

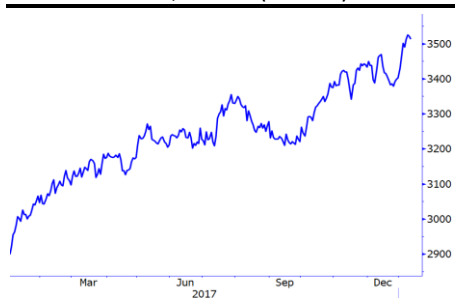
Market Indicators

	9-Jan	10-Jan	11-Jan
Mkt. T/O (S\$ mil)	1,197.6	1,099.6	993.1
Stock Advances	234	201	188
Stock Declines	215	257	251

Major Indices

	9-Jan	10-Jan	11-Jan
DJ Ind Avg	25,385.8	25,369.1	25,574.7
S & P 500	2,751.3	2,748.2	2,767.6
Nasdaq Comp	7,163.6	7,153.6	7,211.8
Hang Seng	31,011.4	31,073.7	31,120.4

STI Index 3,512.68 (-0.22%)

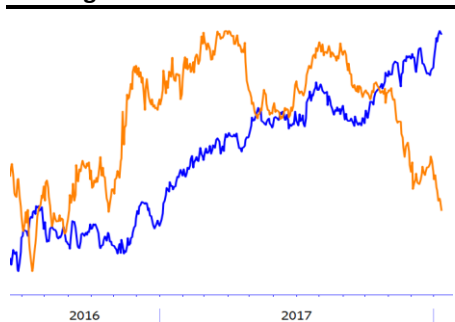


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,324.08	0.50%
Oil (NYMEX CWT1) US\$ / bbl	63.55	-0.09%
Baltic Dry Index	1366	-2.08%

Exchange Rates



Source: Bloomberg

Interest Rates

3-mth Sibor	1.371%
SGS (10 yr)	2.073%

KGI Securities Research Team

Market Colour

Major US indices rebounded from its first down day of the year, setting new record highs – S&P 500 (+0.7%) Dow Jones (+0.8%) Nasdaq (+0.8%). Markets recovered after Chinese regulators dismissed an earlier report regarding its slow/halt of US Treasury purchases. Ten-year US Treasury yields retreated to close at 2.549%.

In Singapore markets, the STI retreated 0.3%, and was mainly led by Jardine Strategic Holdings (-2.7%), Golden Agri-Resources (-2.6%), SPH (-1.1%), CapitalLand Mall Trust (-1.0%) and Sembcorp Industries (-0.9%). S-REITs in general reacted negatively to the spike in ten-year US Treasury yields yesterday, but should gradually gain back their footing on the back of a recovery of the overall market. Oil-related stocks like CNOOC and Keppel Corp may follow oil prices higher today.

Note

➤ **ANTA Sports Products Limited (2020 HK; Not Rated):** Riding on China's consumption led growth - Page 2

News

HRnetGroup: Announced its expansion of its core business of recruitment services into China. The group has entered into a binding term sheet to acquire 51% of the shares in REForce (Shanghai) Human Resources Management Consulting Co. The deal will be an all-cash deal where 10/45/45% of the consideration will be calculated with respect to FY17/18/19 respectively. **HRnetGroup currently offers a dividend yield of 2.9% and has a consensus fair value estimate of S\$1.01, implying a 21.7% upside.**

Recent In-depth Regional Reports

11/1	SG ANTA Sports Products (2020 HK; Not Rated): Riding on China's consumption led growth
11/1	TH Thaicom (THCOM TB; Under Review; TP: NA): 4Q17 earnings preview: Not yet out of the wood
10/1	TW Financial Sector (Overweight): December FHC earnings hit by lower investment gains at life insurers & rising provisions at banks
10/1	TW IT Hardware (Neutral): Firmer outlook for cloud data center plays
10/1	TW Delta Electronics (2308 TT; Neutral; TP: NT\$143.00): Sales upside, but more margin downside
10/1	TW Formosa Chemicals (1326 TT; Outperform; TP: NT\$120.00): 4Q17 earnings beat significantly
10/1	TW Formosa Petrochemical (6505 TT; Outperform; TP: NT\$130.00): Earnings slightly beat
10/1	TW Formosa Plastics (1301 TT; Neutral; TP: NT\$112.00): Earnings slightly beat
10/1	TW Gourmet Master (2723 TT; Outperform; TP: NT\$470.00): 4Q17 sales in line; margin on track to expand further
10/1	TW Hota Industrial (1536 TT; Outperform; TP: NT\$153.00): Bright outlook on multiple new EV projects
10/1	TW Nan Ya Plastics (1303 TT; Outperform; TP: NT\$92.00): Earnings breeze past expectations
10/1	TW TSMC (2330 TT; Neutral; TP: NT\$212.00): 1Q18 upside on Bitcoin clients & iPhone 6/7; 2Q18 uncertainty
10/1	HK New Higher Education (2001 HK; Outperform; TP: HK\$5.70): Acquiring 55% of Henan School
10/1	CN/HK Economy: Inflation stable in January; market sentiment to benefit near term from rising liquidity expectations

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



CHINA
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NOTE

Specialty Apparel Stores • Hong Kong

ANTA Sports Products Ltd (2020 HK/2020.HK)

Not Rated

Price as of 11 Jan 2018	38.15
12M target price (HKD)	-
Previous target price (HKD)	-
Upside (%)	-

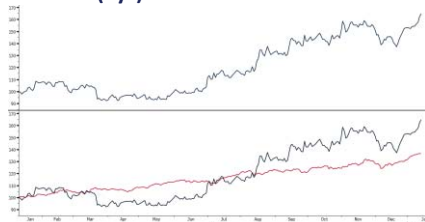
Trading data

Market Cap (HKDm)	102,416.3
Issued Shares (m)	2,684.6
Ave Daily Traded (3-Month) Vol / Val	4.5m / \$153.4m
52 week lo / hi (HKD)	\$20.67 / \$39.00
Free Float	38.1%

Major Shareholders

Anta International Group	51.2%
Anda Holdings	4.3%

2020 HK (1yr) VS HSI Index



Source: Bloomberg

Riding on China's consumption led growth

Event

Anta Sports (ANTA) has proven to be a powerhouse in the Chinese sports apparel industry, almost doubling its earnings in 5 years. Going forward, ANTA is well poised for a new stage of growth underpinned by (1) the government's push to develop its sporting industry and (2) individual consumption growth in China, which will likely outpace GDP growth.

Impact

Chinese government's plans to transform the industry still in its early stages.

The Chinese General Administration of Sport plans to build 100 towns dedicated as centres of sporting excellence for various disciplines over the coming years, and could potentially construct 70,000 new soccer pitches by FY20. Additionally, they expect the industry to more than double in size to be worth 5 trillion yuan by FY25, serving as major tailwind for ANTA.

Multi-brand strategy catering to different segments.

Unlike Li-Ning, ANTA adopts a multi-brand strategy to appeal to a wider target audience. For instance, its home-grown Anta brand caters to the mass market while Kolon Sport (joint venture) and Descente aims to penetrate the high-end market, competing with the likes of international brands, Nike and Adidas. Betting on the new two-child policy announced in FY15, ANTA is also positioning itself to benefit from this through its Fila Kids and Anta Kids range. Its most recent acquisition, King Kow, serves to broaden its reach to infants, despite being less of a sporting brand.

Strong partnerships to secure its dominance.

As the exclusive sportswear partner of the Chinese Olympic Committee since 2009, ANTA will be the official sponsor of the Beijing 2022 Winter Olympics and Paralympics. While this will not boost earnings directly, we think such marketing for its brand image on a large scale will help its home-grown Anta brand achieve its status of being synonymous with sports in China. ANTA is also engaged in strategic partnership with the Chinese General Administration of Sport.

Valuation & Action

ANTA currently trades at an FY18 P/E of 23.3x vs Li Ning's P/E of 18.4x. We believe this is justified, given its more diverse strategy catering to a wider audience.

Risk

Lower than expected consumption growth and negative changes to the national strategy to develop the sports industry.

Financials & Key Operating Statistics

YE Dec (HKD m)	2015A	2016A	2017A	2018F	2019F
Revenue	12,935.0	15,095.0	19,372.0	23,331.0	27,559.0
Operating Income	3,010.0	3,552.0	4,801.0	5,760.0	6,916.0
Net Income	2,418.0	2,702.0	3,640.0	4,376.0	5,209.0
EPS (Cents)	1.0	1.0	1.4	1.6	2.0
EPS growth (%)	12.8	10.6	23.9	19.1	19.3
P/E (x)	23.7	23.1	27.2	22.8	19.1
DPS (Cents)	0.7	0.8	1.0	1.2	1.4
Div Yield (%)	2.8	2.7	2.6	3.1	3.7
Gross Margin (%)	46.6	47.8	50.6	51.4	52.3
Net Margin (%)	18.3	17.9	18.8	18.8	18.9
ROE (%)	24.4	26.4	26.6	26.4	27.9

Source: Company Data, Bloomberg Estimates

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See the last page for important disclosures.

STI Components and Key Metrics

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
FINANCIALS								
DBS SP	DBS	26.46	67,675	(0.4%)	6.5%	(0.2%)	2.5%	2.8%
OCBC SP	OCBC	12.90	53,993	0.3%	4.1%	(0.4%)	2.9%	3.1%
UOB SP	UOB	27.70	46,066	0.1%	4.7%	2.5%	2.7%	2.9%
SGX SP	SGX	7.56	8,098	(0.9%)	1.6%	(0.1%)	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.78	8,028	0.0%	2.2%	(0.4%)	5.8%	6.0%
CAPL SP	CapitaLand	3.76	15,969	(0.3%)	6.5%	2.7%	2.7%	2.8%
CCT SP	CapitaLand Comm Trust	1.99	7,180	(0.5%)	3.1%	(2.0%)	4.4%	4.4%
CT SP	CapitaLand Mall Trust	2.08	7,377	(1.0%)	(2.3%)	(1.4%)	5.3%	5.3%
CIT SP	City Development	12.99	11,812	0.0%	4.0%	1.0%	1.2%	1.2%
HKL SP	Hongkong Land USD	7.12	22,347	0.0%	1.1%	0.3%	2.8%	2.9%
UOL SP	UOL	9.32	7,845	(0.2%)	5.1%	0.8%	1.6%	1.6%
TELECOMMUNICATIONS								
ST SP	SingTel	3.61	58,948	(0.3%)	1.1%	0.0%	5.8%	5.0%
STH SP	StarHub	2.93	5,066	0.3%	2.8%	0.7%	5.5%	5.3%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	40.45	15,987	(0.5%)	(0.5%)	(2.0%)	2.7%	2.8%
JM SP	Jardine Matheson USD	61.13	59,224	0.2%	0.6%	1.4%	2.6%	2.7%
GENS SP	Genting Singapore	1.32	15,892	(0.8%)	0.8%	(1.5%)	2.3%	2.3%
SPH SP	SPH	2.65	4,236	(1.1%)	0.0%	(4.7%)	5.2%	5.1%
THBEV SP	ThaiBev	0.93	23,352	0.0%	1.1%	2.8%	3.2%	3.4%
VMS SP	Venture Corp	22.40	6,377	(0.4%)	9.4%	2.0%	2.9%	2.9%
TRANSPORT								
SIA SP	Singapore Airlines	10.87	12,854	(0.4%)	1.9%	1.2%	2.4%	2.2%
CD SP	ComfortDelGro	2.01	4,349	1.0%	1.5%	(1.0%)	5.2%	5.2%
COMMODITIES								
GGR SP	Golden Agri	0.38	4,776	(2.6%)	1.4%	(3.8%)	1.8%	2.1%
WIL SP	Wilmar	3.19	20,179	(0.3%)	3.2%	(0.9%)	2.3%	2.8%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.91	14,343	(0.1%)	7.6%	1.4%	2.7%	3.1%
SCI SP	Sembcorp Industries	3.15	5,621	(0.9%)	4.0%	(1.3%)	2.4%	3.1%
YZJSGD SP	Yangzijiang SGD	1.57	6,231	0.6%	6.8%	2.6%	3.0%	2.9%
SATS SP	SATS	5.48	6,133	0.0%	5.4%	(0.4%)	3.2%	3.4%
SIE SP	SIA Engineering	3.20	3,579	0.0%	2.2%	0.3%	4.2%	4.4%
STE SP	ST Engineering	3.33	10,375	0.3%	2.1%	0.9%	4.4%	4.7%
HPHT SP	HPH Trust USD	0.42	4,881	0.0%	1.2%	1.2%	6.2%	6.4%

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

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

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
VMS SP	Venture Corp	22.40	6,377	(0.4%)	9.4%	2.0%	2.9%	2.9%
SUN SP	Suntec REIT	2.22	5,888	0.5%	3.3%	2.3%	4.5%	4.5%
MCT SP	Mapletree Commercial	1.66	4,779	(0.6%)	2.5%	(0.6%)	5.4%	5.4%
KREIT SP	Keppel REIT	1.28	4,315	0.0%	1.6%	0.8%	4.7%	4.7%
SMM SP	Semcorp Marine	1.85	3,863	(1.1%)	0.5%	1.1%	1.0%	1.2%

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

Appendix 1: Corporate Action

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 11 Jan 18	Yield (%)
Miyoshi Ltd	27-Oct-17	FY17	SGD 0.0040	10-Jan-18	12-Jan-18	19-Jan-18	SGD 0.076	5.3
SPH REIT	5-Jan-18	1H18	SGD 0.0134	11-Jan-18	15-Jan-18	14-Feb-18	SGD 1.050	1.3
Advanced Holdings Ltd	10-Nov-17	3Q17	SGD 0.04900	12-Jan-18	16-Jan-18	7-Feb-18	SGD 0.330	14.8
HC Surgical Specialists Ltd	9-Jan-18	2Q18	SGD 0.0110	15-Jan-18	17-Jan-18	30-Jan-18	SGD 0.725	1.5
JB Foods Ltd	13-Nov-17	3Q17	SGD 0.0200	24-Jan-18	26-Jan-18	1-Mar-18	SGD 0.560	3.6
PNE Industries Ltd	27-Nov-17	FY17	SGD 0.0300	25-Jan-18	29-Jan-18	12-Feb-18	SGD 1.120	2.7
Fraser and Neave	8-Nov-17	FY17	SGD 0.03000	31-Jan-18	2-Feb-18	14-Feb-18	SGD 2.560	1.2
Frasers Centrepoint	10-Nov-17	FY17	SGD 0.06200	31-Jan-18	2-Feb-18	14-Feb-18	SGD 2.190	2.8
Goodland Group Ltd	29-Nov-17	FY17	SGD 0.00300	31-Jan-18	2-Feb-18	9-Feb-18	SGD 0.260	1.2
Duty Free Int'l	10-Jan-18	3Q18	SGD 0.0100	6-Feb-18	8-Feb-18	6-Mar-18	SGD 0.260	3.8
Keong Hong Holdings Ltd	28-Nov-17	FY17	SGD 0.0175	7-Feb-18	9-Feb-18	1-Mar-18	SGD 0.620	2.8
Thai Beverage PCL	23-Nov-17	FY17	Baht 0.4700	8-Feb-18	12-Feb-18	28-Feb-18	SGD 0.930	2.1

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
Asia-Pacific Strategic Invts	2 Rts Shares @ S\$0.003 for each Rights Share for every 1 existing share held, 1 free detachable warrant (exercise price S\$0.003) for every 1 Rts Share subscribed	3-Jan-18	5-Jan-18	10-Jan-18	18-Jan-18
BM Mobility	2 Wrts @ S\$0.0033 for each Wrt (exercise price S\$0.010) for every 1 existing ord share held	17-Jan-18	19-Jan-18		

Source: SGX Announcement

Asia-Pacific Strategic Invts: Expected date for commencement of trading of warrants: Friday, 2 February 2018

Latest Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Hyflux	Entitled shareholders will receive 1 Hyfluxshop Hldgs Pte Ltd share for every 10 Hyflux shares held	5-Feb-18	7-Feb-18		
Pan-Utd Corp	Entitlements of Xinghua shares on the basis of 1 Xinghua share for every share held	5-Jan-18	9-Jan-18	-	-

Source: SGX Announcement

Company	Offer Price	Closing Date	Offeror
Cogent Holdings Ltd	SGD 1.02 Cash	5.30 p.m. on 19 Jan 2018	COSCO Shipping Int'l (Singapore) Co., Ltd.
Global Logistic Properties Ltd	SGD 3.38 Cash	5.00 p.m. on 9 Jan 2018	Nesta Investment Hldgs Ltd
Rotary Engineering	SGD 0.460 Cash	5.30 p.m. on 24 Jan 2018	OROCHEM PTE. LTD.
TMC Education Corporation Ltd	SGD 0.0675 Cash	5.30 p.m. on 30 Jan 2018	JK Global Assets Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
8-Jan	9-Jan	10-Jan	11-Jan	12-Jan Q1: Spore Press Hldgs Q4: Qian Hu Corp
15-Jan	16-Jan	17-Jan Q4: ESR-REIT / First REIT / Soilbuild Business Space REIT	18-Jan Q4: Cache Logistics Trust	19-Jan Q2: Spore Exchange
22-Jan Q3: Mapletree Logistics Trust Q4: Frasers Commercial Trust / Keppel DC REIT / Keppel Infrastructure Trust	23-Jan SG (Dec 2017): CPI Overall index and sub-indices Q1: Frasers Centrepoint Trust Q3: Mapletree Industrial Trust Q4: Keppel REIT / M1	24-Jan Q1: Frasers Hospitality Trust Q3: Mapletree Commercial Trust Q4: CapitaLand Mall Trust / Keppel Telecoms & Tpt	25-Jan SG (4Q17): Industrial Properties Q1: Frasers Logistics & Industrial Trust Q3: Ascendas REIT / Mapletree Greater China Commercial Trust Q4: Keppel Corp / CapitaLand Commercial Trust	26-Jan SG (Dec 2017): Index of Industrial Production Unemployment Rate & Employment SG (4Q17): Private Residential, Retail and Office Properties Q4: AGV Grp (Release on Sun, 28-Jan) *Q4: CDL Hospitality Trusts
29-Jan	30-Jan	31-Jan	1-Feb-18	2-Feb
5-Feb Q4: Utd Overseas Insurance	6-Feb Q4: Manulife US REIT	7-Feb	8-Feb Q4: DBS Grp Hldgs (Before mkt open)	9-Feb

* Tentative

Source: Bloomberg

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