# Strategy

## Brace For Higher Energy And Crude Oil Prices

### Highlights

- The situation in the Middle East has become precarious with potential disruptions to maritime traffic through both the Strait of Hormuz and the Bab el-Mandeb Strait. A further rise in crude oil prices is inevitable.
- We cut our 12-month STI target by 9.3% from 6,682 to 6,061 based on an equity risk premium of 3.4% for 2027, which is 0.25SD below the long-term mean, and risk-free rate at 2.5%. The target represents a fair 2026F PE of 18.3x and muted upside of 6% for the STI.
- We position defensively due to near-term headwinds from a prolonged conflict in the Middle East. Our investment themes: a) value creation through asset recycling and monetisation: Keppel (Target: S$13.26), Singtel (Target: S$5.50) and CityDev (Target: S$11.50); b) growth from Singapore as an aviation hub: SATS (Target: S$5.00); c) S-REITs with yields significantly above government bonds: NTT DC REIT (Target: US$1.29) and UI Boustead REIT (Target: S$1.16); d) value-oriented technology picks: Venture Corp (Target: S$21.10) and Valuetronics (Target: S$1.88); and e) SMID Gems: Riverstone (Target: S$1.21) and Pan United (Target: S$1.88).

### What's New

- We had cautioned about the looming threat from a prolonged gulf crisis in our recent Strategy report dated 25 Aug 26. We previously opined that the US could get bogged down as it becomes increasingly difficult to extricate itself from the conflict in the Middle East.
- The Middle East conflict has just escalated over the weekend, with the following developments:
- **The Houthi rebels have seized Mokha, Dhubab, Perim and the Hanish islands. This** has strengthened their ability to threaten shipping through the Bab el-Mandeb Strait, which is a critical chokepoint for maritime traffic traversing through Suez Canal and the Red Sea. These gains could expose tankers to greater risk of attack, raise freight and insurance costs, and disrupt deliveries to Asian customers, particularly as restrictions at Hormuz have increased Saudi dependence on its Red Sea export route. Houthi advances near Bab el-Mandeb add further risks to Saudi's onward shipments from the Red Sea. The potential disruption could constrain Saudi Arabia's export volume, delay deliveries and put upward pressure on global crude oil prices.
- **The drone attack on Saudi Arabia's 1,200km East-West pipeline** has prompted a shutdown announced on 11 Sep 26, with Saudi authorities stating that the drones originated in Iraq. The pipeline has capacity to carry 7m bbl of crude oil per day from the main oilfields in eastern Saudi Arabia to the Port of Yanbu on the Red Sea, providing a crucial alternative route to export through the Strait of Hormuz. Its closure threatens to deprive Saudi Arabia of its only remaining option. The country's ability to resume export depends on the extent of damage and the duration of repair time, but there is risk of repeated attacks on the East-West pipeline.

**Analyst(s)**

Jonathan Koh, CFA, MSc Econ
jonathankoh@uobkh.com
+65 6590 6620

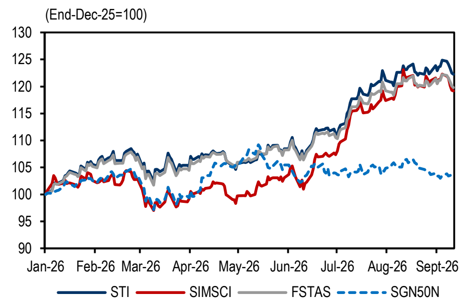
Singapore Research Team
+65 6535 6868
research@uobkh.com

### Key Recommendations

| Company | Ticker | Rec | Share Price (S$) | Target Price (S$) |
|---|---|---|---|---|
| Keppel | KEP SP | BUY | 11.43 | 13.26 |
| SingTel | ST SP | BUY | 4.50 | 5.50 |
| CityDev | CIT SP | BUY | 8.16 | 11.50 |
| SATS | SATS SP | BUY | 3.91 | 5.00 |
| NTT DC REIT | NTTDCR SP | BUY | 0.935 | 1.29 |
| UI Boustead | UIBREIT SP | BUY | 0.795 | 1.16 |
| Venture Corp | VMS SP | BUY | 16.67 | 21.10 |
| Valuetronics | VALUE SP | BUY | 0.955 | 1.88 |
| Riverstone | RSTON SP | BUY | 0.79 | 1.21 |
| Pan United | PAN SP | BUY | 1.69 | 1.88 |

*Source: Bloomberg*

### Singapore Indices




*Source: Bloomberg*

### Peer Comparison

| Company | Ticker | Rec | Price 11 Sep 26 (S$) | Target Price (S$) | Upside To TP (%) | Last Year End | PE 2025 (x) | PE 2026F (x) | PE 2027F (x) | Yield 2026F (%) | ROE 2026F (%) | Market Cap (S$m) | Price/ NAV (x) | Net Cash / (Debt) (S$m) | Total Debt To Assets (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Keppel | KEP SP | BUY | 11.43 | 13.26 | 16.0 | 12/25 | 26.3 | 22.0 | 20.1 | 4.2 | 9.1 | 20,499 | 2.04 | -9,122 | 42.7 |
| SingTel | ST SP | BUY | 4.50 | 5.50 | 22.2 | 3/26 | 13.2 | 24.9 | 23.7 | 4.3 | 10.5 | 73,368 | 2.69 | -8,208 | 23.0 |
| CityDev | CIT SP | BUY | 8.16 | 11.50 | 40.9 | 12/25 | 11.8 | 16.6 | 14.6 | 2.4 | 4.7 | 7,290 | 0.76 | -11,851 | 50.7 |
| SATS | SATS SP | BUY | 3.91 | 5.00 | 27.9 | 3/26 | 20.4 | 18.4 | 15.4 | 2.2 | 11.3 | 5,812 | 2.13 | -1,623 | 26.2 |
| NTT DC REIT USD | NTTDCR SP | BUY | 0.935 | 1.29 | 38.0 | 3/26 | 487.1 | n.a. | n.a. | 8.4 | (0.3) | 1,226 | 0.81 | -597 | 29.2 |
| UIBREIT | UIBREIT SP | BUY | 0.795 | 1.16 | 45.9 | 3/26 | n.a. | 14.2 | 12.9 | 8.9 | 6.6 | 1,087 | 0.93 | -753 | 37.9 |
| Venture Corp | VMS SP | BUY | 16.67 | 21.10 | 26.6 | 12/25 | 21.2 | 19.6 | 18.7 | 4.8 | 8.7 | 4,790 | 1.73 | 1,108 | 0.0 |
| Valuetronics | VALUE SP | BUY | 0.955 | 1.88 | 96.9 | 3/26 | 20.1 | 15.1 | 13.9 | 6.6 | 10.8 | 392 | 1.62 | 239 | 0.0 |
| Riverstone | RSTON SP | BUY | 0.79 | 1.21 | 53.2 | 12/25 | 18.5 | 17.3 | 16.3 | 6.9 | 14.8 | 1,171 | 2.56 | 183 | 0.0 |
| Pan United | PAN SP | BUY | 1.69 | 1.88 | 11.2 | 12/25 | 23.3 | 18.3 | 15.6 | 3.0 | 21.0 | 1,182 | 4.00 | 65 | 3.6 |

*Source: Bloomberg, UOB Kay Hian*

- **Exports from Saudi Arabia at risk of slowing to a trickle.** Since the Middle East conflict began in Feb 26, Saudi Arabia's crude oil production and exports have fallen sharply as attacks and blockades disrupted its main export routes. Production declined from 10.4m barrels per day (bpd) in February to 6.2m bpd in August – a reduction of 40% based on the IEA's estimates. Provisional tanker-tracking figures indicate that crude exports dropped from 7.3m bpd in February to 3m bpd in August, a decline of 59%. Disruption at the Strait of Hormuz and Houthi threats to Red Sea shipping constrained Saudi Arabia's ability to move crude to overseas customers, forcing production cuts.

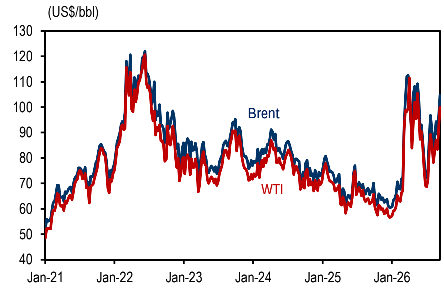
## Brace For Higher Energy and Crude Oil Prices

- **Heightened uncertainties could trigger bouts of volatilities.** We estimated the STI's current equity risk premium at 3.4% for 2026. We cut our 12-month STI target by 9.3% from 6,682 to 6,061 based on an equity risk premium of 3.4% for 2027, which is 0.25SD below the long-term mean (previous: 3.0% or 1SD below the long-term mean), and a risk-free rate of 2.5%. The new target represents a fair 2026F PE of 18.3x and muted upside of only 6% for the STI.
- **Brace for heightened geopolitical tension and potential energy crisis.** We adopt a defensive posture due to near-term headwinds from a prolonged conflict in the Middle East, which will give rise to elevated inflation.
- **We downgrade banks from MARKET WEIGHT to UNDERWEIGHT.** DBS and OCBC have gained 1.3% and 2.0% respectively despite our sector downgrade on 24 Aug 26. We downgrade DBS to SELL (Target: S$74.70) and OCBC to HOLD (Target: S$32.50). The economy and loan growth could slow down due to weak business sentiment aggravated by a prolonged Middle East conflict. Thus, we remove OCBC from our conviction BUY list.
- **Remove aviation stocks from our conviction BUY list.** The aviation sector is susceptible to the potential rise in jet fuel prices. Companies in the logistics and air cargo supply chains could also be affected by higher petrol and diesel prices and increase in freight rates. Thus, on a tactical basis, we temporarily remove SIA Engineering from our conviction BUY list.
- We invest based on the following themes:
  a) **Value creation through asset recycling and monetisation:** Keppel, Singtel and CityDev.
  b) Growth from Singapore as an aviation hub: SATS.
  c) **S-REITs with yields significantly above government bonds:** NTT DC REIT and UI Boustead REIT.
  d) **Value-oriented technology picks:** Venture Corp and Valuetronics.
  e) **SMID gems:** Riverstone and Pan United.

### Top Large / Mid Cap Stock Picks

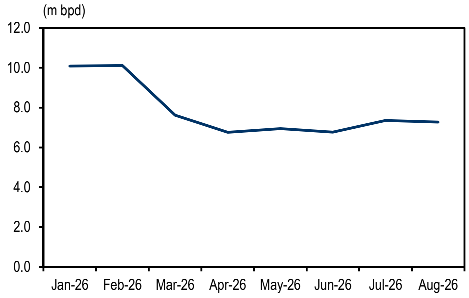
| Value Creation Through Asset Recycling And Monetisation | |
|---|---|
| Keppel (BUY/Target: S$13.26) | • Strong medium-term earnings growth from infrastructure and connectivity. Core earnings rose 16.6% yoy in 1H26, with infrastructure earnings up 10.9% and connectivity up 83.3%. We expect earnings momentum to strengthen further as Keppel Sakra Cogen contributes for a full period in 2H26.<br>• Asset-light transformation is progressing well. Keppel has already exceeded its S$100b interim FUM target, reaching S$106b by Jul 26, and remains on track towards S$200b by 2030. This should drive a higher proportion of recurring fee income and improve capital efficiency over time.<br>• Continued asset monetisation provides further value-unlocking catalysts. The planned S$1.2b divestment of six operational rigs to Keppel Offshore Fund reduces legacy asset exposure, provides a clearer monetisation pathway, helps deleverage the balance sheet and simultaneously creates fund management income. |
| SingTel (BUY/Target: S$5.50) | • Improving operating performance supports higher returns. Singtel targets operating company EBIT of S$2.1b-2.5b by FY30, up from S$1.5b in FY26, supported by Optus pricing improvements, cost efficiencies and growth in NCS and digital infrastructure. Management also aims to lift ROIC from 11% to the mid-teens.<br>• Data centres and AI offer growth and potential value realisation. Nxera is expected to reach 230MW of capacity by end-FY27 and generate over S$300m in EBITDA by FY28, while Singtel explores a potential REIT listing. We estimate that a listing could |

### Crude Oil Prices



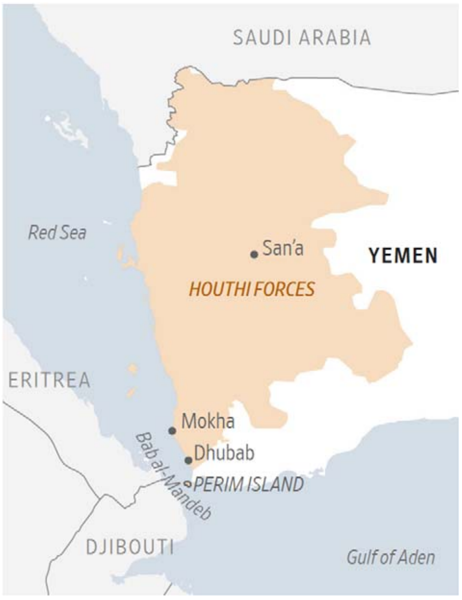

*Source: Bloomberg*

### Saudi Arabia's Crude Oil Production




*Source: OPEC*

### The Bab el-Mandeb Strait




*Source: OpenStreetMap*

| | |
|---|---|
| | value Nxera's equity at S$4.0b-4.5b, while RE:AI's fully contracted 6MW capacity could generate S$600m in revenue over 3-5 years.<br>• Asset recycling supports dividends and share buybacks. Singtel has unlocked S$6.8b towards its S$9b medium-term asset recycling target, which allocates S$5b to value realisation dividends of 3-6 S cents annually through FY30 and S$2b to share buybacks. Maintain BUY with SOTP-based target price of S$5.50. |
| City Development (BUY/Target: S$11.50) | • Revenue from the property development surged 167% yoy in 1H26 on the back of the full profit recognition from the fully sold Lumina Grand executive condominium after completion in Apr 26. Other strong performing projects Newport Residences, The Myst and Norwood Grand also contributed.<br>• City Developments' (CDL) strategic review could unlock the value embedded within its substantial global portfolio of development properties, investment assets and hotels, while improving returns on equity. It could lead to a more aggressive asset monetisation programme. The strategic review is likely to be unveiled by Sep 26.<br>• Maintain BUY with a target price of S$11.50, pegged to a 15% discount to RNAV of S$13.54. Further narrowing of this discount could be possible if CDL demonstrates material progress in its capital recycling programme and unlocking of value for its non-core assets. |
| Growth From Singapore As An Aviation Hub | |
| SATS (BUY/Target: S$5.00) | • Underlying business momentum remains strong despite temporary margin pressure. 1QFY27 revenue grew 11.3% yoy, with broad-based volume growth across cargo, ground handling and food solutions. Core earnings would have been broadly in line after excluding one-off JV/associate provisions.<br>• SATS continues to outperform the global air-cargo market and gain share. Comparable cargo tonnage grew 12.0% yoy, ahead of IATA's 6.2% global growth benchmark, marking the 11th consecutive quarter of market-share gains, supported by organic growth and new contract wins across EMEA and the Americas.<br>• Current margin pressures should prove temporary, leaving the medium-term growth story intact. Cost pass-through mechanisms, stronger asset utilisation and productivity/IT initiatives should support margin recovery once operating conditions normalise, while management continues to maintain its FY29 growth targets. |
| S-REIT With Yields Significantly Above Government Bond Yields | |
| NTT DC REIT (BUY/Target: US$1.29) | • Strong leasing momentum. Portfolio occupancy by IT load improved 0.8ppt qoq to 95.9% as of Jun 26, driven by expansion leases secured at CA1, CA3 and SG1. Portfolio occupancy would have increased 3.3ppt to 99.2% if we include committed leases that have yet to commence. Majority of these new leases are expected to contribute to revenue starting 3QFY27. Organic income growth is supported by positive rental reversion of 13.4% in 1QFY27 and annual rental escalations averaging 3.1% for 84.7% of leases.<br>• Sizeable debt headroom to support acquisitions. Aggregate leverage stood at 31% as of Jun 26, which provides US$261m of debt headroom before reaching 40% gearing. NTTDCR has no debt maturities until FY29. Potential acquisitions include 24MW Frankfurt data centre anchored by two US hyperscalers with long WALE of ten years, which will increase exposure to Tier 1 markets.<br>• Distributable income exceeded IPO forecast by 10.6% in 1QFY27, supported by lower operating and financing costs. We project FY27 DPU of 7.9 US cents, which provides DPU yield of 8.4%. We maintain BUY with a target price of US$1.29 based on DDM (COE: 8.7%, terminal growth: 2.5%). |
| UI Boustead REIT (BUY/Target: S$1.16) | • Japan portfolio saw a strong turnaround. Committed occupancy rose from 76.7% to 100.0% as of Jun 26, supported by new leases from logistics, e-commerce and insurance tenants. A global e-commerce player took up 125,000sf and Nippon Express expanded by 100,000sf at UIB Konan Phase 2. UIBREIT also secured a new lease with a major Japanese insurance corporation at Toyo MK Fuso Building. Both UIB Konan Phase 2 in Greater Osaka and Toyo MK Fuso Building in Tokyo reached full occupancy. The long WALE of 7.5 years in Japan provides income visibility.<br>• Development projects provide future earnings growth. UIBREIT's automotive, aerospace & avionics tenants include AUMOVIO, Rolls-Royce Solutions, Safran Helicopter Engines Asia, Safran Electronics & Defence Services Asia and a leading aircraft manufacturer. This segment would expand 3ppt to 22% of gross rental income after the build-to-suit integrated aerospace facility at Seletar Aerospace Park is completed, which is expected to start contributing in 1QFY29. The aerospace facility offers an expected 8.6% yield on cost and a 22.5-year triple-net lease to a global aerospace corporation, with built-in rental escalations of 2-3%.<br>• We forecast FY28 DPU yield of 8.9%, above peers at 6.4% for CLAR and 7.0% for AAREIT. We maintain BUY with target price of S$1.16 based on DDM (COE: 7.25%, terminal growth: 1.2%). |
| Value-Oriented Technology Picks | |
| Venture Corp (BUY/Target: S$21.10) | • Venture has a diversified customer base across semiconductor equipment, test & measurement instrumentation, networking & communications and life science.<br>• Venture maintained a lucrative net margin of 8.8% in 1H26 due to its specialisation in high-mix electronics manufacturing services. It is respected for its know-how and expertise in various technology domains, including life science, genomics, molecular diagnostics, medical devices & equipment, healthcare, wellness technology, test & measurement instrumentation, networking & communications, semiconductor equipment and advanced industrial.<br>• Venture maintained its net cash position at S$1.1b as of Jun 26, equivalent to 24% of market cap, even after payment of higher dividends of 80 S cents and share buybacks in 2025. Net cash per share was S$3.99 as of Jun 26. |
| Valuetronics (BUY/Target: S$1.88) | • Revenue mix is structurally shifting towards high-margin industrial & commercial electronics (ICE) products, including thermal label printers, cold chain temperature monitors, data & media connectivity modules for automobiles, cooling solutions for high-performance computing and network access solutions. ICE products accounted for 87% of group revenue in FY26. Net profit margin was 9.6%. |

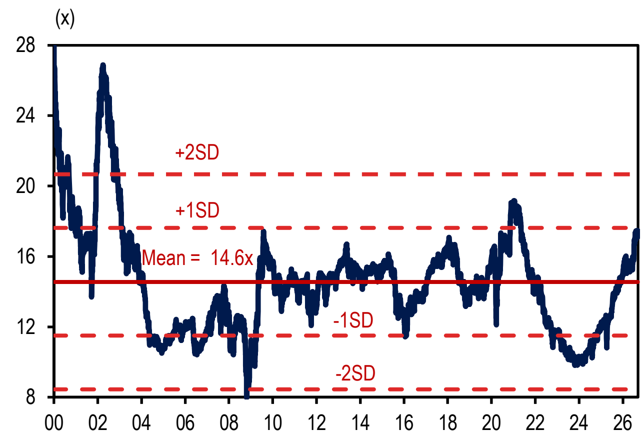
## East-West Pipeline


*Source: OpenStreetMap*

| | |
|---|---|
| | • Valuetronics has revised its dividend payout ratio higher to 50-70% (previously: 30-50%). It has unveiled a two-year HK$300m capital return programme to be executed in FY27 (special dividend: HK$66m, share buyback: > HK$80m) and FY28 (HK$154m).<br>• Valuetronics had net cash of HK$1,214m as of Mar 26, which accounted for about 43% of its market cap. |
| SMID Gems | |
| Riverstone (BUY/Target: S$1.21) | • AI-related cleanroom demand supports growth and margins. Riverstone benefits from stronger cleanroom glove demand linked to data centres and memory-storage applications. Its shift towards higher-value cleanroom and customised healthcare products, alongside production line upgrades, should support its improved product mix, ASPs and margins.<br>• Strong earnings beat prompted substantial upgrades. 2Q26 net profit rose 45% yoy to RM65.8m, 40% above our expectations. Gross margin expanded 9.2ppt yoy to 36.0%. Thus, we raise its 2026-28 earnings forecasts by 20%, 15% and 10%, respectively.<br>• Riverstone had cash of RM576m as of Jun 26 and generated RM102m in operating cash flow. It provides a dividend yield of 6.9% for 2026. We maintain BUY with a target price of S$1.21 based on 24x 2027F PE. |
| Pan United (BUY/Target: S$1.88) | • Market leadership provides visible revenue growth. Pan United's estimated 40% share of Singapore's ready-mix concrete market positions it to benefit from sustained infrastructure and housing investment. Its S$430m of Changi Terminal 5 supply contracts span five years, with contributions expected to become more meaningful from late-26. It also supplies projects across public housing, healthcare and MRT expansions.<br>• Strong earnings growth reflects higher volumes and better efficiency. 1H26 revenue rose 37% yoy to S$549.6m, while net profit increased 49% yoy to S$31.3m, exceeding our expectation. We raise 2026-28 earnings forecasts by 12%, 15% and 15%, respectively due to strong demand for ready-mix concrete and improved operational efficiencies.<br>• Pan United increased its interim dividend by 50% to 1.5 S cents per share for 1H26, supported by S$65.2m in net cash. It is expected to achieve ROE of 21% for 2026. The stock provides a 3.0% dividend yield for 2026F. We maintain BUY with a target price of S$1.88 based on 17x 2027 PE, which represents a 30% premium to regional peers. |

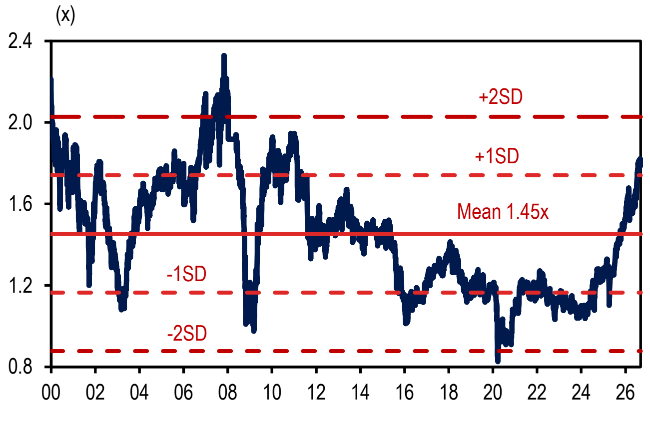
*Source: UOB Kay Hian*

### Straits Times Index – PE



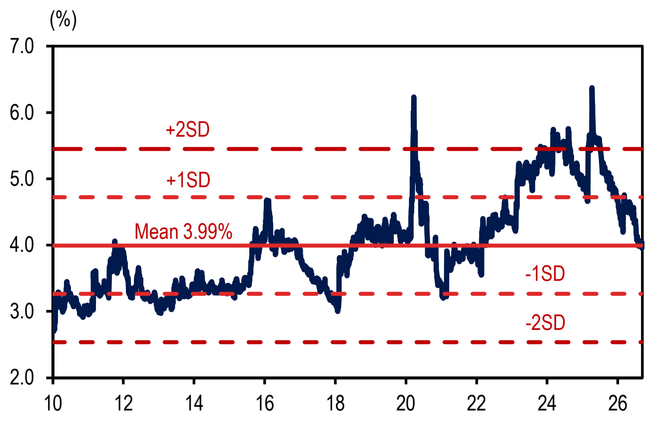

*Source: Bloomberg, UOB Kay Hian*

### Straits Times Index - P/B



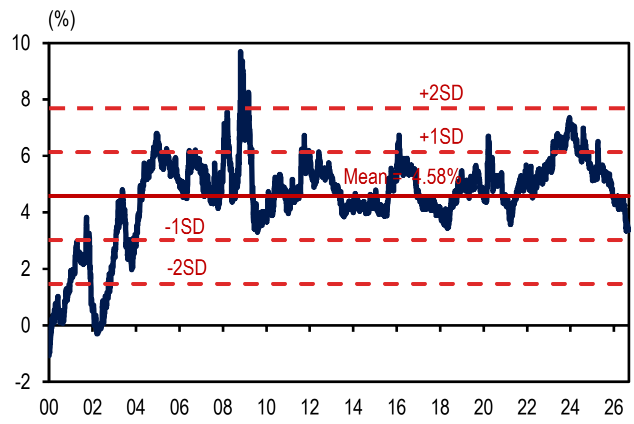

*Source: Bloomberg, UOB Kay Hian*

### Straits Times Index – Dividend Yield




*Source: Bloomberg, UOB Kay Hian*

### Equity Risk Premium (Gap Between Earnings Yield And 10-Year SG Government Bond Yield)




*Source: Bloomberg, UOB Kay Hian*

## Peer Comparison – Singapore Large Cap

| Company | Ticker | Rec | --------- Price --------- 11 Sep 26 (S$) | Target (S$) | +/- TP % (%) | Last Year End | ---------------- PE ---------------- 2025 (x) | 2026F (x) | 2027F (x) | Yield 2026F (%) | ROE 2026F (%) | Market Cap (S$m) | Price/ NAV (x) | Net Cash / (Debt) (S$m) | Total Debt to Assets (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AVIATION | | | | | | | | | | | | | | | |
| SIA | SIA SP | HOLD | 6.66 | 6.71 | 0.8 | 3/26 | 17.3 | 19.8 | 20.8 | 5.0 | 6.3 | 21,003 | 1.22 | 287 | 17.7 |
| SIA Engineering | SIE SP | BUY | 3.11 | 3.75 | 20.6 | 3/26 | 20.6 | 20.7 | 17.6 | 3.7 | 9.5 | 3,484 | 1.99 | 559 | 0.2 |
| SATS | SATS SP | BUY | 3.91 | 5.00 | 27.9 | 3/26 | 20.4 | 18.4 | 15.4 | 2.2 | 11.3 | 5,812 | 2.13 | -1,623 | 26.2 |
| ST Engineering | STE SP | BUY | 10.24 | 11.75 | 14.7 | 12/25 | 69.0 | 30.9 | 26.9 | 2.0 | 38.0 | 31,931 | 12.65 | -4,433 | 28.5 |
| FINANCE | | | | | | | | | | | | | | | |
| DBS | DBS SP | SELL | 77.00 | 74.70 | (3.0) | 12/25 | 19.8 | 19.2 | 18.6 | 4.3 | 16.3 | 218,988 | 3.12 | n.a. | n.a. |
| OCBC | OCBC SP | HOLD | 31.60 | 32.50 | 2.8 | 12/25 | 19.4 | 17.7 | 17.0 | 3.0 | 12.6 | 142,049 | 2.30 | n.a. | n.a. |
| SGX | SGX SP | HOLD | 24.30 | 23.40 | (3.7) | 6/26 | 40.1 | 37.2 | 30.4 | 2.3 | 30.6 | 26,021 | 11.02 | 1,178 | 13.8 |
| UOB @ | UOB SP | NR | 41.26 | n.a. | n.a. | 12/25 | 14.9 | 12.2 | 11.5 | 4.2 | 10.9 | 68,028 | 1.38 | n.a. | n.a. |
| HEALTHCARE | | | | | | | | | | | | | | | |
| Raffles Medical | RFMD SP | HOLD | 0.84 | 0.94 | 11.9 | 12/25 | 22.0 | 21.1 | 20.1 | 3.6 | 5.4 | 1,541 | 1.48 | 262 | 0.0 |
| LAND TRANSPORT | | | | | | | | | | | | | | | |
| ComfortDelGro | CD SP | HOLD | 1.27 | 1.41 | 11.0 | 12/25 | 11.9 | 15.3 | 15.3 | 5.7 | 6.9 | 2,751 | 1.05 | -872 | 26.5 |
| PLANTATION | | | | | | | | | | | | | | | |
| Bumitama | BAL SP | BUY | 2.05 | 2.15 | 4.9 | 12/25 | 16.0 | 13.0 | 13.5 | 5.4 | 23.8 | 3,555 | 3.17 | -3 | 14.1 |
| First Res | FR SP | BUY | 4.32 | 4.57 | 5.8 | 12/25 | 14.5 | 12.4 | 13.6 | 4.8 | 26.7 | 6,688 | 3.38 | -852 | 32.1 |
| Wilmar | WIL SP | HOLD | 3.71 | 3.50 | (5.7) | 12/25 | 12.6 | 12.4 | 10.8 | 3.7 | 6.7 | 23,162 | 0.81 | -31,155 | 48.1 |
| PROPERTY | | | | | | | | | | | | | | | |
| CapitaLand Invest | CLI SP | BUY | 2.60 | 3.93 | 51.2 | 12/25 | 89.7 | 20.8 | 19.1 | 4.6 | 5.0 | 12,983 | 1.04 | -4,227 | 24.4 |
| CityDev | CIT SP | BUY | 8.16 | 11.50 | 40.9 | 12/25 | 11.8 | 16.6 | 14.6 | 2.4 | 4.7 | 7,290 | 0.76 | -11,851 | 50.7 |
| SHIPYARD | | | | | | | | | | | | | | | |
| Keppel | KEP SP | BUY | 11.43 | 13.26 | 16.0 | 12/25 | 26.3 | 22.0 | 20.1 | 4.2 | 9.1 | 20,499 | 2.04 | -9,122 | 42.7 |
| Sembcorp Ind | SCI SP | BUY | 6.10 | 8.06 | 32.1 | 12/25 | 11.0 | 12.5 | 9.1 | 4.0 | 15.4 | 10,861 | 1.99 | -13,856 | 59.1 |
| Seatrium | STM SP | HOLD | 2.15 | 2.30 | 7.0 | 12/25 | 22.5 | 16.7 | 17.0 | 1.9 | 6.1 | 7,265 | 0.99 | -678 | 12.5 |
| YZJ Ship Bldg SGD | YZJSGD SP | BUY | 4.98 | 5.30 | 6.4 | 12/25 | 12.5 | 9.8 | 8.6 | 5.1 | 30.1 | 19,599 | 3.12 | 2,392 | 7.3 |
| TECHNOLOGY | | | | | | | | | | | | | | | |
| Sea Ltd USD | SE US | BUY | 107.69 | 181.18 | 68.2 | 12/25 | 40.6 | 38.9 | 32.0 | 0.0 | 12.6 | 61,056 | 4.70 | 4,576 | 6.3 |
| Venture Corp | VMS SP | BUY | 16.67 | 21.10 | 26.6 | 12/25 | 21.2 | 19.6 | 18.7 | 4.8 | 8.7 | 4,790 | 1.73 | 1,108 | 0.0 |
| TELECOMS | | | | | | | | | | | | | | | |
| NetLink NBN Trust | NETLINK SP | HOLD | 0.965 | 1.01 | 4.7 | 3/26 | 45.1 | 38.4 | 36.8 | 5.5 | 4.4 | 3,761 | 1.66 | -740 | 25.7 |
| SingTel | ST SP | BUY | 4.50 | 5.50 | 22.2 | 3/26 | 13.2 | 24.9 | 23.7 | 4.3 | 10.5 | 73,368 | 2.69 | -8,208 | 23.0 |
| StarHub | STH SP | HOLD | 1.09 | 1.26 | 15.6 | 12/25 | 24.2 | 11.1 | 10.2 | 7.2 | 28.8 | 1,882 | 3.74 | -847 | 44.4 |
| OTHERS | | | | | | | | | | | | | | | |
| DFIRG USD | DFI SP | BUY | 3.50 | 5.20 | 48.6 | 12/25 | 19.5 | 16.7 | 16.2 | 4.2 | 76.3 | 6,007 | 22.67 | -29 | 4.1 |
| Genting SP | GENS SP | HOLD | 0.615 | 0.70 | 13.8 | 12/25 | 19.0 | 18.0 | 16.3 | 6.5 | 5.0 | 7,419 | 0.92 | 2,949 | 0.0 |
| ThaiBev | THBEV SP | HOLD | 0.44 | 0.475 | 8.0 | 9/25 | 11.0 | 10.2 | 10.1 | 4.9 | 18.8 | 11,058 | 1.88 | -7,239 | 44.1 |
| REITS | | | | | | | | | | | | | | | |
| CapLand Ascendas | CLAR SP | BUY | 2.34 | 3.25 | 38.9 | 12/25 | 15.7 | 15.2 | 14.0 | 6.4 | 6.8 | 11,689 | 1.03 | -8,011 | 39.7 |
| CapLand Ascott | CLAS SP | BUY | 0.835 | 1.03 | 23.4 | 12/25 | 28.2 | 17.9 | 17.5 | 7.4 | 3.7 | 3,220 | 0.73 | -2,693 | 37.7 |
| CapLand Int Comm Trust | CICT SP | BUY | 2.28 | 3.06 | 34.2 | 12/25 | 19.5 | 19.5 | 18.0 | 5.1 | 5.5 | 18,136 | 1.06 | -9,795 | 37.4 |
| CDL Htrust | CDREIT SP | BUY | 0.75 | 1.11 | 48.0 | 12/25 | 122.1 | 21.3 | 21.6 | 7.4 | 2.4 | 962 | 0.55 | -1,081 | 35.3 |
| Cent Accom REIT | CAREIT SP | BUY | 1.12 | 1.39 | 24.1 | 12/25 | 24.7 | 17.9 | 15.7 | 6.4 | 7.2 | 1,935 | 1.28 | -639 | 29.9 |
| Digi Core REIT USD | DCREIT SP | BUY | 0.48 | 0.93 | 93.8 | 12/25 | 20.7 | 19.6 | 15.7 | 7.2 | 3.0 | 777 | 0.60 | -874 | 39.2 |
| Far East HTrust | FEHT SP | BUY | 0.535 | 0.79 | 47.7 | 12/25 | 18.1 | 15.6 | 15.1 | 6.9 | 3.9 | 1,102 | 0.61 | -763 | 32.8 |
| Frasers Centrepoint | FCT SP | BUY | 2.09 | 2.93 | 40.2 | 9/25 | 19.0 | 13.4 | 11.1 | 6.1 | 6.7 | 4,262 | 0.93 | -2,523 | 40.0 |
| Frasers L&C Trust | FLT SP | BUY | 0.895 | 0.96 | 7.3 | 9/25 | 19.8 | 18.5 | 18.1 | 6.7 | 4.4 | 3,409 | 0.80 | -2,234 | 33.7 |
| Keppel DC REIT | KDCREIT SP | BUY | 2.14 | 2.77 | 29.4 | 12/25 | 19.2 | 18.0 | 17.6 | 5.3 | 6.8 | 5,875 | 1.24 | -2,048 | 34.0 |
| Keppel REIT | KREIT SP | BUY | 0.85 | 1.05 | 23.5 | 12/25 | 28.4 | 19.6 | 19.2 | 6.4 | 3.6 | 4,233 | 0.68 | -4,685 | 40.0 |
| KORE REIT USD | KORE SP | BUY | 0.174 | 0.25 | 43.7 | 12/25 | 4.2 | 4.3 | 4.7 | 4.9 | 5.7 | 230 | 0.32 | -732 | 43.3 |
| Lendlease REIT | LREIT SP | BUY | 0.55 | 0.79 | 43.6 | 6/26 | 25.3 | 18.2 | 20.3 | 6.7 | 3.7 | 1,830 | 0.78 | -1,637 | 38.9 |
| Mapletree Pan Asia | MPACT SP | BUY | 1.20 | 1.71 | 42.5 | 3/26 | 14.6 | 17.2 | 16.9 | 6.6 | 3.9 | 6,345 | 0.69 | -5,710 | 37.7 |
| Mapletree Ind Trust | MINT SP | SELL | 1.91 | 1.74 | (8.9) | 3/26 | 16.2 | 16.7 | 16.4 | 6.0 | 6.4 | 5,455 | 1.17 | -2,989 | 37.5 |
| Mapletree Log Trust | MLT SP | HOLD | 1.12 | 1.15 | 2.7 | 3/26 | 23.9 | 22.7 | 22.8 | 6.2 | 3.6 | 5,756 | 0.89 | -5,189 | 40.5 |
| NTT DC REIT USD | NTTDCR SP | BUY | 0.935 | 1.29 | 38.0 | 3/26 | 487.1 | n.a. | n.a. | 8.4 | (0.3) | 1,226 | 0.81 | -597 | 29.2 |
| PLife REIT | PREIT SP | BUY | 4.02 | 4.88 | 21.4 | 12/25 | 25.0 | 23.4 | 22.9 | 4.5 | 6.6 | 2,624 | 1.56 | -838 | 33.7 |
| Suntec REIT | SUN SP | BUY | 1.40 | 1.64 | 17.1 | 12/25 | 19.2 | 21.2 | 20.3 | 5.7 | 3.1 | 4,146 | 0.69 | -4,065 | 43.0 |
| UIBREIT | UIBREIT SP | BUY | 0.795 | 1.16 | 45.9 | 3/26 | n.a. | 14.2 | 12.9 | 8.9 | 6.6 | 1,087 | 0.93 | -753 | 37.9 |
| Utd Hampshire REIT USD | UHU SP | BUY | 0.48 | 0.69 | 43.8 | 12/25 | 13.3 | 12.3 | 11.4 | 9.6 | 5.3 | 370 | 0.64 | -409 | 40.4 |

*Note: NR – Not Rated*
*Source: Bloomberg, UOB Kay Hian*

## Peer Comparison – Singapore Small / Mid Cap

| Company | Ticker | Rec | --------- Price --------- | | +/- | Last | ----------------- PE ----------------- | | | Yield | ROE | Market | Price/ | Net Cash | Total Debt |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 11 Sep 26 | Target | TP % | Year End | 2025 | 2026F | 2027F | 2026F | 2026F | Cap | NAV | / (Debt) | to Assets |
| | | | (S$) | (S$) | (%) | | (x) | (x) | (x) | (%) | (%) | (S$m) | (x) | (S$m) | (%) |
| AEM | AEM SP | BUY | 9.73 | 12.99 | 33.5 | 12/25 | 180.2 | 35.4 | 31.1 | 0.7 | 16.7 | 3,109 | 5.79 | 57 | 3.7 |
| Aoxin Q & M | AOXIN SP | BUY | 0.194 | 0.36 | 85.6 | 12/25 | 81.9 | 144.1 | 30.0 | 0.5 | 2.1 | 225 | 2.60 | 43 | 0.0 |
| ASL Marine | ASL SP | BUY | 0.30 | 0.41 | 36.7 | 6/26 | 20.3 | 9.3 | 8.8 | 1.0 | 25.6 | 309 | 2.08 | -88 | 28.8 |
| Aztech Gbl | AZTECH SP | HOLD | 0.56 | 0.73 | 30.4 | 12/25 | 10.8 | 21.7 | 14.7 | 3.6 | 7.5 | 432 | 1.97 | 50 | 2.4 |
| Beng Kuang | BKM SP | BUY | 0.41 | 0.75 | 82.9 | 12/25 | 15.7 | 13.7 | 7.7 | 1.5 | 29.3 | 123 | 11.02 | -0 | 30.6 |
| BRC Asia | BRC SP | BUY | 4.20 | 5.30 | 26.2 | 9/25 | 12.2 | 11.1 | 10.4 | 5.2 | 19.5 | 1,152 | 2.19 | 52 | 15.3 |
| Centurian | CENT SP | BUY | 1.53 | 2.10 | 37.3 | 12/25 | 11.2 | 11.5 | 10.0 | 2.6 | 8.8 | 1,286 | 1.09 | -774 | 29.6 |
| China Aviation Oil | CAO SP | BUY | 1.41 | 1.88 | 33.3 | 12/25 | 8.4 | 10.7 | 8.6 | 5.1 | 8.1 | 1,213 | 0.86 | 757 | 0.0 |
| ChinaSunsine | CSSC SP | HOLD | 0.63 | 0.71 | 12.7 | 12/25 | 8.2 | 7.7 | 7.3 | 5.2 | 9.2 | 601 | 0.69 | 423 | 0.0 |
| Civmec | CIVMEC SP | HOLD | 1.63 | 0.80 | (50.9) | 6/26 | 22.7 | 18.1 | 19.7 | 3.3 | 9.4 | 832 | 1.57 | -5 | 4.9 |
| CSE Global | CSE SP | BUY | 1.25 | 1.79 | 43.2 | 12/25 | 23.8 | 21.8 | 19.9 | 2.3 | 14.3 | 912 | 3.10 | -171 | 28.6 |
| Delfi | DELFI SP | BUY | 0.73 | 0.98 | 34.2 | 12/25 | 10.3 | 14.8 | 12.8 | 3.4 | 8.3 | 446 | 1.28 | 56 | 5.0 |
| Dezign Format | DFG SP | BUY | 0.18 | 0.37 | 105.6 | 12/25 | 31.0 | 5.1 | 4.5 | 5.9 | 49.6 | 36 | 3.08 | 6 | 8.2 |
| Food Empire | FEH SP | BUY | 2.18 | 3.49 | 60.1 | 12/25 | 30.4 | 15.5 | 14.0 | 4.6 | 19.2 | 1,435 | 3.02 | 66 | 3.6 |
| Frencken | FRKN SP | BUY | 2.45 | 3.30 | 34.7 | 12/25 | 26.7 | 23.2 | 21.5 | 1.3 | 9.1 | 1,160 | 2.16 | 69 | 6.9 |
| Hong Leong Asia | HLA SP | BUY | 2.98 | 4.70 | 57.7 | 12/25 | 19.8 | 14.4 | 13.8 | 2.4 | 14.4 | 2,378 | 1.78 | 1,081 | 9.7 |
| Huationg Global | HUAGL SP | BUY | 0.55 | 0.88 | 60.0 | 12/25 | 5.1 | 6.3 | 5.3 | 2.9 | 11.8 | 104 | 0.73 | -14 | 24.1 |
| iFAST | IFAST SP | BUY | 9.04 | 12.18 | 34.7 | 12/25 | 27.3 | 24.3 | 20.7 | 1.1 | 25.7 | 2,771 | 6.20 | 119 | 8.1 |
| LHN | LHN SP | BUY | 0.555 | 0.71 | 27.9 | 9/25 | 11.7 | 9.6 | 7.9 | 6.3 | 8.9 | 242 | 0.80 | -189 | 36.9 |
| Lum Chang Creations | LUCC SP | BUY | 0.325 | 0.46 | 41.5 | 6/26 | 14.1 | 9.2 | 9.2 | 6.9 | 64.2 | 215 | 2.23 | 32 | 1.9 |
| MarcoPolo Marine | MPM SP | BUY | 0.139 | 0.173 | 24.5 | 9/25 | 8.9 | 16.1 | 12.9 | 1.4 | 12.8 | 544 | 2.05 | 52 | 19.0 |
| Nanofilm | NANO SP | BUY | 0.915 | 1.68 | 83.6 | 12/25 | 50.8 | 29.6 | 20.2 | 0.7 | 4.5 | 594 | 1.34 | -0 | 13.9 |
| Oiltek | OTEK SP | BUY | 1.43 | 2.78 | 94.4 | 12/25 | 62.9 | 56.1 | 14.9 | 0.7 | 32.7 | 613 | 18.77 | 30 | 0.0 |
| Pan United | PAN SP | BUY | 1.69 | 1.88 | 11.2 | 12/25 | 23.3 | 18.3 | 15.6 | 3.0 | 21.0 | 1,182 | 4.00 | 65 | 3.6 |
| PropNex | PROP SP | BUY | 1.78 | 2.55 | 43.3 | 12/25 | 18.7 | 17.0 | 16.8 | 5.6 | 64.7 | 1,317 | 10.64 | 130 | 0.0 |
| Reclaims Global | RGL SP | BUY | 0.205 | 0.27 | 31.7 | 1/26 | 8.2 | 4.4 | 3.9 | 10.7 | 15.6 | 61 | 1.31 | 28 | 0.0 |
| RH PetroGas | RHP SP | BUY | 0.176 | 0.263 | 49.4 | 12/25 | 44.9 | 13.2 | 16.0 | 0.0 | 14.7 | 148 | 1.74 | 96 | 0.0 |
| Riverstone | RSTON SP | BUY | 0.79 | 1.21 | 53.2 | 12/25 | 18.5 | 17.3 | 16.3 | 6.9 | 14.8 | 1,171 | 2.56 | 183 | 0.0 |
| Sheng Siong | SSG SP | BUY | 3.22 | 3.71 | 15.2 | 12/25 | 32.4 | 30.7 | 29.2 | 2.3 | 25.8 | 4,841 | 7.91 | 402 | 0.0 |
| Soon Hock | SHOCK SP | BUY | 0.595 | 0.66 | 10.9 | 12/25 | 4.1 | 3.8 | 3.3 | 5.4 | 25.8 | 185 | 1.11 | -152 | 43.0 |
| Tiong Woon | TWC SP | BUY | 0.95 | 1.11 | 16.8 | 6/26 | 11.5 | 9.2 | 8.3 | 2.6 | 7.2 | 220 | 0.64 | -32 | 20.9 |
| UMS | UMSH SP | BUY | 2.56 | 3.27 | 27.7 | 12/25 | 43.8 | 31.6 | 27.0 | 2.0 | 16.2 | 2,274 | 5.10 | 39 | 0.0 |
| Valuetronics | VALUE SP | BUY | 0.955 | 1.88 | 96.9 | 3/26 | 20.1 | 15.1 | 13.9 | 6.6 | 10.8 | 392 | 1.62 | 239 | 0.0 |

*Source: Bloomberg, UOB Kay Hian*