Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52210.1	0.5	0.7	0.6	8.6
S&P 500	7413.2	0.0	(0.4)	0.8	8.3
FTSE 100	10781.8	0.4	2.4	2.6	8.6
AS30	9063.8	1.4	1.0	1.1	0.5
CSI 300	4702.4	1.1	2.3	(3.4)	1.6
FSSTI	5620.2	0.6	2.2	8.3	21.0
HSCEI	8365.4	1.1	(0.2)	12.1	(6.2)
HSI	25207.2	1.0	0.3	11.2	(1.7)
JCI	6185.8	(0.2)	(0.7)	4.9	(28.5)
KLCI	1713.1	0.7	(0.5)	2.7	2.0
KOSPI	6755.8	1.0	3.7	(19.7)	60.3
Nikkei 225	64931.2	0.5	1.2	(6.4)	29.0
SET	1624.5	(1.2)	(1.3)	5.3	29.0
TWSE	43634.2	(0.0)	2.8	(2.1)	50.7
BDI	2696.0	(1.7)	0.9	6.8	43.6
CPO (RM/mt)	4550.0	0.0	0.6	1.1	15.7
Brent Crude (US$/bbl)	88.4	(8.7)	(1.0)	22.7	45.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug

Corporate and Macro Calendar

Economic Indicator/Event	Date
PPI YoY JUN	29 Jul
2-Year Bond Auction	29 Jul
Export Prices YoY JUN	29 Jul
Import Prices YoY JUN	29 Jul

Please click on the page number to move to the relevant pages

Top Stories

Company Results | Aztech Global (AZTECH SP/**HOLD**/S$0.83/Target: S$0.73) Page 3

2Q26 earnings of S$5.4m (-36% yoy; +35% qoq) are below our expectation, bringing 1H26 earnings of S$9.4m to form 22% of our full-year estimate. Revenue declined 40% yoy in 2Q26 due to reduced customer demand on higher competition. Aztech foresees near-term demand softness in 2H26. Downgrade to HOLD with a 45% lower target price of S$0.73.

Company Results | UI Boustead REIT (UIBREIT SP/**BUY**/S$0.81/Target: S$1.16) Page 6

The lease commencement for a global e-commerce player was delayed by one month but occupancy at UIB Konan Phase 2 has improved to 100% since Jun 26. We trim our DPU forecast by 0.8% for FY27 and 1.2% by FY28 due to weakness in the Japanese yen against the Singapore dollar. Maintain BUY on UIBREIT with a target price of S$1.16.

Company Update | Frasers Centrepoint Trust (FCT SP/**BUY**/S$2.28/Target: S$2.99) Page 9

Aggregate leverage is reduced by 3.5ppt to 36.5% after divesting White Sands for S$467m. The debt headroom freed up could be deployed for the development of a suburban mall with NLA of 170,000sf at Bayshore Drive. Resiliency of suburban malls is supported by growth in household income and limited supply. Maintain BUY on FCT with a target price of S$2.99.

Market Spotlight

Page 12

- US stocks were mixed on Tuesday, with the Dow Jones and S&P 500 rising while the Nasdaq fell as the healthcare, consumer staples and materials sectors rose. There were more advancers than decliners on the NYSE.

- The FSSTI fell 4.13pt to 5,616.11, due to weaknesses in Riverstone and DBS, with mid-cap indices rising while small-cap indices fell with a broad market decline on S$2.35b turnover.

Technical Analysis

Propnex | PROP SP Page 13

Trading buy range: S$1.82-1.83

Singapore Telecommunications | ST SP Page 13

Trading buy range: S$4.47-4.48

Aztech Global (AZTECH SP)

2Q26: Weak Results And Outlook As Competition Heats Up; Downgrade To HOLD

Highlights

- 2Q26 earnings of S$5.4m (-36% yoy; +35% qoq) are below our expectation, bringing 1H26 earnings of S$9.4m to form 22% of our full-year estimate.
- Revenue declined by 40% yoy in 2Q26 due to reduced customer demand from higher competition. Aztech expects near-term demand softness in 2H26.
- Downgrade to HOLD with a 45% lower target price of S$0.73. We cut 2026 and 2027 EPS by 54% and 41% to reflect the challenging business outlook.

2Q26 Results

Year to 31 Dec (S$m)	2Q26	2Q25	yoy%
Revenue	87	143	(40)
PBT	7	17	(57)
PBT margin (%)	8.4%	11.9%	(3.5ppt)
Net profit	5.4	14.6	(63)
Net profit margin (%)	6.2%	10.2%	(4.0ppt)

Source: Aztech

Analysis

- **2Q26 earnings below expectations.** Aztech Global's (Aztech) 2Q26 net profit of S$5.4m (-36% yoy; +35% qoq) is below our expectation, bringing 1H26 earnings of S$9.4m to form 22% of our full-year estimate. Revenue and profit declined yoy due to reduced volume from existing customers from increased competition. Net profit fell 63% yoy due to lower revenue, reduced interest income of S$0.7m and foreign exchange loss of S$1.2m.
- **Challenging business outlook for the near term.** Aztech expects softer customer demand for 2H26. While Aztech maintained its NPI pipeline, the ramp-up and revenue contribution from these projects are expected to be gradual. Contributions from these projects in the near term will not fully offset the lower order volume from existing customers arising from increased competition. The operating environment is expected to remain challenging amid ongoing macroeconomic and geopolitical uncertainties, evolving trade dynamics, cost pressures and limited visibility on customer demand.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	622	433	316	347	382
EBITDA	78	47	26	35	44
Operating profit	68	40	18	29	40
Net profit (rep./act.)	71	40	20	29	39
Net profit (adj.)	71	40	20	29	39
EPS (S$ cent)	9.1	5.2	2.6	3.8	5.0
PE (x)	9.1	15.9	32.1	21.7	16.5
P/B (x)	1.9	2.2	2.7	2.7	2.7
EV/EBITDA (x)	7.2	11.8	21.8	16.0	12.5
Dividend yield (%)	18.1	14.5	4.8	5.2	5.2
Net margin (%)	11.3	9.3	6.3	8.5	10.1
Net debt/(cash) to equity (%)	(81.9)	(38.9)	(35.1)	(52.4)	(63.5)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	20.6	12.7	7.6	12.6	16.4
Consensus net profit (S$m)	-	-	44	48	51
UOBKH/Consensus (x)	-	-	0.46	0.61	0.76

Source: Aztech, Bloomberg, UOB Kay Hian

HOLD (Downgraded)

Share Price	S$0.83
Target Price	S$0.73
Upside	-12.6%
Previous TP	S$1.32

Analyst(s)
John Cheong
johncheong@uobkh.com
+65 6590 6623

Stock Data

GICS Sector	Information Technology
Bloomberg ticker	AZTECH SP
Shares issued (m)	771.8
Market cap (S$m)	521.0
Market cap (US$m)	401.9
3-mth avg daily t'over (US$m)	0.5

Price Performance (%)

52-week high/low: S$1.04/S$0.495

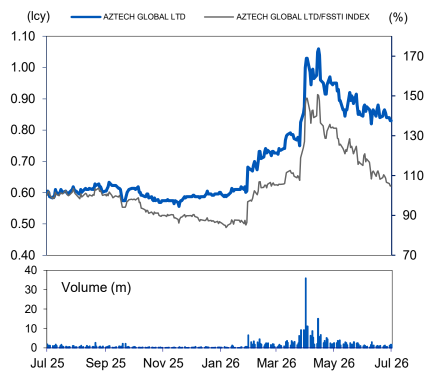
1mth	3mth	6mth	1yr	YTD
(0.7)	14.4	(6.9)	(34.5)	(4.3)

Major Shareholders	%
Michael Mun Hong Yew	70.3

Balance Sheet Metrics

FY25 NAV/Share (S$)	0.44
FY25 Net Cash/Share (S$)	0.36

Price Chart



Source: Bloomberg

Company Description

Aztech Global is an electronics manufacturer with 34 years of proven track record in adapting to evolving trends and transforming from an OEM into a full-fledged manufacturer.

- **Aztech maintained its New Product Introduction (NPI) pipeline during 1H26,** securing 13 new project orders and adding four new customers across the security, consumer and renewable energy segments. In 1H26, 13 projects progressed to commercial production. These developments form part of Aztech's ongoing customer and revenue diversification efforts, with contributions expected to build gradually over the medium term.

Valuation/Recommendation

- **Downgrade to HOLD with a 45% lower target price of S$0.73,** after our downward earnings revisions following weaker-than-expected results. Our target price is pegged to 19x 2027F PE, or 3 SD above Aztech's long-term historical mean PE. Our previous valuation was 20x 2027F PE.

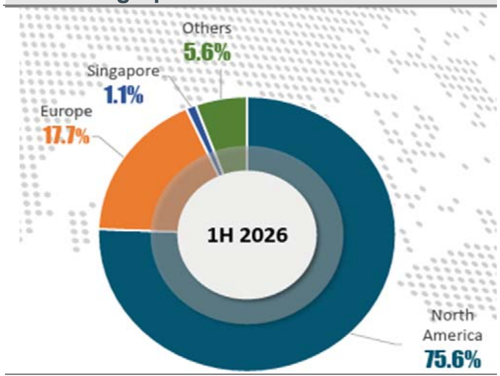
Earnings Revision/Risk

- **We cut our 2026/27/28 revenue forecasts by 34%/33%/30% respectively,** following weaker-than-expected 2Q26 results and challenging business outlook, which indicate weaker customer demand. Correspondingly, we lower our 2026/27/28 earnings forecasts by 54%/41%/28% respectively.

Share Price Catalyst

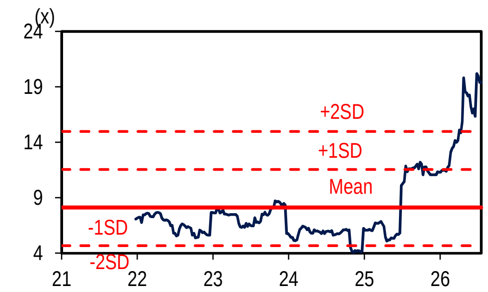
- Steady order wins.
- Better-than-expected forex gain and cost management.
- Dividend surprise.

1H26 Geographical Revenue Breakdown



Source: Aztech

Historical PE Band



Source: Bloomberg

Peer Comparison

Company	Ticker	Trading Curr (lcy)	Price @ 28 Jul 26 (lcy)	Market Cap (US$m)	PE 2026 (x)	PE 2027 (x)	P/B 2026 (x)	P/B 2027 (x)	EV/EBITDA 2026 (x)	EV/EBITDA 2027 (x)	ROE 2026 (%)	Yield 2026 (%)
Singapore Peers												
AEM	AEM SP	SGD	8.04	1,987	39.6	31.4	4.7	4.2	26.8	22.0	12.5	0.6
Frencken	FRKN SP	SGD	2.46	817	23.3	21.6	2.1	1.9	11.8	11.0	9.1	1.3
Fu Yu	FUYU SP	SGD	0.094	55	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
UMS	UMSH SP	SGD	2.27	1,559	34.5	27.4	4.5	4.2	20.7	17.3	13.3	2.2
Valuetronics	VALUE SP	SGD	1.08	341	16.8	15.4	1.8	1.8	5.7	5.5	10.9	6.0
Venture Corp	VMS SP	SGD	15.87	3,526	19.2	18.2	1.6	1.6	11.7	11.1	8.5	5.0
Average					26.7	22.8	2.9	2.8	15.3	13.4	10.9	3.0
Malaysia Peers												
V.S. Industry	VSI MK	MYR	0.22	207	n.a.	11.6	0.4	0.4	4.9	2.8	(0.0)	1.4
Wavefront	WAVEFRNT MK	MYR	0.12	35	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Skp Resources	SKP MK	MYR	0.32	120	12.8	9.1	0.5	0.5	1.7	1.3	3.8	3.1
Average					12.8	10.4	0.5	0.4	3.3	2.1	1.9	2.2
Aztech	AZTECH SP	SGD	0.83	495	32.1	21.7	2.7	2.7	21.8	16.0	7.6	4.8

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	432.5	315.6	347.3	382.2
EBITDA	47.4	25.6	34.8	44.5
Deprec. & amort.	7.6	7.6	6.0	4.8
EBIT	39.8	18.0	28.9	39.7
Total other non-operating income	2.2	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	5.8	5.7	6.2	6.4
Pre-tax profit	47.8	23.7	35.0	46.1
Tax	(7.6)	(3.8)	(5.6)	(7.3)
Minorities	0.0	0.0	0.0	0.0
Net profit	40.2	20.0	29.5	38.8
Net profit (adj.)	40.2	20.0	29.5	38.8

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	27.6	21.7	17.5	14.4
Other LT assets	0.4	0.0	0.0	0.0
Cash/ST investment	123.3	84.2	124.0	153.4
Other current assets	277.1	231.6	235.4	250.7
Total assets	428.3	337.5	376.9	418.5
ST debt	2.3	1.8	1.8	1.9
Other current liabilities	122.6	75.3	84.0	98.3
LT debt	7.5	0.0	0.0	0.0
Other LT liabilities	4.3	25.9	58.1	79.7
Shareholders' equity	291.6	234.5	233.1	238.7
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	428.3	337.5	376.9	418.5

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	38.5	27.3	42.2	43.5
Pre-tax profit	47.8	23.7	35.0	46.1
Tax	(10.0)	(10.4)	(2.3)	(4.2)
Deprec. & amort.	7.6	7.6	6.0	4.8
Associates	0.0	0.0	0.0	0.0
Working capital changes	0.5	6.3	3.6	(3.3)
Non-cash items	(7.4)	0.0	0.0	0.0
Other operating cashflows	0.0	0.0	0.0	0.0
Investing	(116.1)	6.6	4.8	4.8
Capex (growth)	(1.7)	(1.7)	(1.7)	(1.7)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	1.7	0.0	0.0	0.0
Others	(116.1)	8.4	6.6	6.6
Financing	(91.8)	(101.5)	(31.3)	(33.3)
Dividend payments	(84.9)	(92.6)	(30.9)	(33.2)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(9.1)	(8.0)	(0.0)	0.0
Others/interest paid	2.2	(0.9)	(0.4)	(0.1)
Net cash inflow (outflow)	(169.4)	(67.5)	15.8	15.0
Beginning cash & cash equivalent	292.1	123.3	55.8	71.6
Changes due to forex impact	0.6	0.0	0.0	0.0
Ending cash & cash equivalent	123.3	55.8	71.6	86.6

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	10.9	8.1	10.0	11.6
Pre-tax margin	11.0	7.5	10.1	12.1
Net margin	9.3	6.3	8.5	10.1
ROA	8.9	5.2	8.3	9.8
ROE	12.7	7.6	12.6	16.4
Growth				
Turnover	(30.4)	(27.0)	10.0	10.0
EBITDA	(39.1)	(45.9)	35.9	27.8
Pre-tax profit	(41.1)	(50.3)	47.6	31.6
Net profit	(43.0)	(50.3)	47.6	31.6
Net profit (adj.)	(43.0)	(50.3)	47.6	31.6
EPS	(43.0)	(50.3)	47.6	31.6
Leverage				
Debt to total capital	3.3	0.8	0.8	0.8
Debt to equity	3.4	0.8	0.8	0.8
Net debt/(cash) to equity	(38.9)	(35.1)	(52.4)	(63.5)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

UI Boustead REIT (UIBREIT SP)

1QFY27: Yen Weakness Offset By Lower Electricity Tariff

Highlights

- Lease commencement for a global e-commerce player was delayed by one month but occupancy at UIB Konan Phase 2 has improved to 100% since Jun 26. We trim our DPU forecast by 0.8% for FY27 and 1.2% by FY28 due to weakness in the Japanese yen against the Singapore dollar.
- Investors have reacted violently to a slight miss in 1QFY27. Rent reversion for the Singapore portfolio should improve in 2HFY27. Development projects are scheduled for completion in 2Q27 for UIB Konan Phase 3 in Greater Osaka and 2Q28 for built-to-suit aerospace facility in Seletar Aerospace Park.
- Maintain BUY. UIBREIT provides an attractive DPU yield of 9.0% for FY27 and 8.8% for FY28 (CLAR: 5.9%, AAREIT: 6.1%). Our target price of S$1.16 is based on DDM (cost of equity: 7.25%, terminal growth: 1.2%).

BUY (Maintained)	
Share Price	S$0.81
Target Price	S$1.16
Upside	+43.2%
Previous TP	S$1.17

Analyst(s)
Jonathan Koh, CFA, MSc Econ
jonathankoh@uobkh.com
+65 6590 6620

1QFY27 Results

Year to 31 Mar (S$m)	1Q FY27	Forecast	yoy % Chg	Remarks
Gross Revenue	37.2	38.6	-3.6	Japanese yen depreciated 1.8% against Singapore dollar.
Net Property Income (NPI)	29.2	30.5	-4.3	Lease commencement for e-commerce player delayed by one month.
Share of Results from JVs	3.3	2.5	+30.3	Cost savings from lower electricity tariff.

Source: UIBREIT, UOB Kay Hian

Analysis

- UI Boustead REIT (UIBREIT) reported NPI of S$29.2m for the period from its listing on 12 Mar 26 to 30 Jun 26 (1QFY27).
- **NPI was 4.3% below its IPO forecast** due to:
  a) The Japanese yen depreciated 1.8% against the Singapore dollar. UIBREIT had wanted to deploy NPI from Japan to fund reinvestment to UIB Konan Phase 3 at Greater Osaka, Japan. Thus, it did not hedge Japanese yen income, leading to lower contributions from Japan properties when translated to Singapore dollars.
  b) Lease commencement for a global e-commerce player occupying 125,000sf at UIB Konan Phase 2 (7.3% of total NLA) was delayed from May to June, causing loss of income for one month. Occupancy at UIB Konan Phase 2 has improved to 100% since Jun 26.
- **Contributions from JV income was 30.3% above forecast** at S$3.3m, driven by better performance at Razer SEA HQ and 6 Tampines Industrial Avenue 5 due to cost savings from lower electricity tariffs. UIBREIT has locked in electricity tariff rates at favourable levels for the next three years through to 2029 for its Singapore portfolio.
- **Committed portfolio occupancy reached 98.1%** as of Jun 26, up from 89.4% in Sep 25. Portfolio WALE was healthy at 5.4 years. 78% of leases expiring in the remainder of FY27 are already under advanced negotiations.

Key Financials

Year to 31 Mar (S$m)	2027F*	2028F	2029F
Net turnover	133	132	135
EBITDA	85	94	96
Operating profit	85	94	96
Net profit (rep./act.)	77	85	90
Net profit (adj.)	77	85	90
EPU (S$ cent)	5.6	6.2	6.5
DPU (S$ cent)	7.0	6.9	7.2
PE (x)	14.5	13.1	12.5
P/B (x)	1.0	1.0	1.0
DPU yld (%)	8.7	8.5	8.9
Net margin (%)	57.6	64.3	66.6
Net debt/(cash) to equity (%)	56.5	59.9	61.7
Interest cover (x)	5.5	5.8	5.7
ROE (%)	n.a.	7.4	7.9
Consensus DPU (S$ cent)	4.0	5.7	6.9
UOBKH/Consensus (x)	1.76	1.21	1.04

**12.65-month period from 12 Mar 26 to 31 Mar 27 Source: UI Boustead REIT, Bloomberg, UOB Kay Hian*

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	UIBREIT SP
Shares issued (m)	1,365.9
Market cap (S$m)	1,106.4
Market cap (US$m)	855.6
3-mth avg daily t'over (US$m)	3.8

Price Performance (%)

52-week high/low S$0.855/S$0.76

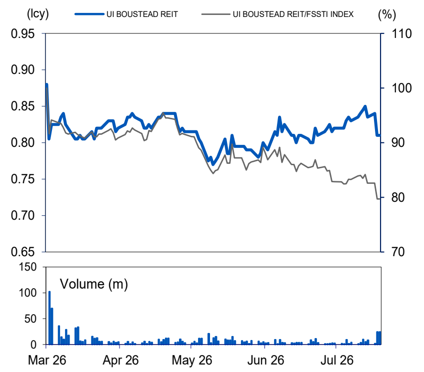
1mth	3mth	6mth	1yr	YTD
0.0	(3.0)	n.a.	n.a.	n.a.

Major Shareholders	%
BP - Real Estate Investments	19.0
Amova Asset Mgmt	6.1

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.84
FY26 Net Debt/Share (S$)	0.48

Price Chart



Source: Bloomberg

Company Description

UIBREIT invests in business space, hi-specs industrial, logistics and general industrial assets with an initial focus on Singapore and Japan.

- **Positive leasing momentum in Singapore and Japan.** Occupancy for the Singapore portfolio improved 0.7ppt to 97.0%. UIBREIT secured a new lease with a globally recognised fast-food chain for its Singapore headquarters at 27 Tai Seng Street. It clocked positive rental reversion of 2.6% in 1QFY27. It has commenced the S$2.6m AEI at 84 Boon Keng Road to reposition the property from single-tenant to multi-tenant use, with 40% of its NLA already pre-committed ahead of completion by end-26.
- **Japan portfolio saw a strong turnaround.** Committed occupancy rose from 76.7% to 100.0%, supported by new leases from logistics, e-commerce and insurance tenants. 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.
- **Disciplined capital management.** UIBREIT maintained a prudent balance sheet with aggregate leverage of 36.4% as of Jun 26, all-in borrowing cost of 2.5%, 67% of debt fixed, and no refinancing requirements until FY29.

Valuation/Recommendation

- **UIBREIT remains confident** in the resilience of its Singapore and Japan portfolio, supported by strong occupancy, long lease tenures and high-quality multinational tenants, despite uncertainties arising from the Middle East conflict. Management remains committed to delivering its IPO forecast.
- **Actively pursuing development projects and asset enhancements.** UIBREIT committed S$74.7m of investment value across two co-development projects: UIB Konan Phase 3 in Japan and a built-to-suit aerospace facility in Singapore's Seletar Aerospace Park. It has also commenced a S$2.6m AEI at 84 Boon Keng Road to reposition the property from single-tenant to multi-tenant use, with 40% of its NLA already pre-committed ahead of completion.
- **Partnering sponsor in development project in Singapore.** UIBREIT is developing a build-to-suit integrated aerospace facility with NLA of 252,113sf and development value of S$104m at SAP. It holds a 51% stake in the co-development, while Boustead Singapore owns the remaining 49% stake. The facility will be fully leased to a leading global aerospace corporation on a triple net basis for 22.5 years with built-in rental escalations at 2-3%. The facility has aircraft hangars and a component repair & overhaul workshop. It offers scheduled and unscheduled maintenance, modifications, avionics installations, 24/7 aircraft-on-ground support and aircraft recompletion activities, including paint and interior finishing.
- **Cementing its lead in aerospace & avionics.** The development project provides an attractive yield on cost of 8.6%. UIBREIT's exposure to the high-value automotive, aerospace & avionics sector is expected to expand from 19.3% to 22.1% of rental income. Construction is scheduled to commence in 2H26 and the new facility should be operational starting 2Q28. It would contribute to financial performance in FY29. UIBREIT has the option to purchase the remaining 49% stake in the JV from its sponsor.
- **Maintain BUY.** UIBREIT provides an attractive DPU yield of 8.7% for FY27 and 8.5% for FY28 (CLAR: 5.9%, AAREIT: 6.1%). Our target price of S$1.16 is based on DDM (cost of equity: 7.25%, terminal growth: 1.2%).

Earnings Revision/Risk

- We trim our DPU forecast by 0.8% for FY27 and 1.2% by FY28 due to weakness in the Japanese yen against the Singapore dollar.

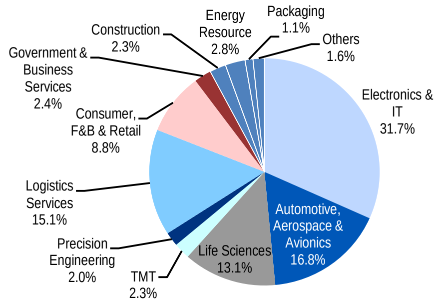
Share Price Catalyst

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

Fourth Property At Seletar Aerospace Park

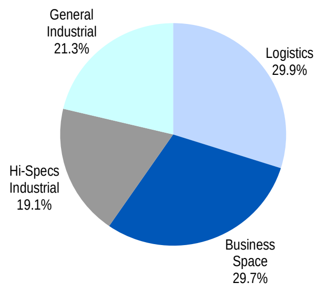
Source: UIBREIT

Tenant Mix By Gross Rental Income



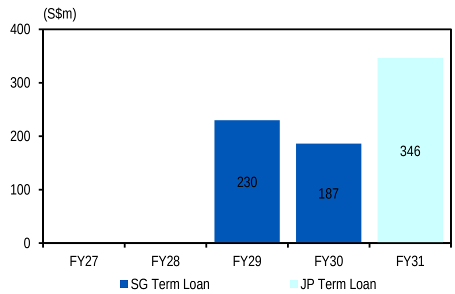
Source: UIBREIT

Portfolio Valuation By Asset Type



Source: UIBREIT

Debt Maturity Profile



Source: UIBREIT

Profit & Loss

Year to 31 Mar (S$m)	2027F*	2028F	2029F
Net turnover	133.3	132.4	135.0
EBITDA	84.8	93.9	95.9
Deprec. & amort.	0.0	0.0	0.0
EBIT	84.8	93.9	95.9
Total other non-operating income	0.0	0.0	0.0
Associate contributions	9.0	9.0	12.6
Net interest income/(expense)	(15.5)	(16.1)	(16.8)
Pre-tax profit	78.3	86.9	91.8
Tax	(1.6)	(1.7)	(1.8)
Minorities	0.0	0.0	0.0
Net profit	76.7	85.1	89.9
Net profit (adj.)	76.7	85.1	89.9

Balance Sheet

Year to 31 Mar (S$m)	2027F*	2028F	2029F
Fixed assets	1,703.5	1,726.4	1,731.4
Other LT assets	98.0	98.0	98.0
Cash/ST investment	36.0	36.7	36.9
Other current assets	49.7	50.1	50.2
Total assets	1,887.1	1,911.2	1,916.6
ST debt	0.0	0.0	0.0
Other current liabilities	18.3	19.0	19.4
LT debt	690.0	723.0	738.0
Other LT liabilities	22.1	22.6	22.8
Shareholders' equity	1,156.8	1,146.6	1,136.4
Minority interest	0.0	0.0	0.0
Total liabilities & equity	1,887.1	1,911.2	1,916.6

Cash Flow

Year to 31 Mar (S$m)	2027F*	2028F	2029F
Operating	31.2	104.7	109.7
Pre-tax profit	78.3	86.9	91.8
Tax	0.0	0.0	0.0
Deprec. & amort.	(2.5)	(2.2)	(2.2)
Associates	0.0	0.0	0.0
Working capital changes	(21.9)	0.8	0.4
Non-cash items	8.2	7.9	7.9
Other operating cashflows	(30.9)	11.3	11.8
Investing	(1,772.5)	(22.9)	(5.0)
Capex (growth)	(1,662.2)	0.0	0.0
Capex (maintenance)	(5.0)	(5.0)	(5.0)
Investment	(105.3)	(17.9)	0.0
Proceeds from sale of assets	0.0	0.0	0.0
Others	0.0	0.0	0.0
Financing	1,777.2	(81.0)	(104.5)
Distribution to unitholders	1,202.0	0.0	0.0
Issue of shares	(96.5)	(95.3)	(100.1)
Proceeds from borrowings	690.0	33.0	15.0
Loan repayment	0.0	0.0	0.0
Others/interest paid	(18.2)	(18.7)	(19.4)
Net cash inflow (outflow)	36.0	0.8	0.2
Beginning cash & cash equivalent	0.0	36.0	36.7
Changes due to forex impact	0.0	0.0	0.0
Ending cash & cash equivalent	36.0	36.7	36.9

Key Metrics

Year to 31 Mar (%)	2027F*	2028F	2029F
Profitability			
EBITDA margin	63.6	70.9	71.1
Pre-tax margin	58.7	65.6	68.0
Net margin	57.6	64.3	66.6
ROA	n.a.	4.5	4.7
ROE	n.a.	7.4	7.9
Growth			
Turnover	n.a.	(83.4)	1.9
EBITDA	n.a.	(81.5)	2.1
Pre-tax profit	n.a.	(81.5)	5.7
Net profit	n.a.	(81.5)	5.7
Net profit (adj.)	n.a.	(81.5)	5.7
EPU	n.a.	(81.6)	5.0
Leverage			
Debt to total capital	37.4	38.7	39.4
Debt to equity	59.6	63.1	64.9
Net debt/(cash) to equity	56.5	59.9	61.7
Interest cover (x)	5.5	5.8	5.7

**12.65-month period from 12 Mar 26 to 31 Mar 27.*

Frasers Centrepoint Trust (FCT SP)

New Avenue To Generate Growth Via Development

BUY (Maintained)

Share Price	S$2.28
Target Price	S$2.99
Upside	+31.1%

Analyst(s)
Jonathan Koh, CFA, MSc Econ
jonathankoh@uobkh.com
+65 6590 6620

Highlights

- Aggregate leverage is reduced by 3.5ppt to 36.5% after divesting White Sands for S$467m. The debt headroom freed up could be deployed for development of a suburban mall with NLA of 170,000sf at Bayshore Drive.
- Management could utilise divestment gain of S$32.4m from White Sands and tax-exempt income of S$4.6m retained in 1HFY26 to cushion disruption to DPU caused by the AEI at NEX during FY27 and FY28.
- Resiliency of suburban malls is supported by growth in household income and limited supply. Maintain BUY. Target price: S$2.99.

Analysis

- Frasers Centrepoint Trust (FCT) delivered another resilient quarter, underpinned by the defensive characteristics of its suburban retail portfolio.
- **Rejuvenating tenant mix.** Portfolio committed occupancy eased 0.2ppt qoq to 99.6% as of Jun 26 with ongoing asset enhancements at Hougang Mall and NEX. Tampines Mall, Tiong Bahru Plaza and Century Square saw a dip in occupancies averaging 0.6ppt qoq due to transitional downtime as FCT tweaked its tenant mix. It is converting the cinema at Tiong Bahru Plaza into an indoor activity park and the gym at Northpoint City into a duplex Uniqlo store.
- **FCT's retail portfolio generated positive rental reversion** in 3QFY26, in line with an average reversion 6.5% recorded in 1HFY26. FCT maintained its guidance of mid-single-digit rental reversion for FY26. On a ytd basis, shopper traffic and tenant sales increased 2.0% and 1.8% respectively in FY26, reflecting healthy consumer demand in its catchment areas. Tenant sales were driven by F&B, beauty, healthcare and supermarkets.
- **Capital recycling strengthens balance sheet.** FCT has proposed the divestment of White Sands for an agreed property value of S$467m, representing an 8.4% premium to independent valuation. Net proceeds of S$454m will be used primarily for debt repayment, lowering pro forma aggregate leverage from 40.0% to 36.5%, thus increasing debt headroom for future acquisitions and AEIs. The transaction is expected to generate net gains of S$32.4m and enhance NAV per unit by 0.7%. Nevertheless, pro forma FY25 DPU would be reduced by a marginal 1.9%.

Key Financials

Year to 30 Sep (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	352	390	448	434	439
EBITDA	213	233	341	392	397
Operating profit	213	233	341	392	397
Net profit (rep./act.)	198	200	352	383	391
Net profit (adj.)	196	211	320	383	391
EPU (S$ cent)	11.1	11.0	15.7	18.7	19.1
DPU (S$ cent)	12.0	12.1	12.8	13.2	13.4
PE (x)	20.6	20.7	14.5	12.2	11.9
P/B (x)	1.0	1.0	1.0	1.0	1.0
DPU yld (%)	5.3	5.3	5.6	5.8	5.9
Net margin (%)	56.2	51.3	78.5	88.1	89.1
Net debt/(cash) to equity (%)	48.1	52.3	43.3	44.5	45.3
Interest cover (x)	2.5	2.7	3.9	5.2	5.2
ROE (%)	4.9	4.5	7.4	8.0	8.2
Consensus DPU (S$ cent)	-	-	12.2	12.8	12.9
UOBKH/Consensus (x)	-	-	1.05	1.03	1.04

Source: Frasers Centrepoint Trust, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Real Estate
Bloomberg ticker	FCT SP
Shares issued (m)	2,037.8
Market cap (S$m)	4,646.2
Market cap (US$m)	3,593.4
3-mth avg daily t'over (US$m)	8.5

Price Performance (%)

52-week high/low: S$2.47/S$2.17

1mth	3mth	6mth	1yr	YTD
(0.4)	(2.1)	0.9	3.7	(2.1)

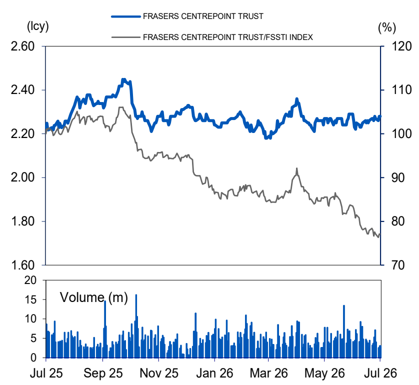
Major Shareholders

	%
Frasers Property Ltd	38.2

Balance Sheet Metrics

FY26 NAV/Share (S$)	2.26
FY26 Net Debt/Share (S$)	1.02

Price Chart



Source: Bloomberg

Company Description

FCT is the largest owner of suburban retail malls in Singapore. It has nine suburban retail malls and one office building. Its suburban retail malls are located in populous residential estates and close proximity to public transportation amenities, such as MRT stations and bus interchanges.

- **Conservative capital management.** FCT has refinanced all debt maturing in FY26, extending its average debt maturity to 3.7 years, with two-thirds of borrowings hedged to fixed interest rates. The average cost of borrowing declined 0.7ppt yoy and 0.2ppt qoq to 3.2% in 3QFY26. Interest coverage ratio was comfortable at 3.7x.

Valuation/Recommendation

- **Leasing momentum was healthy in 2QFY26** with take-up for retail space driven by F&B, fashion, toys & hobbies and health & fitness. Retailers remain confident with retail sales excluding motor vehicles growing 2.4% in April and 0.7% in May, despite a drop in visitor arrivals due to the Middle East conflict. Growth in tourism spending is underpinned by a healthy pipeline of MICE events and concerts. Rents for suburban malls rose 1.4% yoy in 2QFY26. With new supply over the next three years remaining below historical norms, prime retail rents are expected to increase 1-2% in 2026.
- **The proposed development of suburban mall at Bayshore Drive** strengthens FCT's position as Singapore's largest suburban mall owner. It is the only mixed-use commercial site within the Bayshore waterfront precinct under the URA Master Plan. Supported by direct integration with Bedok South MRT Station on the Thomson-East Coast Line and a future bus interchange, the mall will benefit from strong accessibility and a growing catchment driven by 10,000 planned public and private homes, including around 1,280 residential units within the development itself. The development includes a suburban mall with 170,000sf of NLA. FCT secures an attractive development yield of about 5% with completion targeted around end-30. The Bedok region has Singapore's second-largest resident population and relatively low retail space provision, supporting sustainable rental and shopper traffic growth over the long term.
- **Population growth in Causeway Point's catchment area.** Management expects new developments in the northern region to mitigate negative impact from the leakage of consumer spending caused by the JB-Singapore RTS. Residential population in the northern region is expected to increase 25-27% with 50,000 residential units added over the next 10-15 years (Chencharu, Sembawang North, Woodlands North and Kranji Racecourse). Some 20,000 of these residential units are expected to come on-stream in the next 6-7 years. Woodlands Regional Centre would create 100,000 jobs with 100ha of land earmarked for future development.
- **Fortifying Causeway Point.** Management is planning an AEI to transform Causeway Point into a regional mall, leveraging on its physical location as the connection hub in the northern region (Woodlands MRT station is an interchange for the North-South Line and Thomson-East Coast Line).
- **Enhancement for NEX.** FCT will optimise its tenant mix and rents at NEX through re-mixing, resizing and reconfiguration. It will convert carpark space into NLA of 44,000sf, representing an increase of 7%, and add new office space at level 4. The AEI is carried out progressively in phases over two years to minimise disruption. Phase 1 of the AEI at the ex-Isetan space commenced in May 26 and is scheduled for completion by 1QFY27. Phase 1 has achieved 87% pre-commitment, of which 73% are new-to-mall brands and concepts. Phase 2 commences in 2QFY27. The capex of S$45m (FCT's share of 50%) is expected to generate ROI of 7%.

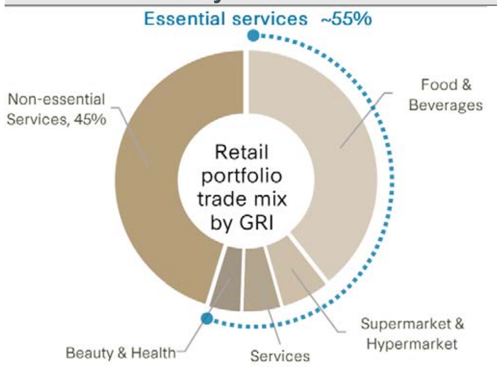
Earnings Revision/Risk

- We maintain our existing DPU forecasts. Management could utilise divestment gain of S$32.4m from White Sands and tax-exempt income of S$4.6m retained in 1HFY26 to cushion disruption to DPU caused by the AEI at NEX during FY27 and FY28.
- **Maintain BUY.** Our target price of S$2.99 is based on DDM (cost of equity: 6.5%, terminal growth: 2.2%).

Share Price Catalyst

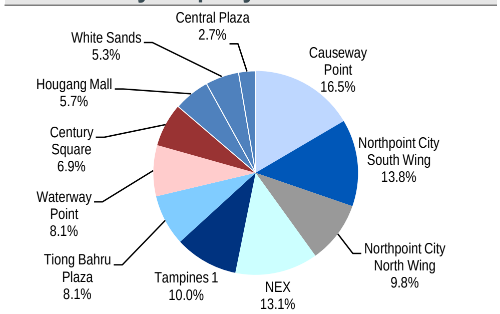
- a) Increase in shopper traffic and tenant sales, driven by growth in domestic consumption, supported by rising population and household income; and b) AEIs for Hougang Mall, NEX and Causeway Point.

Retail Trade Mix By Gross Rental Income



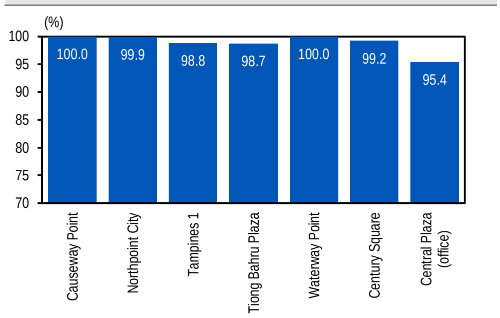
Source: FCT

Valuation By Property



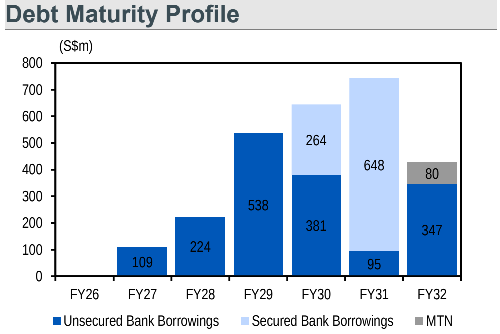
Source: FCT

Committed Occupancies Of Suburban Retail Malls



Source: FCT

Debt Maturity Profile



Source: FCT

Profit & Loss

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Net turnover	389.6	448.4	434.1	439.3
EBITDA	233.4	340.8	392.4	397.3
Deprec. & amort.	0.0	0.1	0.1	0.1
EBIT	233.4	340.7	392.3	397.2
Total other non-operating income	(10.4)	37.8	0.0	0.0
Associate contributions	62.6	61.0	65.3	70.1
Net interest income/(expense)	(86.2)	(87.3)	(75.0)	(76.0)
Pre-tax profit	199.5	352.2	382.5	391.3
Tax	0.4	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	199.9	352.2	382.5	391.3
Net profit (adj.)	210.9	319.8	382.5	391.3

Balance Sheet

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Fixed assets	6,449.0	6,056.6	6,087.0	6,106.2
Other LT assets	1,042.6	1,050.4	1,050.4	1,050.4
Cash/ST investment	107.5	158.4	158.2	156.4
Other current assets	13.1	14.7	14.3	14.4
Total assets	7,612.2	7,280.2	7,309.9	7,327.5
ST debt	404.4	102.9	102.9	102.9
Other current liabilities	131.0	123.0	119.1	120.5
LT debt	2,181.4	2,140.0	2,190.0	2,220.0
Other LT liabilities	153.6	105.1	103.1	103.8
Shareholders' equity	4,741.9	4,809.2	4,794.8	4,780.2
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	7,612.2	7,280.2	7,309.9	7,327.5

Cash Flow

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Operating	256.7	803.5	346.3	349.1
Pre-tax profit	147.8	190.8	188.7	189.6
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.1	0.1	0.1
Associates	62.6	61.0	65.3	70.1
Working capital changes	18.6	(9.7)	(3.4)	1.3
Non-cash items	19.4	21.5	18.3	18.4
Other operating cashflows	8.1	539.8	77.3	69.5
Investing	(260.3)	(62.5)	(53.0)	(30.5)
Capex (growth)	(329.5)	0.0	0.0	0.0
Capex (maintenance)	(33.0)	(62.5)	(53.0)	(30.5)
Proceeds from sale of assets	34.5	0.0	0.0	0.0
Others	67.7	0.0	0.0	0.0
Financing	84.4	(690.2)	(293.5)	(320.3)
Distribution to unitholders	(233.2)	(260.0)	(268.5)	(274.3)
Issue of shares	421.3	0.0	0.0	0.0
Proceeds from borrowings	1,050.6	(342.9)	50.0	30.0
Loan repayment	(1,267.4)	0.0	0.0	0.0
Others/interest paid	113.0	(87.3)	(75.0)	(76.0)
Net cash inflow (outflow)	80.7	50.8	(0.2)	(1.8)
Beginning cash & cash equivalent	26.8	107.5	158.4	158.2
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	107.5	158.4	158.2	156.4

Key Metrics

Year to 30 Sep (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	59.9	76.0	90.4	90.5
Pre-tax margin	51.2	78.5	88.1	89.1
Net margin	51.3	78.5	88.1	89.1
ROA	2.9	4.7	5.2	5.3
ROE	4.5	7.4	8.0	8.2
Growth				
Turnover	10.8	15.1	(3.2)	1.2
EBITDA	9.7	46.0	15.1	1.3
Pre-tax profit	1.5	76.5	8.6	2.3
Net profit	1.2	76.2	8.6	2.3
Net profit (adj.)	7.4	51.6	19.6	2.3
EPU	(0.4)	42.6	19.5	2.1
Leverage				
Debt to total capital	35.3	31.8	32.4	32.7
Debt to equity	54.5	46.6	47.8	48.6
Net debt/(cash) to equity	52.3	43.3	44.5	45.3
Interest cover (x)	2.7	3.9	5.2	5.2

MARKET SPOTLIGHT

Market News

US stocks were mixed on Tuesday, as the healthcare, consumer staples and materials sectors led shares higher. At the close of the NYSE, the Dow Jones rose 1.03% while the S&P 500 index was up 0.22%, and the NASDAQ Composite index slid 0.22%. Advancing stocks outnumbered falling ones on the NYSE by 1,743 to 1,018 and 85 ended unchanged; on the Nasdaq Stock Exchange, 2,456 declined and 2,424 advanced, while 211 ended unchanged.

During the last trading session, the FSSTI fell 4.13pt to 5,616.11. Among the top active stocks were Singtel (+2.5%), Seatrium (+1.7%), DBS (-0.6%), SIA (+0.8%) and Riverstone (-2.3%). The FTSE ST Mid Cap Index rose 0.02%, while the FTSE ST Small Cap Index slid 2.3%. The broader market had 273 gainers and 335 losers with a total trading value of S$2.35b.

Propnex (PROP SP)

Trading buy range: S$1.82-1.83
Last price: S$1.85
Target price: S$2.12
Protective stop: S$1.74

A successful retest and defence of the prior low support floor has revalidated the current bullish trajectory. The RSI rising above 50 points to strengthening momentum. The bias remains tilted to the upside, favouring further extension higher provided the underlying support base remains intact as a stop-loss boundary.

The potential upside target is S$2.12. Stop-loss could be placed at S$1.74.

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$2.51.

Singapore Telecommunications (ST SP)

Trading buy range: S$4.47-4.48
Last price: S$4.53
Target price: S$5.02
Protective stop: S$4.32

Price has cleared its recent swing high, accelerating out of a tight range consolidation zone to re-establish clear buy-side dominance. The RSI is holding firmly above its neutral 50-midline. This projects further upside progression towards overhead target zones as long as price remains established above the newly converted breakout base.

The potential upside target is S$5.02. Stop-loss could be placed at S$4.32.

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.

Analyst
Wong Shueh Ting, CFTe
+65 6590 6616
shuehting@uobkh.com