UOBKayHian

Country Daily | Singapore

Tuesday, 01 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53185.9	(0.7)	(0.4)	1.3	10.7
S&P 500	7686.1	(0.3)	0.4	2.6	12.3
FTSE 100	10824.3	0.3	0.1	(0.4)	9.0
AS30	9271.4	(0.2)	(0.5)	1.5	2.8
CSI 300	4625.1	0.3	1.4	0.8	(0.1)
FSSTI	5755.4	1.0	1.3	2.3	23.9
HSCEI	8513.2	0.3	0.5	(1.1)	(4.5)
HSI	25567.0	(0.1)	0.2	(1.2)	(0.2)
JCI	6525.5	0.1	(0.0)	4.6	(24.5)
KLCI	1725.9	(0.9)	(0.6)	0.1	2.7
KOSPI	6820.0	0.5	1.8	3.4	61.8
Nikkei 225	66311.9	(0.1)	1.2	3.0	31.7
SET	1595.2	0.4	(0.4)	(1.8)	26.6
TWSE	46128.5	(0.4)	3.1	7.0	59.3
BDI	3186	2.5	12.1	16.6	69.7
CPO (RM/mt)	4613	0.4	(0.6)	1.8	17.3
Brent Crude (US$/bbl)	90	2.7	(1.8)	0.4	48.7

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
MAS 12-Week Bill Auction	1 Sep
MAS 36-Week Bill Auction	1 Sep
MAS 4-Week Bill Auction	1 Sep
SIPMM Manufacturing PMI AUG	2 Sep

Top Stories

Strategy | Chasing The Laggards

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- We screened the 30 STI component stocks for companies with sound fundamentals but trading at a significant discount in terms of PE or P/B. YZJ's 2026F PE of 9.5x is the lowest among the 30 stocks. It has the potential to re-rate towards peers' average 2028F PE of 11.3x. An unveiling of a strategic review by Sep 26 could be a re-rating catalyst for CityDev. A recovery for Festival Walk in Hong Kong and three office buildings in the Makuhari sub-market in Chiba City could generate a turnaround for MPACT.

Sector Update | REITs

Page 8 →

- An influx of safe-haven liquidity and low domestic interest rates have led to a record volume of transactions for commercial properties, encompassing office and retail properties. Thus, the S-REIT sector is supported by firm asset valuation and continued low cost of debt. Maintain OVERWEIGHT.

Company Results | KORE US REIT (KORE SP/**BUY**/US$0.173/Target: US$0.25)

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- KORE's NPI and distributable income grew 6.1% and 2.1% yoy respectively in 1H26. The results included a one-off termination fee of US$2.7m and restoration fee of US$2.3m. DPU of 0.4 US cents represented a payout ratio of 21%. The leasing momentum accelerated in 2Q26 with 492,365sf signed, of which 90.6% were renewals. KORE plans to progressively increase its payout ratio. Maintain BUY with a target price of US$0.25.

Market Spotlight

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- US stocks were lower on Monday, with all indices sliding as the communication services, utilities and industrials sectors fell. There were more decliners than advancers on both NYSE and NASDAQ.
- The FSSTI rose 55.43 points to 5,755.36, on the back of strength in DBS, Singtel and OCBC Bank, with mid-cap indices falling while small-cap indices rising with a broad market advance on a S$3.40b turnover.

Technical Analysis

DBS Group (DBS SP) Page 15 →

- Trading Buy Range: S$76.90-76.92

DFI Retail Group (DFI SP) Page 15 →

- Trading Buy Range: US$3.60-3.61

Strategy

Chasing The Laggards

Highlights

- We screened the 30 STI component stocks for companies with sound fundamentals but are trading at a significant discount in terms of PE or P/B.
- YZJ's 2026F PE of 9.5x is the lowest among the 30 STI component stocks. It has the potential to re-rate towards peers' average 2028F PE of 11.3x. CityDev's P/B 0.77x is the fifth lowest. The unveiling of CityDev's strategic review by Sep 26 could be a catalyst for re-rating. MPACT's P/B of 0.73x is the fourth lowest. A recovery for Festival Walk in Hong Kong and three office buildings at the Makuhari sub-market in Chiba City could generate a turnaround.

What's New

- **Screening for the underappreciated gems.** We screened the 30 STI component stocks for companies with sound fundamentals but are trading at a significant discount in terms of PE or P/B. We identified Yangzijiang Shipbuilding (YZJ), City Developments (CityDev) and Mapletree Pan Asia Commercial Trust (MPACT) as laggards that have the potential to be re-rated and catch up with the rally in the broader market.
- **Yangzijiang Shipbuilding (YZJSGD SP/BUY/Target: S$5.30)**
- We like YZJ for its strong earnings visibility and resilient margins. Its US$22.4b orderbook provides visibility through 2029, with 2029 delivery slots nearly full. Contract pricing also remains strong, allowing YZJ to avoid price competition and largely secure profitability through 2029.
- We also see earnings upside from strong execution and capacity expansion. 1H26 net profit rose 28% yoy to Rmb5.37b, while shipbuilding gross profit margin reached 37.1% on higher-priced contracts and favourable vessel mix. The new Hongyuan yard should provide another growth leg, potentially contributing around 20% of group revenue from 2027.
- Finally, its valuation remains attractive. YZJ trades at 9.5x/8.3x 2026F/27F PE with 5.3-6.0% prospective dividend yields, backed by a strong net-cash balance sheet and ~30% ROE. Its 2026F PE is the lowest among the 30 STI component stocks. Our S$5.30 target price implies 9.1x 2028F PE, or 1.5SD above YZJ's historical mean PE of 6.2x. Our target 2028F PE is still conservative, at a 20% discount to peers' average 2028F PE of 11.3x.
- **City Developments (CIT SP/BUY/Target: S$11.50)**
- CityDev's strategic review is aimed at accelerating the transformation into an asset-light real estate platform. The review is expected to assess options, such as increased capital recycling, expansion of its fund management business, and potential divestment of lower-yielding assets. Management could unlock the value embedded within CityDev's substantial global portfolio of development projects, commercial properties and hotels, while improving ROE. The review could lead to a more aggressive asset monetisation programme and a larger recurring income base. The strategic review is expected to be unveiled by Sep 26.
- CityDev trades at P/B 0.77x, which is the fifth lowest among the 30 STI component stocks and 1SD below the long-term mean.
- Maintain our BUY rating 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 CityDev demonstrates material progress in its capital recycling programme and unlocking of value for its non-core assets.

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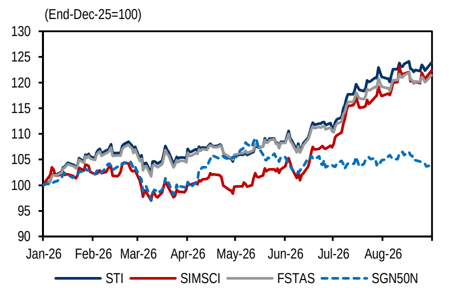
Key Recommendations

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
OCBC	OCBC SP	BUY	31.52	32.50
Keppel	KEP SP	BUY	11.60	13.26
SingTel	ST SP	BUY	4.54	5.50
CityDev	CIT SP	BUY	8.32	11.50
SATS	SATS SP	BUY	3.92	5.00
SIA Engr	SIE SP	BUY	3.11	3.75
NTT DC REIT	NTTDCR SP	BUY	0.955	1.31
UI Boustead	UIBREIT SP	BUY	0.80	1.16
Venture Corp	VMS SP	BUY	16.88	21.10
Valuetronics	VALUE SP	BUY	1.01	1.88
YZJ Ship Bldg	YZJSGD SP	BUY	4.84	5.30
Beng Kuang	BKM SP	BUY	0.415	0.75
BRC Asia	BRC SP	BUY	4.24	5.30
Riverstone	RSTON SP	BUY	0.795	1.21

Source: Bloomberg

Singapore Indices



Source: Bloomberg

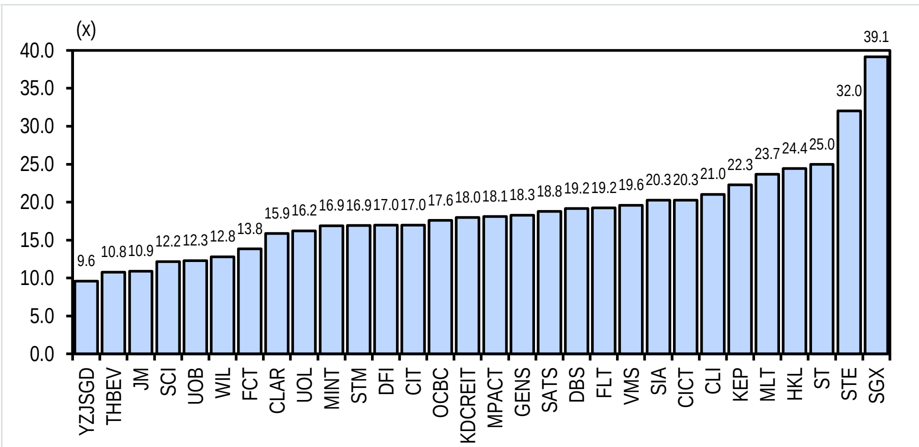
Peer Comparison

Company	Ticker	Rec	Price 28 Aug 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 (%)
YZJ Ship Bldg SGD	YZJSGD SP	BUY	4.84	5.30	9.5	12/25	12.1	9.5	8.3	5.3	30.1	19,048	3.04	2,392	7.3
CityDev	CIT SP	BUY	8.32	11.50	38.2	12/25	12.0	16.9	14.9	2.4	4.7	7,433	0.77	-11,851	50.7
Mapletree Pan Asia	MPACT SP	BUY	1.27	1.75	37.8	3/26	15.5	18.2	17.9	6.3	3.9	6,716	0.73	-5,710	37.7

Source: Bloomberg, UOB Kay Hian

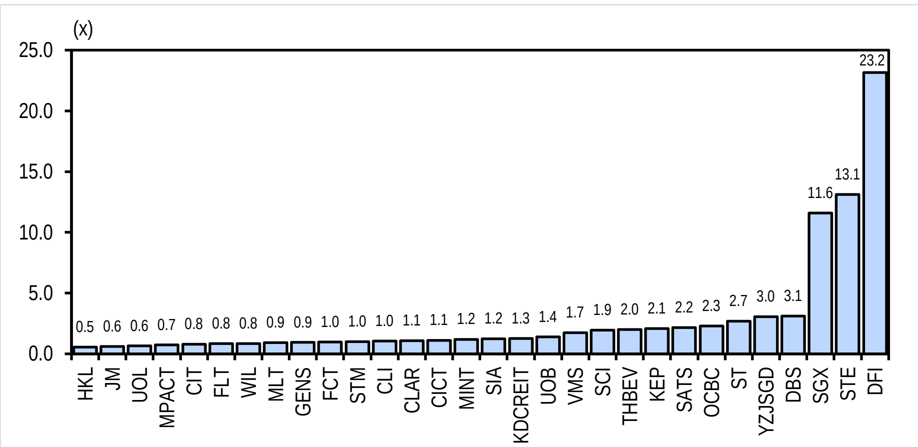
- **Mapletree Pan Asia Commercial Trust (MPACT SP/BUY/Target: S$1.75)**
- MPACT saw NPI from VivoCity grow 8.9% yoy in 1QFY27, supported by a positive rental reversion of 13.5% and high occupancy of 99.7%. Several leases for new IT tenants are progressively commencing at Mapletree Business City (MBC) in 2QFY27 and 3QFY27.
- Festival Walk recorded the second consecutive quarter of healthy tenant sales growth at 4% yoy with sustained spending on luxury goods in 1QFY27. MPACT completed the reconfiguration of 18,800sf of space across three floors into a curated mix of F&B, lifestyle, beauty and health concepts. The enhancement has been operational since Jul 26 and generated an ROI of 50%.
- Tenants are finding rents within central Tokyo expensive and have started to look at alternatives outside central Tokyo, including the Makuhari sub-market. MPACT has received enquiries and has initiated discussions with several potential tenants. MPACT's three office buildings at the Makuhari sub-market in Chiba City, which is near Narita International Airport, accounted for 49% of valuation for its Japan portfolio.
- Maintain BUY with a target price of S$1.75 due to resiliency from Singapore and an attractive FY27 DPU yield of 6.4%. Singapore contributed 68% of portfolio NPI in 1QFY27. MPACT trades at P/B 0.73x, the fourth lowest among the 30 STI component stocks and 1.5SD below the long-term mean.

Ranking By PE (Forward) – STI Component Stocks



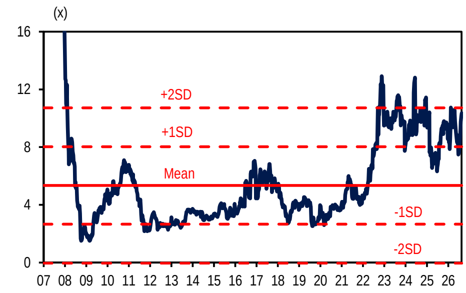
Source: Bloomberg, UOB Kay Hian

Ranking By P/B (Current) - STI Component Stocks



Source: Bloomberg, UOB Kay Hian

Forward PE – YZJ Shipbuilding

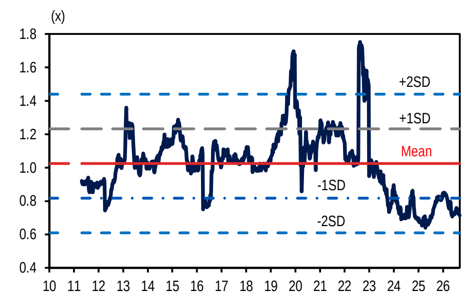


Source: UOB Kay Hian

P/B - CityDev

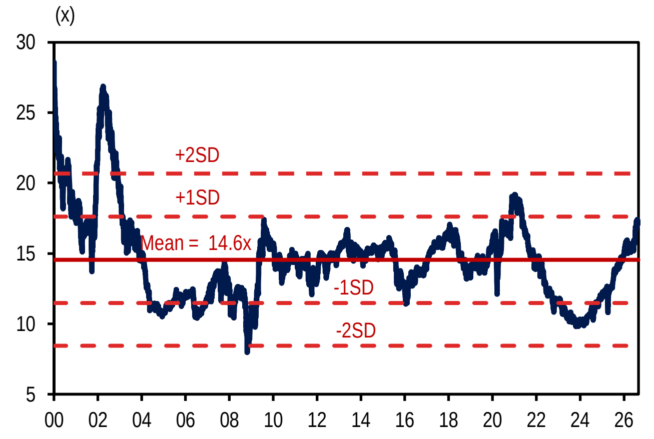
Source: UOB Kay Hian

P/B – Mapletree Pan Asia



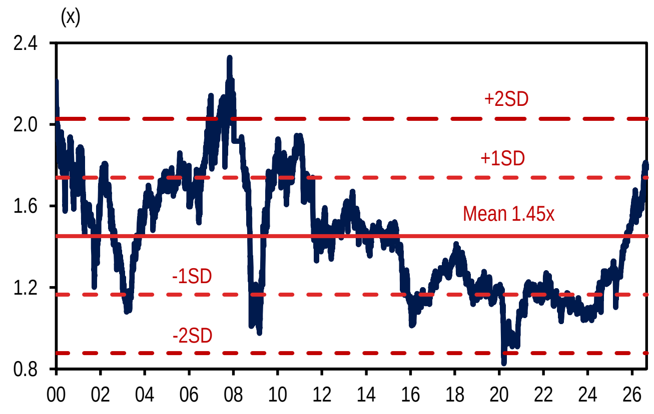
Source: UOB Kay Hian

Straits Times Index – PE



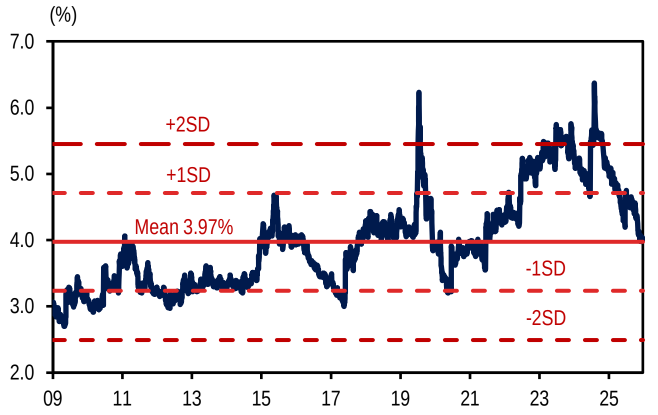
Source: Bloomberg, UOB Kay Hian

Straits Times Index - P/B



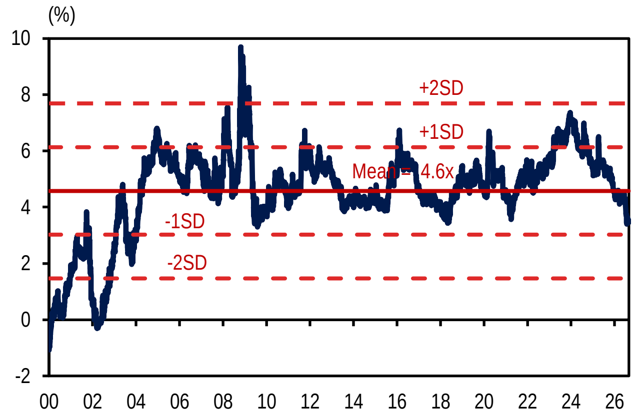
Source: Bloomberg, UOB Kay Hian

Straits Times Index – Dividend Yield



Source: Bloomberg, UOB Kay Hian

Equity Risk Premium (Gap Between Earnings Yield And 10Y SG Government Bond Yield)



Source: Bloomberg, UOB Kay Hian

Peer Comparison – Singapore Large Cap

Company	Ticker	Rec	--------- Price --------- 31 Aug 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	6.79	6.71	(1.2)	3/26	17.7	20.2	21.2	4.9	6.3	21,413	1.24	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	3,486	1.99	559	0.2
SATS	SATS SP	BUY	3.92	5.00	27.6	3/26	20.4	18.5	15.5	2.2	11.3	5,827	2.13	-1,623	26.2
ST Engineering	STE SP	BUY	10.79	11.75	8.9	12/25	72.7	32.5	28.3	1.9	38.0	33,647	13.33	-4,433	28.5
FINANCE															
DBS	DBS SP	HOLD	77.40	74.70	(3.5)	12/25	19.9	19.3	18.7	4.3	16.3	220,115	3.13	n.a.	n.a.
OCBC	OCBC SP	BUY	31.52	32.50	3.1	12/25	19.3	17.7	17.0	3.0	12.6	141,547	2.30	n.a.	n.a.
SGX	SGX SP	HOLD	25.50	23.40	(8.2)	6/26	42.1	39.1	31.9	2.2	30.6	27,250	11.56	1,178	13.8
UOB	UOB SP	NR	41.56	n.a.	n.a.	12/25	15.1	12.3	11.6	4.2	10.9	68,547	1.39	n.a.	n.a.
HEALTHCARE															
Raffles Medical	RFMD SP	HOLD	0.865	0.94	8.7	12/25	22.7	21.8	20.7	3.5	5.4	1,587	1.53	262	0.0
LAND TRANSPORT															
ComfortDelGro	CD SP	HOLD	1.29	1.41	9.3	12/25	12.1	15.6	15.5	5.6	6.9	2,794	1.07	-872	26.5
PLANTATION															
Bumitama	BAL SP	BUY	2.21	2.15	(2.7)	12/25	17.2	14.1	14.6	5.0	23.7	3,832	3.41	-3	14.1
First Res	FR SP	BUY	4.57	4.57	0.0	12/25	15.3	13.1	14.3	4.5	26.8	7,075	3.58	-852	32.1
Wilmar	WIL SP	HOLD	3.84	3.50	(8.9)	12/25	13.0	12.7	11.2	3.5	6.8	23,973	0.83	-31,155	48.1
PROPERTY															
CapitaLand Invest	CLI SP	BUY	2.65	3.93	48.3	12/25	91.4	21.2	19.4	4.5	5.0	13,233	1.06	-4,227	24.4
CityDev	CIT SP	BUY	8.32	11.50	38.2	12/25	12.0	16.9	14.9	2.4	4.7	7,433	0.77	-11,851	50.7
SHIPYARD															
Keppel	KEP SP	BUY	11.60	13.26	14.3	12/25	26.7	22.3	20.4	4.1	9.1	20,827	2.07	-9,122	42.7
Sembcorp Ind	SCI SP	BUY	5.92	8.06	36.1	12/25	10.7	12.2	8.8	4.2	15.4	10,540	1.94	-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	7,267	0.99	-678	12.5
YZJ Ship Bldg SGD	YZJSGD SP	BUY	4.84	5.30	9.5	12/25	12.1	9.5	8.3	5.3	30.1	19,048	3.04	2,392	7.3
TECHNOLOGY															
Sea Ltd USD	SE US	BUY	119.36	181.18	51.8	12/25	45.0	43.1	35.5	0.0	12.6	67,672	5.21	4,576	6.3
Venture Corp	VMS SP	BUY	16.88	21.10	25.0	12/25	21.4	19.9	19.0	4.7	8.7	4,851	1.75	1,108	0.0
TELECOMS															
NetLink NBN Trust	NETLINK SP	HOLD	0.975	1.01	3.6	3/26	45.6	38.8	37.2	5.5	4.4	3,800	1.68	-740	25.7
SingTel	ST SP	BUY	4.54	5.50	21.1	3/26	13.4	25.1	23.9	4.3	10.5	74,033	2.71	-8,208	23.0
StarHub	STH SP	HOLD	1.13	1.26	11.5	12/25	25.1	11.5	10.6	6.9	28.8	1,951	3.88	-847	44.4
OTHERS															
DFIRG USD	DFI SP	BUY	3.71	5.20	40.2	12/25	20.8	17.7	17.1	4.0	76.4	6,392	24.12	-29	4.1
Genting SP	GENS SP	HOLD	0.63	0.70	11.1	12/25	19.5	18.4	16.7	6.3	5.0	7,600	0.94	2,949	0.0
ThaiBev	THBEV SP	HOLD	0.465	0.475	2.2	9/25	11.7	10.8	10.6	4.6	18.8	11,686	1.99	-7,239	44.1
REITS															
CapLand Ascendas	CLAR SP	BUY	2.45	3.78	54.3	12/25	16.5	16.0	14.6	6.1	6.8	12,238	1.08	-8,011	39.7
CapLand Ascott	CLAS SP	BUY	0.855	1.42	66.1	12/25	28.8	18.4	17.9	7.2	3.7	3,297	0.75	-2,693	37.7
CapLand Int Comm Trust	CICT SP	BUY	2.37	3.06	29.1	12/25	20.2	20.3	18.7	4.9	5.5	18,852	1.10	-9,795	37.4
CDL Htrust	CDREIT SP	BUY	0.76	1.11	46.1	12/25	123.7	21.6	21.9	7.3	2.4	975	0.55	-1,081	35.3
Cent Accom REIT	CAREIT SP	BUY	1.14	1.55	36.0	12/25	25.1	18.7	16.5	5.9	7.0	1,970	1.30	-639	29.9
Digi Core REIT USD	DCREIT SP	BUY	0.505	0.93	84.2	12/25	21.9	20.7	16.5	6.8	3.0	824	0.63	-874	39.2
Far East HTrust	FEHT SP	BUY	0.56	0.81	44.6	12/25	19.0	16.3	15.9	6.6	3.9	1,154	0.64	-763	32.8
Frasers Centrepoint	FCT SP	BUY	2.17	2.99	37.8	9/25	19.7	13.9	11.6	5.8	6.7	4,425	0.96	-2,523	40.0
Frasers L&C Trust	FLT SP	BUY	0.935	1.33	42.2	9/25	20.7	19.3	18.9	6.4	4.4	3,561	0.83	-2,234	33.7
Keppel REIT	KREIT SP	BUY	0.875	1.13	29.1	12/25	29.3	20.1	19.7	6.2	3.6	4,357	0.70	-4,685	40.0
KORE REIT USD	KORE SP	BUY	0.171	0.25	46.2	12/25	4.1	4.8	5.0	4.2	5.1	227	0.31	-732	43.3
Lendlease REIT	LREIT SP	BUY	0.565	0.79	38.1	6/26	26.0	18.7	20.8	6.5	3.7	1,880	0.80	-1,637	38.9
Mapletree Pan Asia	MPACT SP	BUY	1.27	1.75	37.8	3/26	15.5	18.2	17.9	6.3	3.9	6,716	0.73	-5,710	37.7
Mapletree Ind Trust	MINT SP	HOLD	1.94	2.07	6.7	3/26	16.4	17.0	16.6	5.9	6.4	5,540	1.19	-2,989	37.5
Mapletree Log Trust	MLT SP	HOLD	1.17	1.29	10.3	3/26	25.0	23.7	23.9	5.9	3.6	6,013	0.93	-5,189	40.5
NTT DC REIT USD	NTTDCR SP	BUY	0.955	1.31	37.2	3/26	499.4	n.a.	n.a.	8.3	(0.3)	1,257	0.83	-597	29.2
PLife REIT	PREIT SP	BUY	4.16	5.45	31.0	12/25	25.8	24.2	23.7	4.3	6.6	2,715	1.62	-838	33.7
Suntec REIT	SUN SP	BUY	1.46	1.75	19.9	12/25	20.1	22.1	21.2	5.5	3.1	4,324	0.72	-4,065	43.0
UIBREIT	UIBREIT SP	BUY	0.80	1.16	45.0	3/25	n.a.	14.3	13.0	8.8	6.6	1,094	0.94	-753	37.9
Utd Hampshire REIT USD	UHU SP	BUY	0.49	0.69	40.8	12/25	13.7	12.6	11.6	9.4	5.3	379	0.66	-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
			31 Aug 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	8.86	12.99	46.6	12/25	164.1	32.2	28.3	0.8	16.7	2,831.2	5.3	57	3.7
Aoxin Q & M	AOXIN SP	BUY	0.21	0.36	71.4	12/25	88.7	155.6	32.4	0.4	2.1	243.4	2.8	43	0.0
ASL Marine	ASL SP	BUY	0.3	0.43	43.3	6/26	20.3	9.3	8.4	1.0	25.6	308.7	2.1	-88	28.8
Aztech Gbl	AZTECH SP	HOLD	0.58	0.73	25.9	12/25	11.2	22.4	15.2	3.4	7.5	447.6	2.0	50	2.4
Beng Kuang	BKM SP	BUY	0.415	0.75	80.7	12/25	15.9	13.9	7.8	1.4	29.3	124.5	11.2	-0	30.6
BRC Asia	BRC SP	BUY	4.24	5.30	25.0	9/25	12.3	11.2	10.5	5.2	19.5	1,163.2	2.2	52	15.3
Centurian	CENT SP	BUY	1.59	2.10	32.1	12/25	11.6	12.0	10.4	2.5	8.8	1,336.8	1.1	-774	29.6
China Aviation Oil	CAO SP	BUY	1.46	1.88	28.8	12/25	8.7	11.1	8.9	4.9	8.1	1,255.9	0.9	757	0.0
ChinaSunsine	CSSC SP	HOLD	0.66	0.70	6.1	12/25	8.5	8.2	7.9	4.2	9.0	629.2	0.7	423	0.0
Civmec	CIVMEC SP	HOLD	1.64	0.80	(51.2)	6/26	22.8	18.2	19.8	3.3	9.4	835.8	1.6	-5	4.9
CSE Global	CSE SP	BUY	1.19	1.79	50.4	12/25	22.6	20.8	18.9	2.4	14.3	867.8	3.0	-171	28.6
Delfi	DELFI SP	BUY	0.78	1.68	115.4	12/25	11.0	12.9	11.9	3.9	10.1	476.7	1.4	56	5.0
Dezign Format	DFG SP	BUY	0.181	0.37	104.4	12/25	31.2	5.1	4.6	5.8	49.6	36.1	3.1	6	8.2
Food Empire	FEH SP	BUY	2.31	3.49	51.1	12/25	32.2	16.3	14.8	4.3	19.2	1,523.4	3.2	66	3.6
Frencken	FRKN SP	BUY	2.34	3.30	41.0	12/25	25.5	22.1	20.6	1.4	9.1	1,005.0	2.1	69	6.9
Hong Leong Asia	HLA SP	BUY	2.93	4.70	60.4	12/25	19.4	14.2	13.6	2.5	14.4	2,338.6	1.7	1,081	9.7
Huationg Global	HUAGL SP	BUY	0.555	0.88	58.6	12/25	5.1	6.3	5.3	2.9	11.8	104.5	0.7	-14	24.1
iFAST	IFAST SP	BUY	8.88	12.18	37.2	12/25	26.8	23.9	20.3	1.1	25.7	2,722.3	6.1	119	8.1
Kimly	KMLY SP	HOLD	0.41	0.34	(17.1)	9/25	15.3	14.0	13.3	4.3	17.8	510.4	2.7	63	1.3
LHN	LHN SP	BUY	0.55	0.71	29.1	9/25	11.6	9.5	7.8	6.4	8.9	239.6	0.8	-189	36.9
Lum Chang Creations	LUCC SP	BUY	0.32	0.46	43.8	6/26	13.9	9.0	9.0	7.0	64.2	211.2	2.2	32	1.9
MarcoPolo Marine	MPM SP	BUY	0.132	0.173	31.1	9/25	8.5	15.3	12.2	1.5	12.8	516.7	1.9	52	19.0
Nanofilm	NANO SP	BUY	0.94	1.68	78.7	12/25	52.2	30.4	20.7	0.7	4.5	610.0	1.4	-0	13.9
Oiltek	OTEK SP	BUY	1.36	2.78	104.4	12/25	59.8	52.5	14.0	0.8	32.9	583.4	17.9	30	0.0
PanUnited	PAN SP	BUY	1.57	1.88	19.7	12/25	21.7	17.0	14.5	3.2	21.0	1,098.3	3.7	65	3.6
PropNex	PROP SP	BUY	1.79	2.55	42.5	12/25	18.8	17.1	16.9	5.6	64.7	1,324.6	10.7	130	0.0
Reclaims Global	RGL SP	BUY	0.21	0.27	28.6	1/26	8.3	4.5	3.9	10.5	15.6	62.5	1.3	28	0.0
RH PetroGas	RHP SP	BUY	0.164	0.263	60.4	12/25	41.8	12.3	14.9	0.0	14.7	137.4	1.6	96	0.0
Riverstone	RSTON SP	BUY	0.795	1.21	52.2	12/25	18.6	17.1	16.2	7.0	14.9	1,178.3	2.6	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	4,841.4	7.9	402	0.0
Soon Hock	SHOCK SP	BUY	0.60	0.71	18.3	12/25	4.1	3.3	3.2	6.3	29.9	186.4	1.1	-152	43.0
Tiong Woon	TWC SP	BUY	0.965	1.11	15.0	6/25	11.6	9.4	8.4	2.2	7.1	223.7	0.7	-38	21.4
UltraGreen.ai USD	UGAI SP	BUY	0.685	1.95	184.7	12/25	8.9	9.1	8.0	0.0	23.4	959.3	2.1	78	1.3
UMS	UMSH SP	BUY	2.66	3.27	22.9	12/25	45.5	32.8	28.0	1.9	16.2	2,362.5	5.3	39	0.0
Valuetronics	VALUE SP	BUY	1.01	1.88	86.1	3/26	21.3	15.9	14.7	6.3	10.8	414.6	1.7	239	0.0
Winking Studios	WKS SP	BUY	0.215	0.38	76.7	12/24	13.2	11.2	n.a.	5.3	14.4	94.6	1.4	25	5.7

Source: Bloomberg, UOB Kay Hian

REITs

S-REITs Monthly Update (Aug 26)

Analyst(s)

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OVERWEIGHT (Maintained)

Highlights

- An influx of safe-haven liquidity and low domestic interest rates have led to a record volume of transaction for commercial properties, encompassing office and retail properties. Thus, the S-REIT sector is supported by firm asset valuation and continued low cost of debt.
- Maintain OVERWEIGHT. The S-REIT sector is a major laggard. Thus, S-REITs are likely to be more resilient in the event of a correction in the broader market: BUY CICT (Target: S$3.06), FLT (Target: S$1.33), MPACT (Target: S$1.75), NTTDCR (Target: US$1.31) and UIBREIT (Target: S$1.16).

Analysis

- The FSTREI corrected 4% in Aug 26, underperforming the STI's gain of 2.3%. Yield for 10-year Singapore government bonds was stable at 2.34%. US core PCE inflation was stable at 3.3% yoy in Jul 26.
- **Singapore's commercial real estate market is poised for a record year** in 2026, with transaction volume reaching US$10.3b in 1H26 and a further US$6b of deals currently in the pipeline. Full-year volume is expected to surpass the previous record of US$13.1b achieved in 2019. The strong recovery was underpinned by robust overseas capital inflows, with international investors accounting for a sizeable share of market activities. Major transactions, such as CICT's acquisition of Paragon and the sale of Asia Square Tower 2, boosted deal momentum. The resurgence reflects attractive rent growth and abundant liquidity, positioning Singapore as one of the strongest commercial property markets in the Asia Pacific region.
- **Singapore's office investment market is set to be highly active** in 2H26, with several landmark assets being marketed for sale alongside the anticipated Marina One transaction. S$10.8b of office properties changed hands in 1H26, already exceeding the total transaction value recorded in full-year 2025. Major buildings in the market include Frasers Tower, where Frasers Property is seeking a buyer for its 50% stake valued at slightly over S$1b, 30 Raffles Place with a guide price of at least S$1.1b, and Lazada One, which is being offered at its S$755m valuation. Investor appetite is robust, as evidenced by the strong interest in Income Centre, which reportedly attracted a dozen bids.

Segmental Rating

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

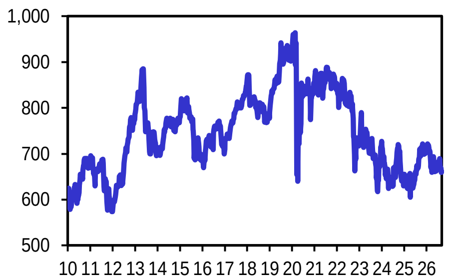
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
CICT	CICT SP	BUY	2.37	3.06
FLT	FLT SP	BUY	0.935	1.33
MPACT	MPACT SP	BUY	1.27	1.75
NTTDCR (USD)	NTTDCR SP	BUY	0.955	1.31
UIBREIT	UIBREIT SP	BUY	0.80	1.16

Source: UOB Kay Hian

FTSE ST All-Share REITS Index (FSTREI)



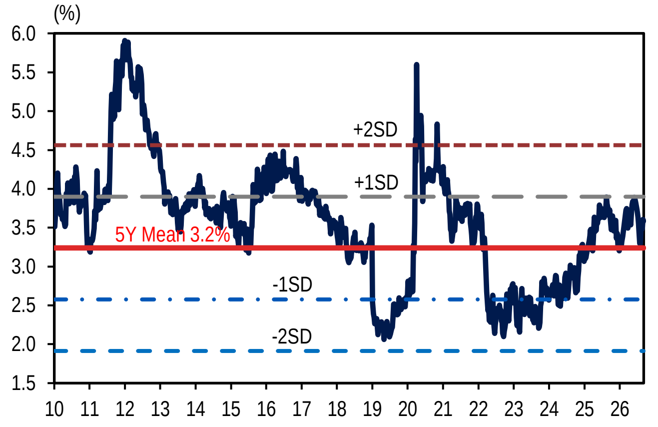
Source: UOB Kay Hian

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

Name	Ticker	Rec	Curncy	Price 31 Aug 26	Target Price	Mkt Cap (US$m)	--- DPU (¢) --- Curr	Fwd	--- Yield (%) --- Curr	Fwd	-- Yield Spread* (%) -- Curr	Fwd	Interest Coverage (x)	Aggregate Leverage (%)	WALE (years)
CapLand Int Comm Trust	CICT SP	BUY	S$	2.37	3.06	14,814	11.7	12.6	4.9	5.3	2.6	3.0	3.9	37.4	3.0
CapLand Ascendas	CLAR SP	BUY	S$	2.45	3.78	9,617	14.9	16.3	6.1	6.7	3.8	4.3	3.5	39.7	4.0
Mapletree Pan Asia	MPACT SP	BUY	S$	1.27	1.75	5,277	8.0	8.1	6.3	6.4	3.9	4.0	3.3	37.7	2.3
Mapletree Log Trust	MLT SP	HOLD	S$	1.17	1.29	4,725	6.9	6.9	5.9	5.9	3.6	3.6	2.9	40.5	2.5
Mapletree Ind Trust	MINT SP	HOLD	S$	1.94	2.07	4,354	11.5	11.7	5.9	6.1	3.6	3.7	4.0	37.5	4.5
Frasers Centrepoint	FCT SP	BUY	S$	2.17	2.99	3,477	12.7	13.2	5.8	6.1	3.5	3.7	3.7	40.4	1.7
Keppel REIT	KREIT SP	BUY	S$	0.875	1.13	3,424	5.4	5.3	6.2	6.1	3.9	3.8	2.7	40.0	4.5
Suntec REIT	SUN SP	BUY	S$	1.46	1.75	3,398	7.6	7.9	5.2	5.4	2.8	3.1	2.2	43.0	2.4
Frasers L&C Trust	FLT SP	BUY	S$	0.935	1.33	2,798	6.0	5.9	6.4	6.3	4.0	4.0	4.6	35.4	4.9
CapLand Ascott	CLAS SP	BUY	S$	0.855	1.42	2,591	6.2	6.3	7.2	7.4	4.9	5.1	2.9	37.7	n.a.
PLife REIT	PREIT SP	BUY	S$	4.16	5.45	2,134	17.9	18.3	4.3	4.4	2.0	2.1	8.2	33.8	14.6
OUE REIT	OUEREIT SP	NR	S$	0.365	n.a.	1,588	2.4	2.5	6.6	6.8	4.3	4.5	2.8	41.5	2.2
Centurion Acc REIT	CAREIT SP	BUY	S$	1.14	1.55	1,548	6.7	7.8	5.9	6.9	3.5	4.5	5.9	29.9	n.a.
ESR-REIT	EREIT SP	NR	S$	2.29	n.a.	1,457	22.0	22.3	9.6	9.7	7.3	7.4	2.6	41.4	4.8
Lendlease REIT	LREIT SP	BUY	S$	0.565	0.79	1,392	3.7	3.7	6.5	6.6	4.2	4.2	2.1	38.9	4.7
Stoneweg EU Trust EUR	SERT SP	NR	€	1.56	n.a.	1,005	13.3	13.6	8.5	8.7	5.2	5.4	2.5	41.9	4.9
NTT DC REIT USD	NTTDCR SP	BUY	US$	0.955	1.31	987	7.9	8.2	8.3	8.6	3.6	3.8	4.7	31.0	4.3
AIMS APAC REIT	AAREIT SP	NR	S$	1.49	n.a.	965	10.0	11.0	6.7	7.4	4.3	5.0	2.7	24.9	3.6
Starhill Global	SGREIT SP	NR	S$	0.525	n.a.	958	3.7	3.8	7.1	7.2	4.8	4.9	3.1	35.8	7.2

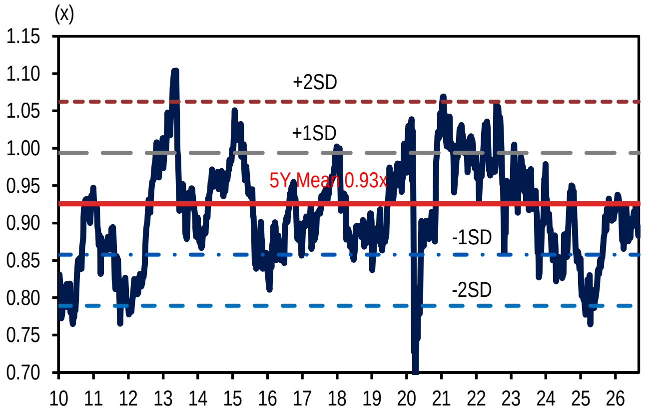
**Yield spread above 10-year government bond yield*
Source: Bloomberg, UOB Kay Hian

S-REIT Yield Spread



Source: UOB Kay Hian

S-REIT P/NAV



Source: UOB Kay Hian

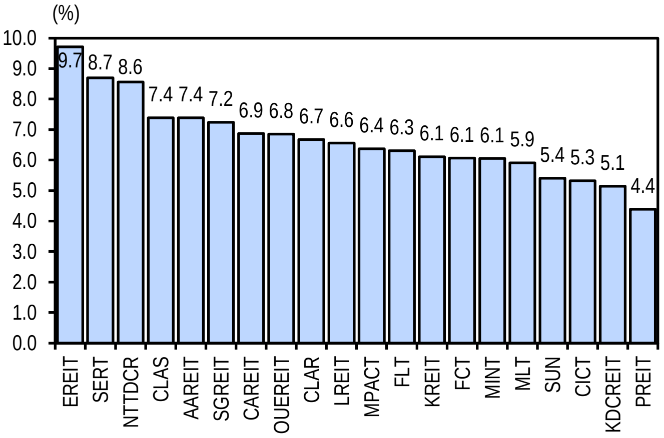
- **CICT is reconfiguring Paragon** to optimise retail space and enhance the mall's tenant mix, with areas currently occupied by Metro among those under review. Metro is expected to exit its traditional large-format department store format but has expressed interest to remain at Paragon through a new retail concept store. The initiative forms part of CICT's broader strategy to introduce fresh retail concepts and experiences following its S$3.9b acquisition of Paragon, while reinforcing the mall's positioning as a premium Orchard Road destination focused on luxury fashion, beauty, wellness, sports, and family-oriented offerings. CICT is also evaluating improvements to connectivity with surrounding properties.
- **KORE demonstrated strong leasing momentum** by securing a new 10-year lease for 32,000sf at The Westpark Portfolio in Redmond, Washington, with a publicly traded global life sciences instrumentation company. The lease will increase committed occupancy at the property from 73% to 77% and lift KORE's overall committed portfolio occupancy from 85.3% to 86.0% on a pro forma basis. The commitment follows KORE's record 1H26 leasing performance, during which it signed 550,522sf of leases, representing 11.5% of its portfolio NLA, reflecting the success of its proactive leasing strategy, targeted asset enhancement initiatives and spec-suite programmes.
- **Top outperformers.** Data centre REITs NTTDCR, DCREIT and MINT gained 3.8%, 3.1% and 0.5% respectively, while KDCREIT lost a marginal 1.3%. UIBREIT was stable in the month of August.
- **Top underperformers.** Logistics REITs with overseas exposure DHLT, MLT and FLT dropped 17.5%, 5.6% and 5.6% respectively. Industrial REITs EREIT and AAREIT dropped 12.6% and 6.9% respectively.

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
NTT DC REIT USD	3.8	-2.6	-4.0	1.6	-6.4	Daiwa Hse Log Trust	-17.5	-19.2	-28.6	-29.8	-29.2
Digi Core REIT USD	3.1	3.1	-1.9	-1.0	-1.0	ESR-REIT	-12.6	-3.8	-8.0	-16.4	-15.5
OUE REIT	2.8	2.8	-1.4	9.0	1.4	IREIT Global	-10.9	-30.2	-40.4	-40.4	-43.4
Elite UK REIT GBP	1.6	-7.4	-12.5	-10.0	-12.5	AIMS APAC REIT	-6.9	-5.7	-1.3	10.4	-0.7
Centurion Acc REIT	0.9	3.6	-0.9	29.5	2.7	Utd Hampshire REIT USD	-6.7	-5.8	-9.3	-1.0	-4.9
Mapletree Ind Trust	0.5	0.0	-4.9	-5.8	-6.7	First REIT	-6.5	-6.5	-17.3	-21.8	-21.8
UIBREIT	0.0	0.6	-9.1	-9.1	-9.1	Prime US REIT USD	-6.4	-11.4	-25.0	-20.1	-25.4
Keppel DC REIT	-1.3	-4.8	-4.8	-6.4	-2.2	Mapletree Log Trust	-5.6	-2.5	-9.3	-4.1	-11.4
Suntec REIT	-1.4	-0.7	2.8	10.6	1.4	Frasers L&C Trust	-5.6	-6.5	-5.6	2.7	-6.0
PLife REIT	-1.4	3.7	3.5	-1.4	2.0	CapLand Ascott	-5.5	-4.5	-11.9	-3.4	-10.5

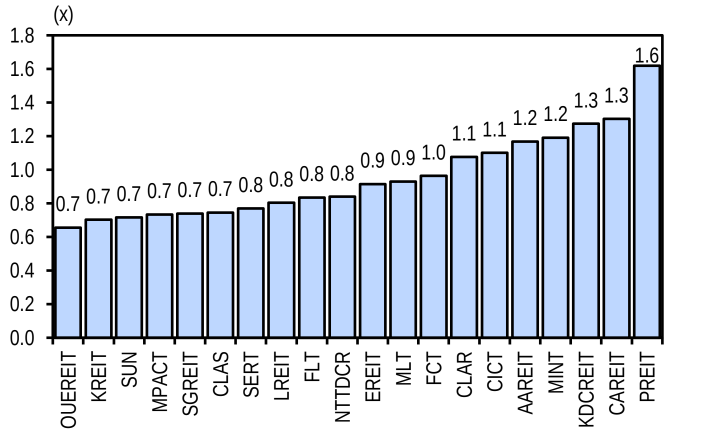
Source: Bloomberg, UOB Kay Hian

Ranking By Distribution Yield (Forward)



Source: UOB Kay Hian

Ranking By P/NAV (Current)



Source: UOB Kay Hian

Peer Comparison

	BBG	Trading			Price	Target	Mkt Cap	Yield (%)				Debt to	Debt to	P/NAV
Name	Ticker	Code	Rec	Curr	31 Aug 26	Price	(US$m)	Hist	Curr	Fwd 1Y	Fwd 2Y	Equity (%)	Assets (%)	(x)
HEALTHCARE														
First REIT	FIRT SP	AW9U	NR	S$	0.215	n.a.	359	10.1	9.1	8.4	n.a.	96.3	45.7	0.93
PLife REIT	PREIT SP	C2PU	BUY	S$	4.16	5.45	2,134	3.7	4.3	4.4	4.4	53.4	33.7	1.62
HOSPITALITY														
CapLand Ascott	CLAS SP	HMN	BUY	S$	0.855	1.42	2,591	7.1	7.2	7.4	7.4	71.4	37.7	0.75
CDL HTrust	CDREIT SP	J85	BUY	S$	0.76	1.11	766	6.3	7.3	7.2	7.4	66.4	35.3	0.55
Cent Accom REIT	CAREIT SP	8C8U	BUY	S$	1.14	1.55	1,548	5.7	5.9	6.9	7.5	43.8	29.9	1.30
Far East HTrust	FEHT SP	Q5T	BUY	S$	0.56	0.81	907	6.6	6.2	6.6	6.8	42.6	32.8	0.64
INDUSTRIAL														
AIMS APAC REIT	AAREIT SP	O5RU	NR	S$	1.49	n.a.	965	6.6	6.7	7.4	7.7	54.5	24.9	1.17
CapLand Ascendas	CLAR SP	A17U	BUY	S$	2.45	3.78	9,617	6.1	6.1	6.7	7.0	72.8	39.7	1.08
Daiwa Hse Log Trust	DHLT SP	DHLU	NR	S$	0.40	n.a.	221	10.8	10.5	10.5	10.5	78.9	40.1	0.64
Digi Core REIT USD	DCREIT SP	DCRU	BUY	US$	0.505	0.93	647	7.1	6.8	8.1	8.1	67.9	39.2	0.64
ESR-REIT	EREIT SP	9A4U	NR	S$	2.29	n.a.	1,457	9.6	9.6	9.7	10.0	99.2	41.4	0.92
Mapletree Ind Trust	MINT SP	ME8U	HOLD	S$	1.94	2.07	4,354	6.6	5.9	6.1	6.3	66.3	37.5	1.19
Mapletree Log Trust	MLT SP	M44U	HOLD	S$	1.17	1.29	4,725	6.2	5.9	5.9	5.9	85.2	40.5	0.93
NTT DC REIT USD	NTTDCR SP	NTDU	BUY	US$	0.955	1.31	987	8.1	8.3	8.6	8.7	45.5	31.0	0.84
UIBREIT	UIBREIT SP	UIBU	BUY	S$	0.80	1.16	860	n.a.	8.8	8.6	9.0	65.9	36.4	0.94
OFFICE														
Keppel REIT	KREIT SP	K71U	BUY	S$	0.875	1.13	3,424	6.0	6.2	6.1	6.0	78.2	40.0	0.70
RETAIL														
Frasers Centrepoint	FCT SP	J69U	BUY	S$	2.17	2.99	3,477	5.6	5.8	6.1	6.2	58.3	40.4	0.96
Lendlease REIT	LREIT SP	JYEU	BUY	S$	0.565	0.79	1,392	6.5	6.5	6.6	6.6	73.0	38.9	0.80
Starhill Global	SGREIT SP	P40U	NR	S$	0.525	n.a.	958	7.0	7.1	7.2	7.4	61.6	35.8	0.74
DIVERSIFIED														
CapLand China Trust	CLCT SP	AU8U	NR	S$	0.645	n.a.	891	7.5	7.3	7.3	7.5	94.8	40.4	0.62
CapLand Int Comm Trust	CICT SP	C38U	BUY	S$	2.37	3.06	14,814	4.9	4.9	5.3	5.4	57.8	37.4	1.10
Frasers L&C Trust	FLT SP	BUOU	BUY	S$	0.935	1.33	2,798	6.4	6.4	6.3	6.3	58.7	35.4	0.83
Mapletree Pan Asia	MPACT SP	N2IU	BUY	S$	1.27	1.75	5,277	6.3	6.3	6.4	6.4	63.8	37.7	0.73
OUE REIT	OUEREIT SP	TS0U	NR	S$	0.365	n.a.	1,588	6.1	6.6	6.8	7.0	79.1	41.5	0.66
Suntec REIT	SUN SP	T82U	BUY	S$	1.46	1.75	3,398	4.8	5.2	5.4	5.4	70.8	43.0	0.72
INTERNATIONAL (US / EUROPE)														
Stoneweg EU Trust EUR	SERT SP	SEB	NR	€	1.56	n.a.	1,005	8.6	8.5	8.7	9.2	93.2	43.6	0.77
Elite UK REIT GBP	ELITE SP	MXNU	BUY	£	0.315	0.39	282	9.6	9.6	9.5	10.0	58.1	34.8	0.72
IREIT Global	IREIT SP	UD1U	NR	S$	0.164	n.a.	173	9.8	9.0	9.0	18.0	94.9	45.5	0.35
KORE REIT USD	KORE SP	CMOU	BUY	US$	0.171	0.25	179	1.5	5.0	8.8	13.3	82.9	43.3	0.24
Prime US REIT USD	PRIME SP	OXMU	BUY	US$	0.147	0.21	211	4.1	11.2	12.5	12.2	87.5	44.9	0.28
Utd Hampshire REIT USD	UHU SP	ODBU	BUY	US$	0.49	0.69	298	9.0	9.4	10.1	10.3	73.8	40.4	0.67

Source: Bloomberg, UOB Kay Hian

KORE US REIT (KORE SP)

1H26: Record Leasing Volume; Payout Ratio At 21%

Highlights

- NPI and distributable income grew 6.1% and 2.1% yoy respectively in 1H26. The results included a one-off termination fee of US$2.7m and restoration fee of US$2.3m. DPU of 0.4 US cents represented a payout ratio of 21%.
- Leasing momentum accelerated in 2Q26 with 492,365sf signed, of which 90.6% were renewals. KORE secured new 10-year lease for 32,000sf of Westpark Portfolio in Redmond with a life sciences instrumentation tenant.
- KORE plans to progressively increase its payout ratio towards a sustainable level. Maintain BUY with target price of US$0.25.

1H26 Results

Year to 31 Dec (US$m)	1H26	yoy % Chg	Remarks
Gross Revenue	76.6	+2.8	Positive rental reversion at 1.5% and rental escalations at 2.6%.
Net Property Income (NPI)	43.1	+6.1	One-off termination fee (US$2.7m) and restoration fee (US$2.3m).
Adjusted NPI	45.6	+10.2	
Finance Expenses	(15.1)	+10.2	All-in cost of debt increased 46bp yoy to 4.91% in 1H26.
Distributable Income	20.4	+2.1	
DPU (US cents)	0.40	n.m.	Payout ratio at 21% for 1H26.

Source: KORE, UOB Kay Hian

Analysis

- KORE US REIT (KORE) delivered a strong 1H26 DPU of 0.40 US cents, representing a payout ratio of 21%, which was slightly above our expectation. Management expects a similar distribution quantum in 2H26.
- **Boost from one-off termination fee and restoration fee.** Gross revenue rose 2.8% yoy to US$76.6m in 1H26 while NPI increased 6.1% yoy to US$43.1m. Excluding non-cash straight-line rent, leasing incentives and leasing commission amortisation, adjusted NPI grew 10.2% yoy to US$45.6m, driven by higher cash rental income, a one-off termination fee (US$2.7m) and other operating income (one-off restoration fee of US$2.3m). Distributable income increased 2.1% yoy to US$20.4m despite higher borrowing costs following the expiry of interest-rate swaps.
- **Record leasing performance.** KORE signed 550,522sf of leases in 1H26, representing 11.5% of its portfolio NLA and the strongest 1H leasing since its listing. Leasing momentum accelerated in 2Q26 with 492,365sf signed, of which 90.6% were renewals, significantly reducing near-term lease expiry risks. Portfolio rental reversion remained positive at 1.5% in 2Q26, while built-in annual rental escalation increased to 2.6%. Committed portfolio occupancy improved 0.2ppt qoq to 85.3% in 2Q26 despite the earlier Meta vacate at The Westpark Portfolio. Management is targeting portfolio occupancy to recover to 2025's level of 87.2% by end-26 through active leasing and vacancy backfilling initiatives.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	146	150	148	148	149
EBITDA	69	72	74	72	73
Operating profit	69	72	74	72	73
Net profit (rep./act.)	(7)	(4)	42	39	39
Net profit (adj.)	47	46	42	39	39
EPU (US$ cent)	4.5	4.4	4.0	3.7	3.7
DPU (US$ cent)	0.0	0.3	0.9	1.5	2.3
PE (x)	3.8	3.9	4.3	4.7	4.6
P/B (x)	0.3	0.3	0.2	0.2	0.2
DPU yld (%)	0.0	1.4	4.9	8.7	13.2
Net margin (%)	(4.7)	(2.7)	28.3	26.3	26.2
Net debt/(cash) to equity (%)	78.3	77.9	75.5	74.7	75.1
Interest cover (x)	2.6	2.6	2.4	2.2	2.2
ROE (%)	(1.0)	(0.6)	5.8	5.1	5.0
Consensus DPU (US$ cent)	-	-	1.0	1.0	2.0
UOBKH/Consensus (x)	-	-	0.85	1.51	1.14

Source: KORE US REIT, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	US$0.173
Target Price	US$0.25
Upside	44.5%

Stock Data

Sector	Real Estate
Bloomberg ticker	KORE SP
Shares issued (m)	1,044.5
Market cap (US$m)	180.7
Market cap (US$m)	180.7
3-mth avg daily t'over (US$m)	0.1

Price Performance (%)

52-week high/low US$0.265/US$0.164

1mth	3mth	6mth	1yr	YTD
(3.4)	(7.0)	(19.5)	(21.4)	(26.4)

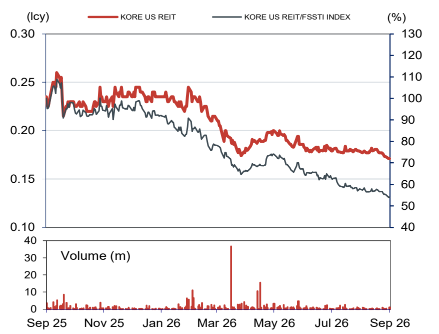
Major Shareholders (%)

Temasek Hldgs	7.0
Hillsboro Capital	9.0

Balance Sheet Metrics

FY26 NAV/Share (US$)	0.71
FY26 Net Debt/Share (US$)	0.54

Price Chart



Source: Bloomberg

Company Description

KORE invests in a diversified portfolio of income-producing office real estate in growth markets with positive economic fundamentals and influx of talents. It owns 13 freehold office buildings and business campuses in eight growth markets, namely Bellevue/Redmond, Austin, Denver, Nashville, Houston, Dallas, Orlando and Sacramento.

- **KORE is executing a targeted asset enhancement and spec-suite strategy** aimed at accelerating leasing velocity and reducing long-term capex requirements. The completion of repositioning of the lobby at 10800 The Plaza Buildings has generated strong interest in The Post, KORE's new spec-suite floor scheduled for completion in 3Q26. Two of the six spec suites have already been leased, while the remaining four spec suites are under advanced negotiations. KORE is also adding two spec suites each at Westech 360 and Great Hills Plaza in Austin. It plans to deliver 43,600sf of spec suites by end-26, of which 28% are already pre-leased. These initiatives help reposition underutilised space into higher-value offerings.
- **Liquidity position strengthened.** Aggregate leverage remained stable at 43.3% and interest coverage ratio of 2.5x as of Jun 26. Management secured a new committed revolving credit facility of US$40m during the quarter, raising total committed revolving facilities to US$82m. KORE has no loan maturities remaining in 2026 and is engaging lenders for early refinancing of facilities maturing in 2027. 58.2% of borrowings remain hedged through interest-rate swaps, helping mitigate exposure to interest-rate volatility.
- All-in cost of debt increased 46bp yoy to 4.91% after the expiry of interest rate swaps. Interest expense increased 10.2% yoy to US$15.1m in 1H26.

Valuation/Recommendation

- **Benefitting from gradual office recovery.** Supply-demand dynamics for the US office market improved with trailing 12-month net absorption reaching 14.3m sf, the strongest since 2020. According to JLL, national office vacancy declined 60bp qoq to 21.6% due to strong positive net absorption of 10m sf, coupled with more than 10m sf of inventory removals of predominantly vacant office buildings. New office construction is at decade lows. KORE focuses on growth-oriented and business-friendly markets, with 64% of NPI derived from technology hubs, such as Bellevue/Redmond, Austin and Denver. With its amenity-led strategy and growing spec-suite platform, KORE is well positioned to benefit from a recovery in leasing. It is pursuing divestments to improve capital efficiency. Candidates for divestiture include Iron Point in Sacramento and 1800 West Loop South in Houston.
- **KORE has secured a new 10-year lease for 32 000sf at The Westpark Portfolio** in Redmond, with a listed global life sciences instrumentation company. The tenant will utilise the space for office, R&D, laboratory, light manufacturing and warehouse functions. The leasing success underscores positive leasing momentum at The Westpark Portfolio, a 41-acre freehold business campus comprising 19 office buildings and two industrial buildings in Seattle's Eastside market. It is strategically located near major technology hubs, including Microsoft, Amazon and Bellevue's corporate corridor. The lease raises occupancy at The Westpark Portfolio by 4ppt to 77%, while improving overall portfolio occupancy by 0.7ppt to 86.0%.
- **Management has adopted a conservative payout** that reflects a measured capital allocation following the completion of its recapitalisation plan. KORE must balance distributions with the need to preserve liquidity, fund capital commitments and manage leverage, amid an ongoing office market recovery. KORE intends to progressively increase the payout ratio towards a sustainable level as portfolio performance improves. We envisage a phased increase in payout ratio to 40% in 2027, 60% in 2028 and 70% in 2029.
- **Maintain BUY.** Our target price of US$0.25 is based on DDM (cost of equity: 9.8%, terminal growth: 0.5%). KORE provides a DPU yield of 4.9% for 2026 and 8.7% for 2027. P/NAV remains depressingly low at 0.25x (75% discount to NAV per unit of US$0.68).

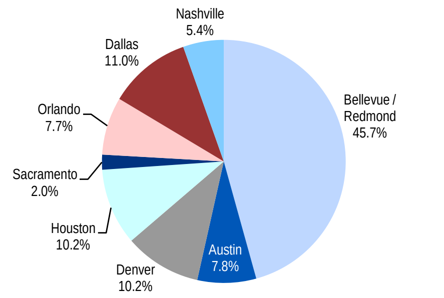
Earnings Revision/Risk

- We have revised our DPU forecast higher by 18% for 2026 and 8% for 2027 due to the better-than-anticipated 1H26 results as well as the positive leasing momentum.

Share Price Catalyst

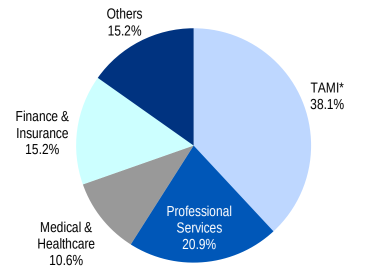
- Backfilling vacancies at Westpark Portfolio at Redmond, The Plaza Buildings at Bellevue and Westmoor Center at Denver.

Geographical Diversification By NPI



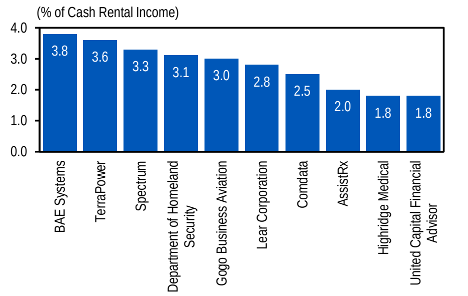
Source: KORE

Industry Diversification By NLA



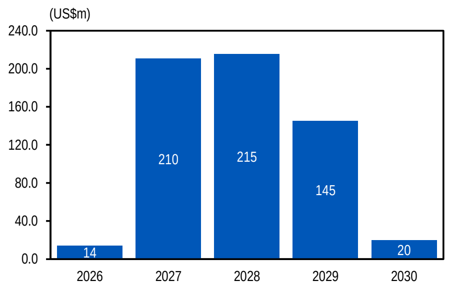
Source: KORE

Top 10 Tenants



Source: KORE

Debt Maturity Profile



Source: KORE

Profit & loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	150.2	148.1	147.6	149.2
EBITDA	71.8	73.8	72.3	73.2
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	71.8	73.8	72.3	73.2
Total other non-operating income	(49.9)	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(27.7)	(30.8)	(32.5)	(33.1)
Pre-tax profit	(5.8)	43.0	39.8	40.0
Tax	1.8	(1.1)	(1.0)	(1.0)
Minorities	0.0	0.0	0.0	0.0
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	(4.1)	41.9	38.9	39.0
Net profit (adj.)	45.8	41.9	38.9	39.0

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	1,325.4	1,365.4	1,400.4	1,430.4
Other LT assets	2.7	2.7	2.7	2.7
Cash/ST investment	56.3	56.7	55.6	56.3
Other current assets	5.4	5.1	5.1	6.1
Total assets	1,389.7	1,429.8	1,463.7	1,495.4
ST debt	194.5	194.5	194.5	194.5
Other current liabilities	40.7	39.8	39.6	40.1
LT debt	416.6	425.0	435.0	450.0
Other LT liabilities	25.7	25.3	26.3	27.4
Shareholders' equity	712.2	745.2	768.3	783.5
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	1,389.7	1,429.8	1,463.7	1,495.4

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	76.9	71.7	72.2	71.6
Pre-tax profit	(5.8)	41.9	38.9	39.0
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	1.3	(1.7)	(0.2)	0.4
Non-cash items	49.9	0.0	0.0	0.0
Other operating cashflows	31.6	31.4	33.5	32.1
Investing	(44.0)	(40.0)	(35.0)	(30.0)
Capex (growth)	0.0	0.0	0.0	0.0
Capex (maintenance)	(45.3)	(40.0)	(35.0)	(30.0)
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	1.4	0.0	0.0	0.0
Financing	(20.9)	(31.3)	(38.2)	(41.0)
Distribution to unitholders	0.0	(8.9)	(15.8)	(23.8)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	5.5	8.4	10.0	15.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(26.4)	(30.8)	(32.5)	(32.1)
Net cash inflow (outflow)	12.1	0.4	(1.1)	0.6
Beginning cash & cash equivalent	44.2	56.3	56.7	55.6
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	56.3	56.7	55.6	56.3

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	47.8	49.8	49.0	49.0
Pre-tax margin	(3.9)	29.0	27.0	26.8
Net margin	(2.7)	28.3	26.3	26.2
ROA	(0.3)	3.0	2.7	2.6
ROE	(0.6)	5.8	5.1	5.0
Growth				
Turnover	2.5	(1.3)	(0.4)	1.1
EBITDA	3.6	2.8	(1.9)	1.2
Pre-tax profit	n.a.	n.a.	(7.3)	0.5
Net profit	n.a.	n.a.	(7.3)	0.5
Net profit (adj.)	(2.5)	(8.5)	(7.3)	0.5
EPU	(2.5)	(8.5)	(7.3)	0.5
Leverage				
Debt to total capital	46.2	45.4	45.0	45.1
Debt to equity	85.8	83.1	81.9	82.3
Net debt/(cash) to equity	77.9	75.5	74.7	75.1
Interest cover (x)	2.6	2.4	2.2	2.2

Market News

US stocks were lower on Monday, as the communication services, utilities and industrials sectors led shares lower. At the close of the NYSE, the Dow Jones fell 0.70%, while the S&P 500 Index was down 0.33%, and the NASDAQ Composite Index slid 0.12%. Falling stocks outnumbered advancing ones on the NYSE by 1,781 to 966 and 89 ended unchanged; on the Nasdaq Stock Exchange, 3,021 declined and 1,887 advanced, while 219 ended unchanged.

During the last trading session, the FSSTI Index rose 55.43pt to 5,755.36. Among the top active stocks were Singtel (+0.4%), DBS (+1.6%), OCBC Bank (+1.5%), Riverstone (+2.6%) and SIA (-1.5%). The FTSE ST Mid Cap Index fell 0.02%, while the FTSE ST Small Cap Index rose 0.4%. The broader market had 286 gainers and 251 losers with a total trading value of S$3.40b.

Technical Analysis

Analyst(s)

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DBS Group (DBS SP)

Trading sell range:	S$76.90-76.92
Last price:	S$77.40
Target price:	S$82.98
Protective stop:	S$74.23

The price broke out from a pennant continuation pattern backed by accelerating momentum as it pushed into price discovery at new all-time highs. The RSI trends firmly in bullish territory and sloping upward. The path-of-least-resistance dynamics favour a sustained run higher with any minor retests of the breakout level likely acting as fresh support.

The potential upside target is S$82.98. Stop-loss could be placed at S$74.23.

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$80.00.

DFI Retail Group (DFI SP)

Trading sell range:	US$3.60-3.61
Last price:	US$3.71
Target price:	US$4.19
Protective stop:	US$3.49

The price staged a rebound directly off the key 61.8% Fibonacci retracement level printing a strong bullish candle. The RSI pivots upward and reclaims territory above its neutral 50-midline. Expect the price to maintain its upward trajectory and press higher.

The potential upside target is US$4.19. Stop-loss could be placed at US$3.49.

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.