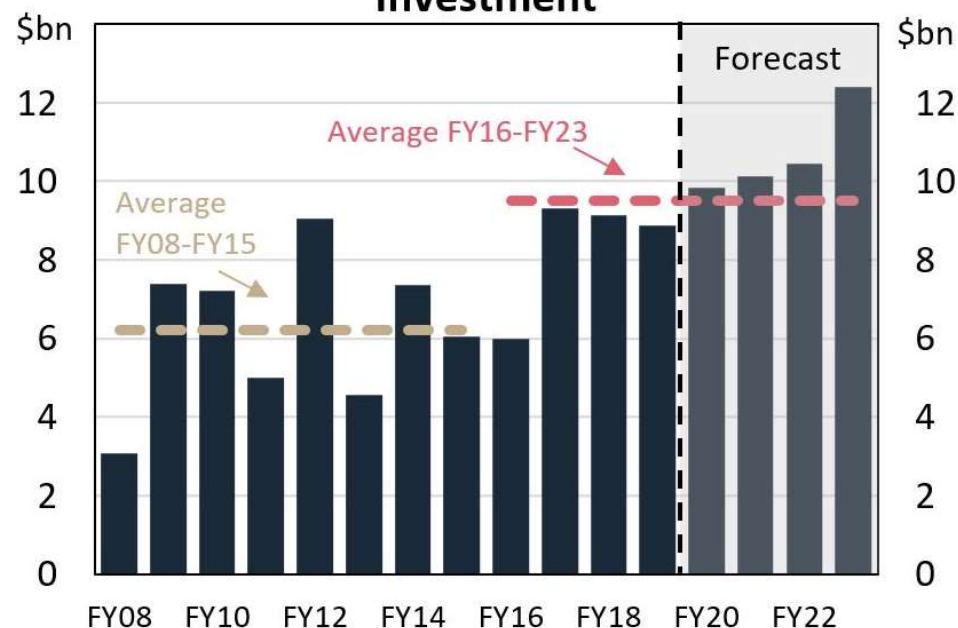
Defence

- Australian government to invest A\$183 billion in naval shipbuilding capabilities by 2050.
 - Cvmec has situated its largest heavy engineering facility in Henderson – able to build and maintain large vessels.
- Involved in the construction of 12 offshore patrol vessels (OPVs) for the Australian navy.
 - Through a partnership with German shipbuilder Lürssen, 10 of the 12 OPVs will be built in Henderson, giving Cvmec recurring income till 2029. Currently building OPV5.
 - Very high barriers to entry in defence business
- Major strategic review announced in Aug'22 amid growing securities threats in the region
 - Prospects for more contracts to be awarded by the Australian military.

• Source: LTS Research, Cvmec

2. Defensive company with recurring revenue streams

Commonwealth Transport Infrastructure Investment



Infrastructure

- Australian Government announced during the 2022 federal budget that they will invest A\$120 billion over 10 years in transport infrastructure across the country.
 - Includes addition A\$17.9 billion for new road, rail and community infrastructure projects.
- Recently awarded contract to build The Causeway Pedestrian and Cyclist Bridge
 - Share of works ~A\$55mln, commencement of site works in 3Q22 and completion in 3Q24
- Huge opportunities for Civmec as a Tier-1 contractor – the company is experienced in previous government infrastructure projects which include the Northwest Rail Link project and Pacific Highway (NSW) project.

- Source: LTS Research, Civmec

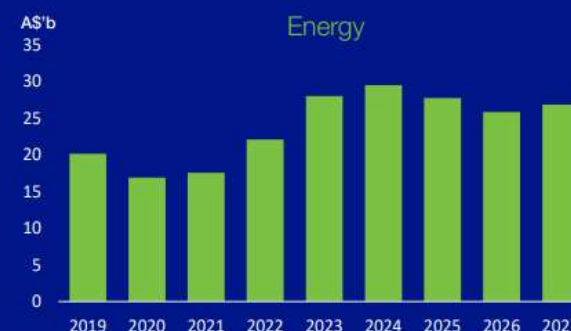
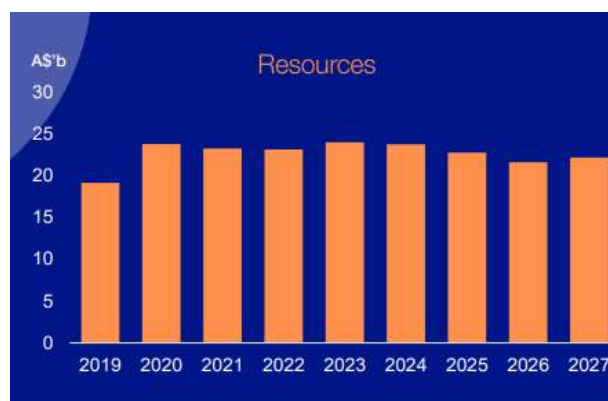
2. Defensive company with recurring revenue streams



Iron ore price trend (2012-2022)

Commodities

- Major energy and resources clients like Chevron, Rio Tinto, BHP, Fortescue Metals Group, Alcoa.
- Civmec has several iron ore projects, the main ones are the Mesa A Wet Plant and the Iron Bridge Magnetite Project.
- 60% drop in iron ore index since July 2021. Still above breakeven point of US\$20/t. When clients increase their mining processes, lead to more wear and tear and higher capex expenditures.



- Source: LTS Research, Civmec

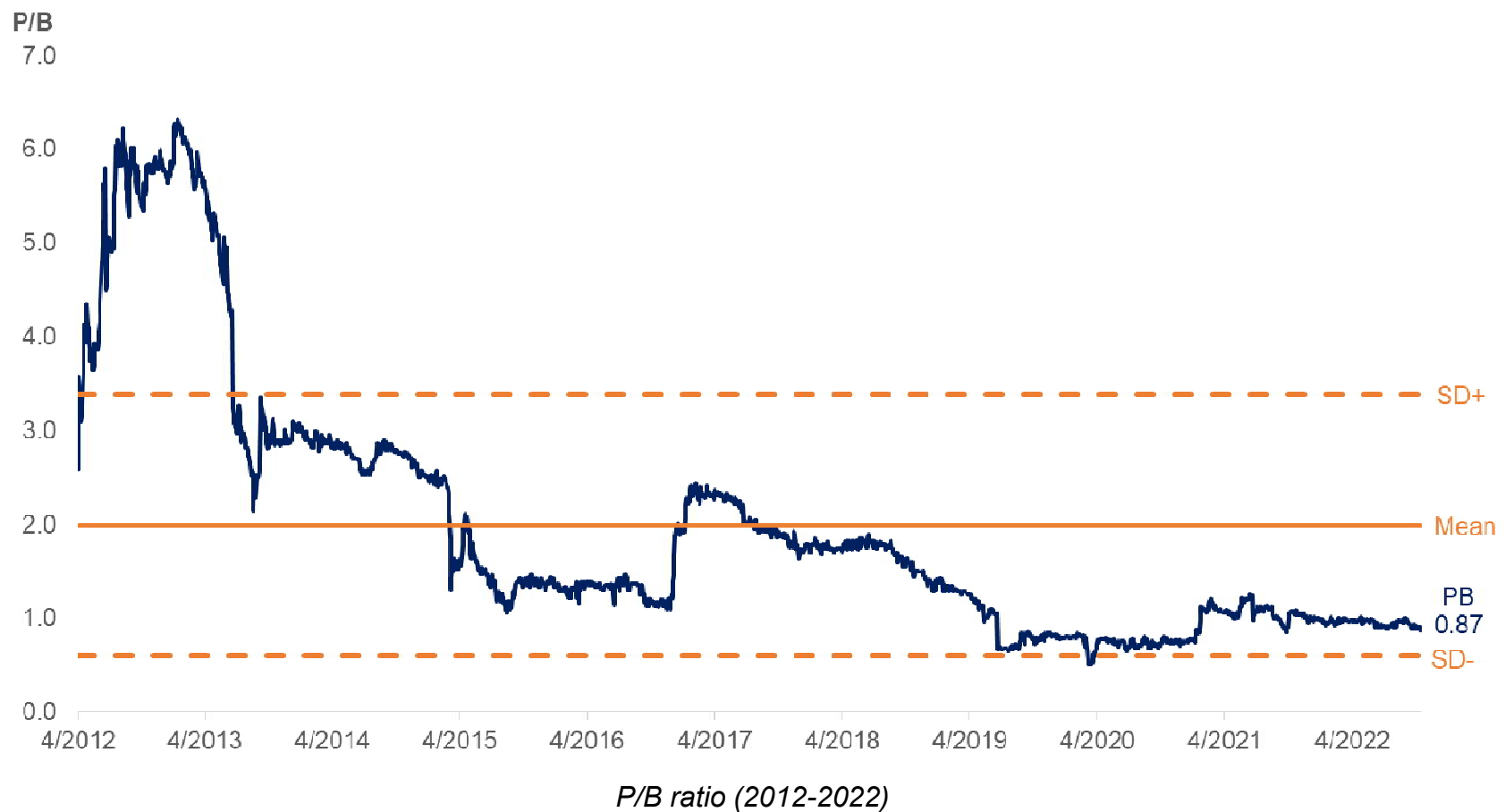
3. Cheap valuations, Strong financials

P/E ratio (2017-2022)



- Civmec is trading at attractive valuations currently. Trailing P/E and current P/B ratios stand at 6.5x and 0.9x respectively. Post-IPO years between 2012-2015 Civmec was trading at P/E 13.3x and P/B 3.4x.
- Both gross and net margins increased from FY19 – FY22, from 5% to 11% and 1% to 6% respectively. We expect a growing order book to contribute to higher earnings and share price appreciation.

3. Cheap valuations, Strong financials



Balance Sheet Analysis

In A\$'000	FY22	FY21
Cash	40,841	48,172
ST Debt	28,000	-
LT Debt	46,000	60,000
Total Debt	74,000	60,000
Equity	371,393	292,126
Net Gearing	8.9%	4.0%
Operating Cash Flow	1,774	58,263
Total Asset	725,662	636,939
Debt To Asset	10%	9%
EBITDA	91,451	70,852
Interest Costs	2,350	4,200
Interest Coverage Ratio	39	17

- Civmec's net gearing ratio stands at 8.9%, an increase from 4.0% the year before due to A\$20.0mIn worth of trade financing which is payable in the next year.
 - Excluding this multi-option facility, net gearing stands at healthy 3.5%.
- Fully paid long term debt of A\$60 million in Nov 2021.
 - Refinanced with bank facility of A\$54 million. Current interest rate of 1.53% p.a. provides interest expense savings of about A\$3mIn per annum.
- Equity to shareholders increased by 27% in FY22 due to record profits as well as revaluation gain on freehold land and buildings

Historical Operating Statistics

FYE June	FY18	FY19	FY20	FY21	FY22	FY23F
Revenue (A\$mIn)	702.4	488.5	391.9	674.2	809.3	872.2
<i>Growth</i>	<i>113%</i>	<i>-30%</i>	<i>-20%</i>	<i>74%</i>	<i>20%</i>	<i>8%</i>
Gross Profit (A\$mIn)	38.4	25.5	44.7	75.0	90.8	95.9
<i>Growth</i>	<i>9%</i>	<i>-34%</i>	<i>75%</i>	<i>68%</i>	<i>21%</i>	<i>6%</i>
Net Profit (A\$mIn)	18.1	6.1	17.6	34.8	50.8	53.1
<i>Growth</i>	<i>126%</i>	<i>-66%</i>	<i>189%</i>	<i>98%</i>	<i>46%</i>	<i>5%</i>
Gross Margins	5%	5%	11%	11%	11%	11%
Net Margins	3%	1%	4%	5%	6%	6%
Dividend Per Share (A cts)	0.7	0.7	1.0	2.0	3.0	3.0
Earnings Per Share (A cts)	3.6	1.2	3.5	6.9	10.11	10.57
Dividend Payout Ratio	19.4%	58.3%	28.6%	29.0%	29.7%	28.4%
Price-Earnings Ratio	18.2	54.6	18.7	9.5	6.5	6.2

Peer Valuations

Name	Market Cap (\$\$bn)	Stock Perf YTD%	P/E (x)	Forward PE(x)	EV/ EBITDA (x)	P/B(x)	ROE(%)	Div Yield
CIVMEC LTD	0.3	-10.6%	6.5	6.2	4.4	0.9	13.7%	4.6%
PERENTI GLOBAL LTD	0.6	3.8%	16.7	7.6	2.5	0.5	3.1%	NA
GR ENGINEERING SERVICES LTD	0.3	5.7%	10.3	13.0	3.9	5.8	61.0%	12.2%
MONADELPHOUS GROUP LTD	1.2	42.7%	25.1	22.2	8.1	3.2	12.9%	5.1%
DOWNER EDI LTD	2.7	-26.0%	20.7	12.3	7.5	1.1	5.4%	5.4%
EMECO HOLDINGS LTD	0.4	-10.8%	6.5	5.3	2.4	0.7	11.8%	4.5%
IMDEX LTD	0.7	-30.5%	18.2	15.5	7.2	2.7	16.3%	2.4%
MACMAHON HOLDINGS LTD	0.3	-27.0%	10.5	4.4	1.9	0.5	5.0%	4.8%
NRW HOLDINGS LTD	1.0	42.2%	11.5	10.3	3.0	1.9	17.0%	7.1%
SOUTHERN CROSS ELECTRICAL	0.2	13.3%	11.0	9.1	2.9	1.0	8.8%	10.6%
SRG GLOBAL LTD	0.3	37.3%	15.4	10.4	4.2	1.3	8.7%	6.1%
Median		3.8%	11.5	10.3	3.9	1.1	11.8%	5.3%
Average		3.6%	13.9	10.6	4.4	1.8	14.9%	6.3%

- Source: LTS Research, Bloomberg

Historical Price



Price trend (2012-2022)

- **Source: LTS Research, Bloomberg**

Target Consensus (Bbg Chart)



- Source: LTS Research, Bloomberg

Risks

- Rising labour costs
 - Labour shortages in Australia due to Covid-19 restrictions may result in rising labour costs. That said, Western Australia recently reopened its borders to vaccinated travellers since March 2022 which should help to benefit the flow of interstate workers into the region.
- China's reduction in demand for iron ore
 - Resources segment accounted for 78% of Civmec's FY2022 revenue. China imports most of Australia's iron ore, increasing trade tensions may result in additional sanctions imposed which will impact Civmec's revenue. Additionally, a weakened property sector in China may cause a drop in demand for iron ore.
- Foreign exchange risk
 - Civmec's functional currency is denominated in AUD which can expose shareholders in Singapore to foreign exchange risks.

UOL



• Source: UOL

- UOL is a diversified property player with the following segments
 - Property Development (45% of profit)
 - Investments (40% of profit)
 - Hotel Operations (7% of profit)
 - Investment/Mgmt Services (9% of profit)
- To recap
 - Main operations are in Singapore (80% of FY19 Revenue pre-covid) and 80% of income is recurring
 - Property doing well, hospitality expected to recover
- Valuations
 - Market Cap: \$5.6bln
 - Price Close: \$6.32
 - P/B Ratio: 0.5x
 - P/E Ratio: 15.4x
 - Dividend Yield: 2.4%
 - Net Gearing: 28%
 - 52 week low/high: \$6.40/\$7.57
 - Major Shareholder: Wee Family (~43%)

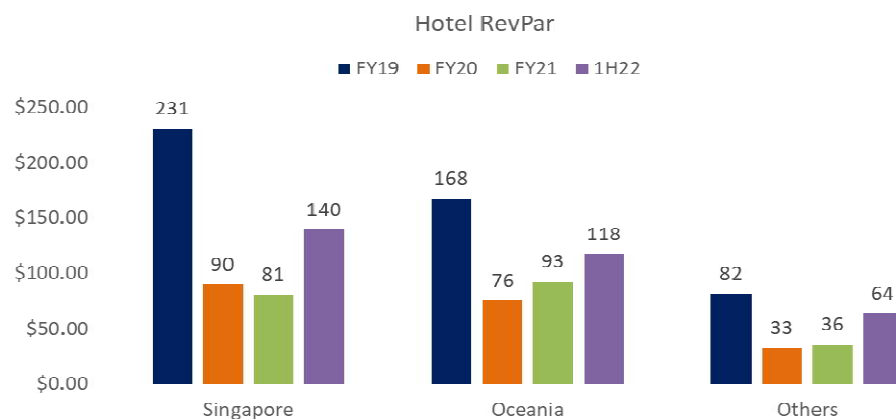
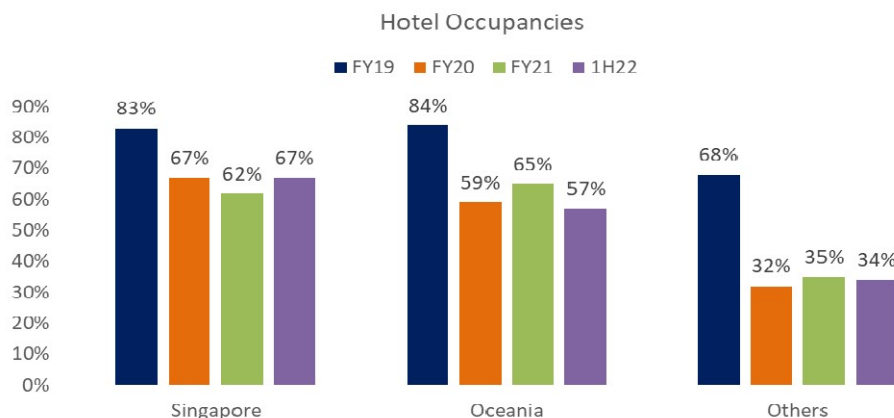
UOL 1H22 Updates

Operational Highlights	FY19	FY20	FY21	1H21	1H22	Change
Revenue	2,283	1,977	2,607	1,131	1,534	36%
Profit before FV adj./ (Loss)	479	13	307	214	316	47%
Fair Value Gains/ (Loss)	220	-293	114	-15	317	N.A
Residential sales (units)	N.A	794	799	231	263	14%
Retail Occupancy (%)	N.A	95%	93%	93%	96%	
Shopper Footfall (cumulative yoy)	N.A	-42%	-9%	-7%	22%	
Retail lease expiries in next year	N.A	30%	21%	14%	9%	
Office Occupancy (%)						
SG	N.A	94%	91%	91%	87%	
UK	N.A	92%	91%	91%	80%	
AU	N.A	100%	100%	100%	100%	
Office lease expiries	15%	21%	21%	11%	14%	
Hotel Occupancy (%)						
SG	83%	67%	62%	46%	67%	
Oceania	84%	59%	65%	77%	57%	
Others	68%	32%	35%	32%	34%	
Hotel RevPar(\$\$)						
SG	231	90	81	62	140	126%
Oceania	76	168	93	97	118	22%
Others	33	82	36	57	64	12%

- Shown improvements, but not enough and has more to go
 - Results driven by property development, which saw SG's EBITDA more than double
 - Hotels have reversed losses, but contributions not significant yet
- Full reopening was on April 22, UOL only had 3 months since then, excluding lag time. 2H22 should post more recovery especially for its hotel segments.
- Despite that, all metrics have shown recovery.

• Source: LTS Research

UOL Hotel Operations

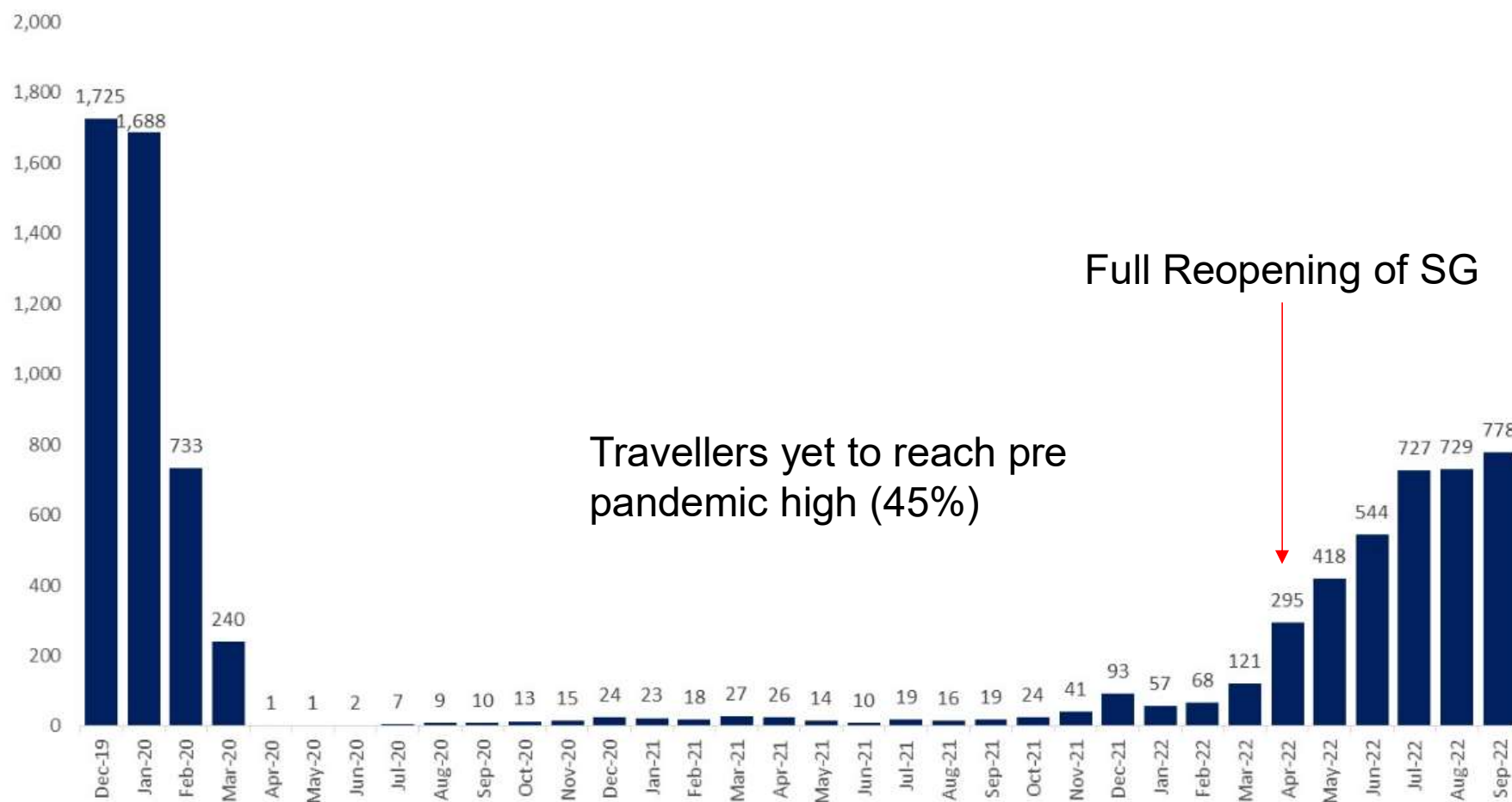


- Singapore's reopening in April 2022 allows for only 3 months of hospitality recovery. Full recovery is not seen compared to other hotelier's results as they are more regional.
- UOL has taken this downtime to do AEI and will open in the following locations
 - SG – Pan Pacific Orchard (347 room) in 1H23
 - Jakarta – Pan Pacific Jakarta (158 room) in 2H23
 - KL – PARKROYAL KL (535 room) in 1H22. Undergone AEI in June 2020.
- UOL will redevelop Faber House into a hotel with construction works commencing 1H23 and target completion in 1H26

• Source: UOL

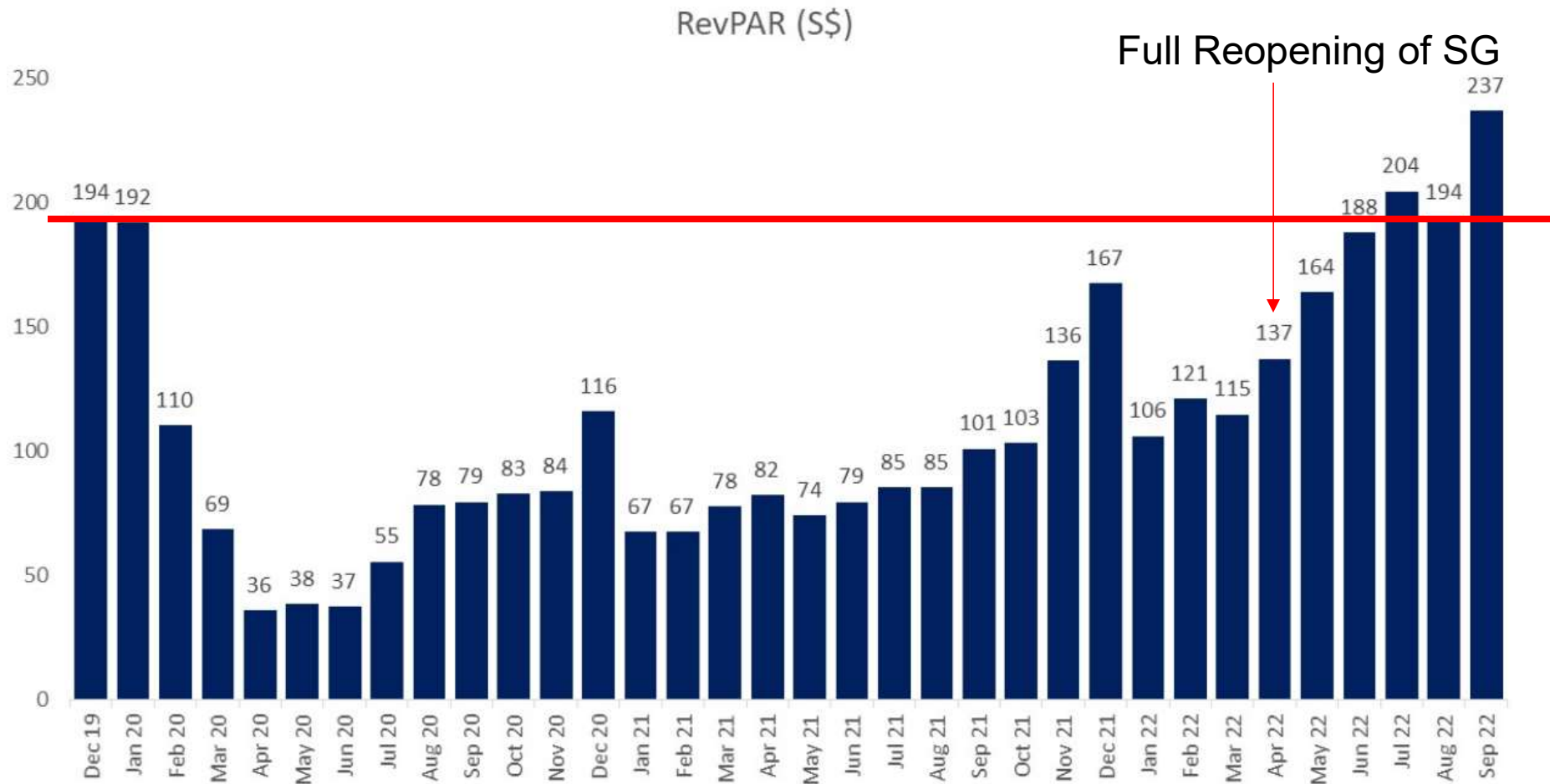
Travellers yet to reach pre-pandemic high (45%).

Visitors Arrival to Singapore (Thousands)



- Source: LTS Research, LTA

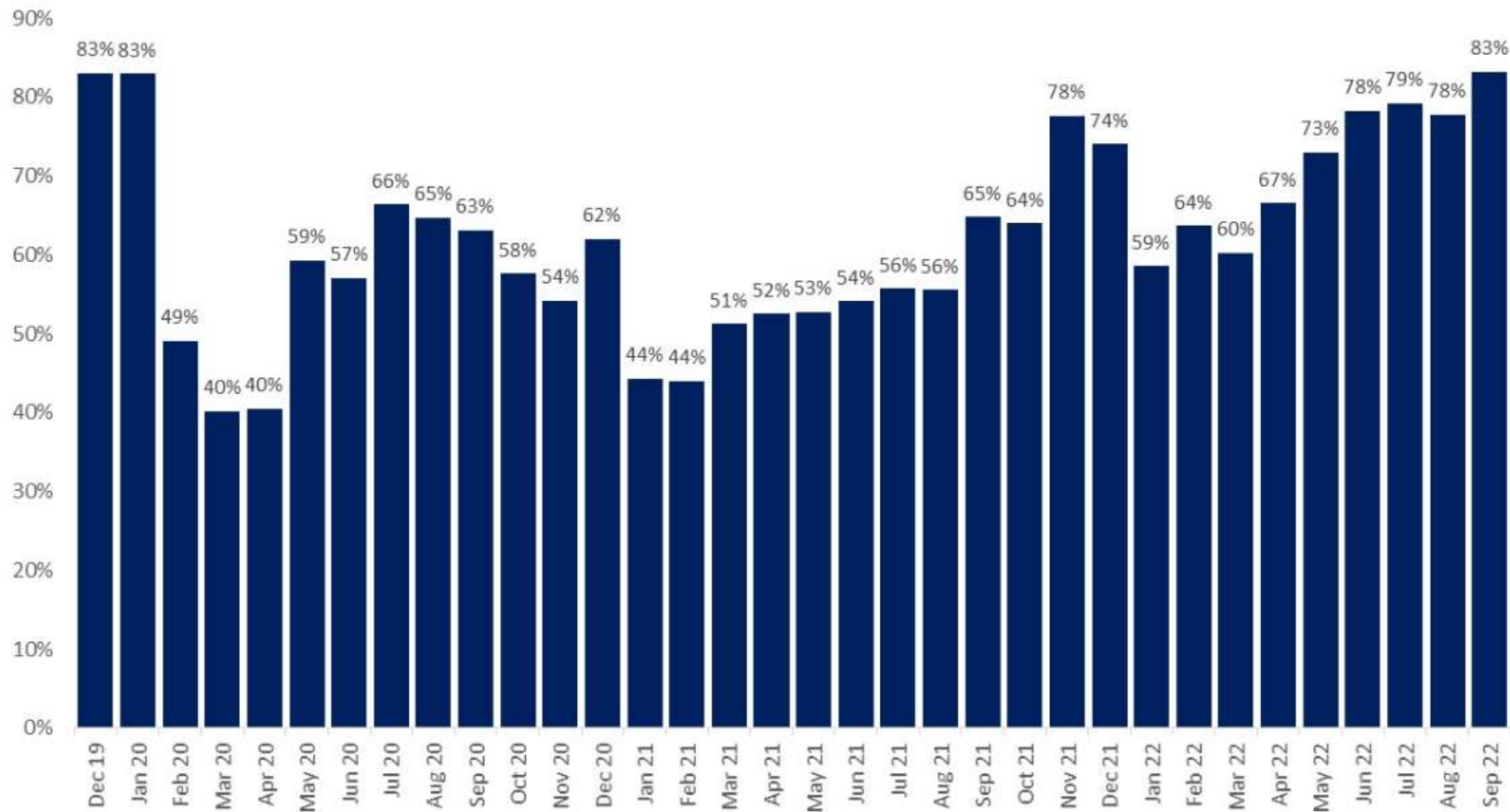
RevPar at decade high



- Source: LTS Research, LTA

Occupancies

Average Occupancy Rate



- Source: LTS Research, LTA

PROPERTY SEGMENT



AMO Residence (artist's impression) comprises two- to five-bedroom units and three exclusive penthouses.

- Achieved over 98% sales on first day of launch on 23 July 2022
- First major private residential project in the mature housing estate of Ang Mo Kio in more than 8 years
- 60:20:20 joint venture among UOL, SingLand and Kheng Leong; 70% effective stake
- 372 residential units spread across two 25-storey towers that offer unblocked views of the surrounding area
- Estimated 5 minutes' walk to Mayflower MRT station
- Within 1km to popular schools: CHIJ St Nicholas Girls' School and Ai Tong School
- Located in the vicinity of malls such as Ang Mo Kio Hub, Junction 8 and Thomson Plaza

- Source: UOL

PROPERTY SEGMENT

Region / Property Type	2015/2016 Pricing (\$PSF)	2017/2018 Pricing (\$PSF)	2019 ~ 2021 Pricing (\$PSF)	2022 Ave Pricing (\$PSF)	Key indicators	Change	2Q2022	3Q2022
Core Central Region	2,000 - 2,500	2,600 - 3,200	2,600 - 3,500	> 2,800 / 2,900	Price index	+3.8%	180.9	187.8
Rest of Central Region	1,400 - 1,500	1,500 - 1,700	1,800 - 2,400	2,400 - 2,700	Rental index	+8.6%	127.0	137.9
Outside Central Region	950 - 1,000	1,100 - 1,300	1,400 - 1,800	1,900 - 2,300	Take-up*	-8.8%	2,397	2,187
Executive Condominium	750	800 - 830	1,000 - 1,150	1,200 - 1,300	Pipeline supply*	+1.1%	48,836	49,384
					Vacancy rate*	+0.3% point	5.4%	5.7%

Projects	Developer	No. of Units	Launch date	Location	District	Region
Sky Eden @ Bedok	Fraser's Property	158	Aug-22	New Upper Changi Road	16	OCR
The Arden	Qingjian Realty	105	Aug/ Sep 2022	2-24 Phoenix Road	23	OCR
K suites	Euro Properties	24	Sep-22	Telok Kurau Lor K	15	RCR
Lentor Modern	Guocoland	605	Sep-22	Lentor Central	20	OCR
Sceneca Residences	MCC Land	265	Sep/Oct 2022	Tengah Merah Kechil Link	16	OCR
Copen Grand	COL and MCL - -	615	Sep/Oct 2022	Tengah Garden Walk EC	24	OCR
Orchard Sophia	DB2 land	78	Oct-22	128 & 130 Sophia Road	9	CCR
Pollen Collection	Bukit Sembawang Estates	30	3Q2022	Nim Road/Ang Mo Kio Avenue 1	28	OCR
Surrey Point	Amara Holdings, Santarli Capital Venture and Kay	36	3Q2022	2 Surrey Road	11	CCR
Tenet	Qingjian Realty and Santarli Construction	590	4Q2022	Tampines Street 62 EC	1B	OCR
TBA	Hong Leong Holdings, Guocoland and TIO	600	4Q2022	Lentor Hill Road (Parcel A) GLS	20	RCR
Blossoms by the Park	El Development	265	4Q20U	Slim Barracks Rise (Parcel A)	5	RCR
TBA	Kingsford Development	240	4Q2022	Slim Barracks Rise (Parcel B)	5	RCR
Terra Hill	Hoi Hup and Sunway Development	271	4Q202.2	(fka Flynn Park) Yew Siang Road	5	RCR
TBA	The Place Holdings (TPHL)	100	4Q2022	15 Enggor Street (Realty Centre)	2	CCR
TBA	Hoi Hup and Sunway Development	807	4Q2022	Thiam Siew Ave	15	RCR
Gems Ville	East Asia Geylang Development	24	4Q2022	Iorong 13 Geylang	14	RCR
Sophia Regency	East Asia Sophia Development	38	4Q2022	105 Sophia road	14	RCR
TBA	Far East Oil (anization & Sino Group	845	4Q2022	Jalan Anak Bukit GLS	21	RCR

• Source: LTS Research, URA, Propnex

COOLING MEASURES

Dec 2021

1. Increase in ABSD for 2nd and 3rd private property

Type of buyer		Existing rates	Rates on or after Dec 16, 2021
Singapore citizens	First property	0%	0% (no change)
	Second property	12%	17% ↑
	Third property	15%	25% ↑
Permanent residents	First property	5%	5% (no change)
	Second property	15%	25% ↑
	Third property	15%	30% ↑
Foreigners	Any property	20%	30% ↑
Entities	Any property	25% <small>(Plus additional 5% for housing developers; non-remittable)</small>	35% ↑ <small>(Plus additional 5% for housing developers; non-remittable)</small>

2. TDSR tightened from 60% to 55%

- Source: URA

Oct 2022

1. LTV Limit reduced from 85% to 80%
2. 15-Month wait-out period
 - Private home owners must now wait 15 months after selling private property before buying HDB
 - Initially, private home owners that buy HDB must sell private property within 6 months

Share Buybacks



- Source: LTS Research, Bloomberg

Historical Price to Book Valuations



- Source: LTS Research, Bloomberg

Target Consensus



• Source:Bloomberg

PEERS VALUATIONS

Name	Market Cap (S\$bn)	Stock Perf YTD%	P/E (x)	Forward PE(x)	P/B(x)	EPS Growth (1yr)	EPS Growth (2yr)	EV/ EBITDA fwd(x)	ROE(%)	Div Yield
UOL GROUP LTD	5.6	-7.3%	9.4	15.9	0.54	13%	6%	17.3	6%	2.3%
			0.0							
HO BEE LAND LTD	1.7	-9.7%	4.4	7.0	0.42	--	8%	19.8	10%	4.0%
KEPPEL CORP LTD	12.2	35.5%	10.8	--	1.04	-12%	8%	19.6	11%	5.2%
HONGKONG LAND HOLDINGS LTD	15.1	-12.7%	12.9	12.0	0.30	-9%	14%	18.6	2%	4.8%
CITY DEVELOPMENTS LTD	7.0	17.8%	5.6	9.5	0.77	772%	-29%	13.6	15%	2.7%
FRASERS PROPERTY LTD	3.8	-14.9%	5.3	16.2	0.38	-39%	0%	23.6	8%	2.1%
YANLORD LAND GROUP LTD	1.9	-13.1%	2.9	3.6	0.27	--	0%	5.9	10%	7.0%
GUOCOLAND LTD	2.0	9.9%	5.0	10.4	0.43	--	31%	21.6	9%	3.6%
OXLEY HOLDINGS LTD	0.7	-16.0%	25.1	--	0.66	--	--	--	0%	1.6%
WING TAI HOLDINGS LTD	1.2	-14.5%	9.3	18.9	0.34	-54%	-26%	11.6	4%	3.3%
BUKIT SEMBAWANG ESTATES LTD	1.2	-8.0%	13.9	--	0.79	--	--	--	6%	3.6%
OUE LTD	1.1	-8.1%	7.9	--	0.28	--	--	--	4%	1.6%
SINARMAS LAND LTD	0.8	-20.0%	4.4	--	0.27	--	--	--	6%	0.5%
GSH CORP LTD	0.4	2.9%	--	--	1.06	--	--	--	-4%	--
FIRST SPONSOR GROUP LTD	1.1	-12.9%	9.1	13.0	0.60	-29%	6%	9.8	7%	2.8%
YOMA STRATEGIC HLDGS LTD	0.2	-24.4%	--	--	0.29	--	--	--	-3%	--
HONG FOK CORP LTD	0.8	27.6%	14.9	--	0.32	--	--	--	2%	1.0%
FAR EAST ORCHARD LTD	0.5	-3.7%	13.0	--	0.39	--	--	--	3%	2.9%
BUND CENTER INVESTMENT LTD	0.3	-16.5%	46.9	--	0.78	--	--	--	2%	14.1%
TUAN SING HOLDINGS LTD	0.4	-33.0%	--	--	0.30	--	--	--	-1%	2.3%
ASPIAL CORP LTD	0.2	-27.8%	--	--	0.53	--	--	--	0%	3.0%
HIAP HOE LTD	0.4	15.4%	30.6	--	0.47	--	--	--	2%	1.0%
CENTURION CORP LTD	0.3	12.1%	4.0	5.7	0.46	4%	6%	10.0	12%	2.7%
Average		-5%	12.6	10.7	0.51	90%	2%	15.4	5%	3.5%
Median		-11%	9.2	10.4	0.43	-12%	6%	16.1	4%	2.8%

- Source: LTS Research, Bloomberg

Summary

FYE December	FY16	FY17	FY18	FY19	FY20	FY21	FY22F
Revenue (S\$mIn)	1,441	2,144	2,397	2,283	1,977	2,607	3,069
<i>Growth</i>		49%	12%	-5%	-13%	32%	18%
Gross Profit (S\$mIn)	485	709	1,032	1,046	728	808	1,015
<i>Growth</i>		46%	46%	1%	-30%	11%	26%
Core Net Profit (S\$mIn)	296.7	864.6	269.0	258.5	306.4	330.7	388.0
<i>Growth</i>		191%	-69%	-4%	19%	8%	17%
Net Profit (S\$mIn)	287.0	880.2	418.3	478.8	13.1	532.2	1158.7
<i>Growth</i>		207%	-52%	14%	-97%	3950%	118%
Gross Margins	34%	33%	43%	46%	37%	31%	33%
Core Margins	21%	40%	11%	11%	15%	13%	13%
Net Margins	20%	41%	17%	21%	1%	20%	38%
Dividend Per Share (S cts)	15.0	17.5	17.5	17.5	15.0	15.0	17.5
Earnings Per Share (S cts)	35.8	107.4	49.7	56.8	1.6	25.6	55.7
Dividend Payout Ratio	42%	16%	35%	31%	962%	59%	31%

Risks

- Slower than expected recovery of hospitality segment. The prolongation of Covid-19 will lead to more uncertainty as travel restrictions remain in place, forcing UOL to only cater to domestic travelers
- More cooling measures implemented as residential sales/prices continue to increase. As long as prices follow a slow and steady rate of appreciation, cooling measures may not be necessary.

Comfort Delgro



• **Source: ComfortDelGro**

- Comfort Delgro is one of the largest land transport companies in the world with a global workforce, a global shareholder base and a global outlook operating in
 - Singapore
 - UK/Ireland
 - Australia
 - China
 - Malaysia
 - Vietnam
- Investment Thesis
 - Recovery in Singapore Ridership
 - Distressed valuations and Strong balance sheet with net cash position presenting 10% of market cap
- Valuations
 - Market Cap: \$2.9bln
 - Price Close: \$1.35
 - P/B Ratio: 1.0x
 - Forward P/E Ratio: 15.5x
 - Forward Dividend Yield: 5.0%
 - Net Gearing: Net Cash (10% of market cap)
 - 52 week low/high: \$1.23/\$1.63
 - Major Shareholder: Ameriprise Financial (~6.3%)

Segmental Breakdown

Revenue	2017	2018	2019	2020	2021
Public Transport Services	2,399	2,710	2,879	2,582	2,822
Taxi	804	727	665	403	426
Automotive Engineering Services	171	166	159	89	102
Inspection and Testing Services	101	100	101	84	99
Driving Centre	42	43	48	41	52
Car Rental and Leasing	29	26	28	27	26
Bus Station	26	24	22	16	12
Total	3,571	3,796	3,901	3,243	3,538

Op. Profit (\$\$mln)	2017	2018	2019	2020	2021
Singapore	243.9	282.7	275.8	105.0	121.1
UK/Ireland	60.7	53.0	41.2	-28.0	6.1
Australia	60.1	64.1	78.0	34.3	57.6
China	44.0	39.5	20.6	10.9	26.1
Malaysia	0.5	0.4	0.4	0.2	0.1
Vietnam	0.0	-0.9	-0.2	-0.7	-1.0
Total	409.2	438.8	415.8	121.7	210.0

Operating Profit	2017	2018	2019	2020	2021
Public Transport Services	180	217	224	124	131
Taxi	134	129	104	-64	19
Automotive Engineering Services	34	25	28	18	11
Inspection and Testing Services	33	40	31	27	31
Driving Centre	10	12	15	9	15
Car Rental and Leasing	7	5	4	3	3
Bus Station	12	11	10	6	2
Total	409	439	416	122	210

- Source: LTS Research, ComfortDelGro

Rail Ridership

Daily Ridership	2015	2016	2017	2018	2019	2020	2021
Downtown Line	73,459	220,376	279,116	449,588	476,563	257,344	263,247
YoY Change %		200%	26.7%	61.1%	6.0%	-46.0%	2.3%
Northeast Line	536,788	564,701	575,815	591,203	600,662	354,991	372,901
YoY Change %		5.2%	2.0%	2.7%	1.6%	-40.9%	5.0%
Sengkang Punggol	98,954	114,094	120,785	131,583	140,456	97,046	107,182
YoY Change %		15.3%	5.9%	8.9%	6.7%	-30.9%	10.4%

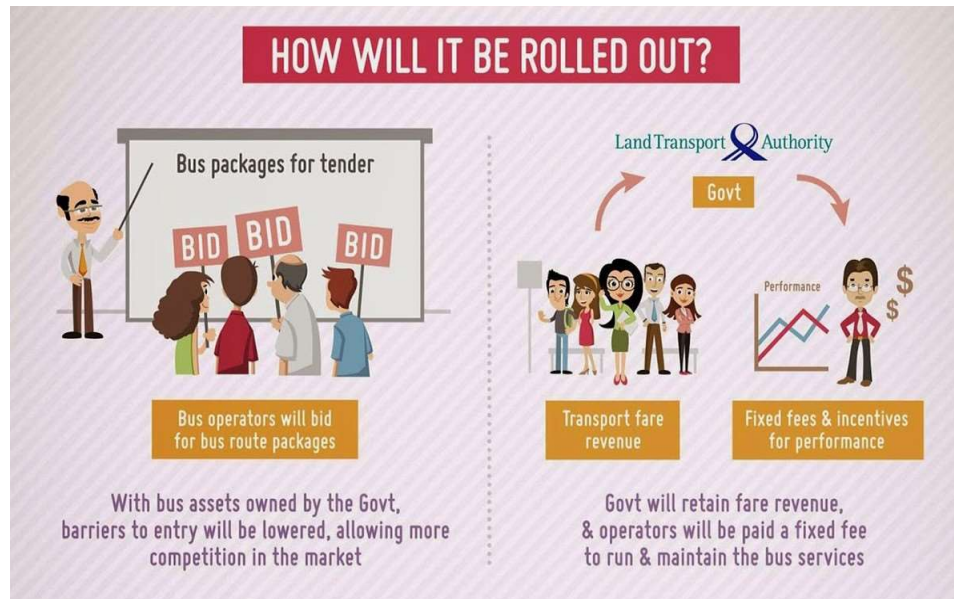
Rail Ridership is improving at
c.88% of pre Covid-19 levels

Average Daily Ridership (NEL DTL LRT)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	649,460	686,426	875,831	934,363	1,142,026	1,250,833	1,195,131	844,322	848,905
February	627,959	691,918	859,465	948,224	1,141,750	1,186,795	1,016,292	853,580	781,820
March	637,010	688,147	880,966	955,433	1,144,294	1,217,877	923,319	882,892	853,049
April	637,727	689,305	879,413	937,046	1,149,121	1,213,490	288,664	897,317	930,979
May	641,864	696,010	886,145	925,537	1,146,071	1,201,397	195,515	621,167	974,217
June	654,114	695,964	882,270	919,224	1,140,105	1,167,470	421,444	569,958	1,006,992
July	678,218	738,130	924,305	970,856	1,222,488	1,273,328	628,983	675,404	1,016,961
August	687,131	736,760	931,257	974,022	1,212,155	1,238,783	685,186	685,256	1,067,320
September	684,510	713,374	931,944	949,122	1,210,267	1,236,770	735,858	729,145	1,094,397
October	676,531	724,470	924,299	1,010,020	1,221,798	1,241,812	776,078	640,011	
November	668,592	708,426	903,336	1,102,296	1,182,284	1,213,402	795,843	709,651	
December	692,202	771,239	908,271	1,079,944	1,152,919	1,170,724	850,271	819,753	

- Source: LTS Research, SBS, LTA, Business Times

Bus Ridership



Market Share	2016	2019
SBS	75%	61%
SMRT	25%	25%
Tower Transit	0%	8%
Go-Ahead	0%	7%

• Source: LTS Research, LTA

- In 2016, BCM mandated all bus assets to be sold to LTA, and entire Singapore bus routes to be split into 14 contracts which are competitively tendered out.
 - Destroyed SBS duopoly status and reduced 75% market share then to 60% today.
 - SBS privatized industry model is now a government contracting model that nets SBS fixed earnings instead of variable (Govt. retains all fares). Hence, fare adjustments unlikely to improve revenues –
- BCM enables SBS to be asset-light, but introduces new competition which is likely here to stay: Tower Transit (Australia) and Go Ahead (UK)
- Interestingly, LTA reported S\$1bln loss in FY2019 due to loss incurred by public bus operations because of fares falling below what Govt. contracts actually cost, implying Govt. values service over profitability
 - LTA collected S\$834mln in bus fares, but expenditure for bus fares are at S\$1.9bln.
 - LTA gave contract to Tower Transit for 1st tender contract despite SMRT placing bid at S\$100mln lower

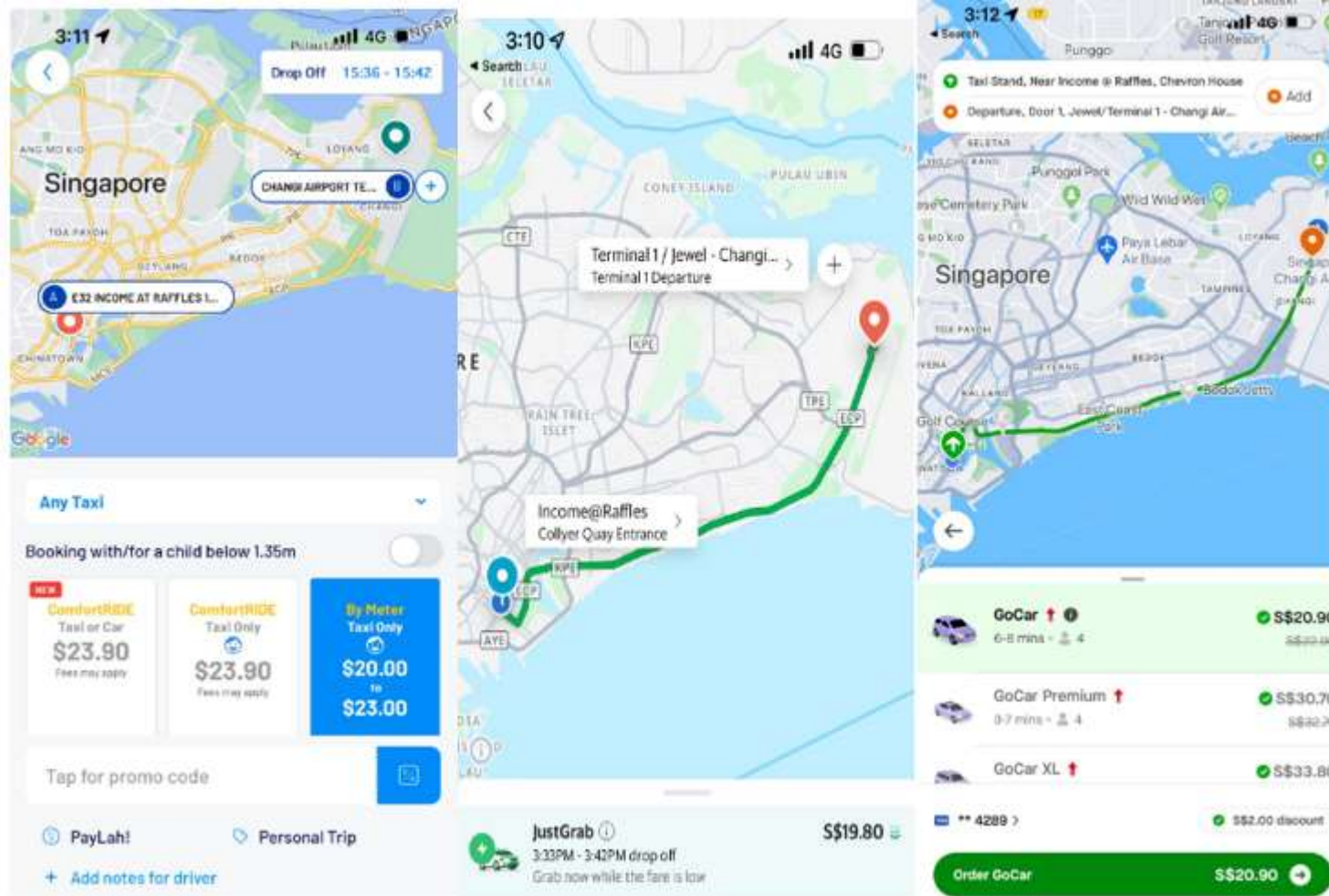
Taxi Business

	Commissions	Market Share as of 1Q22	Comments
Comfort Delgro	5%	15.1%	Min 30 year old, read/speak english
Grab	20%	50.2%	Full time drivers can pay up to \$2k to Grab as commission, but have more customers
Gojek	10%	17.7%	10% till end 2022
Tadaa	0%	11.1%	Makes money by selling data. Due to low operating cost, there is no customer/driver service, hence no recourse when issue arises
Ryde	10%	5.9%	Must drive own vehicle

- Comfort lost out when Uber and Grab entered the market.
- Comfort's taxi business consist of taxi rentals, commissions and advertisement.
 - Commissions is the driver
 - Previously, 30 cents for booking.
 - Now, with new booking app to compete with Tada, 5% commissions can lure more drivers, and there is possibility of rate raise as commissions are vastly below peers

• Source: LTS Research

FARE COMPARISON



- Source: LTS Research

COMFORT DELGRO 1 YEAR PRICE CHART



- Source: LTS Research, Bloomberg

Historical PE

CDG Historical PE



- **Source: LTS Research, Bloomberg**

Historical PB

CDG Historical PB



- **Source: LTS Research, Bloomberg**

Analyst Consensus



- Source: LTS Research, ComfortDelGro

Summary

FYE December (S\$m)	FY17	FY18	FY19	FY20	FY21	FY22F
Revenue	3571.2	3796.4	3901.1	3242.6	3538.3	3751.1
Operating Profit	409.2	438.8	415.8	121.7	210.0	300.1
<i>Growth</i>		7.2%	-5.2%	-70.7%	72.6%	42.9%
EBITDA	814.1	823.2	864.2	613.2	635.3	704.2
<i>Growth</i>		1.1%	5.0%	-29.0%	3.6%	10.8%
Net Profit	301.5	303.3	265.1	60.8	130.1	195.9
<i>Growth</i>		0.6%	-12.6%	-77.1%	114.0%	50.5%
Operating Margins	11.5%	11.6%	10.7%	3.8%	5.9%	8.0%
EBITDA Margins	22.8%	21.7%	22.2%	18.9%	18.0%	18.8%
Net Margins	8.4%	8.0%	6.8%	1.9%	3.7%	5.2%
Dividend/Share (cts)	10.4	10.5	9.79	1.43	4.2	7.0
EPS (cts)	14.0	14.0	12.2	2.8	6.0	9.0
Payout (%)	75%	75%	80%	51%	70%	77%
Pe Ratio (x)	9.7	9.6	11.0	48.1	22.5	15.5

Wing Tai Holdings

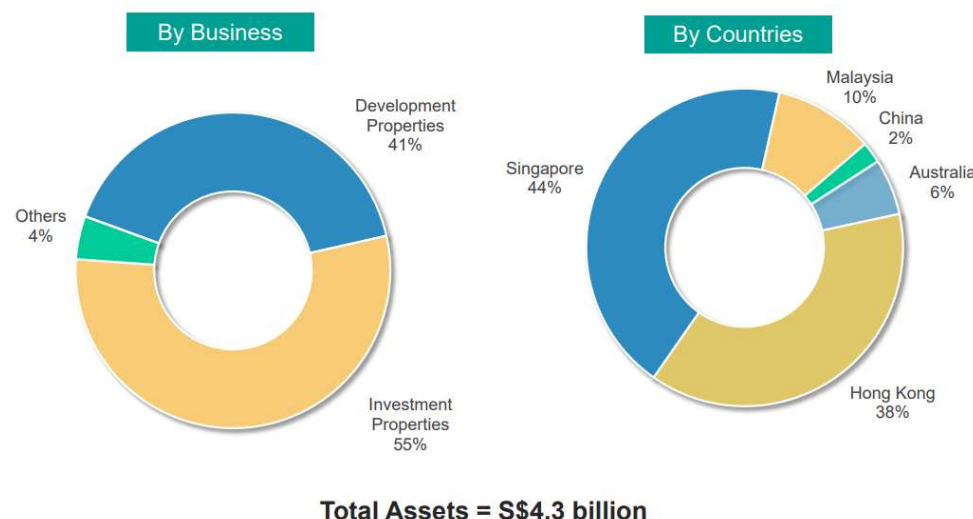


Le Nouvel Ardmore

- Wing Tai core businesses are in property investment and development, lifestyle retail and hospitality management across key Asian markets.
- Investment Merits
 1. Pre-sold units shield against cooling measures
 2. Huge Potential of Lakeside En-bloc
 3. Uniqlo JVs provide recurring income
 4. Cheap valuations, low gearing
- Key Statistics
 - Market Cap: S\$1.12bln
 - Price Close: S\$1.47 (Target Price = S\$1.95)
 - P/B Ratio: 0.34x
 - P/E Ratio: 8.8x
 - Dividend Yield: 4.1%
 - Net Gearing: 2%
 - 52 week low/high: S\$1.46 /S\$1.97
 - Major Shareholder(s):
 - Wing Tai Asia Holdings Ltd (41.1%)
 - Winlyn Investment Pte Ltd (9.6%)

- **Source: LTS Research, Wing Tai**

1. Pre-sold units shield against cooling measures



- Highly diversified property developer and investment properties across key Asian markets – SG, HK, MY, CN, JP, AU
- Singapore development properties >95% units sold, shield against property cooling measures in Dec'21.
 - The M at Middle road has about 32 residential units left. ~95% sold (490 residential units + 1 commercial unit)
 - Le Nouvel Ardmore fully sold end-FY22.
- Development properties in SG/MY are expected to be substantially completed and sold in FY23 and we project about S\$340mln revenue contribution and ~S\$28mln in FY23 development profits for The M at Middle Road and Jesselton Hills.

	Total Saleable area (sqf '000)	Unsold area (sqf '000)
<u>Singapore</u>		
The M at Middle Road	324	23
<u>Malaysia (Penang)</u>		
Jesselton Hills Phase 4 & 5	601	338

• Source: LTS Research, Wing Tai

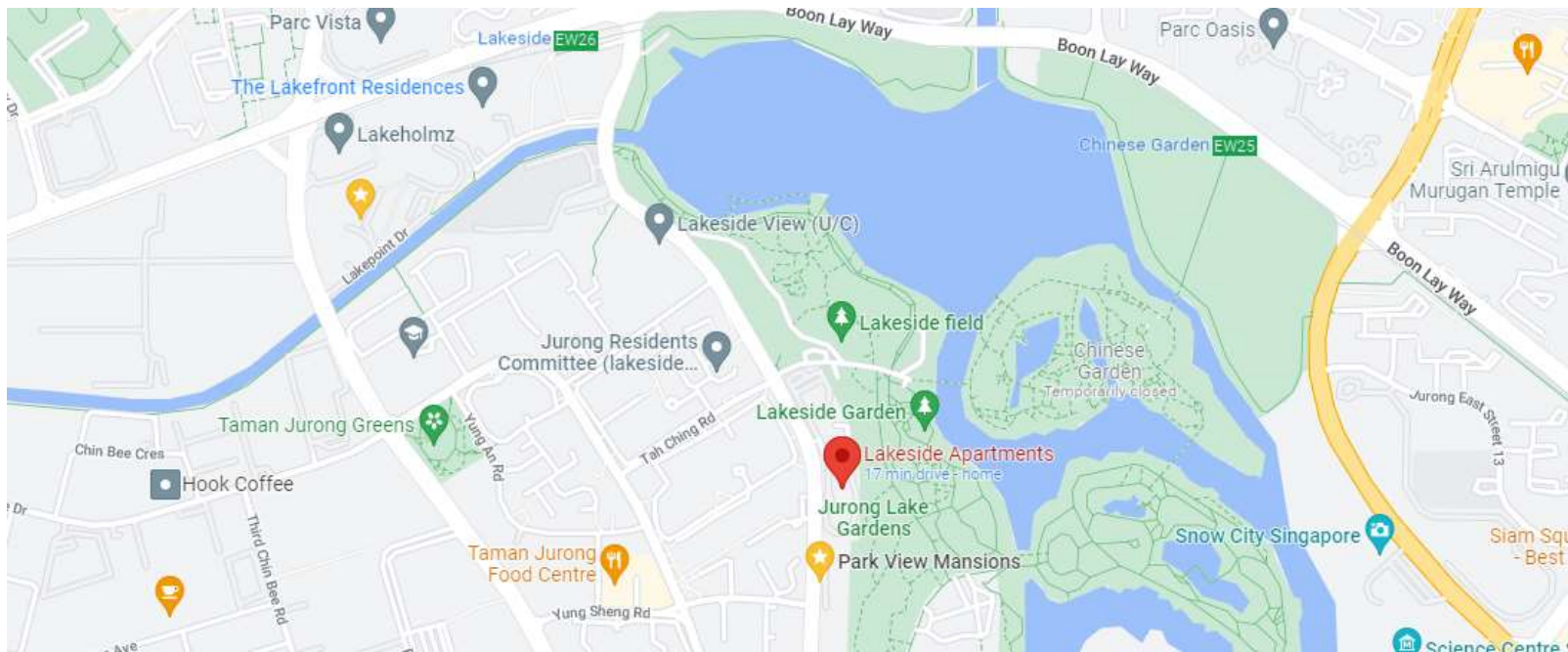
2. Huge Potential of Lakeside En-bloc



- En-bloc purchase of Lakeside Apartments for S\$273.9m in May'22
- Located within the Jurong Lake District, dubbed “CBD of the West”. Near Jurong East integrated transport hub, est. completion 2027
 - Jurong Lake Gardens is right next door
- Site can yield 281,771.7 sqf of GFA based on plot ratio of 2.1, translates to land rate of c.S\$1,183 psf ppr.
- The 120-unit, 99-year leasehold project to be redeveloped into luxury residential development with >300 units. Target launch 2nd half of 2023.
- High demand expected given the limited supply of new residential developments in the area

• Source: LTS Research, URA

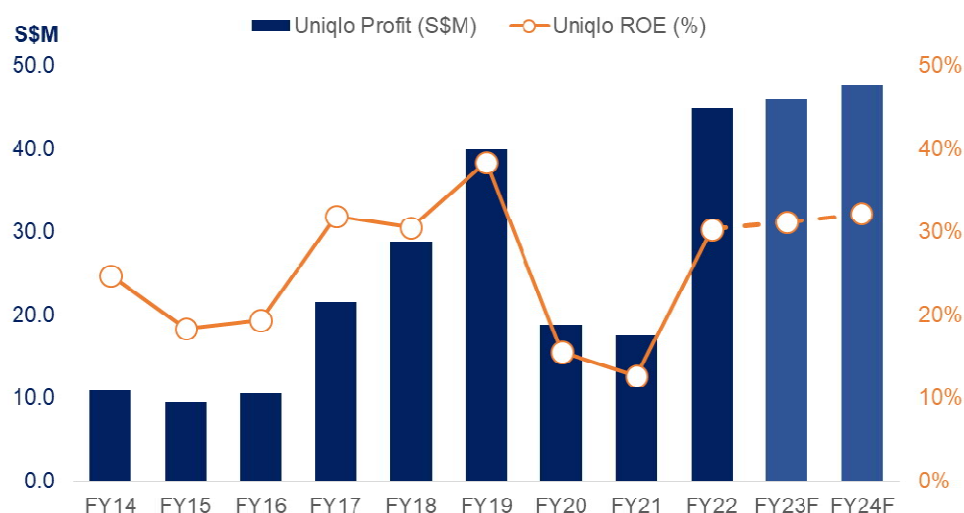
2. Huge Potential of Lakeside En-bloc



- Other nearby enbloc sites:
 - Park View Mansions (enbloc sale July'22)
 - Lakepoint Condo (June'22, no bids)
- No new launches in Lakeside region recently (since the launch of Lake Grande in 2016)
- Pent-up demand for new luxury homes in Jurong area which should see capital appreciation and ↑ rental yields

• **Source: LTS Research, Google**

3. Uniqlo JVs provide recurring income



- Holds a 49% stake in Uniqlo Singapore and 45% stake in Uniqlo Malaysia through JV with Japan's Fast Retailing.
- 28 stores in SG and 50 stores in MY. Plans to open 5 new stores in SG this year.
- Uniqlo contributes 20-30% ROE with >19% CAGR in profit over past 9 years.
 - Recurring income to smoothen fluctuations in property earnings
 - Wing Tai's S\$44.8mln share of Uniqlo profits in FY22 surpassed pre-covid FY19 earnings by 12%. Represents ~32% of FY22 net profit.
- Outlook expected to remain bright with the reopening of borders and a more prominent online presence.
 - Greater demand for winter-wear with higher margins

Wing Tai Properties (HK)



OMA by the Sea



Hong Kong
Lanson Place Causeway Bay



Hong Kong
Two MacDonnell Road



Hong Kong
Lanson Place Waterfront Suites

Lanson Place locations in HK

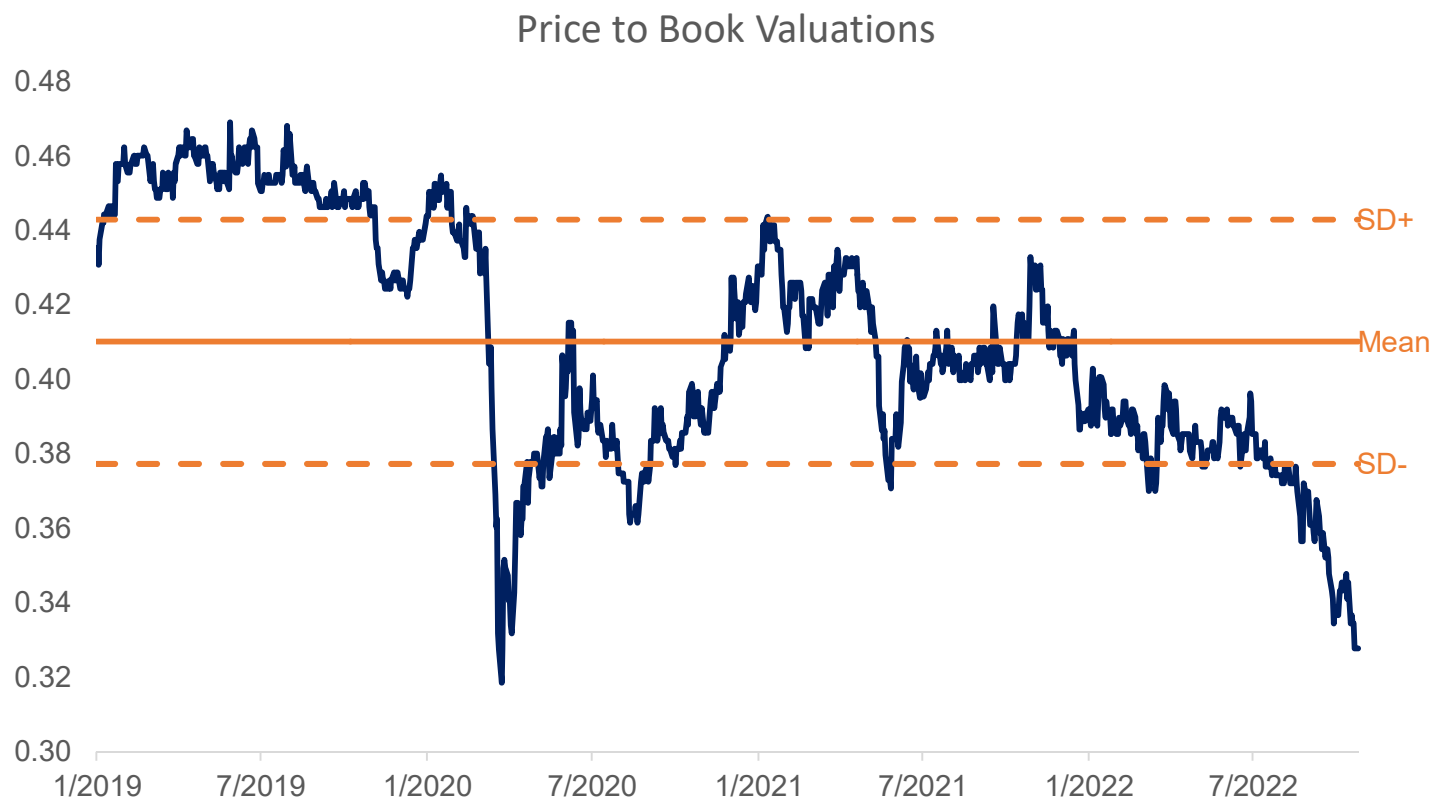
- Holds a 34% stake in Wing Tai Properties – Hong Kong-based property developer and hospitality provider
- Property development – OMA by the Sea to be completed in 4Q2022 and provide revenue recognition in FY23.
- Owns an international chain of serviced apartments “Lanson Place” in 8 locations predominantly Hong Kong, Shanghai, Singapore, Kuala Lumpur
 - Affected by pandemic slowdowns especially in Hong Kong.
- With the removal of quarantine restrictions in Hong Kong from 26 Sep’22, the partial reopening to gradually boost tourism arrivals and increase occupancy rates going forward
 - Border restrictions between Hong Kong and China still continue to affect demand

• **Source: LTS Research, Wing Tai Properties**

4. Cheap valuations, low gearing



4. Cheap valuations, low gearing



- P/B trades at undemanding 0.34x, 11% discount to -1SD historical mean P/B ratio of 0.38x.
- Attractive discount to peers P/B 0.45x – 0.55x.

4. Cheap valuations, low gearing

Name	Market Cap (S\$bn)	Stock Perf YTD%	P/E (x)	Forward PE(x)	EV/ EBITDA (x)	P/B(x)	ROE(%)	Net gearing (%)	Div Yield
WING TAI HOLDINGS LTD	1.1	-16.4%	8.8	10.8	15.9	0.34	4.3%	2.2%	4.1%
HO BEE LAND LTD	1.7	-9.7%	4.5	7.0	15.1	0.42	9.8%	61.3%	3.9%
OXLEY HOLDINGS LTD	0.7	-15.4%	25.2	-	20.1	0.67	0.3%	202.4%	1.6%
CHIP ENG SENG CORP LTD	0.5	70.7%	79.5	-	9.0	0.71	0.9%	122.0%	2.8%
TUAN SING HOLDINGS LTD	0.4	-30.8%	-	-	68.5	0.31	-0.6%	75.0%	2.3%
GUOCOLAND LTD	1.9	7.9%	4.9	10.2	12.2	0.42	9.5%	85.9%	3.6%
FRASERS PROPERTY LTD	3.9	-13.2%	5.4	16.5	27.3	0.39	8.0%	78.7%	2.0%
BUKIT SEMBAWANG ESTATES LTD	1.2	-8.4%	14.0	-	8.6	0.78	5.6%	-26.9%	3.6%
CITY DEVELOPMENTS LTD	6.9	16.4%	5.6	9.4	7.8	0.78	14.7%	99.6%	2.8%
UOL GROUP LTD	5.4	-9.2%	9.3	15.6	23.2	0.52	5.8%	25.8%	2.3%
Median		-9.4%	8.8	10.5	15.5	0.47	5.7%	76.8%	2.8%
Average		-0.8%	17.5	11.6	20.8	0.53	5.8%	72.6%	2.9%

- Source: LTS Research, Bloomberg

4. Cheap valuations, low gearing

In S\$'000	FY22	FY21
Cash	513,817	772,964
ST Debt	294,063	150,864
LT Debt	297,033	575,224
Total Debt	591,096	726,088
Equity	3,511,141	3,555,143
Net Gearing	2.2%	Net Cash
Operating Cash Flow	97,535	149,503
Total Asset	4,261,936	4,492,232
Debt To Asset	14%	16%
EBITDA	75,554	84,391
Interest Costs	25,296	30,677
Interest Coverage Ratio	3.0	2.8

- Low net gearing of only 2.2%, a rarity among its peers (50-100%)
 - Relatively shielded against hawkish environment with cash buffer.
- Healthy balance sheet (Debt-to-Asset 0.14x, Interest coverage ratio 3x) as Wing Tai navigates through the uncertain environment
- Sizable S\$500mln cash position to provide firepower to replenish land bank. A gearing ratio of 30% will provide Wing Tai with additional S\$700mln cash for potential acquisitions/opportunistic purchases.

Recent Insider Transactions

Share buyback

DATE	PRICE (\$)	BUY
27 Oct 2021	1.90	1,769,000
28 Oct 2021	1.94	250,000
29 Oct 2021	1.94	440,000
01 Nov 2021	1.93	526,600
02 Nov 2021	1.94	472,200
03 Nov 2021	1.90	174,000
05 Nov 2021	1.92	346,500
23 Nov 2021	1.86	117,700
26 Nov 2021	1.86	355,900
29 Nov 2021	1.86	304,700
30 Nov 2021	1.86	712,600
01 Dec 2021	1.85	218,000
02 Dec 2021	1.84	169,500
03 Dec 2021	1.85	115,500
07 Dec 2021	1.85	77,200
08 Dec 2021	1.86	143,300
09 Dec 2021	1.86	88,500
14 Dec 2021	1.86	267,900
15 Dec 2021	1.86	151,000
17 Feb 2022	1.79	191,500
10 May 2022	1.72	119,500
12 May 2022	1.72	235,200
24 May 2022	1.73	171,700
26 May 2022	1.78	314,700
31 May 2022	1.78	343,500
02 Jun 2022	1.78	111,600
06 Jun 2022	1.77	159,300
10 Jun 2022	1.77	212,800
13 Jun 2022	1.76	346,800
14 Jun 2022	1.76	147,700
24 Jun 2022	1.76	155,100
28 Jun 2022	1.80	495,700
10 Oct 2022	1.50	494,900
11 Oct 2022	1.56	961,600
12 Oct 2022	1.56	353,300
13 Oct 2022	1.54	283,000
14 Oct 2022	1.55	202,000
	1.79	12,000,000

- Share buyback – Bought back 12.0mln shares since the last share buyback mandate in Oct'21, equals to 15.6% of maximum shares authorized for purchase.
 - Current share price of S\$1.47 is at a 18% discount to Wing Tai's share buyback VWAP of S\$1.79.
- In July'21, Mr Cheng Wai Keung, Wing Tai's chairman, increased his stake from 55% to 60% at S\$1.83/share, through deemed interest of Empire Gate Holdings' acquisition of 39.0mln Wing Tai shares.
- Going back to 2012, partial offer made by Mr Cheng to increase stake by 8.7% to 50.6%. Last price before offer was at 0.47x P/B, offer price made at 0.55x P/B. Currently, Wing Tai trades at 0.34x P/B.
- However, near term price pressure may exist – with Fidelity Investments ceasing to be a substantial shareholder with its stake reduced to <5%, and removal of Wing Tai from the FTSE ST Large/Mid Cap Index .

Historical Operating Statistics

FYE June (S\$mIn)	FY18	FY19	FY20	FY21	FY22	FY23F
Revenue	360.4	322.6	371.0	461.4	514.6	494.3
<i>Growth</i>		-10%	15%	24%	12%	-4%
Gross Profit	183.7	147.8	180.3	183.1	164.6	158.1
<i>Growth</i>		-20%	22%	2%	-10%	-4%
Operating Profit	70.0	24.6	45.0	69.6	62.3	53.8
<i>Growth</i>		-65%	83%	55%	-11%	-14%
Share of Assoc & JV	208.5	52.5	12.1	36.3	112.2	92.6
Net Profit	225.2	46.8	16.0	43.6	140.2	110.3
<i>Growth</i>		-79%	-66%	173%	222%	-21%
Gross Margins	51%	46%	49%	40%	32%	32%
Operating Margins	19%	8%	12%	15%	12%	11%
Dividend Per Share (cts)	8.0	5.0	3.0	5.0	6.0	6.0
Earnings Per Share (cts)	28.3	5.2	0.4	4.0	16.6	13.7
Dividend Payout Ratio	28.3%	96.0%	750.0%	125.3%	36.1%	43.9%
Dividend Yield	5.4%	3.4%	2.0%	3.4%	4.1%	4.1%
Price-Earnings Ratio	5.2	28.2	367.5	36.8	8.8	10.8

Risks

- Slowdown in property market
 - Property cooling measures in Singapore enacted Dec'21 and most recently Sep'22 may affect the demand for private residential units and a moderation in property prices. This may affect the demand for Wing Tai's most recent En-bloc purchase of Lakeside Apartments. We note >95% of Wing Tai's other property developments have already been sold and are not affected by the cooling measures.
- Land bank needs replenishment
 - Wing Tai's only development yet to be completed in Singapore, "The M at Middle Road" is expected to finish construction by FY24. Other than the en-bloc purchase of Lakeside Apartments, we understand Wing Tai is still actively looking to replenish its landbank. Failure to do so will affect its future development earnings.
- Removal from FTSE ST Large/Mid Cap Index and selling of shares by a substantial shareholder
 - Wing Tai has been removed from the FTSE ST Large/Mid Cap Index due to a general decline in its market cap over the past year. In addition, with Fidelity Investments ceasing to be a substantial shareholder with its current holdings hitting <5%, additional selling pressure may affect Wing Tai's share price in the short term.

TECH SECTOR: GLOBAL SEMICONDUCTOR MARKET TO IMPROVE 13.9% IN 2022 AFTER 26.2% GROWTH IN 2021

Spring 2022 Q2 update	Amounts in US\$M			Year on Year Growth in %		
	2021	2022	2023	2021	2022	2023
Americas	121,481	150,064	157,302	27.4	23.5	4.8
Europe	47,757	54,451	56,203	27.3	14.0	3.2
Japan	43,687	49,880	52,374	19.8	14.2	5.0
Asia Pacific	342,967	378,843	396,481	26.5	10.5	4.7
Total World - \$M	555,893	633,238	662,360	26.2	13.9	4.6
Discrete Semiconductors	30,337	33,408	34,662	27.4	10.1	3.8
Optoelectronics	43,404	43,500	45,120	7.4	0.2	3.7
Sensors	19,149	22,319	23,184	28.0	16.6	3.9
Integrated Circuits	463,002	534,010	559,393	28.2	15.3	4.8
Analog	74,105	90,338	96,116	33.1	21.9	6.4
Micro	80,221	84,974	87,993	15.1	5.9	3.6
Logic	154,837	192,182	207,791	30.8	24.1	8.1
Memory	153,838	166,517	167,494	30.9	8.2	0.6
Total Products - \$M	555,893	633,238	662,360	26.2	13.9	4.6

- Currently, the World Semiconductor Trade Statistics organisation (WSTS) is forecasting global semiconductor sales to grow by 13.9% to reach US\$633.2 billion in 2022, after the 26.2% increase to US\$555.9 billion in 2021.
- For 2023, the global semiconductor market is projected to grow by 4.6% to US\$662.4 billion, driven by mid-single digit growth of nearly all categories.

TECH SECTOR: GROWTH IN GLOBAL SEMICONDUCTOR MARKET REVISED DOWN, ACCORDING TO GARTNER



Trading Member of SGX since 1973

Table 1. Semiconductor Revenue Forecast, Worldwide, 2021-2023 (Millions of U.S. Dollars)

	2021	2022	2023
Revenue	594,952	639,218	623,087
Growth (%)	26.3	7.4	-2.5

Source: Gartner (July 2022)

- Global semiconductor revenue is projected to grow 7.4% in 2022, down from the 2021 growth of 26.3%.
- This has been reduced from the previous quarter's forecast of 13.6% growth in 2022, according to technological research and consulting firm Gartner.
- 2022 global semiconductor revenue has also been cut from the previous quarter's forecast by US\$36.7 billion, to US\$639.2 billion, as economic conditions are expected to worsen through the year.
- Although chip shortages are abating, the global semiconductor market is entering a period of weakness, which will persist through 2023 when semiconductor revenue is projected to decline 2.5%.
- **Overall, we note that while the semiconductor industry is still expected to register growth in 2022, forecasts for 2023 are differing widely amongst industry experts.**

TECHNOLOGY INDUSTRY : VENTURE CORP IS OUR SOLE RECOMMENDATION

Company	Financial Year End (FYE)	Market Cap (\$m)	Price as of 07-Nov-22 (\$)	Target Price (TP) (\$)	% upside of TP from price on 07-Nov-22	Net cash position (\$m)	Net cash to market cap	FY21 P/E ratio (x)	FY22F P/E ratio (x)	Ex-cash P/E ratio (x)	Current P/B ratio (x)	Current Dividend yield (%)
AEM Hldgs	Dec	1,048.5	3.39	N.A	N.A	83.6	8.0%	10.9	10.5	10.3	2.2	3.5
Nanofilm Tech	Dec	1,001.7	1.51	N.A	N.A	109.7	11.0%	16.1	16.0	15.5	2.3	1.4
Average						96.7	9.5%	13.5	13.3	12.9	2.3	2.5
Venture Corp	Dec	4,895.8	16.83	20.35	20.9%	700.7	14.3%	15.7	13.2	13.1	1.7	4.5

- As there are quite a number of SGX-listed tech counters that have the bulk of their manufacturing facilities located in China, we will be avoiding such companies for now given that a potential disruption to their operations arising from COVID-induced lockdowns in PRC still remains probable and therefore should be regarded as a risk factor.
- Our preference now lies with those large SGX-listed tech stocks (defined by having a market capitalisation of at least S\$1 billion) with blue-chip customers, given that these companies are considered to be more resilient as compared to the other SGX-listed small and mid-cap tech counters.
- Our filter-down criteria also takes into account attributes such as low valuations, expected earnings growth, robust balance sheet and an attractive dividend yield.
- As seen the table above which lists out all the SGX-listed tech counters that have a market capitalisation of no less than S\$1 billion, we highlight that Venture Corp is our sole recommendation for the technology industry.

Venture Corporation (Year End = Dec)



- Venture Corp is a global provider of technology services, products and solutions. It is a strategic partner for over 100 global companies including Fortune 500 corporations.
- Investment Merits
 1. Earnings growth expected for both FY22 and FY23
 2. Manufacturing facilities located out of China
 3. Low valuations, strong balance sheet and attractive dividends
- Key Statistics
 - Market Cap: \$4,895m
 - Price Close: \$16.83 (Target Price = \$20.35)
 - P/B Ratio: 1.7x
 - P/E Ratio: 15.7x
 - Dividend Yield: 4.5%
 - Current net gearing: Net cash of \$700.7m
 - 52 week low/high: S\$19.52 / S\$15.71
 - Major Shareholder: Wong Ngit Liong (7.1%)

Investment Merit 1: Earnings growth for next two years (Current share price = \$16.83)

FYE Dec (\$\$ mln)	FY19	FY20	FY21	FY22F	FY23F
Total Revenue	3,633.4	3,012.9	3,107.5	3,750.0	3,910.0
Net Profit	363.1	297.3	312.1	370.0	388.0
Core Profit	363.1	297.3	312.1	370.0	388.0
Core Profit growth	N.M.	-18.1%	5.0%	18.6%	4.9%
P/E ratio (x)	13.5	16.5	15.7	13.2	12.6
Dividend per share (\$\$)	0.70	0.75	0.75	0.80	0.80
Earnings per share (\$\$)	1.253	1.022	1.070	1.272	1.334
Dividend Payout ratio	55.9%	73.4%	70.1%	62.9%	60.0%
Dividend Yield	4.2%	4.5%	4.5%	4.8%	4.8%

- Venture anticipates a robust demand outlook based on customers' orders and forecasts across various technology domains. Demand for products in the area of analytical instruments remains strong, while growing trends and other breakthrough technologies where its R&D labs are engaged in, are driving demand.
- Positive market momentum is also visible across other business segments of Venture where several new product introductions are expected, while certain customers have also provided a positive outlook regarding their demand schedule for the year.
- We are expecting Venture Corp to register a 18.6% yoy increase in FY22 net profit to S\$370mln, while net earnings in FY23 are forecasted to improve by 4.9% yoy to S\$388mln.

Investment Merit 2: Manufacturing facilities are mostly in M'sia

- Operating in over 20 facilities globally, we note that Venture Corporation only has two plants in China while the bulk of its factories are located in Malaysia. Venture estimated that the previous shutdown in its China factories account for less than 1% of Group annual sales.
- By having most of its manufacturing facilities outside of China, this would ensure that Venture Corp would not have to suspend the bulk of its factory operations arising from China's zero COVID policy and therefore suffer any direct impact as a result.
- This compares favourably with some other SGX-listed tech stocks which have a significant proportion of their manufacturing facilities in China, with several manufacturing companies having already reported significant disruptions to their operations in the mainland.
- Going forward, we believe that the market may price a valuation premium to those SGX-listed tech companies with manufacturing facilities outside of China, and apply a valuation discount to those SGX-listed corporates with factories located inside the mainland.

List of Venture Corp's factories, where only 2 are in China

LIST OF PROPERTIES



Location	Address	Site area (Sq.m.)	Tenure	Usage
Singapore				
MK 18, Lot No. 17946P Singapore	5006 Ang Mo Kio Avenue 5 TECHplace IL Singapore 569873	8,219	Leasehold (Expiring 2052)	Office and Industrial
MK 13, Lot No. 2361 Singapore	28 Marsiling Lane Singapore 739152	10,550	Leasehold (Expiring 2022)	Office and Industrial
Malaysia				
Geran 459975 Lot 44895 (formerly known as HS(D) 270912 PTD 68794) Mukim Tebrau, Johor Bahru Johor, Malaysia	2 (PLO 121), Jalan Firma 1/3 Kawasan Perindustrian Tebrau 1, 81100 Johor Bahru Johor, Malaysia	15,443	Leasehold (Expiring 2054)	Office and Industrial
Geran 592508 Lot 44897 (formerly known as HS(D) 270913 PTD 68795) Mukim Tebrau, Johor Bahru Johor, Malaysia	6 (PLO 120), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	16,046	Leasehold (Expiring 2054)	Industrial
HS(D) 333450 PTD 97125, Mukim Tebrau Johor Bahru Johor, Malaysia	1, Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	44,470	Leasehold (Expiring 2052)	Industrial
HS(D) 45801 PTD 8824, Mukim Senai Kulai, Johor Bahru Johor, Malaysia	PLO 49, Jalan Perindustrian 4 Kawasan Perindustrian 2 81400 Senai Johor, Malaysia	4,978	Leasehold (Expiring 2052)	Industrial
HS(D) 445334 PTD 100821, Mukim Senai Kulai, Johor Bahru Johor, Malaysia	PLO 34 & 35, Fasa 2 Kawasan Perindustrian Senai 81400 Senai Johor, Malaysia	24,581	Leasehold (Expiring 2049)	Office and Industrial
HS(D) 270914 PTD 68796, Mukim Tebrau Johor Bahru Johor, Malaysia	4 & 4a (PLO 117), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	16,187	Leasehold (Expiring 2025)	Office and Industrial
HS(D) 237904-237908 PTD 67770-67774, Mukim Tebrau, Johor Bahru Johor, Malaysia	2, 4, 6 & 8 Jalan Kempas 5/2 Tampoi Industrial Area 81200 Johor Bahru Johor, Malaysia	29,029	Freehold	Industrial
HS(D) 218290 PTD 64850, Mukim Tebrau Johor Bahru Johor, Malaysia	5 (PLO 5), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	18,763	Freehold	Industrial



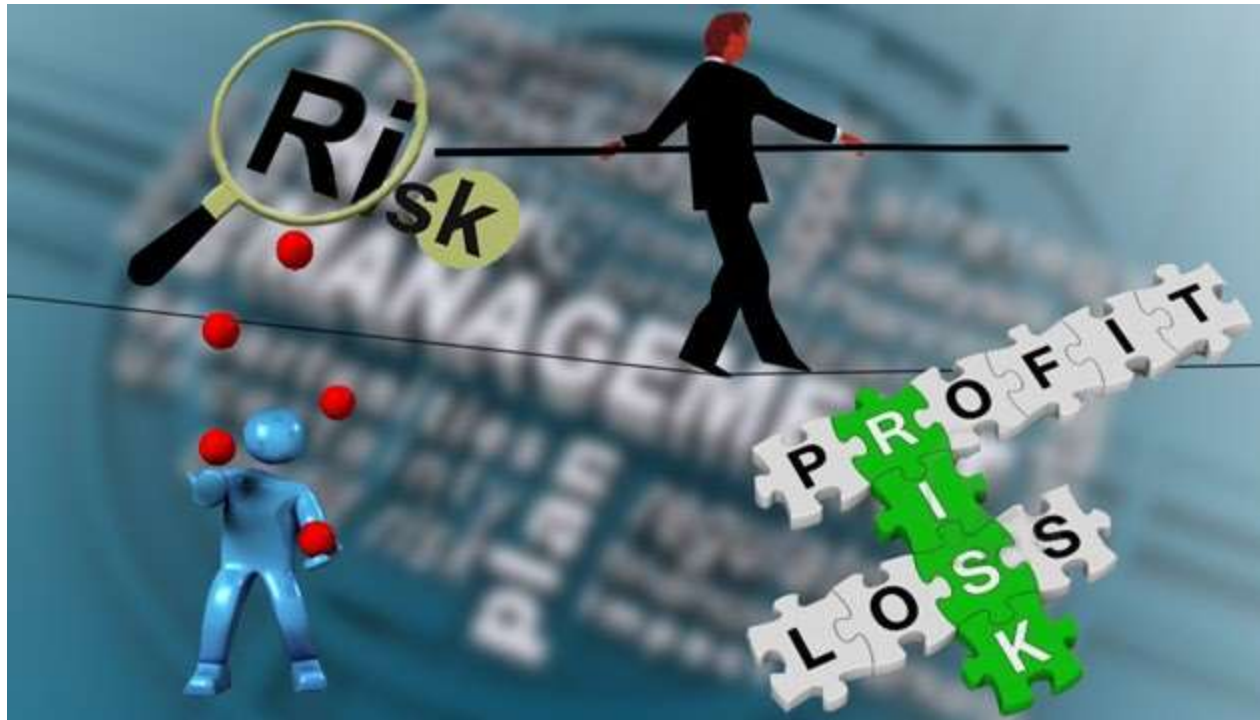
Location	Address	Site area (Sq.m.)	Tenure	Usage
Malaysia				
HS(D) 468918 PTD 152116, Mukim Tebrau Johor Bahru Johor, Malaysia	47, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	4,730	Freehold	Industrial
HS(D) 6220 LOT 4020 Mukim Tebrau Johor Bahru Johor, Malaysia	49, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,476	Freehold	Industrial
HS(D) 6221 LOT 4021 Mukim Tebrau Johor Bahru Johor, Malaysia	51, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,195	Freehold	Industrial
HS(D) 6222 LOT 4022 Mukim Tebrau Johor Bahru Johor, Malaysia	53, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,111	Freehold	Industrial
HS(D) 6223 LOT 4023 Mukim Tebrau Johor Bahru Johor, Malaysia	55, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,093	Freehold	Industrial
HS(D) 46117 PT 5272, Seberang Perai Selatan Penang, Malaysia	Plot 318, Batu Kawan Industrial Park Seberang Perai Penang, Malaysia	123,706	Leasehold (Expiring 2074)	Industrial
HS(D) 8712 PT 3217, Bayan Lepas Penang, Malaysia	Plot 44, Bayan Lepas Industrial Park IV 11900 Bayan Lepas Penang, Malaysia	39,522	Leasehold (Expiring 2055)	Industrial
Lot 12368 Mukim 12, Barat Daya Penang, Malaysia	Plot 26, Hilir Sungai Kluang 3 Bayan Lepas Free Industrial Zone Phase 4 11900 Bayan Lepas Penang, Malaysia	8,981	Leasehold (Expiring 2051)	Office and Industrial
China				
Shanghai, People's Republic of China	69 Huang Yang Road Tower 2, 6/F, Unit D, Xin He Gardens Jin Qiao, Pudong Shanghai 201206 People's Republic of China	156	Leasehold (Expiring 2063)	Residential
Shanghai, People's Republic of China	668 Li Shi Zhen Road Zhangjiang Hi-Tech Park Pudong Shanghai 201203 People's Republic of China	20,000	Leasehold (Expiring 2050)	Office and Industrial
USA				
Assessor's Parcel Number (APN): 083-31-023 Milpitas, California United States of America	1621 Barber Lane (also known as 481 Cottonwood Drive) Milpitas, CA 95035 United States of America	39,012	Freehold	Office and Industrial

Investment Merit 3: Low valuations and strong balance sheet

Company	Financial Year End (FYE)	Market Cap (\$m)	Price as of 07-Nov-22 (\$)	Target Price (TP) (\$)	% upside of TP from price on 07-Nov-22	Net cash position (\$m)	Net cash to market cap	FY21 P/E ratio (x)	FY22F P/E ratio (x)	Ex-cash P/E ratio (x)	Current P/B ratio (x)	Current Dividend yield (%)
AEM Hldgs	Dec	1,048.5	3.39	N.A	N.A	83.6	8.0%	10.9	10.5	10.3	2.2	3.5
Nanofilm Tech	Dec	1,001.7	1.51	N.A	N.A	109.7	11.0%	16.1	16.0	15.5	2.3	1.4
Average						96.7	9.5%	13.5	13.3	12.9	2.3	2.5
Venture Corp	Dec	4,895.8	16.83	20.35	20.9%	700.7	14.3%	15.7	13.2	13.1	1.7	4.5

- For SGX-listed tech companies that command a market cap of at least S\$1 billion, we note that valuations of Venture Corp are looking to be low comparatively as seen in the table above.
- Venture Corp currently trades at 1.7x P/B and 13.2x FY22F P/E, both of which are lower than the average for large-cap tech stocks.
- Balance sheet of Venture Corp is also robust and stronger than its peers, currently in a net cash position of S\$700.7mln which equates to 14.3% of present market cap.
- Dividend yield of Venture Corp is similarly attractive, presently at 4.5% which is higher than both Nanofilm and AEM.
- Currently trading at 13.2x forward P/E and based on a target P/E of 16x, our target price for Venture Corp is \$20.53.

Risks



- Should an expected semiconductor slowdown as forecasted by Gartner come to fruition next year in 2023, this could have a negative impact on Venture Corp.
- Any Movement Control Order (MCO) that may potentially be enacted by the Malaysian government in a bid to curb the spread of the COVID-19 virus in the event of a flare-up would affect Venture's factory operations at where the countries it operates in.

SingTel (Year End = March)



- Singapore Telecommunications is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, technology services, etc to both consumers and businesses.
- Investment Merits
 1. Attractive valuations with earnings growth
 2. Expected asset monetisation
 3. Defensive stock
- Key Statistics
 - Market Cap: \$42,062m
 - Price Close: \$2.55 (Target Price = \$3.15)
 - P/B Ratio: 1.5x
 - Forward P/E Ratio: 16.8x
 - Forward Dividend Yield: 4.3%
 - Current net gearing: 26.4% (Net debt position of S\$10.1bln)
 - 52 week low/high: S\$2.88 / S\$2.31
 - Major Shareholder: Temasek Holdings (52.5%)

Investment Merit 1: Attractive valuations with earnings growth

Company	Financial Year End (FYE)	Market Cap (\$m)	Price as of 07-Nov-22 (\$)	Target Price (TP) (\$)	% upside of TP from price on 07-Nov-22	Net debt position (\$m)	Net gearing	Current P/E ratio (x)	Forward P/E ratio (x)	Current P/B ratio (x)	Forward Dividend yield (%)
PT Telkom (Indon)	Dec	42,516.6	IDR 4510	N.A	N.A	2,950.0	21.9%	18.1	17.2	3.7	4.5
Maxis Bhd (M'sia)	Dec	8,866.7	MYR 3.58	N.A	N.A	2,749.5	124.6%	21.3	21.1	4.3	5.5
Digital Telco (Thai)	Dec	5,796.9	THB 13.50	N.A	N.A	1,355.6	18.5%	14.8	15.7	1.0	3.7
Average						2,351.7	55.0%	18.1	18.0	3.0	4.6
SingTel	Mar	42,062.3	2.55	3.15	23.5%	10,115.0	26.4%	21.6	16.8	1.5	4.3

- As seen in the table above which depicts the valuations of certain telco stocks listed in South East Asia, the balance sheet of SingTel is relatively more robust, where it is presently in a net gearing position of less than 27% which compares favourably against net gearing of 55% for the industry average.
- Additionally, despite SingTel's bigger market capitalisation, its P/B at 1.5x is much more attractive than the 3.0x seen for the industry average, although the dividend yield of SingTel is slightly lower at 4.3%.
- After a dismal FY21, earnings for SingTel had rebounded in FY22 and its forward P/E at 16.8x is noticeably lower than the industry average of 18.0x, even though SingTel is a much larger entity.
- Presently trading at 1.5x current P/B and based on a target P/B of 1.85x, our target price for SingTel is \$3.15.

Operating Statistics of SingTel (Current share price = \$2.55)

FYE Mar (S\$ mln)	FY19	FY20	FY21	FY22	FY23F	FY24F
Total Revenue	17,372.1	16,541.9	15,644.2	15,339.0	16,100.0	16,980.0
Net Profit	3,095.1	1,075.1	553.7	1,949.0	2,500.0	2,650.0
Underlying Net Profit	2,825.1	2,456.9	1,732.9	1,923.0	2,150.0	2,440.0
Underlying Net Profit growth	N.M.	-13.0%	-29.5%	11.0%	11.8%	13.5%
P/E ratio (x)	13.6	39.1	76.0	21.6	16.8	15.9
Dividend per share (S\$)	0.1750	0.1225	0.0750	0.0930	0.1100	0.1200
Earnings per share (S\$)	0.1876	0.0652	0.0336	0.1182	0.1516	0.1607
Dividend Payout ratio	93.3%	187.9%	223.4%	78.7%	72.6%	74.7%
Dividend Yield	6.9%	4.8%	2.9%	3.6%	4.3%	4.7%

- With SingTel's profitability having rebounded in FY22 after having experienced a weak FY21, core earnings in FY23 are expected to grow further by 11.8% yoy to S\$2,150mln going forward.
- Nevertheless, due to its asset monetisation plans, we are also forecasting SingTel's net earnings to be higher than its underlying net profit for both FY23 and FY24.
- Additionally, we note that that our dividend forecasts at 11 cents for FY23 and 12 cents for FY24 are on the conservative side, given that the dividend payout ratio is below 80% which is lower than its historical trends.

Growth drivers of SingTel

Progressing on our strategic reset



Core operations poised for growth:

- Gradual re-opening of economies & resumption of cross-border travels
- Increased 5G adoption & rollout of commercial services



Favourable trends from digitalisation provide immense market opportunities



Opportunities in the emerging markets from digital services, B2B services & upswing in India



Strong balance sheet & diversified funding sources support growth ambitions



Relentless focus on ROIC to deliver profitable growth & sustainable dividends

Investment Merit 2: Asset monetisation

- SingTel Group CEO, Mr Yuen Kuan Moon previously commented that “the pandemic has provided tailwinds of digitalisation that we are leveraging to rebuild our business during this crisis and we continue executing to this strategy by enhancing our digital capabilities in cloud and data and growing our digital infrastructure to innovate our way through this disruption.”
- Also, SingTel is exploring options to leverage its infrastructure assets to unlock latent value and drive growth, where the Group currently holds a large and unique portfolio of infrastructure assets including towers, satellites, subsea cables and data centres across the region.
- Industry estimates peg SingTel’s various infrastructure assets at around S\$5 billion, which equates to around 11% of current market capitalisation.
- Nevertheless, we do not expect SingTel to monetise all of its infrastructure assets, given that certain satellites and subsea cables and other related-infrastructure may be of strategic value to the state.

Investment Merit 3: SingTel - A Defensive stock

- The telecommunications industry is generally regarded as a defensive sector where investors will seek refuge in during times of market uncertainty.
- Year-to-date, we note that although the benchmark Straits Times Index had increased by around 1%, share price of StarHub is down by more than 20% for the year so far while SingTel has outperformed both and increased by approximately 10%.
- We opine that this outperformance by SingTel is set to continue as investors increasingly get drawn to its expected earnings rebound in FY23, higher dividends and its asset monetisation strategy. Also, SingTel's FY23F dividend yield of above 4% is stable and attractive.

SingTel is a defensive and well-diversified stock

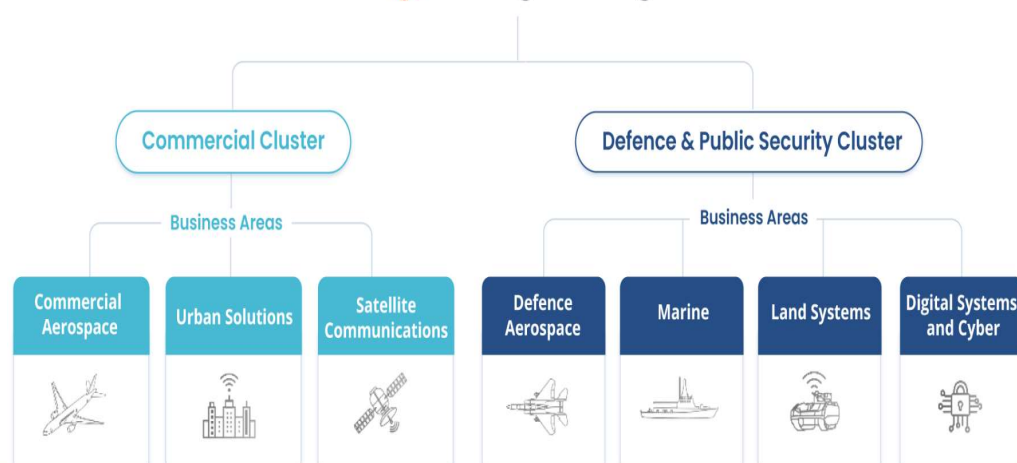
Group - 30 Sep 21 (Unaudited)	Singapore Consumer S\$ Mil	Australia Consumer S\$ Mil	Group Enterprise S\$ Mil	NCS S\$ Mil	Trustwave S\$ Mil	Intercompany Eliminations S\$ Mil	Enterprise S\$ Mil	Amobee S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	866.9	3,343.8	1,862.9	1,107.1	199.2	(217.1)	2,952.1	489.7	-	7,652.5
Operating expenses	(581.9)	(2,420.9)	(1,266.5)	(961.9)	(248.5)	216.6	(2,260.3)	(482.3)	(64.8)	(5,810.2)
Other income/ (expense)	13.0	55.9	15.5	2.2	(1.1)	(1.0)	15.6	(0.5)	2.2	86.2
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	298.0	978.8	611.9	147.4	(50.4)	(1.5)	707.4	6.9	(62.6)	1,928.5
Share of pre-tax results of associates and joint ventures										
- Airtel	-	-	-	-	-	-	-	-	146.9	146.9
- Telkomsel	-	-	-	-	-	-	-	-	472.2	472.2
- Globe	-	-	-	-	-	-	-	-	181.4	181.4
- AIS	-	-	-	-	-	-	-	-	159.7	159.7
- Intouch	-	-	-	-	-	-	-	-	48.7	48.7
- Others	-	-	-	-	-	-	-	-	37.6	37.6
	-	-	-	-	-	-	-	-	1,046.5	1,046.5
EBITDA and share of pre-tax results of associates and joint ventures	298.0	978.8	611.9	147.4	(50.4)	(1.5)	707.4	6.9	983.9	2,975.0
Depreciation and amortisation	(145.2)	(832.8)	(282.8)	(42.7)	(16.5)	(1.7)	(343.7)	(32.0)	(2.4)	(1,356.1)
Earnings before interest and tax ("EBIT")	152.8	146.0	329.1	104.7	(66.9)	(3.2)	363.7	(25.1)	981.5	1,618.9

Risks



- Adverse forex movements such as the weakening of the various Asian currencies (Thai Baht, Philippine Peso, Indonesia Rupiah, etc) against the Singapore Dollar might impact SingTel's earnings in the short-term.
- Any potential costs or fines administered by the various governing entities (in where SingTel and its associates/subsidiaries operate) on SingTel and its associates/subsidiaries pertaining to any cyber-security incidents could negatively impact them.

ST Engineering (Year End = Dec)



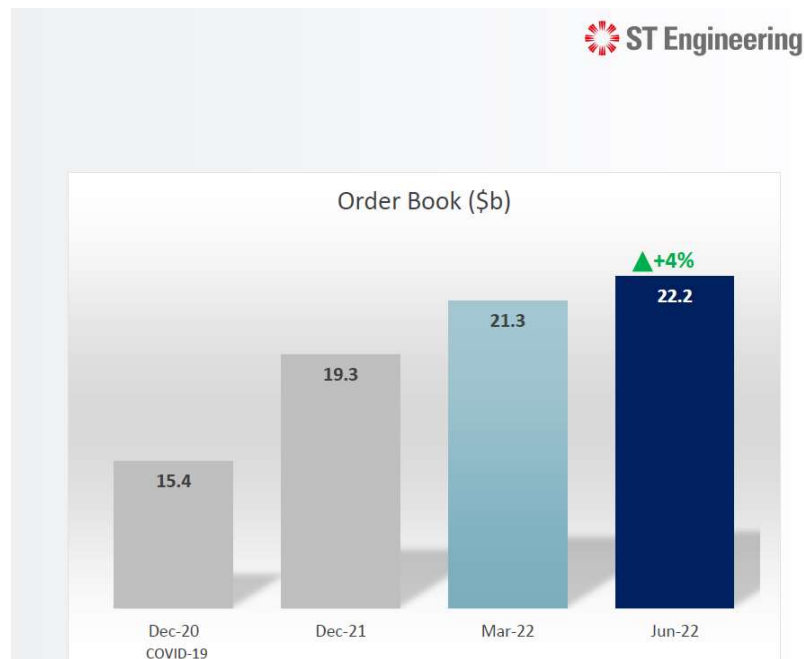
- ST Engineering is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and security segments. Headquartered in Singapore, it has operations spanning across Asia, Europe, the Middle East and the U.S, etc.
- Investment Merits
 1. Strong order book provides visibility
 2. Earnings growth expected for next two years
 3. Attractive and sustainable dividends
- Key Statistics
 - Market Cap: \$10,497m
 - Price Close: \$3.37 (Target Price = \$4.55)
 - P/B Ratio: 4.5x
 - P/E Ratio: 18.4x
 - Dividend Yield: 4.5%
 - Current net gearing: 240% (Net debt position of S\$5.6bln)
 - 52 week low/high: S\$4.22 / S\$3.12
 - Major Shareholder: Temasek Holdings (51.7%)

Investment Merit 1: Strong Order Book of ST Engineering

Group Order Book

Order Book: Remains Robust

- \$22.2b as at 30 Jun 2022
- \$4.6b expected to be delivered in the remaining months of 2022



- ST Engineering had acquired US-based transportation technology company TransCore Partners and TLP Holdings (collectively TransCore) for S\$3.63 billion in Mar-22.
- The TransCore purchase represents a move by ST Engineering to become a major global player in next-generation smart city and smart mobility solutions.
- Going forward, ST Engineering believes that contract win momentum remains strong, and that its robust order book of S\$22.2 billion as at end Jun-22 across all business segments is providing healthy revenue visibility for the next few years.

TransCore providing order book backlog of US\$1.2b for ST Engineering

Overview of TransCore

U.S. market leader in Electronic Toll Collection (ETC) solutions and strong position in Intelligent Transportation Systems (ITS)

- ✓ Outstanding track record of project execution, customer retention and renewal – 80 years of history
- ✓ Strong management team with deep industry experience and talented 1,900-strong workforce
- ✓ Contracted to deliver first congestion pricing project in the U.S. – Manhattan, New York
- ✓ Differentiated suite of Intellectual Property and products



US\$ 565m
Revenue



US\$ 143m
EBITDA



US\$ 1.2b
Backlog

Investment Merit 2: Expecting a stronger 2H22 (Current share price = \$3.37)



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FINANCIAL HIGHLIGHTS For the first half-year ended 30 June 2022			
	2022 1H	2021 1H	Change
Revenue (\$m)	4,270	3,651	17%
Profit from operations (PFO) (\$m)	360.3	332.2	8%
Earnings before interest and tax (EBIT) (\$m)	384.6	355.1	8%
Finance costs, net (\$m)	(33.5)	(15.3)	119%
Profit before tax (PBT) (\$m)	351.1	339.8	3%
Profit attributable to shareholders (Net Profit) (\$m)	280.0	296.1	(5%)
Earnings per share (cents)	8.99	9.50	(5%)

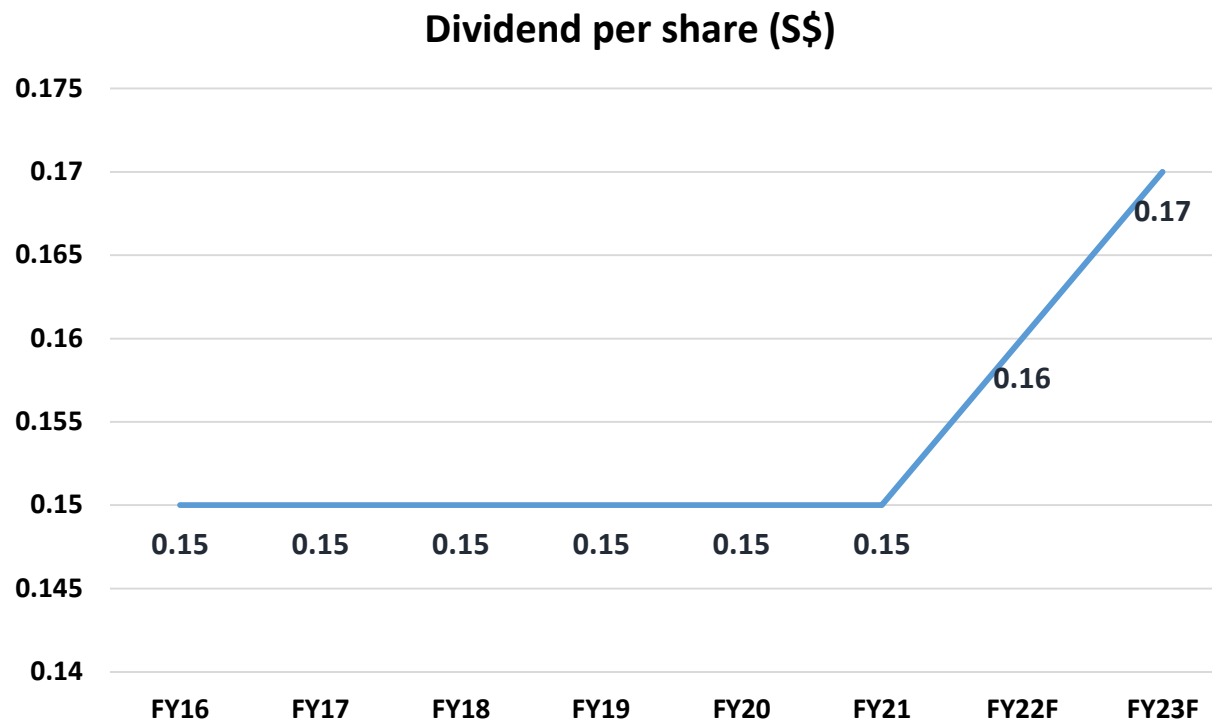
- Order book was \$22.2b as at end June 2022, of which about \$4.6b is expected to be delivered in the remaining months of 2022
- While there was a slight yoy drop of 5% in 1H22 net earnings as seen above, we are forecasting ST Engineering to achieve net profitability of S\$293.4m in 2H22. This in turn represents a 6.9% yoy increase over net earnings of S\$274.4m in 2H21, and a 4.8% hoh increment over the bottomline of S\$280m registered in 1H22.
- The stronger 2H22 is expected to be driven by all three of ST Engineering's business segments, namely:- (i) Commercial Aerospace (CA); (ii) Urban Solutions & Satcom (USS); and (iii) Defence & Public Security (DPS).

Investment Merit 2: Forecasting earnings growth going forward (Current share price = \$3.37)

FYE Dec (S\$ mln)	FY19	FY20	FY21	FY22F	FY23F
Total Revenue	7,868.3	7,158.3	7,692.9	8,869.5	9,658.3
Net Profit	577.9	521.8	570.5	573.4	638.1
Net Profit growth	N.M.	-9.7%	9.3%	0.5%	11.3%
P/E ratio (x)	18.2	20.1	18.4	18.3	16.5
Dividend per share (S\$)	0.15	0.15	0.15	0.16	0.17
Earnings per share (S\$)	0.186	0.167	0.183	0.184	0.205
Dividend Payout ratio	80.9%	89.6%	82.0%	86.9%	83.0%
Dividend Yield	4.5%	4.5%	4.5%	4.7%	5.0%

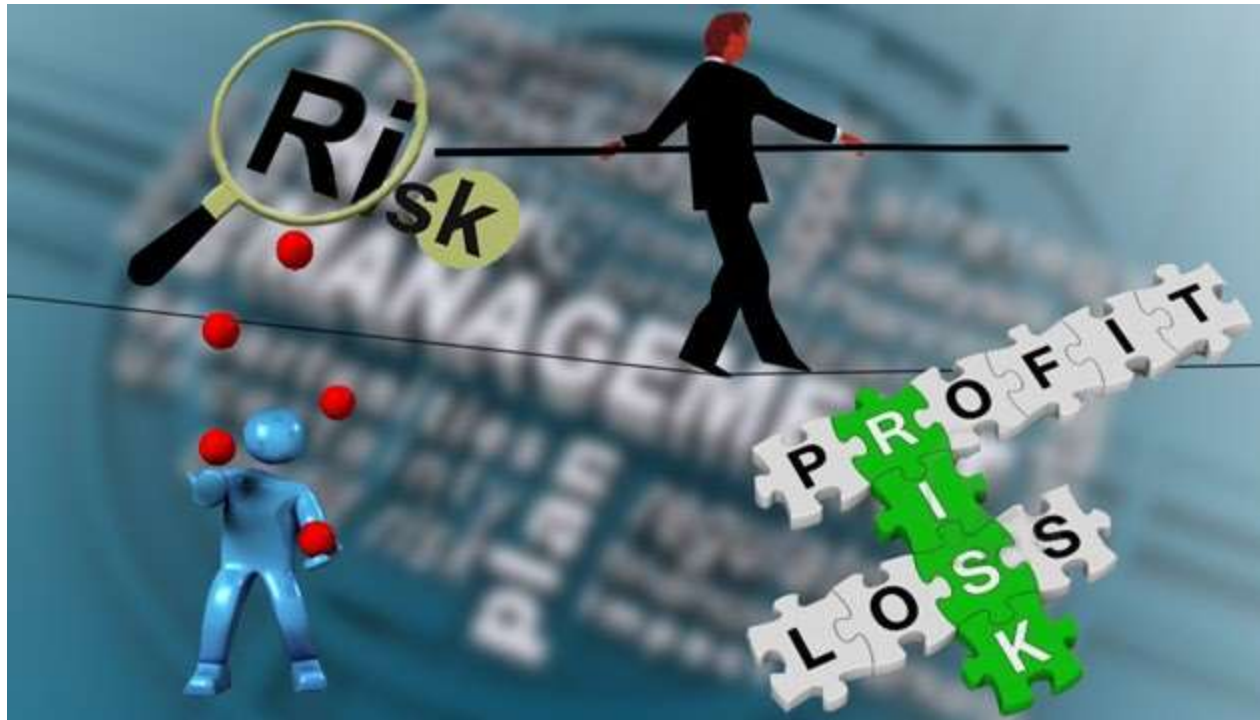
- While we are expecting yoy earnings growth to be rather flattish in FY22, we are forecasting FY23 net profitability to improve by 11.3% yoy (or S\$64.7mln) to \$638.1mln.
- We are anticipating earnings contribution from the TransCore acquisition to pick up pace in FY23 as ST Engineering fully integrates TransCore into its umbrella.
- Despite the hefty price tag of S\$3.63 billion paid for the TransCore acquisition, we highlight that there would not be any EPS dilution for both FY22 and FY23 arising from any fund raising exercises, as ST Engineering had explicitly mentioned that there is no plan for a rights issue to fund the purchase.

Investment Merit 3: Higher dividends ahead



- ST Engineering's annual dividends had remained flat at S\$0.15 for the FY16 – FY21 period, of which we opine is no mean feat given that it was not reduced during the COVID years of FY20 and FY21, even though its net earnings had dropped by over 9% yoy in FY20.
- We opine that our forecasted dividends of S\$0.16 and S\$0.17 in FY22 and FY23 respectively are reasonable, given that our forecasted dividend payout ratio of below 87% for both these years are inline with its historical range of 80 – 90%.

Risks



- High net gearing of 240% = ST Engineering's balance sheet is now highly geared as it is presently in a net debt position of S\$5,635mIn due to the acquisition of TransCore.
- Cost inflation of raw materials and skilled labour shortages, along with the possibility of integration risks arising from the acquisition of TransCore, are potential pitfalls for ST Engineering.

LTS PORTFOLIO 2023 RECOMMENDATIONS

	Name	Price	Market Cap (\$\$mln)	Trailing PE	Forward PE	Current PB	Dividend Yield	52 Week Low	52 Week High	Gearing	Net Cash to Market Cap	Target Px	Potential upside
Property Related	UOL	\$6.35	5,363	9.1x	15.4x	0.52x	2.4%	\$5.95	\$7.57	28.0%	N.A	\$8.35	31.5%
	Wingtai	\$1.47	1,117	8.8x	10.9x	0.33x	4.0%	\$1.43	\$1.93	2.5%	N.A	\$1.95	32.7%
Conglomerate	ST Engineering	\$3.37	10,497	18.4x	18.3x	4.49x	4.5%	\$3.12	\$4.22	240.0%	N.A	\$4.55	35.0%
	Civmec	\$0.57	298	6.4x	6.1x	0.88x	4.8%	\$0.57	\$0.72	8.9%	N.A	\$1.05	78.0%
Technology / Telco	SingTel	\$2.55	40,062	21.6x	16.8x	1.49x	3.6%	\$2.31	\$2.88	26.4%	N.A	\$3.15	23.5%
	Venture Corp	\$16.83	4,896	15.7x	13.2x	1.74x	4.5%	\$15.71	\$19.52	N.A	14.3%	\$20.35	20.9%
	Innotek	\$0.41	95	35.7x	33.9x	0.52x	4.8%	\$0.38	\$0.84	N.A.	80.5%	\$0.60	46.3%
Banking / Finance	DBS	\$34.58	88,996	12.3x	11.4x	1.60x	4.2%	\$29.45	\$37.49	6.1%*	N.A	\$39.84	15.2%
	OCBC	\$12.12	54,464	10.0x	9.2x	1.07x	4.6%	\$10.98	\$13.54	6.8%*	N.A	\$14.46	19.3%
	UOB	\$28.74	48,128	11.0x	10.3x	1.14x	4.2%	\$25.47	\$33.33	6.4%*	N.A	\$33.74	17.4%
Building Materials	Pan United	\$0.40	279	11.1x	9.8x	1.33x	4.0%	\$0.30	\$0.47	N.A.	2.0%	\$0.54	35.0%
Transport	Comfort Delgro	\$1.36	2,946	19.1x	15.5x	1.09x	3.6%	\$1.23	\$1.63	N.A	10.0%	\$1.70	24.7%

* BANKING SECTOR LEVERAGE RATIOS

GUEST COMPANIES

	Name	Price	Market Cap (\$mIn)	Trailing PE	Forward PE	Current PB	Dividend Yield	52 Week Low	52 Week High	Gearing	Net Cash to Market Cap	Target Px	Potential upside
Banking / Finance	SGX	\$8.49	9,084	20.1x	19.2x	5.87x	3.8%	\$8.16	\$10.13	N.A.	8.8%	\$10.08	18.7%
	Yangzijiang Financial	\$0.34	1,255	4.1x	6.0x	0.30x	6.0%	\$0.31	\$0.70	N.A.	35.8%	\$0.74	117.6%
Shipbuilding	Yangzijiang Shipbuilding	\$1.28	5,057	8.0x	10.1x	1.58x	3.9%	\$0.63	\$1.30	N.A.	14.2%	\$1.40	9.7%

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Introducee 3	S\$200
 Enhanced Reward	S\$400

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Fast Trade 10	10 trades* in 1 month	S\$500
Standard 30	30 trades* in 3 months	S\$1000

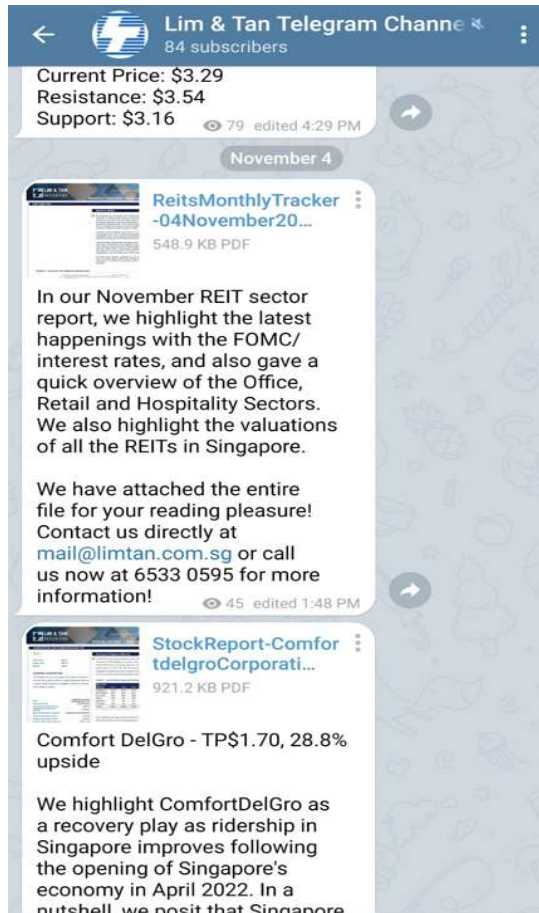
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