UOBKayHian

Country Daily | Singapore

Monday, 02 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51770.3	(1.1)	(0.9)	1.2	7.7
S&P 500	7580.1	(1.8)	(0.6)	(1.8)	10.7
FTSE 100	10729.8	0.1	0.4	2.6	8.0
AS30	9025.4	0.1	1.3	1.9	0.1
CSI 300	3985.5	(1.4)	(2.9)	(8.5)	(13.9)
FSSTI	5376.7	(0.4)	(0.8)	(4.6)	15.7
HSCEI	7862.2	1.4	1.4	(2.1)	(11.8)
HSI	23294.4	1.5	0.9	(2.8)	(9.1)
JCI	5057.1	(0.8)	(7.0)	(16.2)	(41.5)
KLCI	1615.6	0.3	0.3	(0.9)	(3.8)
KOSPI	5730.7	(3.5)	3.3	(18.2)	36.0
Nikkei 225	63290.1	(2.1)	1.0	(7.3)	25.7
SET	1518.6	(1.7)	(2.8)	(3.4)	20.6
TWSE	45211.8	(2.5)	(3.6)	(6.7)	56.1
BDI	2714	0.1	2.0	(13.8)	44.6
CPO (RM/mt)	4344	(2.1)	(2.2)	(2.2)	10.4
Brent Crude (US$/bbl)	113	2.4	(2.8)	9.6	86.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
TNFD Conference: Nature Means Business – Navigating Nature-Related Risks with TNFD	Malaysia	05 Nov	05 Nov
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Date
Business Confidence Q3	2 Nov
SIPMM Manufacturing PMI OCT	2 Nov
MAS 12-Week Bill Auction	3 Nov
MAS 4-Week Bill Auction	3 Nov

Top Stories

Sector Update | REITs Page 3 →

- An influx of safe-haven liquidity and low domestic interest rates have led to a record volume of transaction for commercial properties. Thus, S-REITs are supported by firm asset valuation and relatively low cost of debt. Maintain OVERWEIGHT.

Company Results | CapitaLand Ascendas REIT (CLAR SP/**BUY**/S$2.21/Target: S$3.25) Page 6 →

- Singapore occupancy rose 0.8ppt qoq to 90.9%, supported by acquisitions of 5 Tuas Avenue 5 and 25 Loyang Crescent, which are fully occupied. Occupancy for the US increased 1.4ppt qoq to 82.3%, driven by leasing at 13144 South Pulaski Road in Chicago and North Topping in Kansas City. Completed development projects are steadily leasing up. Maintain BUY. Target price: S$3.25.

Company Results | NetLink NBN Trust (NETLINK SP/**HOLD**/S$0.935/Target: S$1.01) Page 9 →

- 1HFY27 revenue moderated by 2% yoy but good cost discipline and lower O&M helped shore up EBITDA of S$145m (EBITDA margin 71%%). That said, net profit fell 7% yoy, dragged by higher depreciation, and came in below expectations. We cut our FY27-28 earnings estimates by 10-15%. Netlink declared an interim dividend of 2.74 S cents/share (1HFY26: 2.71 S cents/share). This implies an annualised dividend yield of 6.2%. Maintain HOLD with a DCF-based target price of S$1.01.

Company Results | Sheng Siong Group (SSG SP/**HOLD**/S$2.67/Target: S$2.88) Page 12 →

- SSG's 3Q26 revenue rose 6.2% yoy to S$441.5m and net profit grew 1.8% to S$44.6m. 9M26 revenue of S$1,296.8m and net profit of S$125.5m formed 76.1% and 75.4% of our full-year forecasts respectively, in line. Downgrade to HOLD at a target price of S$2.88 as slower store growth, utility risks and a broader sector de-rating warrant a valuation of 24.9x 2027F PE, +1SD above its historical mean.

Market Spotlight

Page 15 →

- US stocks were lower on Friday. All indices fell as the information technology, industrials and communications services sectors fell. There were more decliners than advancers on NYSE and NASDAQ.
- The FSSTI fell 19.29 points to 5,376.74, on the back of weakness in DBS, UMS and OCBC Bank, with mid-cap indices rising while small-cap indices falling with a broad market decline on a S$1.87b turnover.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

What's Inside

Company Results | Keppel REIT (KREIT SP/**BUY**/S$0.815/Target: S$1.05) Page 16 →

- KREIT intends to use up to S$25m of net proceeds from divestments for unit buybacks. A further S$15m will be returned in three semi-annual tranches: S$7m in 2H27, S$5m in 1H28 and S$3m in 2H28. Maintain BUY with a lower target price of S$1.05.

Company Results | Mapletree Pan Asia Commercial Trust (MPACT SP/**BUY**/S$1.15/Target: S$1.67) Page 19 →

- VivoCity delivered NPI growth of 5.0% yoy in 2QFY27, supported by the completed Basement 2 AEI and positive rental reversions of +15.0%. MBC secured several new leases with IT tenants, which are progressively commencing in 2QFY27 and 3QFY27. Singapore remains MPACT's core earnings anchor and contributed 68% of group NPI in 1HFY27. Maintain BUY. Target price: S$1.67.

Technical Analysis

DFI Retail Group | DFI SP Page 22 →

- Trading Buy Range: US$3.48-3.49

UMS Holdings | UMSH SP Page 22 →

- Trading Sell Range: S$2.04-2.05



REITs

S-REITs Monthly Update (Oct 26)

Highlights

- An influx of safe-haven liquidity and low domestic interest rates have led to a record volume of transaction for commercial properties. Thus, S-REITs are supported by firm asset valuation and relatively low cost of debt.
- Maintain OVERWEIGHT. The S-REIT sector is a major laggard, and is thus likely to be more resilient and defensive. BUY CICT (Target: S$3.11), LREIT (Target: S$0.80), NTTDCR (Target: US$1.29) and UIBREIT (Target: S$1.16).

Analysis

- The FSTREI eased 1.1% in Oct 26, outperforming the STI's steep correction of 5.3%. Yield for 10-year Singapore government bonds dipped 23bp to 2.24%. US core PCE inflation rose 0.1ppt mom to 3.1% yoy in Sep 26.
- **KREIT has agreed to acquire a 51% interest in Keppel South Central** from its sponsor, Keppel Ltd, for S$626.2m, equivalent to S$2,350psf, and 3-4% below independent valuations. The acquisition provides an initial net property yield of 4.3% and is accretive to DPU by 2%. Sponsor Keppel Ltd will provide a guaranteed monthly income of S$2.23m for a period of five years. The guaranteed amount is based on 95% stabilised occupancy, average rent of S$11.15psf and an operating margin of 79%.
- **KORE's spec-suite strategy** continues to support leasing momentum, with three of the six suites at The Post within The Plaza Buildings at Bellevue, Washington leased before completion and strong interest reported in the remaining units. The 15,400sf development follows three earlier full-floor spec-suite projects that achieved full occupancy, demonstrating demand for high-quality, move-in-ready offices among small and mid-sized occupiers. More than 35,000sf of additional spec suites are under development, providing further opportunities to improve occupancy.
- **PREIT is acquiring three freehold nursing homes** in Marseille and Velaux, France, from DomusVi for €38.8m (S$56.5m), with completion expected by Dec 26. Comprising 265 beds, the properties will be leased back to DomusVi under new 12-year leases with indexed rental escalations, strengthening income visibility and supporting organic rental growth. The acquisition will expand its French portfolio to 14 properties valued at S$234.3m, deepening its presence in its third key market. Management expects the transaction to be DPU-accretive. The total outlay of €43.4m (S$63.3m) will be fully debt-funded, lifting aggregate leverage from 33.8% to 35.3%.

Analyst(s)

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OVERWEIGHT (Maintained)

Segmental Rating

S-REITs	OVERWEIGHT
Healthcare REITs	OVERWEIGHT
Hospitality REITs	OVERWEIGHT
Industrial REITs	OVERWEIGHT
Office REITs	OVERWEIGHT
Retail REITs	OVERWEIGHT

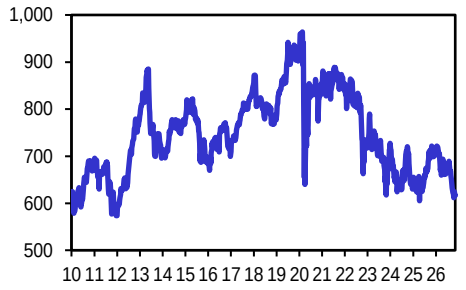
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
CICT	CICT SP	BUY	2.28	3.11
LREIT	LREIT SP	BUY	0.545	0.80
NTTDCR USD	NTTDCR SP	BUY	0.895	1.29
UIBREIT	UIBREIT SP	BUY	0.795	1.16

Source: UOB Kay Hian

FTSE ST All-Share REITS Index (FSTREI)



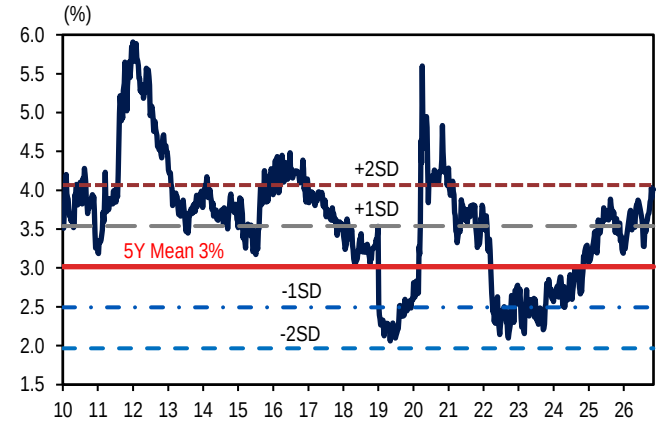
Source: UOB Kay Hian

Top-20 S-REITS Ranked By Market Capitalisation – Vital Statistics

Name	Ticker	Rec	Curncy	Price 30 Oct 26	Target Price	Mkt Cap (US$m)	DPU (¢) Curr	DPU (¢) Fwd	Yield (%) Curr	Yield (%) Fwd	Yield Spread* (%) Curr	Yield Spread* (%) Fwd	Interest Coverage (x)	Aggregate Leverage (%)	WALE (years)
CapLand Int Comm Trust	CICT SP	BUY	S$	2.28	3.11	14,230	11.8	12.8	5.2	5.6	2.9	3.3	3.8	39.7	3.1
CapLand Ascendas	CLAR SP	BUY	S$	2.21	3.25	8,641	14.9	16.3	6.8	7.4	4.5	5.1	3.4	41.8	4.1
Mapletree Pan Asia	MPACT SP	BUY	S$	1.15	1.67	4,760	8.0	8.1	6.9	7.0	4.6	4.8	3.3	38.1	2.3
Keppel DC REIT	KDCREIT SP	BUY	S$	2.11	2.83	4,534	11.3	11.5	5.4	5.5	3.1	3.2	6.5	36.2	6.5
Mapletree Log Trust	MLT SP	HOLD	S$	1.10	1.13	4,425	6.9	6.9	6.3	6.3	4.0	4.0	2.9	37.5	2.5
Mapletree Ind Trust	MINT SP	HOLD	S$	1.73	1.72	3,867	11.5	11.7	6.6	6.8	4.4	4.5	4.0	37.7	4.4
Frasers Centrepoint	FCT SP	BUY	S$	2.10	2.92	3,363	12.5	12.9	5.9	6.1	3.7	3.9	4.4	38.7	1.8
Keppel REIT	KREIT SP	BUY	S$	0.815	1.06	3,177	5.3	5.4	6.6	6.7	4.3	4.4	2.8	40.5	4.5
Suntec REIT	SUN SP	BUY	S$	1.35	1.67	3,133	7.6	7.9	5.6	5.8	3.3	3.6	2.3	43.0	2.5
Frasers L&C Trust	FLT SP	BUY	S$	0.895	0.96	2,668	6.0	5.9	6.7	6.6	4.4	4.3	4.6	35.4	4.9
CapLand Ascott	CLAS SP	BUY	S$	0.825	1.00	2,490	6.2	6.3	7.5	7.7	5.2	5.4	3.0	37.1	n.a.
PLife REIT	PREIT SP	BUY	S$	3.98	5.02	2,033	17.9	18.3	4.5	4.6	2.2	2.3	8.2	33.8	14.6
OUE REIT	OUEREIT SP	NR	S$	0.335	n.a.	1,453	2.4	2.5	7.3	7.6	5.0	5.3	2.9	42.1	2.1
Centurion Acc REIT	CAREIT SP	BUY	S$	1.05	1.39	1,420	7.2	8.2	6.8	7.8	4.5	5.6	5.9	29.9	n.a.
Lendlease REIT	LREIT SP	BUY	S$	0.545	0.80	1,350	3.7	3.7	6.7	6.8	4.5	4.5	2.1	38.9	4.7
ESR-REIT	EREIT SP	NR	S$	1.98	n.a.	1,255	22.0	21.4	11.1	10.8	8.8	8.5	2.6	44.1	4.8
NTT DC REIT USD	NTTDCR SP	BUY	US$	0.895	1.29	932	8.1	8.3	9.1	9.3	4.1	4.4	4.7	31.0	4.3
Starhill Global	SGREIT SP	NR	S$	0.50	n.a.	910	3.8	3.9	7.6	7.8	5.3	5.5	3.2	36.0	7.1
Stoneweg EU Trust EUR	SERT SP	NR	€	1.43	n.a.	889	13.3	13.7	9.3	9.6	6.0	6.2	2.5	41.9	4.9
AIMS APAC REIT	AAREIT SP	NR	S$	1.37	n.a.	884	10.0	10.7	7.3	7.8	5.0	5.5	2.8	37.4	3.6

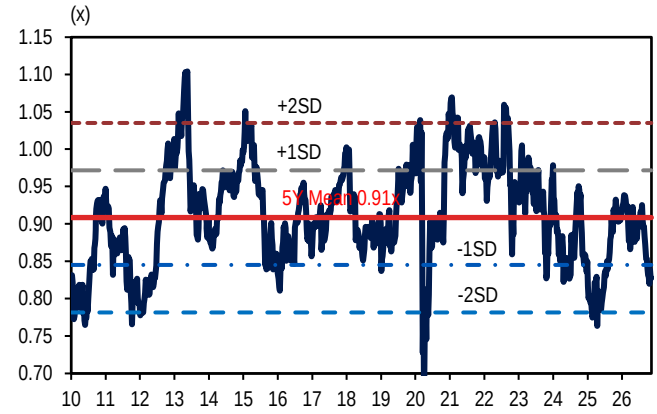
**Yield spread above 10-year government bond yield*
Source: Bloomberg, UOB Kay Hian

S-REIT Yield Spread



Source: UOB Kay Hian

S-REIT P/NAV



Source: UOB Kay Hian

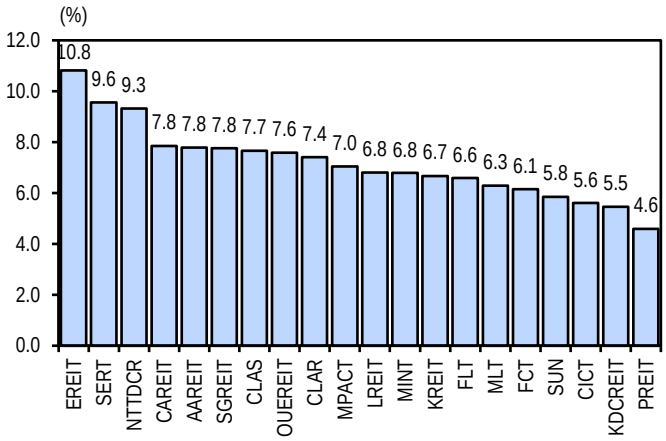
- **NTTDCR has proposed to tie performance fee to DPU growth**, effective from FY27: a) No performance fee would be payable if DPU growth is 3% or less; b) growth above 3% but below 5% would attract a fee of 0.1% of deposited property, and c) increase to 0.2% for growth of at least 5%. It has also proposed to issue new units used to pay management fees at the higher of NAV per unit or market price, effective from 1 Oct 26. The change would reduce the number of units issued and avoid dilution to existing unitholders. The proposed amendments incentivise focus on DPU growth and increase the alignment of interest between the REIT manager and unitholders.
- **SGREIT has completed the divestment of Ebisu Fort**, its last remaining property in Japan, on 9 Oct 26 for JPY6.2b (S$50.2m), representing a 53.8% premium to its latest valuation and a transaction yield of 2.4%. The seven-storey retail and office building in Tokyo contributed just 0.8% of portfolio NPI, allowing SGREIT to realise value and exit Japan with no material impact expected on DPU or NAV per unit. The sale supports its portfolio rebalancing and capital recycling strategy, with gearing expected to decline from 35.8% to 34.5% if net proceeds are substantially used to repay JPY and SGD borrowings, providing greater financial flexibility.
- **Top outperformers.** Retail REITs CICT and FCT made modest gains of 2.2% and 0.5% respectively in Oct 26, while LREIT was flat. Logistics REITs FLT, DHLT and MLT gained 1.7%, 1.2% and 0.9% respectively.
- **Top underperformers.** US office REITs KORE and PRIME dropped 13.1% and 12.1% respectively. REITs with exposure to Europe, such as IREIT and ELITE, also dropped 8.9% and 4.7% respectively. MINT corrected 7% due to broad-market concern on whether AI could provide adequate returns.

Top 10 Outperformers And Top 10 Underperformers Ranked By Monthly Share Price Performance

TOP OUTPERFORMERS (%)						TOP UNDERPERFORMERS (%)					
NAME	1MTH	3MTH	6MTH	1Y	YTD	NAME	1MTH	3MTH	6MTH	1Y	YTD
CapLand Int Comm Trust	2.2	-8.4	-3.4	-3.8	-4.6	KORE REIT USD	-13.1	-22.3	-30.5	-39.6	-40.9
Frasers L&C Trust	1.7	-9.6	-6.8	-6.3	-10.1	Prime US REIT USD	-12.1	-35.0	-44.3	-48.0	-48.2
Suntec REIT	1.5	-8.8	-9.4	0.7	-6.2	First REIT	-10.7	-20.4	-23.8	-34.6	-33.5
Daiwa Hse Log Trust	1.2	-15.5	-17.2	-28.7	-27.4	IREIT Global	-8.9	-10.9	-30.2	-43.4	-43.4
Centurion Acc REIT	1.0	-7.1	-4.5	-0.9	-5.4	Utd Hampshire REIT USD	-7.5	-18.1	-18.9	-12.2	-16.5
Mapletree Log Trust	0.9	-11.3	-9.8	-17.9	-16.7	Mapletree Ind Trust	-7.0	-10.4	-12.2	-18.8	-16.8
Frasers Centrepoint	0.5	-7.5	-10.3	-10.3	-9.9	Mapletree Pan Asia	-5.7	-13.5	-10.9	-20.1	-21.8
CapLand Ascott	0.0	-8.8	-7.8	-12.7	-13.6	ESR-REIT	-4.8	-24.4	-18.2	-30.8	-26.9
Keppel DC REIT	0.0	-5.4	-10.2	-11.7	-6.2	Elite UK REIT GBP	-4.7	-1.6	-10.3	-15.3	-15.3
Lendlease REIT	0.0	-7.6	-4.4	-14.6	-11.8	AIMS APAC REIT	-4.2	-14.4	-9.3	-0.7	-8.7

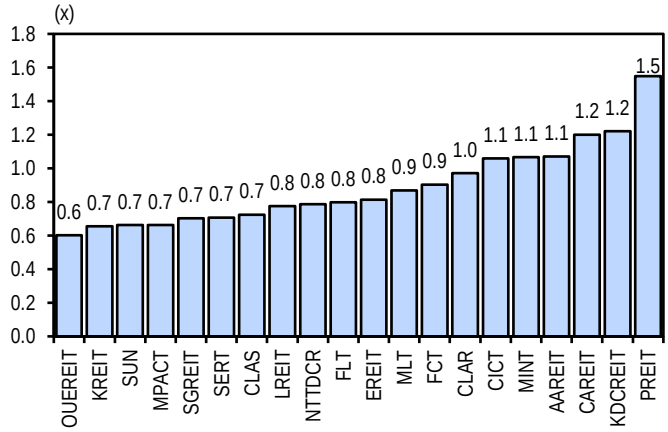
Source: Bloomberg, UOB Kay Hian

Ranking By Distribution Yield (Forward)



Source: UOB Kay Hian

Ranking By P/NAV (Current)



Source: UOB Kay Hian

Peer Comparison

Name	BBG Ticker	Trading Code	Rec	Curr	Price 30 Oct 26	Target Price	Mkt Cap (US$m)	Yield (%) Hist	Yield (%) Curr	Yield (%) Fwd 1Y	Yield (%) Fwd 2Y	Debt to Equity (%)	Debt to Assets (%)	P/NAV (x)
HEALTHCARE														
First REIT	FIRT SP	AW9U	NR	S$	0.183	n.a.	304	11.9	10.1	6.0	n.a.	43.8	27.5	0.87
PLife REIT	PREIT SP	C2PU	BUY	S$	3.98	5.02	2,033	3.8	4.5	4.6	4.6	53.4	33.7	1.55
HOSPITALITY														
CapLand Ascott	CLAS SP	HMN	BUY	S$	0.825	1.00	2,490	7.4	7.5	7.7	7.7	71.4	37.1	0.72
CDL HTrust	CDREIT SP	J85	BUY	S$	0.70	1.11	703	6.9	7.9	7.8	7.7	66.8	35.6	0.51
Cent Accom REIT	CAREIT SP	8C8U	BUY	S$	1.05	1.39	1,420	6.2	6.8	7.8	7.8	43.8	29.9	1.20
Far East HTrust	FEHT SP	Q5T	BUY	S$	0.505	0.80	815	7.3	6.9	7.4	7.6	43.3	33.2	0.58
INDUSTRIAL														
AIMS APAC REIT	AAREIT SP	O5RU	NR	S$	1.37	n.a.	884	7.2	7.3	7.8	8.3	78.0	37.4	1.07
CapLand Ascendas	CLAR SP	A17U	BUY	S$	2.21	3.25	8,641	6.8	6.8	7.4	7.8	72.8	41.8	0.97
Daiwa Hse Log Trust	DHLT SP	DHLU	NR	S$	0.41	n.a.	225	10.6	n.a.	n.a.	n.a.	78.9	40.1	0.66
Digi Core REIT USD	DCREIT SP	DCRU	BUY	US$	0.44	0.93	562	8.2	7.8	9.3	9.3	80.7	37.6	0.57
ESR-REIT	EREIT SP	9A4U	NR	S$	1.98	n.a.	1,255	11.1	11.1	10.8	11.0	110.2	44.1	0.81
Keppel DC REIT	KDCREIT SP	AJBU	BUY	S$	2.11	2.83	4,534	4.9	5.4	5.5	5.5	54.3	36.2	1.22
Mapletree Ind Trust	MINT SP	ME8U	HOLD	S$	1.73	1.72	3,867	7.3	6.6	6.8	7.1	67.0	37.7	1.07
Mapletree Log Trust	MLT SP	M44U	HOLD	S$	1.10	1.13	4,425	6.6	6.3	6.3	6.3	78.6	37.5	0.87
NTT DC REIT USD	NTTDCR SP	NTDU	BUY	US$	0.895	1.29	932	8.7	9.1	9.3	9.5	45.5	31.0	0.79
UIBREIT	UIBREIT SP	UIBU	BUY	S$	0.795	1.16	852	n.a.	8.9	8.7	9.1	62.9	35.8	0.90
OFFICE														
Keppel REIT	KREIT SP	K71U	BUY	S$	0.815	1.06	3,177	6.4	6.6	6.7	6.5	78.2	40.0	0.66
RETAIL														
Frasers Centrepoint	FCT SP	J69U	BUY	S$	2.10	2.92	3,363	5.9	5.9	6.1	6.2	54.2	38.7	0.90
Lendlease REIT	LREIT SP	JYEU	BUY	S$	0.545	0.80	1,350	6.8	6.7	6.8	6.9	73.0	38.9	0.78
Starhill Global	SGREIT SP	P40U	NR	S$	0.50	n.a.	910	7.4	7.6	7.8	7.9	61.5	36.0	0.70
DIVERSIFIED														
CapLand China Trust	CLCT SP	AU8U	NR	S$	0.595	n.a.	818	8.1	8.0	8.1	8.5	97.2	41.1	0.57
CapLand Int Comm Trust	CICT SP	C38U	BUY	S$	2.28	3.11	14,230	5.1	5.2	5.6	5.7	57.8	39.7	1.06
Frasers L&C Trust	FLT SP	BUOU	BUY	S$	0.895	0.96	2,668	6.6	6.7	6.6	6.6	58.7	35.4	0.80
Mapletree Pan Asia	MPACT SP	N2IU	BUY	S$	1.15	1.67	4,760	6.9	6.9	7.0	7.1	64.5	38.1	0.66
OUE REIT	OUEREIT SP	TS0U	NR	S$	0.335	n.a.	1,453	6.7	7.3	7.6	7.7	80.7	42.1	0.60
Suntec REIT	SUN SP	T82U	BUY	S$	1.35	1.67	3,133	5.2	5.6	5.8	5.8	70.6	43.0	0.66
INTERNATIONAL (US / EUROPE)														
Stoneweg EU Trust EUR	SERT SP	SEB	NR	€	1.43	n.a.	889	9.4	9.3	9.6	10.1	93.2	43.6	0.71
Elite UK REIT GBP	ELITE SP	MXNU	NR	£	0.305	n.a.	271	9.9	10.0	10.4	10.1	58.1	34.8	0.69
IREIT Global	IREIT SP	UD1U	NR	S$	0.164	n.a.	173	9.5	8.7	8.7	8.7	94.9	45.5	0.36
KORE REIT USD	KORE SP	CMOU	BUY	US$	0.139	0.25	145	1.8	6.1	10.9	16.4	82.9	43.3	0.20
Prime US REIT USD	PRIME SP	OXMU	NR	US$	0.102	n.a.	147	6.0	9.8	12.7	n.a.	87.5	44.9	0.19
Utd Hampshire REIT USD	UHU SP	ODBU	BUY	US$	0.43	0.63	262	10.2	10.7	11.4	11.5	73.8	40.4	0.59

Source: Bloomberg, UOB Kay Hian



CapitaLand Ascendas REIT (CLAR SP)

3Q26: Uptick In Occupancy From Singapore And The US

Highlights

- Singapore occupancy rose 0.8ppt qoq to 90.9%, supported by acquisitions of 5 Tuas Avenue 5 and 25 Loyang Crescent, which are fully occupied. Occupancy for the US increased 1.4ppt qoq to 82.3%, driven by leasing at 13144 South Pulaski Road in Chicago and North Topping in Kansas City.
- Completed redevelopment projects are leasing up steadily. Occupancy at 5 Toh Guan Road East reached 64.8% as of Sep 26 and management expects to lease up the remaining logistics space by end-26. Occupancy at 27 IBP stood at 19.0% and is expected to reach 40-50% by end-26.
- Maintain BUY. Target price: S$3.25.

Analysis

- CapitaLand Ascendas REIT (CLAR) provided a 3Q26 business update:
- **Higher occupancies in Singapore and the US.** Portfolio occupancy recovered 1.0ppt qoq to 90.1% as of Sep 26. Singapore occupancy rose 0.8ppt qoq to 90.9%, supported by fully occupied acquisitions and higher logistics occupancy. US occupancy increased 1.4ppt qoq to 82.3%, driven by leasing at 13144 South Pulaski Road in Chicago and North Topping in Kansas City. Japan remained fully occupied.
- **Stronger rental reversions led by Australia.** Renewals at multi-tenanted buildings achieved positive rental reversion of 9.9% in 3Q26 (2Q26: 5.2%), bringing 9M26 reversion to 9.0%. Australia recorded 32.5%, including 39.1% for logistics and 13.8% for business space. Singapore and the US achieved 4.3% and 6.4%, respectively. Management expects positive high single-digit rental reversion for 2026. Lifestyle & consumer products and government & NGO accounted for 24.6% and 23.5% of new demand by gross rental income respectively in Singapore. Logistics & supply chain management led overseas demand at 39.9%. Portfolio WALE was 4.1 years.
- **Lower debt costs but higher leverage following acquisitions.** Weighted average all-in debt cost eased 0.2ppt yoy to 3.4% for 9M26. Aggregate leverage increased 2.1ppt qoq to 41.8%, mainly from acquisition funding. Interest coverage remains healthy at 3.4x. Fixed-rate debt represented 70.1% of borrowings, with an average fixed-debt tenure of 2.9 years. CLAR retained its Moody's A3 credit rating. Applying estimated net divestment proceeds of S$255m to debt repayment would lower leverage to 41%.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	1,523	1,539	1,727	1,846	1,927
EBITDA	951	954	1,077	1,156	1,210
Operating profit	951	954	1,077	1,156	1,210
Net profit (rep./act.)	719	737	758	829	874
Net profit (adj.)	698	626	758	829	874
EPU (S$ cent)	15.9	13.8	15.2	16.6	17.5
DPU (S$ cent)	15.2	15.0	15.1	16.2	17.1
PE (x)	13.9	16.0	14.6	13.3	12.7
P/B (x)	1.0	1.0	1.0	1.0	1.0
DPU yld (%)	6.9	6.8	6.8	7.3	7.7
Net margin (%)	47.2	47.9	43.9	44.9	45.4
Net debt/(cash) to equity (%)	61.7	65.5	69.6	71.5	72.3
Interest cover (x)	3.5	3.4	3.5	3.5	3.6
ROE (%)	7.0	7.0	6.7	7.0	7.4
Consensus DPU (S$ cent)	-	-	15.0	15.7	16.1
UOBKH/Consensus (x)	-	-	1.00	1.03	1.06

Source: CapitaLand Ascendas REIT, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$2.21
Target Price	S$3.25
Upside	47.1%

Stock Data

Sector	Real Estate
Bloomberg ticker	CLAR SP
Shares issued (m)	4,995.2
Market cap (S$m)	11,039.4
Market cap (US$m)	8,641.4
3-mth avg daily t'over (US$m)	49.3

Price Performance (%)

52-week high/low				S$2.92/S$2.14
1mth	3mth	6mth	1yr	YTD
(2.2)	(14.3)	(11.2)	(21.8)	(21.8)

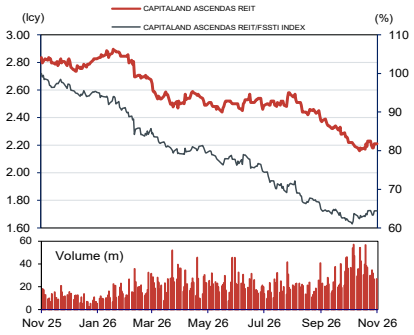
Major Shareholders (%)

Temasek Hldgs	18.0

Balance Sheet Metrics

FY26 NAV/Share (S$)	2.30
FY26 Net Debt/Share (S$)	1.64

Price Chart



Source: Bloomberg

Company Description

CLAR invests in business & science park, life sciences, suburban office, high-specification industrial, data centres, light industrial and logistics & distribution properties. It has expanded overseas to Australia, Europe, UK and the US.

- **Completed S$638m of Singapore logistics acquisitions in 3Q26.** CLAR acquired 5 Tuas Avenue 5 for S$134m on 17 Aug 26 and 25 Loyang Crescent for S$504m on 27 Aug 26. Both are fully occupied, with WALEs of about five and 13 years and annual rental escalations of 2.0% and 2.5%, respectively. Initial NPI yields are 6.5% and 6.4% after transaction costs. In total, CLAR has acquired properties valued at S$1,784m in 9M26.
- **S$282m of divestments to support debt reduction.** CLAR is divesting Kim Chuan Telecommunications Complex, 17 Changi Business Park Central 1 and 9 Serangoon North Avenue 5 for S$200m, S$60m and S$21m, respectively, with completion expected in 4Q26. Combined sale proceeds represent about a 25% premium to valuation. The disposals would lift pro forma Singapore occupancy by 0.6ppt to 91.5%.
- **Development pipeline.** Seven ongoing development and redevelopment projects with an estimated total cost of S$848m are expected to provide stabilised yields on cost of 6-8%. New redevelopments comprise Hawleys Lane in the UK (cost: S$76m, completion: 2H28) and 29 International Business Park in Singapore (cost: S$264m, completion: 1H30). The latter offers retail, F&B and lifestyle amenities and is linked to Jurong Town Hall MRT station via an elevated pedestrian network. It will add about 14,000sqm of GFA with plot ratio increasing from 2.5 to 3.5.
- **Completed redevelopment projects are leasing up steadily.** Occupancy at Geneo at 1, 1A and 1B Science Park Drive is 80.8% as of Sep 26 with another 10% of business space in advance negotiation. Occupancy at 5 Toh Guan Road East reached 64.8% as of Sep 26 and management expects to lease up the remaining logistics space by end-26. Occupancy at 27 IBP stood at 19.0% and is expected to reach 40-50% by end-26.

Valuation/Recommendation

- **Steady growth from diversified portfolio.** Singapore is the cornerstone of CLAR's portfolio. Management plans to reposition toward technology, logistics and biomedical science and enhance assets through redevelopment and AEIs. Logistics properties and data centres in UK/Europe provide stable contributions due to a long WALE of 4.7 years. CLAR plans to redevelop a data centre and logistics property in the UK. CLAR intends to expand its logistics presence in the US. Occupancy for business parks in the US could slip lower due to the entrenched work-from-home culture.
- **Maintain BUY.** Our target price of S$3.25 is based on DDM (cost of equity: 7.2%, terminal growth: 2.2%).

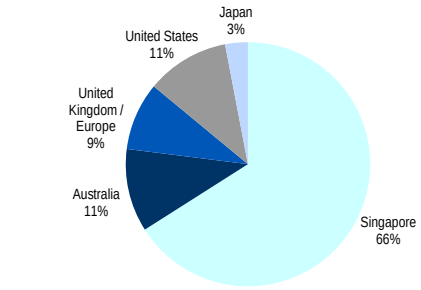
Earnings Revision/Risk

- We kept our existing DPU forecast unchanged.

Share Price Catalyst

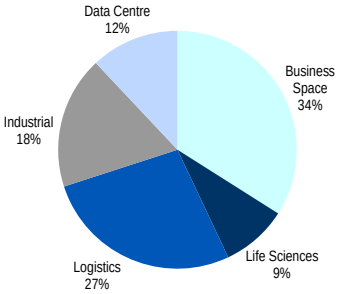
- Resilient growth across the business parks, hi-tech buildings, life sciences, logistics and data centre segments; and b) contributions from development projects, redevelopment projects and AEIs.

Portfolio Valuation By Geographical Region



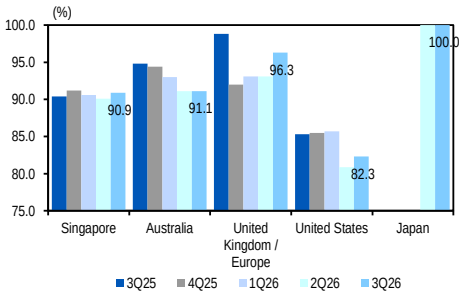
Source: CLAR

Portfolio Valuation By Asset Class



Source: CLAR

Portfolio Occupancy



Source: CLAR

Positive Rental Reversions

% Change in Renewal Rates	3Q25	4Q25	1Q26	2Q26	3Q26
SINGAPORE	8.5%	20.2%	10.5%	5.0%	4.3%
- Business Space & Life Science	5.9%	26.7%	12.8%	5.1%	2.9%
- Logistics	24.5%	11.2%	12.2%	1.6%	2.5%
- Industrial & Data Centres	11.4%	9.9%	7.4%	6.4%	6.1%
AUSTRALIA	n.a.	17.2%	3.5%	8.2%	32.5%
- Business Space	n.a.	17.2%	n.a.	8.2%	13.8%
- Logistics	n.a.	n.a.	3.5%	n.a.	39.1%
UNITED STATES	11.1%	15.0%	15.1%	8.7%	6.4%
- Business Space	7.9%	10.3%	15.1%	9.2%	n.a.
- Logistics	14.5%	22.9%	n.a.	8.4%	6.4%
UNITED KINGDOM / EUROPE	-2.5%	9.3%	n.a.	n.a.	n.a.
- Data Centres	-2.5%	9.3%	n.a.	n.a.	n.a.
- Logistics	n.a.	n.a.	n.a.	n.a.	n.a.
Total Portfolio	7.6%	19.6%	10.6%	5.2%	9.9%

Source: CLAR

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	1,538.6	1,727.4	1,845.6	1,927.3
EBITDA	954.0	1,076.6	1,155.6	1,209.9
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	954.0	1,076.6	1,155.6	1,209.9
Total other non-operating income	111.8	0.0	0.0	0.0
Associate contributions	15.1	31.5	42.6	42.6
Net interest income/(expense)	(277.8)	(310.3)	(326.1)	(332.2)
Pre-tax profit	803.1	797.8	872.1	920.3
Tax	(55.8)	(39.9)	(43.6)	(46.0)
Minorities	(10.0)	0.0	0.0	0.0
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	737.3	757.9	828.5	874.3
Net profit (adj.)	625.5	757.9	828.5	874.3

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	18,619.1	19,745.2	20,039.2	20,200.2
Other LT assets	846.0	1,684.2	1,656.6	1,629.1
Cash/ST investment	209.4	216.5	212.3	218.6
Other current assets	176.6	174.2	185.5	193.4
Total assets	19,851.2	21,820.0	22,093.6	22,241.2
ST debt	1,713.0	1,713.0	1,713.0	1,713.0
Other current liabilities	681.6	645.5	684.4	711.3
LT debt	5,607.2	6,700.8	6,930.8	7,050.8
Other LT liabilities	995.1	984.7	970.0	951.9
Shareholders' equity	10,852.5	11,775.9	11,795.3	11,814.3
Minority interest	1.8	0.0	0.0	0.0
Total liabilities & equity	19,851.2	21,820.0	22,093.6	22,241.2

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	1,117.7	992.4	1,167.4	1,207.3
Pre-tax profit	691.3	797.8	872.1	920.3
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	69.9	(17.9)	38.9	26.9
Non-cash items	17.6	19.0	19.5	19.8
Other operating cashflows	338.8	193.5	236.9	240.3
Investing	(1,441.7)	(1,961.8)	(294.0)	(161.0)
Capex (growth)	(1,769.8)	(1,881.8)	(214.0)	(81.0)
Capex (maintenance)	(162.5)	(80.0)	(80.0)	(80.0)
Proceeds from sale of assets	435.0	0.0	0.0	0.0
Others	55.6	0.0	0.0	0.0
Financing	365.0	976.4	(877.6)	(1,039.9)
Distribution to unitholders	(669.1)	(738.0)	(809.1)	(855.3)
Issue of shares	500.0	903.5	0.0	0.0
Proceeds from borrowings	838.4	1,093.6	230.0	120.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(304.4)	(282.8)	(298.5)	(304.6)
Net cash inflow (outflow)	41.0	7.0	(4.2)	6.4
Beginning cash & cash equivalent	167.7	209.4	216.5	212.3
Changes due to forex impact	0.7	0.0	0.0	0.0
Ending cash & cash equivalent	209.4	216.5	212.3	218.6

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	62.0	62.3	62.6	62.8
Pre-tax margin	52.2	46.2	47.3	47.8
Net margin	47.9	43.9	44.9	45.4
ROA	3.9	3.6	3.8	3.9
ROE	7.0	6.7	7.0	7.4
Growth				
Turnover	1.0	12.3	6.8	4.4
EBITDA	0.3	12.9	7.3	4.7
Pre-tax profit	14.6	(0.7)	9.3	5.5
Net profit	2.6	2.8	9.3	5.5
Net profit (adj.)	(10.4)	21.2	9.3	5.5
EPU	(12.9)	9.6	9.2	5.4
Leverage				
Debt to total capital	40.3	41.7	42.3	42.6
Debt to equity	67.5	71.4	73.3	74.2
Net debt/(cash) to equity	65.5	69.6	71.5	72.3
Interest cover (x)	3.4	3.5	3.5	3.6



NetLink NBN Trust (NETLINK SP)

1HFY27: EBITDA In Line; Higher Depreciation A Drag To Earnings

Highlights

- 1HFY27 revenue moderated by 2% yoy but good cost discipline and lower O&M help shore up EBITDA of S$145m (EBITDA margin 71%). That said, net profit fell 7% yoy, dragged by higher depreciation and came in below expectations.
- The discrepancy on our end is due to higher-than-expected depreciation charges, leading us to cut FY27-28 earnings estimates by 10-15%. Netlink declared an interim dividend of 2.74 S cents/share (1HFY26: 2.71 S cents/share). This implies an annualised dividend yield of 6.2%.
- Maintain HOLD with a DCF-based target price of S$1.01.

1HFY27 & 1HFY27 Results

Year to 31 Mar (S$m)	2QFY27	qoq % chg	yoy % chg	1HFY27	yoy % chg
Revenue	101.3	(0.0)	(2.9)	202.6	(2.2)
EBITDA	75.5	9.3	5.6	144.7	0.8
EBITDA margin (%)	74.6	6.3	6.0	71.4	2.1ppt
Profit After Tax	22.4	23.9	10.7	40.5	(7.0)
Net Margin (%)	22.1	4.3ppt	2.7ppt	20.0	(1ppt)

Source: Netlink, UOB Kay Hian

Analysis

- **1HFY27: Earnings below expectations.** NetLink NBN Trust (Netlink) reported a weaker 1HFY27 revenue (-2% yoy), but managed to deliver stable EBITDA (+1% yoy) with healthy margin expansion (+2.1 ppt) from lower operations and maintenance (O&M) expenses. 1HFY27 net profit, however, fell 10% yoy due to elevated depreciation from the Nationwide Broadband Network (NBN) upgrade and internal IT system upgrades. Accounting for 40% of our full-year forecasts, we deem the results to be below expectations.
- **For 2QFY27, revenue was flat qoq,** but fell 2% yoy given lower ancillary project revenue (-32% qoq, -37% yoy) as projects were delayed. This was cushioned by a sequential pickup in installation (+17% qoq) and co-location segment (+7% qoq) revenue contribution. 2QFY27 net profit improved to RM22.1m (+24% qoq, +11% yoy), driven by healthy EBITDA growth (+9% qoq, +6% yoy) from lower PPE write-off and easing lease expenses, coupled with a higher income tax credit during the quarter.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	411.3	407.0	413.4	418.4	427.3
EBITDA	295.7	292.3	286.0	298.8	302.2
Operating profit	113.5	106.6	93.4	97.9	107.3
Net profit (rep./act.)	103.2	95.4	83.3	86.7	96.9
Net profit (adj.)	103.2	95.4	83.3	86.7	96.9
EPS	2.6	2.4	2.1	2.2	2.5
PE (x)	36.0	41.2	39.6	35.4	31.0
P/B (x)	1.4	1.5	1.6	1.7	1.8
EV/EBITDA (x)	14.3	14.8	14.3	14.2	14.0
Dividend yield (%)	6.1	6.2	6.2	6.3	6.6
Net margin (%)	25.1	23.4	20.2	20.7	22.7
Net debt/(cash) to equity (%)	23.0	28.3	32.8	38.4	44.5
Interest cover (x)	13.2	12.6	11.5	11.4	11.5
ROE (%)	3.9	3.7	3.3	3.5	4.1
Consensus net profit			98.3	102.7	103.7
UOBKH/Consensus (x)			0.9	0.9	1.1

Source: Netlink, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	S$0.935
Target Price	S$1.01
Upside	+8.0%

Stock Data

Sector	Communication Services
Bloomberg ticker	NETLINK SP
Shares issued (m)	3,897.0
Market cap (S$m)	3,643.7
Market cap (US$m)	2,852.2
3-mth avg daily t'over (US$m)	4.6

Price Performance (%)

52-week high/low				S$1.03/S$0.925
1mth	3mth	6mth	1yr	YTD
(2.1)	(6.5)	(7.4)	(4.6)	(3.1)

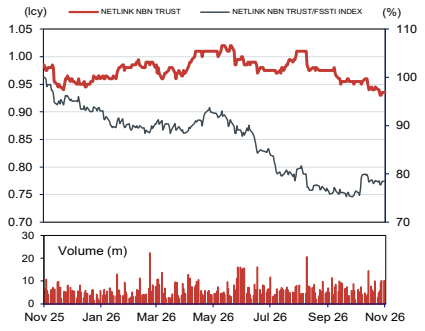
Major Shareholders (%)

Temasek Holdings	24.8
Vanguard Group	3.3
Blackrock	1.9

Balance Sheet Metrics

FY27F NAV/Share (S$)	0.6
FY27F Net Debt/Share (S$)	0.2

Price Chart



Source: Bloomberg

Company Description

NetLink NBN Trust builds, owns and operates the passive fibre network infrastructure of Singapore's Next Gen NBN.

- **Higher interim dividends, in line with expectations.** Netlink declared an interim dividend of 2.74 S cents/share (1HFY26: 2.71 S cents/share), accounting for 50% of our full-year forecast and in line with our expectation. This implies an annualised dividend yield of 6.2%.

Revenue By Segment

Revenue Breakdown (S$M):	2QFY27	qoq % chg	yoy% chg	1HFY27	yoy% chg
Residential connections	61.7	0.3	0.6	123.2	0.2
Non-residential connections	8.3	(1.1)	(1.9)	16.7	(2.3)
NBAP and segment connections	4.6	(1.5)	0.3	9.3	2.8
Installation related revenue	6.4	17.1	(12.5)	11.9	(19.3)
Ancillary project revenue	3.6	(31.6)	(36.5)	8.9	(14.7)
Co-location revenue	6.3	7.3	4.7	12.2	4.3
Total Fibre Business Revenue	90.9	(0.3)	(2.7)	182.1	(2.0)
Ducts and manhole service revenue	6.4	2.4	(0.4)	12.7	(0.9)
Central Office revenue	4.0	3.5	(11.0)	7.8	(7.7)
Total Ducts, Manholes and Central	10.4	2.8	(4.8)	20.5	(3.6)
Total Revenue	101.3	(0.0)	(2.9)	202.6	(2.2)

Source: Netlink, UOB Kay Hian

- **Promising residential net adds, non-residential sees a positive turnaround.** In 2QFY27, there was a total of 5,450 residential connection net adds and 59 non-residential new connections. The non-residential segment reported a promising turnaround following a year-long downtrend due to end-user churn between Requesting Licensees. Positively, Non-Building Address Points (NBAP) and segment connections demand remain robust (+550 qoq) driven by ongoing demand from mobile network rollout.
- **A safe haven and an attractive 6.2% dividend yield.** As Netlink is armed with predictable revenue streams (90% of group revenue is recurring and contracted), management remains cognisant of the company's profile as a high-yielding, safe haven stock. We expect the company to deliver a 6.2% dividend yield given strong EBITDA flow through for the rest of the year.
- **New investments.** Key criteria for any potential new investment in the medium term includes: a) country risk premium, and b) a preferably stable cash flow via an asset sale-and-leaseback model. Importantly, Netlink has sufficient debt headroom (2.8x net debt/ EBITDA) to drive its acquisition ambition without compromising on cash flow and dividends. There is, however, no fixed timeline in terms of M&A activities, and management may even consider a JV or consortium outfit in its acquisition strategy.

Valuation/Recommendation

- **Maintain HOLD with a DCF-based fair value of S$1.01** (WACC: 4.9%, terminal growth: 1%). At our target price, the stock trades at around 16x FY27 EV/EBITDA, reflecting its long-term mean EV/EBITDA. Backed by its decent 6.2% yield, we continue to see the stock as a good shelter amid market volatility given its strong cashflow visibility.

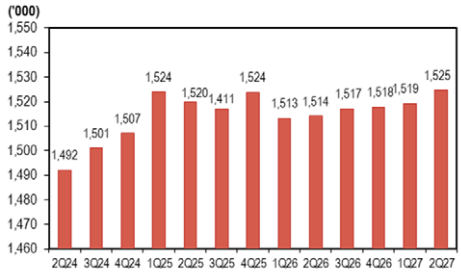
Earnings Revision/Risk

- We cut our FY27-28 earnings estimates by 10-15%, on the back of higher depreciation arising from higher asset base.

Share Price Catalyst

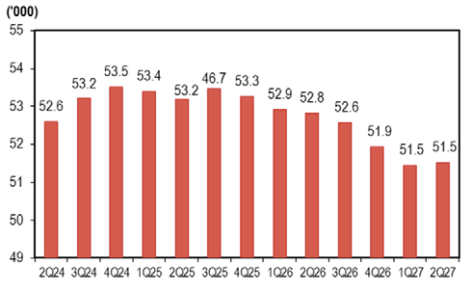
- **Key re-rating catalysts** include: a) more opportunities arising from mobile operators' fibre network densification demand; b) growth in demand for NBAP connections with the rollout of Smart Nation initiatives; c) investors seeking defensive yield from Netlink's resilient, predictable, transparent and regulated cash flow; and d) earnings-accretive M&As.

Fibre Connection (Residential)



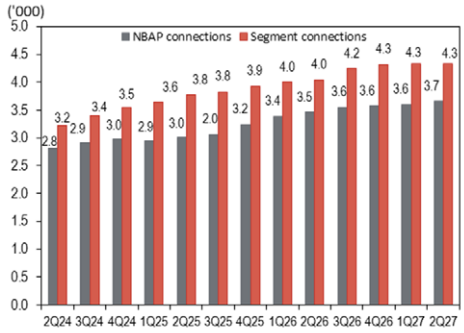
Source: Netlink, UOB Kay Hian

Fibre Connection (Non-Residential)



Source: Netlink, UOB Kay Hian

Non-Building Address Point And Segment Connections[1]



[1]*Segment connections comprise, inter alia, Central Office to Central Office fibre connections and Central Office to MDF room fibre connections provided to Requesting Licensees.*
Source: Netlink, UOB Kay Hian

Profit & Loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	413.4	418.4	427.3	437.6
EBITDA	286.0	298.8	302.2	309.4
Deprec. & amort.	185.4	193.7	187.7	183.3
EBIT	93.4	97.9	107.3	119.9
Net interest income/(expense)	7.2	7.2	7.2	7.2
Pre-tax profit	(24.2)	(25.7)	(25.7)	(25.7)
Tax	76.3	79.4	88.8	101.4
Minorities	(7.0)	(7.3)	(8.1)	(9.3)
Net profit	83.3	86.7	96.9	110.6
Net profit (adj.)	83.3	86.7	96.9	110.6

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	2,563.9	2,478.4	2,401.2	2,332.1
Other LT assets	946.4	946.4	946.4	946.4
Cash/ST investment	247.7	215.5	183.2	149.6
Other current assets	79.1	79.5	80.2	81.0
Total assets	3,837.1	3,719.9	3,611.0	3,509.2
ST debt	-	-	-	-
Other current liabilities	123.2	125.4	128.3	131.4
LT debt	987.9	987.9	987.9	987.9
Other LT liabilities	466.6	473.8	481.9	491.2
Shareholders' equity	2,259.4	2,132.7	2,012.9	1,898.6
Total liabilities & equity	3,837.1	3,719.9	3,611.0	3,509.2

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	258.8	287.3	291.6	296.4
Pre-tax profit	76.3	79.4	88.8	101.4
Tax	-	-	-	-
Deprec. & amort.	185.4	193.7	187.7	183.3
Working capital changes	4.6	0.5	0.8	1.0
Other operating cashflows	(12.5)	13.7	14.2	11.8
Investing	(106.9)	(108.2)	(110.5)	(113.2)
Capex (maintenance)	(106.9)	(108.2)	(110.5)	(113.2)
Proceeds from sale of assets	0.1	-	-	-
Financing	(81.8)	(211.2)	(213.4)	(216.8)
Dividend payments	(210.0)	(211.2)	(213.4)	(216.8)
Issue of shares	-	-	-	-
Proceeds from borrowings	855.0	-	-	-
Others/interest paid	(720.0)	-	-	-
Net cash inflow (outflow)	70.1	(32.2)	(32.3)	(33.5)
Beginning cash & cash equivalent	177.6	247.7	215.5	183.2
Changes due to forex impact	-	-	-	-
Ending cash & cash equivalent	247.7	215.5	183.2	149.6
Ending cash & cash equivalent	258.8	287.3	291.6	296.4

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	68.0	70.2	69.6	69.6
Pre-tax margin	18.1	18.7	20.4	22.8
Net margin	19.8	20.4	22.3	24.9
ROA	2.2	2.3	2.7	3.2
ROE	3.6	4.0	4.8	5.9
Growth				
Turnover	1.6	1.2	2.1	2.4
EBITDA	(2.2)	4.5	1.1	2.4
Pre-tax profit	(17.1)	4.0	11.9	14.1
Net profit	(12.6)	4.0	11.9	14.1
Net profit (adj.)	(12.6)	4.0	11.9	14.1
EPS	(12.6)	4.0	11.9	14.1
Leverage				
Debt to total capital	30.4	31.7	32.9	34.2
Debt to equity	43.7	46.3	49.1	52.0
Net debt/(cash) to equity	32.8	36.2	40.0	44.2
Interest cover	4.1	4.1	4.5	4.9

Sheng Siong Group (SSG SP)

3Q26: Slower Growth And Utility Risks; Downgrade To HOLD

Highlights

- 9M26 revenue of S$1,296.8m and earnings of S$125.5m formed 76.1% and 75.4% of our full-year forecasts respectively, in line with expectations.
- A smaller new-store pipeline points to slower growth, while electricity renewal poses a key 2027 margin risk.
- Downgrade to HOLD with a target price of S$2.88. Slower growth and downside margin risk justify our lower 24.9x 2027F PE (+1SD above mean).

3Q26 & 9M26 Results

(S$m)	3Q26	3Q25	yoy %	2Q26	qoq %	9M26	9M25	yoy %
Revenue	441.5	415.5	6.2	402.6	9.7	1,296.8	1,180.2	9.9
Gross profit	142.3	131.1	8.6	132.1	7.8	414.7	366.6	13.1
Gross profit margin (%)	32.2	31.5	0.7ppt	32.8	(0.6)ppt	32.0	31.1	0.9ppt
Net profit	44.6	43.8	1.8	37.6	18.6	125.5	116.1	8.1
Net profit margin (%)	10.1	10.5	(0.4)ppt	9.3	0.8ppt	9.7	9.8	(0.1)ppt

Source: Sheng Siong Group, UOB Kay Hian

Analysis

- **Earnings in line with expectations.** Sheng Siong Group's (SSG) 3Q26 revenue rose 6.2% yoy to S$441.5m and net profit grew 1.8% to S$44.6m. 9M26 revenue of S$1,296.8m and net profit of S$125.5m formed 76.1% and 75.4% of our full-year forecasts respectively, in line with expectations. Downgrade to HOLD with a target price of S$2.88 as slower store growth, utility risks and a broader sector de-rating justify a multiple de-rating.
- **Slower store expansion tempers growth.** SSG opened 12 stores in 2025 compared with seven in 9M26. Four tenders await results - three HDB sites and a roughly 10,000sf SLA site at Chong Pang. These are unsecured opportunities. A smaller confirmed pipeline suggests growth will moderate as contributions from recent openings mature.
- **Margin gains face rising costs.** 3Q26 gross margin improved 0.7ppt yoy to 32.2%, but net margin eased 0.4ppt to 10.1%. Selling and distribution expenses rose 11.4% yoy and administrative expenses 12.1%, reflecting increasing wages, headcount, leases, merchant fees, as well as startup costs of new stores overrunning into 2026. Earnings were supported by supplier rebates, while comparable same-store sales dragged revenue growth by 0.5ppt.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	1,429	1,570	1,703	1,761	1,819
EBITDA	177	193	216	225	232
Operating profit	160	176	197	206	212
Net profit (rep./act.)	138	149	167	174	180
Net profit (adj.)	138	149	167	174	180
EPS (S$ cent)	9.1	9.9	11.1	11.6	12.0
PE (x)	29.2	26.9	24.1	23.1	22.3
P/B (x)	7.5	6.8	6.3	5.8	5.4
EV/EBITDA (x)	20.0	18.3	16.3	15.7	15.3
Dividend yield (%)	2.4	2.6	2.9	3.0	3.1
Net margin (%)	9.6	9.5	9.8	9.9	9.9
Net debt/(cash) to equity (%)	(66.1)	(74.1)	(75.8)	(77.9)	(79.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	26.7	26.6	27.2	26.2	25.1
Consensus net profit (S$m)	-	-	167	178	181
UOBKH/Consensus (x)	-	-	1.00	0.98	0.99

Source: Sheng Siong Group, UOB Kay Hian

Analyst(s)

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HOLD (Downgraded)

Share Price	S$2.67
Target Price	S$2.88
Upside	7.9%
Previous TP	S$3.71

Stock Data

Sector	Consumer Staples
Bloomberg ticker	SSG SP
Shares issued (m)	1,503.5
Market cap (S$m)	4,014.4
Market cap (US$m)	3,142.4
3-mth avg daily t'over (US$m, est.)	7.1

Price Performance (%)

52-week high/low S$3.46/S$2.26

1mth	3mth	6mth	1yr	YTD
(17.3)	(20.1)	(11.9)	17.1	1.5

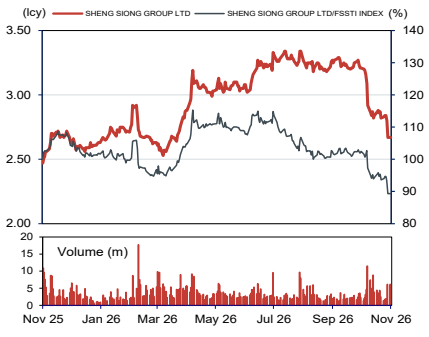
Major Shareholders (%)

Lim Family	48.5

Balance Sheet Metrics (2026F)

FY26 NAV/Share (S$)	0.42
FY26 Net Cash/Share (S$)	0.32

Price Chart



Source: Bloomberg

Company Description

Sheng Siong Group Ltd is a retailer in Singapore. The Company operates a groceries chain across Singapore. Sheng Siong's stores provide fresh and chilled produce, seafood, meat and vegetables, processed, packaged and preserved food products as well as general merchandise such as toiletries and essential household items.

- **Electricity renewal could pressure 2027 margins.** Management is discussing a one-year renewal covering most stores and expects to conclude this by end-26. Utilities could rise from about 1.5% to 3% of revenue at prevailing prices, a potential 1.5ppt increase before mitigation. This is a sensitivity, rather than an agreed tariff. A higher contracted cost could limit earnings growth despite a stable sales mix.
- **Productivity becomes more important as growth slows.** Management sees more scope to improve earnings through store-level cost control than further price increases. Staffing and rental costs from the 2025 expansion have continued to ramp up, alongside wage and bonus expectations. AI tools are being deployed for product comparisons, reporting and supervision.
- **Distribution centre supports the longer-term runway.** The S$520m Sungei Kadut project will support at least 120 supermarkets. Management expects to incur 8-10% of the total investment in 2026, 70-80% across 2027-28, weighted towards 2028, and roughly 10% in 2029. Construction and machinery account for broadly equal shares of the total capital expenditure expected. Depreciation should begin in 2H29 after relocation. The project supports future capacity, but offers limited relief from the nearer-term growth slowdown.
- **RTS competition remains a risk.** Management flagged possible cross-border shopping leakage when the JB-Singapore RTS Link begins passenger service, which it expects in Feb 27. Packaged groceries and household products could face more price competition. Neighbourhood convenience, frequent fresh-food purchases and SSG's value positioning should provide some protection, although promotional spending could further constrain margin gains.
- **Strong cash position supports expansion.** Cash stood at S$388.9m with no bank borrowings at end-Sep 26, alongside S$160.8m of lease liabilities. 9M26 operating cash flow fell to S$120.8m from S$175.4m on earlier vendor settlements. Management expects no store closures over the next year.
- **Consumer backdrop supports value retailing, but costs remain a constraint.** In its October policy review, the MAS noted weakness in some consumer-facing sectors and near-term energy and food cost pressures, before inflation moderates in 2027. We expect budget-conscious households to favour SSG's affordable essentials and house brands. However, price-sensitive shoppers could limit cost pass-through, leaving productivity gains important to protecting margins.

Earnings Revision/Risks

- We keep our earnings forecasts unchanged.
- **Risks** include higher utilities and wages, fewer tender wins, slower store ramp-up, stronger promotions, cross-border leakage and distribution-centre execution.

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of S$2.88 (previously S$3.71),** pegged to 24.9x 2027F PE or +1SD above its historical mean, vs 32x (+3SD) previously. The lower PE reflects a broader sector weakness and de-rating, alongside a slower growth and downside margin risk from potential utility-cost increases, reinforcing a more cautious valuation despite SSG's defensive business and strong cash position.

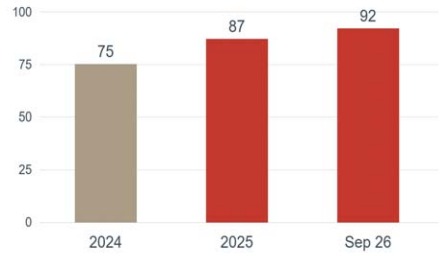
Share Price Catalyst

a) More tender wins and confirmed openings.

b) stronger same-store sales.

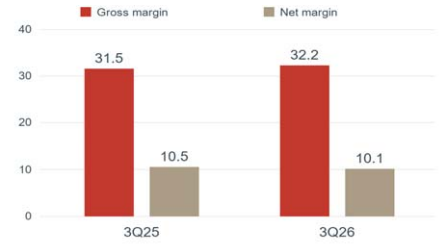
c) measurable productivity gains and favourable utility renewal terms.

Singapore Store Network



Source: Sheng Siong Group

Gross And Net Margins (%)



Source: Sheng Siong Group

Historical PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	1,570.0	1,703.5	1,760.6	1,818.6
EBITDA	193.0	216.4	225.2	231.6
Deprec. & amort.	17.2	18.9	19.1	19.2
EBIT	175.8	197.5	206.2	212.4
Total other non-operating income	0.0	(0.0)	(0.0)	(0.0)
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	3.8	4.4	4.9	5.4
Pre-tax profit	179.6	201.8	211.1	217.8
Tax	(30.4)	(35.3)	(36.9)	(38.1)
Minorities	0.3	0.0	0.0	0.0
Net profit	149.5	166.5	174.1	179.7
Net profit (adj.)	149.5	166.5	174.1	179.7

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	307.9	309.9	311.7	313.4
Other LT assets	206.1	206.1	206.1	206.1
Cash/ST investment	435.5	483.4	537.7	594.7
Other current assets	122.2	142.7	147.5	152.4
Total assets	1,071.7	1,142.1	1,203.0	1,266.5
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	343.3	363.7	372.3	382.0
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	137.3	137.3	137.3	137.3
Shareholders' equity	588.0	638.0	690.2	744.1
Minority interest	3.1	3.1	3.1	3.1
Total liabilities & equity	1,071.7	1,142.1	1,203.0	1,266.5

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	236.6	217.5	230.9	238.3
Pre-tax profit	179.6	201.8	211.1	217.8
Tax	(31.4)	(35.3)	(36.9)	(38.1)
Deprec. & amort.	17.2	18.9	19.1	19.2
Associates	0.0	0.0	0.0	0.0
Working capital changes	30.6	(0.1)	3.9	4.8
Non-cash items	(0.0)	0.0	0.0	0.0
Other operating cashflows	40.7	32.2	33.9	34.6
Investing	(12.3)	(11.4)	(10.9)	(10.4)
Capex (growth)	(20.9)	(20.9)	(20.9)	(20.9)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.1	0.0	0.0	0.0
Others	8.4	9.5	10.0	10.5
Financing	(142.1)	(158.3)	(165.7)	(170.9)
Dividend payments	(96.2)	(116.6)	(121.9)	(125.8)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(45.9)	(41.7)	(43.9)	(45.1)
Net cash inflow (outflow)	82.2	47.9	54.3	57.0
Beginning cash & cash equivalent	353.4	435.5	483.4	537.7
Changes due to forex impact	(0.1)	0.0	0.0	0.0
Ending cash & cash equivalent	435.5	483.4	537.7	594.7

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.3	12.7	12.8	12.7
Pre-tax margin	11.4	11.8	12.0	12.0
Net margin	9.5	9.8	9.9	9.9
ROA	14.9	15.0	14.9	14.6
ROE	26.6	27.2	26.2	25.1
Growth				
Turnover	9.9	8.5	3.4	3.3
EBITDA	8.9	12.1	4.1	2.8
Pre-tax profit	6.9	12.4	4.6	3.2
Net profit	8.7	11.4	4.6	3.2
Net profit (adj.)	8.7	11.4	4.6	3.2
EPS	8.7	11.4	4.6	3.2
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(74.1)	(75.8)	(77.9)	(79.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Market News

US stocks were lower on Friday, as the information technology, industrials and communications services sectors led shares lower. At the close of the NYSE, the Dow Jones fell 1.09% while the S&P 500 Index was down 1.82% and the NASDAQ Composite Index slid 2.86%. Falling stocks outnumbered advancing ones on the NYSE by 1,715 to 1,005 and 64 ended unchanged; on the Nasdaq Stock Exchange, 3,633 declined and 1,204 advanced, while 138 ended unchanged.

During the last trading session, the FSSTI Index fell 19.29pt to 5,376.74. Among the top active stocks were OCBC Bank (-0.2%), DBS (-0.9%), UMS (-7.8%), SATS (+1.1%) and Singtel (+0.2%). The FTSE ST Mid Cap Index rose 0.2%, while the FTSE ST Small Cap Index slid 1.2%. The broader market had 270 gainers and 304 losers with a total trading value of S$1.87b.

Keppel REIT (KREIT SP)

9M26: Engineering A Gradual Easing Of Capital Returns

Highlights

- KREIT maintained positive rental reversion at 12.0% in 9M26, while portfolio occupancy was stable at 96.0% as of Sep 26. Excluding the acquisitions of Top Ryde City Shopping Centre and MBFC Tower 3, distributable income from operations grew organically by 3.6% yoy.
- KREIT intends to use up to S$25m of net proceeds from divestments for unit buybacks. A further S$15m will be returned in three semi-annual tranches: S$7m in 2H27, S$5m in 1H28 and S$3m in 2H28.
- Maintain BUY with lower target price of S$1.05.

9M26 Results

Year to 31 Dec (S$m)	9M26	yoy % Chg	Remarks
Property Income	238.2	+16.5	Acquisition of Top Ryde City Shopping Centre.
Net Property Income (NPI)	181.8	+12.7	
Share of JV Results	124.2	+33.3	Acquisition of additional one-third interest in MBFC Tower 3.
Finance Costs	(74.2)	+8.6	Cost of debt eased 0.13ppt yoy to 3.32% in 9M26.
Distributable Income	194.9	+22.1	Include anniversary distribution of S$15m.

Source: KREIT, UOB Kay Hian

Analysis

- Keppel REIT (KREIT) reported 22.1% yoy growth in distributable income in 9M26, which was in line with our expectation. Excluding acquisitions, distributable income from operations grew organically by 3.6% yoy.
- **Acquisitions supported higher NPI and JV results.** Property income and NPI increased 16.5% and 12.7% yoy in 9M26, mainly due to the acquisition of Top Ryde City Shopping Centre in Sydney, Australia (completion: 19 Dec 25). Share of JV results increased 33.3% yoy, supported by the additional one-third interest in MBFC Tower 3 (completion: 31 Dec 25), higher rentals and lower borrowing costs. Excluding acquisitions, share of JV results grew organically by 9.2% yoy. Group borrowing costs rose 8.6% yoy.
- **Positive rental reversion of 12.0% in 9M26** (Singapore: 10%, overseas: 13%). KREIT committed 1,569,600sf of leases (attributable area: 895,400sf), with retention at 76.7%. Banking, insurance & financial services accounted for 58.6% of new and expansion demand by committed gross rent. Portfolio WALE was 4.5 years on rent-weighted basis (top 10 tenants: 7.8 years). Average signing rent for Singapore CBD office leases was S$13.27psf/month, above average expiring rents of S$11.94 in 4Q26 and S$11.44 in 2027, indicating scope for further positive reversions.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	262	274	318	330	343
EBITDA	139	151	175	182	191
Operating profit	137	150	173	180	189
Net profit (rep./act.)	99	443	278	216	221
Net profit (adj.)	143	116	208	216	221
EPU (S$ cent)	3.8	3.0	4.2	4.3	4.4
DPU (S$ cent)	5.6	5.2	5.3	5.4	5.3
PE (x)	21.7	27.2	19.3	18.8	18.6
P/B (x)	0.6	0.6	0.7	0.7	0.7
DPU yld (%)	6.9	6.4	6.5	6.7	6.5
Net margin (%)	37.8	161.4	87.4	65.6	64.4
Net debt/(cash) to equity (%)	49.6	65.5	37.9	45.6	46.8
Interest cover (x)	1.8	1.8	1.8	1.9	1.8
ROE (%)	1.9	8.3	4.7	3.3	3.4
Consensus DPU (S$ cent)	-	-	5.1	5.2	5.2
UOBKH/Consensus (x)	-	-	1.03	1.05	1.02

Source: Keppel REIT, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$0.815
Target Price	S$1.05
Upside	28.8%
Previous TP	S$1.06

Stock Data

Sector	Real Estate
Bloomberg ticker	KREIT SP
Shares issued (m)	4,980.0
Market cap (S$m)	4,058.7
Market cap (US$m)	3,176.8
3-mth avg daily t'over (US$m)	9.4

Price Performance (%)

52-week high/low				S$1.08/S$0.78
1mth	3mth	6mth	1yr	YTD
(4.1)	(11.9)	(8.9)	(23.0)	(16.4)

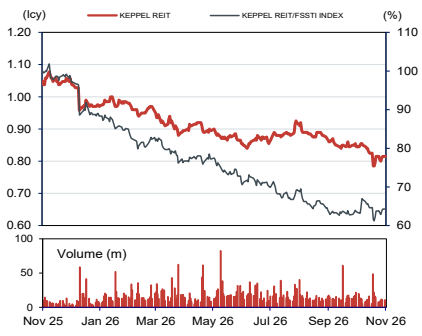
Major Shareholders (%)

Temasek Hldgs	35.6

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.22
FY26 Net Debt/Share (S$)	0.49

Price Chart



Source: Bloomberg

Company Description

Keppel REIT invests in quality income-producing commercial real estate in the Asia Pacific region. Its portfolio comprises predominantly of premium Grade A office buildings located in prime business and financial districts in Singapore, Australia (Sydney, Melbourne and Perth), South Korea (Seoul) and Japan (Tokyo).

- **Portfolio committed occupancy held at 96.0% as of Sep 26.** Singapore occupancy eased 0.6ppt qoq to 97.5%, while Australia edged down 0.1ppt to 93.6%. Key Singapore assets remained well occupied: MBFC Towers 1 and 2 at 99.1% (+0.5ppt qoq), MBFC Tower 3 at 98.0% (-1.5ppt qoq), One Raffles Quay at 99.3% (+0.2ppt qoq) and Ocean Financial Centre at 95.2% (-1.3ppt qoq). KREIT is in the documentation stage for a prospective new tenant at MBFC Tower 3. It has backfilled eight out of 12 floors for an anchor tenant vacating 8 Exhibition Street in Nov 26.
- **Growth led by Singapore and Australia.** Singapore attributable NPI increased 23.1% yoy to S$242.8m in 9M26, supported by the increased interest in MBFC Tower 3 and higher rentals. Australia grew 20.7% yoy to S$95.0m, driven by Top Ryde City Shopping Centre and a stronger Australian dollar. These regional figures include attributable JV NPI and rental support.
- **Capital recycling supports buybacks and capital returns.** The KR Ginza II divestment was completed on 17 Aug 26. The T Tower sale was announced on 23 Sep 26 and is expected to complete in 4Q26. KREIT intends to use up to S$25m of sale proceeds for unit buybacks. Another S$15m will be returned in three semi-annual tranches: S$7m in 2H27, S$5m in 1H28 and S$3m in 2H28, after anniversary distribution ends with 1H27.
- **All 2026 refinancing requirements completed.** Aggregate leverage was 40.5% as of Sep 26, with 64% of borrowings on fixed rates. Average cost of debt was 3.32% for 9M26 but management guided for higher debt cost at 3.4% for 2027. Interest coverage was 2.8x and average debt maturity was 2.5 years. KREIT issued S$200m of 2.6% fixed-rate notes due 2033 to refinance S$200m of 3.72% notes due in 4Q26, thus extending its debt maturity. Sustainability-focused funding represented 76% of borrowings.
- **KREIT has agreed to acquire a 51% interest in Keppel South Central** from its sponsor, Keppel Ltd, for S$626m, equivalent to S$2,350psf, and 3-4% below independent valuations. The acquisition provides an initial net property yield of 4.3% and is accretive to DPU by 2%. Sponsor Keppel Ltd will provide a guaranteed monthly income of S$2.23m for a period of five years. The guaranteed amount is based on 95% stabilised occupancy, average rent of S$11.15psf and an operating margin of 79%. About 60% of space was committed or under documentation in mid-October, with another 20% under negotiation. Completion is expected in 2Q27, subject to unitholder approval. Any equity financing will be capped at S$100m.

Valuation/Recommendation

- **Maintain BUY.** We rolled forward our valuation. Our target price of S$1.05 is based on DDM (cost of equity: 6.65%, terminal growth: 1.8%).

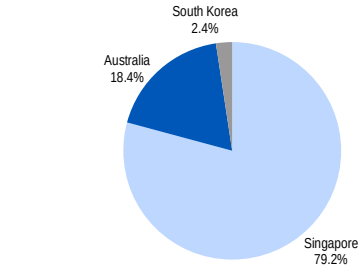
Earnings Revision/Risk

- We kept our DPU forecast for 2027 and 2028 relatively unchanged. The capital distribution of S$15m from divestment proceeds has offset the negative impact from higher cost of debt.
- We assumed that KREIT taps additional bridge loan of S$100m for acquisition of Keppel South Central, which leads to a higher aggregate leverage of 40%, given the unfavourable environment for equity fund raising.

Share Price Catalyst

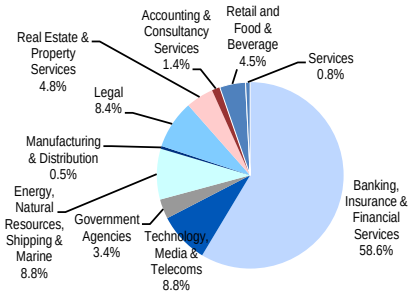
- Resilient rents and capital values for office properties in Singapore and Sydney, Australia. Yield-accretive acquisitions in Singapore.

Portfolio Valuation By Country



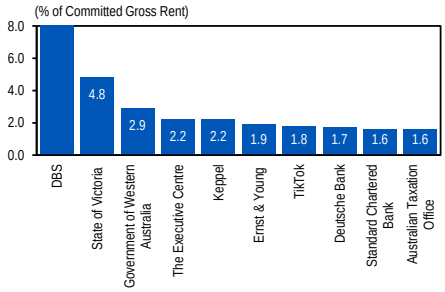
Source: KREIT

Diversified Base Of Tenants (% Committed Gross Rent)



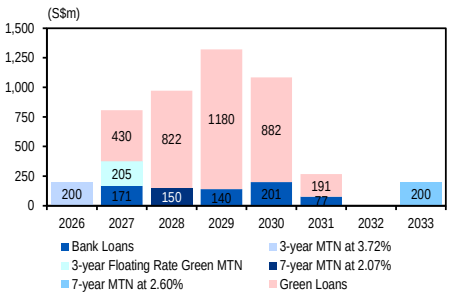
Source: KREIT

Top 10 Tenants By Committed Gross Rent



Source: KREIT

Debt Maturity Profile



Source: KREIT

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	274.5	318.4	329.8	343.5
EBITDA	151.5	174.7	181.6	190.9
Deprec. & amort.	1.6	2.0	2.0	2.0
EBIT	149.9	172.7	179.6	188.9
Total other non-operating income	327.4	68.4	(2.0)	(2.0)
Associate contributions	124.6	199.1	202.4	207.6
Net interest income/(expense)	(84.2)	(95.3)	(96.3)	(103.9)
Pre-tax profit	517.7	344.9	283.6	290.6
Tax	(13.7)	(27.6)	(22.7)	(23.2)
Minorities	(49.6)	(23.9)	(25.2)	(25.2)
Perpetual Securities	(11.3)	(15.1)	(19.4)	(20.8)
Net profit	443.1	278.2	216.3	221.3
Net profit (adj.)	116.4	207.8	216.3	221.3

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	5,573.1	5,228.4	5,864.6	5,874.6
Other LT assets	4,235.3	4,235.3	4,235.3	4,235.3
Cash/ST investment	135.5	153.9	158.7	158.2
Other current assets	35.0	58.0	60.6	61.2
Total assets	9,978.9	9,675.6	10,319.2	10,329.3
ST debt	1,319.6	1,319.6	1,319.6	1,319.6
Other current liabilities	122.1	79.7	85.1	86.3
LT debt	2,437.0	1,270.0	1,810.0	1,865.0
Other LT liabilities	93.4	104.5	107.7	108.4
Shareholders' equity	5,526.5	6,421.6	6,516.6	6,469.6
Minority interest	480.3	480.3	480.3	480.3
Total liabilities & equity	9,978.8	9,675.6	10,319.2	10,329.3

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	223.3	45.6	119.5	122.2
Pre-tax profit	191.0	274.5	283.6	290.6
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	(124.6)	(199.1)	(202.4)	(207.6)
Working capital changes	50.5	(52.9)	2.6	0.6
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	106.4	23.1	35.7	38.7
Investing	(1,116.3)	614.2	(433.8)	197.6
Capex (growth)	(1,271.3)	0.0	(626.2)	0.0
Capex (maintenance)	(14.1)	(10.0)	(10.0)	(10.0)
Proceeds from sale of assets	0.0	425.1	0.0	0.0
Others	169.0	199.1	202.4	207.6
Financing	950.4	(641.4)	319.2	(320.4)
Distribution to unitholders	(276.6)	(262.2)	(271.3)	(268.3)
Issue of shares	113.0	886.3	0.0	0.0
Proceeds from borrowings	1,135.9	(1,167.0)	540.0	55.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(22.0)	(98.4)	50.5	(107.1)
Net cash inflow (outflow)	57.4	18.4	4.8	(0.5)
Beginning cash & cash equivalent	80.9	135.5	153.9	158.7
Changes due to forex impact	(2.8)	0.0	0.0	0.0
Ending cash & cash equivalent	135.5	153.9	158.7	158.2

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	55.2	54.9	55.0	55.6
Pre-tax margin	188.6	108.3	86.0	84.6
Net margin	161.4	87.4	65.6	64.4
ROA	4.8	2.8	2.2	2.1
ROE	8.3	4.7	3.3	3.4
Growth				
Turnover	4.9	16.0	3.6	4.1
EBITDA	9.2	15.3	4.0	5.1
Pre-tax profit	295.4	(33.4)	(17.8)	2.4
Net profit	347.8	(37.2)	(22.3)	2.3
Net profit (adj.)	(18.9)	78.5	4.1	2.3
EPU	(20.2)	40.4	2.9	1.2
Leverage				
Debt to total capital	38.5	27.3	30.9	31.4
Debt to equity	68.0	40.3	48.0	49.2
Net debt/(cash) to equity	65.5	37.9	45.6	46.8
Interest cover (x)	1.8	1.8	1.9	1.8

Mapletree Pan Asia Commercial Trust (MPACT SP)

2QFY27: Soldiering On Despite Challenging Operating Environment

Highlights

- VivoCity delivered NPI growth of 5.0% yoy in 2QFY27, supported by the completed Basement 2 AEI and positive rental reversions +15.0%. MBC secured several new leases with IT tenants, which are progressively commencing in 2QFY27 and 3QFY27.
- MPACT has received enquiries for its three office properties at the Makuhari sub-market. Some of the prospective tenants are relocating from Central Tokyo and are looking at large office space of 50,000-100,000sf.
- Singapore remains MPACT's core earnings anchor and contributed 68% of group NPI in 1HFY27. Maintain BUY. Target price: S$1.67.

2QFY27 Results

Year to 31 Mar (S$m)	2QFY27	yoy % Chg	Remarks
Gross Revenue	207.5	-5.0	Divestment of TSI and ASY in Japan and Festival Walk
Net Property Income (NPI)	153.5	-6.3	Office in Hong Kong.
Finance Costs	(42.6)	-10.1	Cost of debt eased 0.28ppt yoy to 2.95% in 2QFY27.
Distributable Income	103.1	-2.9	
DPU (S cents)	1.94	-3.5	

Source: MPACT, UOB Kay Hian

Analysis

- Mapletree Pan Asia Commercial Trust (MPACT) reported a DPU of 1.94 S cents for 2QFY27 (-3.5% yoy), which was in line with our expectation.
- **Trimming overseas assets.** Gross revenue and NPI declined 5.0% and 6.3% yoy respectively in 2QFY27, reflecting weak overseas contributions and the absence of income from divested assets (TS Ikebukuro Building (TSI) and ABAS Shin-Yokohama Building (ASY) in Japan and Festival Walk Office in Hong Kong). Finance expenses fell 10.1% yoy due to lower interest rates for Singapore dollar borrowings and debt reduction using divestment proceeds.
- **Singapore: VivoCity remains the key growth driver.** VivoCity delivered NPI growth of 5.0% yoy in 2QFY27, supported by the completed Basement 2 AEI and positive rental reversions of 15.0% in 1HFY27. Tenant sales increased 3.3% yoy in 2QFY27 despite moderated footfall amid changes in the HarbourFront precinct. Occupancy reached 100%, up 0.3ppt qoq.
- **MBC backfilling supports future income recovery.** Occupancy at Mapletree Business City (MBC) improved 1.1ppt qoq to 95.4%. Key committed leases are expected to start contributing progressively from 3QFY27. MBC achieved +1.4% rental reversion in 1HFY27 with signing rents at about S$6.50psf/month. NPI from MBC dropped 6.2% yoy due to transitional downtime and lower one-off compensation income.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	909	867	806	819	830
EBITDA	634	606	567	576	584
Operating profit	633	606	567	576	584
Net profit (rep./act.)	578	255	368	376	381
Net profit (adj.)	421	425	368	376	381
EPU (S$ cent)	8.0	8.1	7.0	7.1	7.2
DPU (S$ cent)	8.0	8.0	8.0	8.1	8.2
PE (x)	14.4	14.3	16.5	16.2	16.0
P/B (x)	0.6	0.7	0.7	0.7	0.7
DPU yld (%)	7.0	6.9	6.9	7.0	7.1
Net margin (%)	63.6	29.4	45.7	45.9	45.9
Net debt/(cash) to equity (%)	60.6	57.5	58.8	60.1	61.4
Interest cover (x)	2.9	3.3	3.3	3.3	3.3
ROE (%)	6.1	2.7	3.9	4.0	4.1
Consensus DPU (S$ cent)	-	-	8.0	8.0	8.1
UOBKH/Consensus (x)	-	-	1.00	1.01	1.00

Source: Mapletree Pan Asia Commercial Trust, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$1.15
Target Price	S$1.67
Upside	45.2%

Stock Data

Sector	Real Estate
Bloomberg ticker	MPACT SP
Shares issued (m)	5,287.8
Market cap (S$m)	6,081.0
Market cap (US$m)	4,760.1
3-mth avg daily t'over (US$m)	13.4

Price Performance (%)

52-week high/low				S$1.49/S$1.12
1mth	3mth	6mth	1yr	YTD
(5.7)	(15.4)	(10.9)	(20.7)	(21.8)

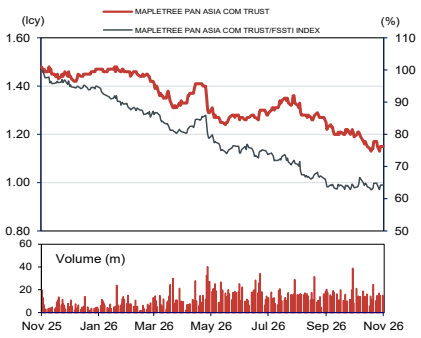
Major Shareholders (%)

Temasek Hldgs	56.9

Balance Sheet Metrics

FY27 NAV/Share (S$)	1.71
FY27 Net Debt/Share (S$)	1.03

Price Chart



Source: Bloomberg

Company Description

MPACT invests in income-producing real estate used for office and/or retail purposes in key gateway markets of Asia. It debuted on SGX Main Board on 27 Apr 11 and completed the merger with Mapletree North Asia Commercial Trust on 21 Jul 22.

- **Festival Walk: Improving sales and occupancy amid rental pressure.** Occupancy increased 1.4ppt qoq to 99.9%. Tenant sales and shopper traffic grew 3.7% and 10.3% yoy respectively in 2QFY27, supported by spending on high-value luxury items, such as gold, watches and jewelleries, and new tenants from the 18,000sf reconfiguration completed in Jul 26. However, rents remain under pressure with 1HFY27 rental reversion at -15.6%. On a comparable basis excluding the divested office tower, 2QFY27 NPI was stable at S$30m. Tenant remixing and the MTR-level reconfiguration remain focused on local shoppers and stabilising income.
- **China: Steep negative reversions.** Occupancy improved 2.1ppt qoq to 84.5%, but 1HFY27 rental reversion remained deeply negative at -29.9%. Leasing at Gateway Plaza in Beijing and Sandhill Plaza in Shanghai continues to prioritise occupancy and income stability amid soft market conditions. China NPI declined 15.9% yoy, reflecting the erosion in rents.
- **Japan: Modest occupancy improvement.** Japan occupancy increased 1.5ppt qoq to 57.5% but remained low due to non-renewal at Fujitsu Makuhari Building (FMB) in 1QFY27. Performance outside the Makuhari sub-market remained stable, with 1HFY27 rental reversion of +2.4%. On a comparable basis excluding the two divested Japanese assets TSI and ASY, 2QFY27 NPI fell 35.5% yoy to S$4.9m.
- **Makuhari sub-market of Chiba showing early signs of stabilisation.** Makuhari sub-market is starting to experience positive spillover from the buoyant office market in central Tokyo. MPACT has received enquiries and has initiated discussions with several potential new tenants. Some of the prospective tenants are relocating from Central Tokyo and are looking at large office space of 50,000-100,000sf, including a potential replacement tenant for the entire FMB. Negotiations are still in the early stages.
- **Cost of debt drifting higher.** Aggregate leverage increased 0.4ppt qoq to 38.1% as of Sep 26 due to working capital loans. Interest coverage held at 3.3x. Average debt maturity was 3.2 years. Fixed or hedged debt declined 5.6ppt qoq to 71.8%, reflecting debt maturities and hedge expiries. The average all-in cost of debt improved 0.28ppt yoy to 2.95% in 2QFY27. Management expects cost of debt to drift higher to about 3.1% by end-FY27.

Valuation/Recommendation

- **Anchored in Singapore.** VivoCity benefits from the pick-up in tourist arrivals and the expansion at Resorts World Sentosa. NPI from VivoCity grew 6.9% yoy in 1HFY27, supported by a positive rental reversion of 15% and high occupancy of 100%. MBC secured several new leases with IT tenants, which are progressively commencing in 2QFY27 and 3QFY27. A sizeable lease for 100,000sf is commencing in Nov 26. Singapore contributed 68% of group NPI in 1HFY27, reinforcing its role as MPACT's core earnings anchor.
- **Circle Line Stage 6 opened for passenger service on 12 Jul 26.** The 4km extension adds three new stations and transforms the Circle Line into a fully orbital MRT line. It connects Marina Bay to HarbourFront, thus bringing tourists staying at downtown hotels to VivoCity and Sentosa. It provides direct travel options, bypassing crowded city-centre interchanges, such as City Hall and Raffles Place. Circle Line Stage 6 would have a positive impact on shopper traffic and tenant sales at VivoCity.
- **Maintain BUY.** Our target price of S$1.67 is based on DDM (cost of equity: 6.7%, terminal growth: 2.0%).

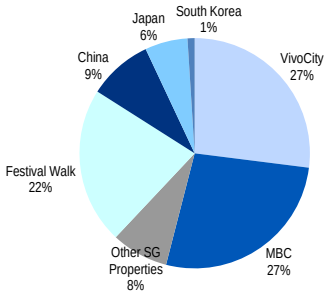
Earnings Revision/Risk

- We maintain our existing DPU forecast.

Share Price Catalyst

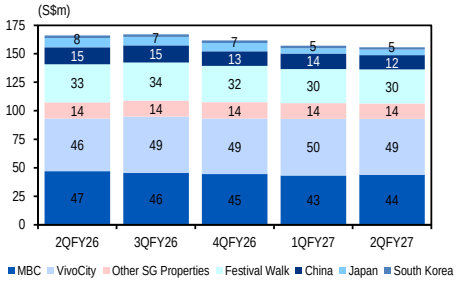
- Resilient growth from VivoCity and MBC in Singapore.
- MPACT's four Singapore properties located in the HarbourFront area accounted for 62% of its portfolio valuation. It benefits from the rejuvenation of Greater Southern Waterfront and Sentosa Island.

Portfolio Value By Country



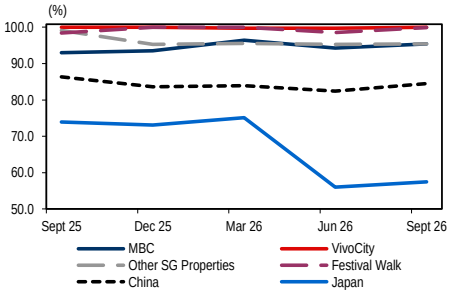
Source: MPACT

NPI By Country



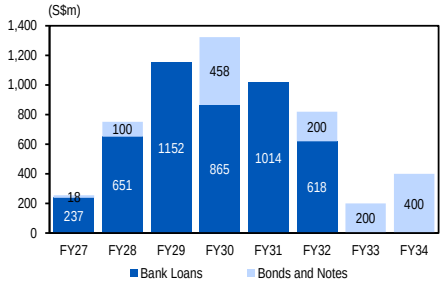
Source: MPACT

Portfolio Occupancy



Source: MPACT

Debt Maturity Profile



Source: MPACT

Profit & loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	867.3	806.2	818.9	830.3
EBITDA	606.3	566.9	575.9	584.2
Deprec. & amort.	0.7	0.0	0.0	0.0
EBIT	605.6	566.9	575.9	584.2
Total other non-operating income	(170.3)	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(185.2)	(172.5)	(174.1)	(176.8)
Pre-tax profit	250.1	394.4	401.8	407.4
Tax	4.7	(26.0)	(26.0)	(26.0)
Minorities	0.0	0.0	0.0	0.0
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	254.8	368.4	375.8	381.4
Net profit (adj.)	425.1	368.4	375.8	381.4

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	14,992.1	15,022.1	15,052.1	15,082.1
Other LT assets	146.8	135.7	135.7	135.7
Cash/ST investment	164.2	165.8	166.5	166.4
Other current assets	121.8	121.5	121.8	122.1
Total assets	15,424.9	15,445.1	15,476.2	15,506.3
ST debt	507.9	507.9	507.9	507.9
Other current liabilities	226.2	216.3	219.1	221.5
LT debt	5,048.8	5,140.0	5,225.0	5,310.0
Other LT liabilities	249.1	246.2	248.0	249.4
Shareholders' equity	9,381.6	9,323.5	9,265.0	9,206.2
Minority interest	11.2	11.2	11.2	11.2
Total liabilities & equity	15,424.9	15,445.1	15,476.2	15,506.3

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	586.0	535.4	550.2	557.8
Pre-tax profit	261.3	362.8	370.2	375.8
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.7	0.0	0.0	0.0
Associates	(10.6)	0.0	0.0	0.0
Working capital changes	(16.9)	(9.7)	2.5	2.1
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	351.6	182.3	177.5	179.9
Investing	305.1	(30.0)	(30.0)	(30.0)
Capex (growth)	(87.6)	(30.0)	(30.0)	(30.0)
Capex (maintenance)	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	392.7	0.0	0.0	0.0
Financing	(891.8)	(503.8)	(519.4)	(527.9)
Distribution to unitholders	(422.9)	(421.0)	(428.7)	(434.6)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	(274.7)	91.2	85.0	85.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(194.3)	(174.1)	(175.7)	(178.4)
Net cash inflow (outflow)	(0.7)	1.5	0.8	(0.1)
Beginning cash & cash equivalent	171.4	164.2	165.8	166.5
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	170.7	165.8	166.5	166.4

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	69.9	70.3	70.3	70.4
Pre-tax margin	28.8	48.9	49.1	49.1
Net margin	29.4	45.7	45.9	45.9
ROA	1.6	2.4	2.4	2.5
ROE	2.7	3.9	4.0	4.1
Growth				
Turnover	(4.6)	(7.0)	1.6	1.4
EBITDA	(4.4)	(6.5)	1.6	1.4
Pre-tax profit	(56.3)	57.7	1.9	1.4
Net profit	(55.9)	44.6	2.0	1.5
Net profit (adj.)	1.0	(13.3)	2.0	1.5
EPU	0.7	(13.6)	1.7	1.2
Leverage				
Debt to total capital	37.2	37.7	38.2	38.7
Debt to equity	59.2	60.6	61.9	63.2
Net debt/(cash) to equity	57.5	58.8	60.1	61.4
Interest cover (x)	3.3	3.3	3.3	3.3

Technical Analysis

Analyst(s)

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DFI Retail Group (DFI SP)

Trading Buy Range:	US$3.48-3.49
Last Price:	US$3.49
Target Price:	US$3.86
Protective Stop:	US$3.37

The price rebounded off its resistance-turned-support zone, reinforcing the dominant mark-up sequence of higher highs and higher lows. The RSI remains firmly anchored in bullish territory and is ticking upward with positive velocity. As long as the price remains defended above this converted support, we see continued upward expansion toward higher resistance targets.

The potential upside target is US$3.86. Stop-loss could be placed at US$3.37.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of US$5.20.



UMS Holdings (UMSH SP)

Trading Sell Range:	S$2.04-2.05
Last Price:	S$2.01
Target Price:	S$1.68
Protective Stop:	S$2.20

The price violated its previous low support zone via a powerful downside gap last Friday. The RSI is anchored in bearish territory and continues to slope downward with negative velocity toward oversold parameters. As long as the price remains strictly capped beneath this newly converted resistance, we see continued downward expansion towards lower support.

The potential downside target is S$1.68. Stop-loss could be placed at S$2.20.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$3.27.

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