

MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI	2915.73	-0.34	-2.76	-13.36
Dow Jones	17483.01	1.38	-1.02	-1.91
S&P 500	2053.19	1.49	-1.26	-0.28
NASDAQ	4984.617	1.15	-1.37	5.25
FTSE (UK)	6146.38	0.46	-3.38	-6.39
Nikkei	19393.69	-1.04	1.63	11.13
Hang Seng	22010.82	-1.72	-2.78	-6.75
Shanghai Composite	3606.957	0.73	6.63	11.51
VIX	18.16	-9.56	20.50	-5.42

SG MARKET SUMMARY

Daily Market Value (S\$m)	921.1
Daily Market Volume (mln)	1300.9
52-week STI High	3549.9
52-week STI Low	2740.4

KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SIBOR	1.1	0.0	0.2	134.8
3 Mth Swap Offer Rate	1.4	-2.1	1.4	95.5
SG 10 YR Bond Yield	2.6	-0.8	5.6	13.9
US 10 YR Bond Yield	2.3	0.1	5.9	4.4

US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	17411.0	-0.1	-1.0	-0.4
S&P 500	2046.3	-0.1	-1.3	0.6
NASDAQ	4558.3	0.0	-1.8	8.3

COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	1083.7	0.1	-5.1	-8.5
Crude Oil	41.7	2.5	-10.4	-21.6
Baltic Dry	550.0	-1.8	-23.7	-29.7
Crude Palm Oil	6308.0	-3.7	-4.9	-25.8

FSSTI INDEX



Source: Bloomberg

FINANCIAL MARKETS

- US stocks rebounded 1.2-1.5% after their worst week since an August selloff, paced by energy shares amid speculation that any fallout from Friday's terrorist attacks in Paris would have a limited economic impact. Last week's hardest-hit group led the rally, an echo of the snapback from the summer selloff, as Chevron Corp and Exxon Mobil gained more than 3.5%. Procter & Gamble and Wal-Mart Stores led a surge among consumer staples, rising at least 1.8%. Heightened security after the Paris terrorist attack benefitted defence companies (with the sector up close to 2%).

IDEA OF THE DAY

- Ying Li International (\$0.183, down 0.1 cent)'s 3Q FY15 results were a non-event which saw net profit of RMB2.9 mln (-73.6% yoy) while revenue dropped by 57.1% yoy to RMB111.9 mln. This came on the back of lumpy revenue recognition from the Sale of Properties segment during the quarter as the contracted pre-sales from the Ying Li International Plaza project were handed over in FY14. However, the bottom-line was partly lifted by higher interest income of RMB13.5 mln (from RMB1.9 mln in 3Q14) received from deposits placed with financial institutions. Rental income grew by 11.6% in 3Q15 to RMB56.6 mln, driven by higher rental contribution from the malls following a favourable adjustment made to the tenant mix and an increase in the office space leased out from the IFC office units. Overall GPM for 3Q FY15 widened by 16.4% points yoy to 55.2%, mainly due to higher proportion of gross profit from rental where its margin is typically higher than that of property sales.

YL had earlier said that it had pre-sold more than 75% of the Ying Li San Ya Wan Phase 2A, with a cumulative contracted pre-sales of about RMB268 mln. Approximately 37,000 sqm under Phase 2A were sold at an ASP of RMB6,900 per GFA sqm and is targeted to hand over sometime in 4Q15. In fact, the group continues to register strong sales momentum at Ying Li San Ya Wan Phase 2 project as it has pre-sold about 58% of Phase 2B with a cumulative contracted sales amounting to RMB175 mln YTD. Meanwhile, YL has completed Phase 1 land acquisition for its International Hardware and Electrical Centre after receiving strong indicative interest for Phase 1A of the project.

Recently, Chongqing Municipality was also revealed as the site of the third government-to-government project between Singapore and China, beating two other sites - Chengdu, capital of south-western Sichuan province, and Xi'an, capital of north-western Shaanxi province. As an important node along the new "Silk Road Economic Belt", we believe Chongqing is set to benefit from the "One Belt, One Road" strategy initiated by the Chinese government.

Its maiden project outside of Chongqing, Future Beijing is a mixed development project located at second CBD area, consisting of super high-rise premium residential units, office buildings and retail malls. It has an aggregate GFA of about 770,000 sqm and YL has an equity investment of RMB559 mln in the project. Based on the equity component of RMB3.7 bln (total cost is RMB7.2 bln), this will give the group an effective stake of about 15.1%. We understand that other prominent partners in the project include Shanghai Everbright Holdings and CITIC-CP Asset Management.

While YL used to develop and sell one project at a time, it now has four large scale significant projects under development to beef up its accumulated pre-sales and financial performance from 2016 onwards. Moreover, with China Everbright coming in to rebrand the group's existing malls, this should help to boost recurring income and hence, further improve its rental yield going forward.

The 3Q15 should represent a trough in terms of earnings as YL is likely to recognise sales from its San Ya Wan Phase 2A project in 4Q15. Based on our RNAV estimate of 50 cents, we see fair value lies somewhere between 20-25 cents, based on its Chinese peers' average of 50-60% discount to book value. We think YL could potentially re-rate to peer group average if the group is able to demonstrate consistent execution capability on its pipeline of projects.

OTHER HIGHLIGHTS

▶ Valuetronics Hldgs (\$0.425, up 0.5 cents) saw 2Q16 revenue drop 16.1% to HK\$526.5mln as net profit decreased 11.3% to HK\$32.2mln. The 27.7% increase in sales to HK\$287.5mln from the Industrial and Commercial Electronics (ICE) segment had failed to fully offset the 40.6% turnover decline to HK\$239mln from the Consumer Electronics (CE) division, although gross margins had improved to 14.6% (2Q15: 13.1%) due to the higher margins commanded by the ICE business.

For 1H16, revenue dropped 14.2% to HK\$1,076.6mln as net earnings dipped 6.4% to HK\$65.7mln. The company also generated positive operating cash flows of HK\$120.6mln in 2Q16, resulting in a net cash position of HK\$518.4mln which equates to 58.9% of current market cap.

No interim dividend was declared (2Q15: nil). In its outlook statement, the company expects to remain profitable for FY16. Given that contributions from the higher-margined ICE business is expected to grow sequentially going forward while contributions from the lower-margined CE division takes a backseat, we therefore opine that 3Q16 gross margins will be higher qoq. However, as 2Q16 net profit was partially boosted by a positive write-back of provision for sales warranties amounting to HK\$3.4mln, we are expecting 3Q16 net earnings to be similar to 2Q16.

At \$0.425, market cap is S\$161.5mln, trailing P/E is 6x, P/B is 1.1x, dividend yield is 8.3% and price-to-sales is 0.4x.

▶ Starland Hldgs (\$0.225, unchanged) saw FY15 turnover rocket to RMB337.1mln from RMB13.6mln in FY14 as it registered net profitability of RMB65.6mln as compared to net losses of RMB9.7mln. This sterling set of results were mainly due to revenue recognition from the sales of units from its Singapore Garden Project at Chongqing, Fuling.

No final dividend was declared (4Q14: nil). However, the company experienced an operating cash outflow of RMB24.2mln, resulting in a net cash position of RMB34.1mln which equates to 23.4% of current market cap.

Going forward, the company noted that while the relaxation of mortgage lending and interest rate cuts may lead to an improvement in purchasing power, the current property sector still remains fragile. However, the long-term demand for property in PRC is strongly supported by urbanization and income growth. In FY16, the Group will continue to sell the remaining commercial units and residential units of both the University Town Project and Singapore Garden Project.

At \$0.225, market cap is S\$32.6mln, trailing P/E is 2.2x, P/B is 1.3x and price-to-sales is 0.4x.

▶ NauticAWT Limited (\$0.215, unchanged) said that the Company's recently acquired subsidiary, Marine Engineering Services Pte Ltd (MESPL) has been awarded a detailed engineering contract for the design of living quarters for an offshore platform from SMOE Pte Ltd (SMOE), a subsidiary of SembCorp Marine Limited.

The Living Quarters are part of the Culzean Field Development which includes a central processing facility, two connecting bridges, wellhead platform and utilities, living quarters and platform topsides. The facility will be installed at a water depth of 90 meters in the UK sector of the Central North Sea.

The contract has a value of S\$3.5 mln and the scope of work to be performed by MESPL includes design of architectural, piping & plumbing, heating ventilation and air conditioning, as well as safety, structural, electrical, instrumentation and telecoms engineering.

The Living Quarters will be designed to accommodate 140 personnel and will be integrated with the utility deck. The Living Quarters and utility deck will be constructed as an integrated entity in SMOE's Singapore yard. However, the latest contract is not expected to have a material impact on the group's consolidated NTA per share and EPS for the current FY15.

▶ SMJ International Holdings (\$0.126, down 0.9 cent) announced that SMJF has been appointed the exclusive distributor for the Mohawk Industries, Inc.'s (Mohawk Group) "LEES", "Bigelow" and "Duracolor" range of carpets for Singapore, Malaysia and Indonesia.

The Group is also an authorised distributor for the Mohawk Group's luxury vinyl tiles.

Established since 1878, the Mohawk Group is currently one of the world's largest floor covering manufacturers. More significantly, this appointment will allow the group to focus on the distribution of Mohawk carpets in the premium space as its exclusive distributor.

As a result of the appointment, it has also decided to focus on the Mohawk Group's range of carpets and will cease to be an authorised supplier for the Shaw Contract Group brand of carpets.

Nevertheless, the group's consolidated NTA per share and EPS for the FY15 are not expected to be materially impacted following the aforesaid changes.

FSSTI STOCK SELECTION

HIGHEST CONSENSUS FY15E DIV YIELD (%)

1 HUTCHISON PORT-U	8.60
2 NOBLE GROUP	7.53
3 ASCENDAS REIT	7.16
4 CAPITALAND MALL TRUST	6.24
5 KEPPEL CORP	6.19

LOWEST TRAILING P/B (X)

1 GOLDEN AGRI-RESOURCES	0.37
2 NOBLE GROUP	0.41
3 HONGKONG LAND	0.62
4 UOL GROUP	0.64
5 CAPITALAND LTD	0.74

LOWEST CONSENSUS FY15 P/E (X)

1 NOBLE GROUP	4.74
2 YANGZIJANG SHIPPING	7.01
3 KEPPEL CORP	8.77
4 SEMBCORP INDUSTRIES	9.04
5 OCBC BANK	9.33

LOWEST TRAILING EV/EBITDA (X)

1 YANGZIJANG SHIPPING	3.71
2 SIA	4.27
3 JARDINE C&C	7.46
4 KEPPEL CORP	7.96
5 COMFORTDELGRO	8.55

Source: Bloomberg Estimates (FSSTI Universe)

SHARE TRANSACTIONS
11 - 16 NOVEMBER

Company	Party	Buy	Sell	Transacted Price* (\$)	Market Price (\$)	New Balance	Stake (%)
ACQUISITIONS							
Accordia Golf Trust	Global Long Short Master Ireland	1,300,000	-	0.63	-	111,066,000	10.10
Fragrance Group	Koh Wee Meng	150,000	-	0.192	-	5,720,384,400	85.23
Global Premium Hotels	Koh Wee Meng	1,000,000	-	0.306	-	723,600,000	68.78
Hwa Hong Corporation	Ong Kay Eng	123,400	-	0.32	-	63,774,800	9.76
International Healthway	Ching Chiat Kwong	5,494,100	-	0.092	-	270,826,700	16.32
Japfa Ltd	Handojo Santosa	100,000	-	0.471	-	1,154,048,615	65.40
New Wave Holdings	Koh Wee Meng	12,862,800	-	0.011	-	140,412,800	9.63
SBI Offshore	Mirzan Bin Mahathir	800,000	-	0.185	-	29,060,000	11.64
Sunningdale Tech	Koh Boon Hwee	28,800	-	0.85	-	15,033,766	8.10
Tee International	Phua Chian Kin	24,900	-	0.24	-	293,938,120	58.41
DISPOSALS							
Blumont Group	IPCO International Ltd	-	14,365,400	0.003	-	227,200,827	5.28
Cityneon Holdings	Ko Chee Wah	-	2,486,000	0.193	-	265	0.00
IHH Healthcare	EPF	-	2,460,300	ND	2.10	716,906,000	8.72
Jacks International	Abacus Pacific N V	-	400,000	0.825	-	5,500,000	18.33
Ntegrator International	Lai Chun Loong	-	1,500,000	0.026	-	5,385,000	0.68
SunMoon Food	Gary Loh	-	14,000,000	0.04	-	80,712,772	25.32

* ND: Not Disclosed

SHARE BUYBACK

Company	No. of shares	Price (\$)	Cumulative Purchases	Of Maximum (%)
Courts Asia	2,000	0.38	9,851,000	18.3
GP Batteries	28,000	0.905	3,886,200	23.8
Hyflux Ltd	500,000	0.635	12,041,700	14.9
Lum Chang Holdings	356,200	0.37	451,300	1.2
Nordic Group	114,900	0.185	3,001,500	7.5
OCBC	150,000	8.91	5,120,000	1.3
Trek 200 International	108,000	0.31	762,200	2.6
Wing Tai Holdings	250,000	1.684	684,000	0.9

DIVIDENDS (LIST IS NOT EXHAUSTIVE)

Company	Amount	Last Day Cum-Dividend	First Day Ex-Dividend	Date Payable
GP Industries	1.6¢ interim	16 Nov	17 Nov	30 Nov
Japan Foods	0.75¢ interim	16 Nov	17 Nov	09 Dec
Overseas Education	1.375¢ special	16 Nov	17 Nov	27 Nov
Cordlife Group	13¢ special	18 Nov	19 Nov	03 Dec
OUE Hospitality Trust	1.72¢	17 Nov	18 Nov	15 Dec
SATS	5¢ interim	17 Nov	18 Nov	04 Dec
Silverlake Axis	0.6¢ interim	17 Nov	18 Nov	03 Dec
Jason Marine Group	0.5¢ interim	19 Nov	20 Nov	07 Dec
Lee Metal Group	0.3¢ interim	20 Nov	23 Nov	11 Dec
PEC Ltd	1¢ final	20 Nov	23 Nov	08 Dec
KSH Holdings	1.25¢ interim / 0.3¢ special	24 Nov	25 Nov	08 Dec
Fischer Tech	2¢ interim	25 Nov	26 Nov	08 Dec
Fu Yu Corporation	0.25¢ interim	25 Nov	26 Nov	08 Dec
Accordia Golf Trust	2.32¢ interim	26 Nov	27 Nov	15 Dec
UMS Holdings	1¢ interim	26 Nov	27 Nov	15 Dec
Old Chang Kee	1.5¢ interim	27 Nov	30 Nov	16 Dec
Transit-Mixed Concrete	2¢ interim	30 Nov	01 Dec	23 Dec
TTJ Holdings	8¢ final	30 Nov	01 Dec	18 Dec
Khong Guan Flour Milling	3¢ final	01 Dec	02 Dec	14 Dec
Tee International	0.15¢ special	01 Dec	02 Dec	18 Dec
World Precision Machinery	Rmb12.5¢ interim	02 Dec	03 Dec	16 Dec
SPH	8¢ final / 5¢ special	07 Dec	08 Dec	23 Dec
Zhongmin Baihui Retail	1¢ interim	07 Dec	08 Dec	22 Dec
Asian Pay TV Trust	2¢ interim	08 Dec	09 Dec	18 Dec
Osim International	1¢ interim	24 Dec	28 Dec	06 Jan 16
Frasers Centrepoint Ltd	6.2¢ final	02 Feb 16	03 Feb 16	19 Feb 16
Frasers & Neave	3¢ final	02 Feb 16	03 Feb 16	19 Feb 16
Avi-Tech Electronics	1.4¢ special	12 Feb 16	15 Feb 16	29 Feb 16

SHARE CONSOLIDATION

Company	Consolidation Ratio	Ex Date	Record Date
Jaya Holdings	Consolidation 20 into 1	06 Nov 2015	11 Nov 2015

WHAT'S AHEAD

NOVEMBER 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17 Non-Oil Domestic Exports YOY	18 3Q GDP YOY	19 TPV	20 Marco Polo Marine	21
22	23 CPI Core YOY	24	25	26 Oct Industrial Production	27 Technics Oil & Gas	28
29	30					

WHAT'S AHEAD

DECEMBER 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 China Nov Manufacturing PMI	2	3	4	5
6	7	8	9 China Nov CPI	10 China Nov Money Supply	11 China Nov Retail Sales	12
13	14	15 Oct Retail Sales	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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