UOBKayHian

Country Daily | Singapore

Monday, 07 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53414.3	(0.5)	(0.3)	(1.2)	11.1
S&P 500	7718.6	(0.4)	0.1	(0.5)	12.8
FTSE 100	10831.1	(0.0)	0.4	(0.6)	9.1
AS30	9211.9	0.2	(0.6)	(2.5)	2.1
CSI 300	4548.1	(0.1)	(1.3)	(3.1)	(1.8)
FSSTI	5802.0	0.9	1.8	1.8	24.9
HSCEI	8555.0	2.0	0.8	0.3	(4.0)
HSI	25650.9	1.7	0.3	(0.1)	0.1
JCI	6636.5	(0.5)	1.8	3.5	(23.3)
KLCI	1708.1	(0.4)	(1.9)	(1.6)	1.7
KOSPI	6909.5	3.3	1.3	10.4	64.0
Nikkei 225	65660.3	1.0	(1.0)	0.1	30.4
SET	1595.6	1.2	0.5	(1.0)	26.7
TWSE	46551.1	1.5	0.5	5.3	60.7
BDI	3628	4.0	16.8	17.4	93.3
CPO (RM/mt)	4663	0.1	1.1	3.5	18.5
Brent Crude (US$/bbl)	97	0.4	6.8	15.7	58.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Date
Retail Sales MoM JUL	7 Sep
Retail Sales YoY JUL	7 Sep
Foreign Exchange Reserves AUG	7 Sep
MAS 12-Week Bill Auction	8 Sep

Top Stories

Company Results | Soon Hock Enterprise (SHOCK SP/**BUY**/S$0.59/Target: S$0.66) Page 2 →

- SHE reported 1H26 revenue of S$142.6m and PATMI of S$19.3m, representing 56% and 41% of our full-year forecasts respectively. Earnings were below estimates due to higher-than-expected expenses. Skye@Tuas remains the key near-term earnings driver, while its broader development pipeline provides visibility through 2029. Maintain BUY with a lower target price of S$0.66, implying approximately 12% potential upside.

Market Spotlight

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- US stocks were lower on Friday, with all indices sliding as the consumer discretionary, healthcare and energy sectors fell. There were more decliners than advancers on both the NYSE and NASDAQ.
- The FSSTI rose 54.25pt to 5,801.96, on the back of strength in DBS, SIA and OCBC Bank, with both mid- and small-cap indices rising with a broad market advance on S$1.91b turnover.

Technical Analysis

Singapore Telecommunications (ST SP) Page 6 →

- Trading Buy Range: S$4.48-4.49

Venture (VMS SP) Page 6 →

- Trading Buy Range: S$16.70-16.71

Soon Hock Enterprise (SHOCK SP)

1H26: Robust Development Pipeline Supports Growth

Analyst(s)

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Highlights

- SHE reported 1H26 PATMI of S$19.3m, missing our expectation due to higher-than-expected expenses, forming 41% of our full-year forecast.
- Skye@Tuas remains the key near-term earnings driver, with full TOP expected by 1H27, supporting earnings through 2027.
- Maintain BUY with a lower target price of S$0.66, pegged to a lower 1.1x 2026F P/B.

1H26 Results

Year to 31 Dec (S$m)	1H26	2H25	1H25	hoh % chg	yoy % chg
Revenue	142.6	226.3	1.6	(37.0)	8,761.1
Gross profit	44.6	73.8	0.59	(12.5)	7,451.1
Gross profit margin (%)	31.3	32.6	36.9	8.8	(5.6ppt)
Net profit	19.3	39.3	(1.4)	(50.9)	NM
Net profit margin (%)	13.5	17.4	NM	(3.9)	NM

Source: SHE, UOB Kay Hian

Analysis

- **1H26 revenue ahead, while earnings below expectations.** Soon Hock Enterprise (SHE) reported 1H26 revenue of S$142.6m (-37.0% hoh) and net profit of S$19.3m (-50.9% hoh), representing 56% and 41% of our full-year forecasts respectively. Revenue was driven by S$140.7m of property development revenue following the recognition of sales from Stellar@Tampines upon obtaining final temporary occupation permit (TOP) in Feb 26. The hoh decline reflects the larger revenue and profit contribution from the project in 2H25. On a hoh basis, earnings were weighed down by higher sales commissions and administrative expenses, resulting in a lower 13.5% net profit margin (2H25: 17.4%). Gross margin of 31.3% was also below expectations, mainly due to the shift towards lower-margin property development revenue compared with higher-margin factory renewal.
- **Skye@Tuas is the key near-term earnings driver.** Sales for the 312-unit development commenced in 2Q26, with construction progressing as planned. Strategically located next to Tuas Link MRT station and close to Tuas Mega Port and Tuas Checkpoint, the project should attract demand from logistics and industrial users seeking strong transport connectivity. Full TOP is expected by 1H27.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	8	228	254	276	123
EBITDA	4	50	61	62	31
Operating profit	4	48	58	59	30
Net profit (rep./act.)	3	38	40	47	23
Net profit (adj.)	3	38	40	47	23
EPS (S$ cent)	1.3	14.7	12.9	15.2	7.4
PE (x)	44.6	4.0	4.6	3.9	8.1
P/B (x)	4.0	1.2	1.2	1.2	1.1
EV/EBITDA (x)	41.9	3.8	3.1	3.0	6.1
Dividend yield (%)	0.0	5.1	5.4	6.4	3.1
Net margin (%)	41.4	16.6	15.8	17.1	18.6
Net debt/(cash) to equity (%)	536.3	34.5	1.7	(115.0)	(158.7)
Interest cover (x)	14.2	77.5	95.0	96.4	48.0
ROE (%)	9.3	39.2	25.8	30.3	14.1
Consensus net profit (S$m)	-	-	38	48	21
UOBKH/Consensus (x)	-	-	1.04	0.99	1.09

Source: SHE, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	S$0.59
Target Price	S$0.66
Upside	+11.9%
Previous TP	S$0.71

Stock Data

GICS sector	Real Estate
Bloomberg ticker:	SHOCK SP
Shares issued (m):	310.7
Market Cap (US$m):	184.9
Market cap (US$m):	145.9
3-mth avg t'over (US$m):	0.1

Price Performance (%)

52-week high/low: S$0.685/S$0.565

1mth	3mth	6mth	1yr	YTD
4.4	(6.3)	(4.0)	n.a.	(6.3)

Major Shareholders (%)

Tan Yeow Khoon	74.56

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.60
FY26 Net Cash/ Share (S$)	0.06

Price Chart

Source: Bloomberg

Company Description

Soon Hock Enterprise operates as a holding company. The company, through its subsidiaries, owns, develops, and manages commercial and industrial properties. Soon Hock Enterprise serves customers in Singapore.

- **Development pipeline provides revenue visibility through 2029.** Beyond Skye@Tuas, piling works for Senang Crescent development are expected to commence soon, with final TOP targeted by end-27. At 20 Shaw Road, demolition is expected to begin, with TOP targeted for 1Q29, while the 680 Upper Thomson Road and Kewalram House redevelopments are in their final design stage. This staggered pipeline should provide a steady stream of project contributions, improving earnings visibility and supporting growth over the next few years.
- **Healthy balance sheet supports its development pipeline and dividend commitment.** SHE maintained cash of S$72.3m and net assets of S$166.8m as at end-Jun 26, proving financial flexibility to fund ongoing projects and pursue growth opportunities. While no interim dividend was declared to conserve cash for working capital and expansion, management intends to distribute at least 25% of 2026's net profit, offering shareholders a combination of development-led growth and dividend income.

Valuation/Recommendation

- **Maintain BUY with a lower target price of S$0.66 (S$0.71 previously),** pegged to 1.1x 2026F P/B, based on peer average. We lower our applied multiple from 1.2x previously to reflect the derating of peer P/B valuations. Our new target price implies an upside of 11.9% from the current share price.

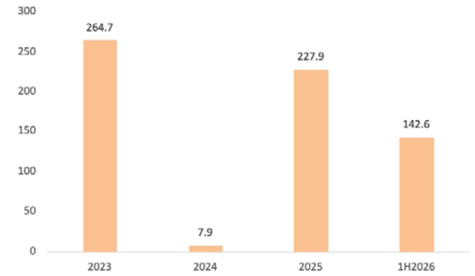
Earnings Revision/Risk

- **We cut our 2026 earnings forecast by 14% to S$40m,** reflecting lower-than-expected profitability in 1H26 from higher selling and admin expenses, while keeping our 2027-28 forecasts unchanged.

Share Price Catalyst

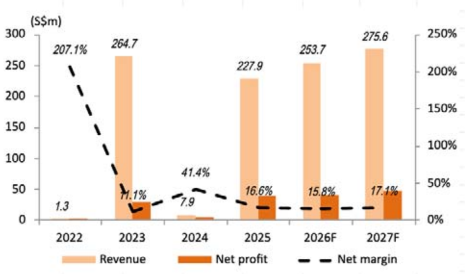
- **Replenishment of its development pipeline** through Industrial Government Land Sales tenders and selective acquisitions.
- **Expansion of its recurring income base** through new investment properties and potential rental components within future developments.

Revenue Trend



Source: SHE, UOB Kay Hian

Revenue, Net Profit and Net Margin Trends



Source: SHE, UOB Kay Hian

Profit & loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	228	254	276	123
EBITDA	50	61	62	31
Deprec. & amort.	2	2	2	1
EBIT	48	58	59	30
Total other non-operating income	(1)	(1)	(1)	(1)
Associate contributions	0	(8)	0	0
Net interest income/(expense)	(1)	(1)	(1)	(1)
Pre-tax profit	46	49	58	28
Tax	(9)	(9)	(11)	(5)
Minorities	0	0	0	0
Net profit	38	40	47	23
Net profit (adj.)	38	40	47	23

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	1	1	1	1
Other LT assets	37	37	37	37
Cash/ST investment	160	137	246	291
Other current assets	518	310	156	38
Total assets	716	485	439	367
ST debt	23	23	23	23
Other current liabilities	344	191	217	175
LT debt	191	116	41	0
Other LT liabilities	1	0	0	0
Shareholders' equity	157	154	158	169
Minority interest	0	0	0	0
Total liabilities & equity	716	485	439	367

Cash flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	106	91	209	112
Pre-tax profit	46	49	58	28
Tax	(1)	(9)	(11)	(5)
Deprec. & amort.	2	2	2	1
Associates	0	8	0	0
Working capital changes	61	40	159	87
Non-cash items	(2)	1	1	1
Other operating cashflows	0	0	0	0
Investing	20	(22)	(8)	(6)
Capex (maintenance)	0	0	0	0
Investment	0	0	0	0
Proceeds from sale of assets	10	0	0	0
Others	10	(22)	(8)	(6)
Financing	16	(92)	(92)	(60)
Dividend payments	0	(9)	(10)	(12)
Proceeds from borrowings	(2)	(75)	(75)	(41)
Loan repayment	0	0	0	0
Others/interest paid	18	(7)	(7)	(7)
Net cash inflow (outflow)	141	(23)	109	46
Beginning cash & cash equivalent	19	160	137	246
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	160	137	246	291

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	21.8	23.9	22.3	24.8
Pre-tax margin	20.4	19.3	21.0	22.8
Net margin	16.6	15.8	17.1	18.6
ROA	7.0	6.7	10.2	5.7
ROE	39.2	25.8	30.3	14.1
Growth				
Turnover	2,794.1	11.3	8.6	(55.3)
EBITDA	1,012.4	21.8	1.5	(50.4)
Pre-tax profit	1,310.2	5.7	17.8	(51.4)
Net profit	1,063.5	5.7	17.8	(51.4)
Net profit (adj.)	1,063.5	5.7	17.8	(51.4)
EPS	1,001.2	(12.2)	17.8	(51.4)
Leverage				
Debt to total capital	57.7	47.5	28.9	12.0
Debt to equity	136.6	90.4	40.7	13.7
Net debt/(cash) to equity	34.5	1.7	(115.0)	(158.7)
Interest cover (x)	77.5	95.0	96.4	48.0

Market News

US stocks were lower on Friday, as the consumer discretionary, healthcare and energy sectors led shares lower. At the close of the NYSE, the Dow Jones fell 0.51%, while the S&P 500 index was down 0.38%, and the NASDAQ Composite index slid 0.29%. Falling stocks outnumbered advancing ones on the NYSE by 1,378 to 1,341 and 109 ended unchanged; on the Nasdaq Stock Exchange, 2,596 advanced and 2,278 declined, while 200 ended unchanged.

During the last trading session, the FSSTI rose 54.25pt to 5,801.96. Among the top active stocks were Singtel (+1.8%), DBS (+0.9%), OCBC Bank (+1.1%), Riverstone (+1.3%) and SIA (+0.2%). The FTSE ST Mid Cap Index rose 0.3%, while the FTSE ST Small Cap Index gained 0.6%. The broader market had 374 gainers and 210 losers with a total trading value of S$1.91b.

Technical Analysis

Analyst(s)

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Singapore Telecommunications (ST SP)

Trading buy range:	S$4.48-4.49
Last price:	S$4.52
Target price:	S$4.90
Protective stop:	S$4.39

Price completed a bullish retest of the resistance-turned-support boundary. The RSI is curving upward from its neutral 50-midline to signal renewed buyer initiative. As long as buyers continue to defend this key converted floor, price is tilted towards a sustained upward expansion towards higher overhead targets.

The potential upside target is S$4.90. Stop-loss could be placed at S$4.39.

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$5.50.

Venture (VMS SP)

Trading buy range:	S$16.70-16.71
Last price:	S$16.72
Target price:	S$18.32
Protective stop:	S$16.19

Price maintained its position above the gap support zone, keeping the primary uptrend firmly intact. The RSI pivots upward from its neutral 50-midline to signal renewed buyer initiative. As long as buyers continue to defend this key gap floor, price favours a sustained upward expansion towards higher primary target zones.

The potential upside target is S$18.32. Stop-loss could be placed at S$16.19.

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$21.10.