

UI Boustead REIT

(SGX: UIBU)

Gateway to Asia Pacific industrial real estate

- Industrial REIT focused on high-tech and innovative sectors in Singapore.** UI Boustead REIT is principally invested in logistics, industrial, high-specifications industrial and business space assets. The initial portfolio, valued of S\$1.9 billion, consists of 23 properties located in Singapore and Japan. Singapore assets accounts for 71.2% of the portfolio value.
- Built-in rental escalations and property expense pass-through.** The Singapore Properties are supported by built-in rental escalations. For Forecast period 2026 and Projection Year 2027, 72.3% and 70.3% of leases have built-in rental escalations of 3.3% and 2.3%, respectively.
- Visible growth pipeline from asset enhancement and acquisition.** The sponsor has a stabilised Pan-Asian logistics and industrial assets pipeline of over US\$5.9 billion. Co-development opportunities include a built-to-suit facility in Singapore and a two-storey logistics facility in Greater Osaka.
- Healthy financial position to support future growth.** Aggregate leverage stands at 37.9%. Average debt maturity is 4.2 years, with a weighted average cost of debt of 2.4%, interest coverage ratio of 4.7x in FY2027.
- Shorter industrial lease tenures.** 13 of its 21 Singapore properties have less than 30 years of remaining tenure. These contribute 61.4% of FY2025 operating profits. The concentration of earnings in shorter-tenure assets heightens both income risk and valuation pressure as leases decay.
- Longer lead time to fill vacant space in Japan.** Japan accounts for 30% of the portfolio, with UIB Konan Phase 2 recording a relatively high vacancy rate of 23% as at end-September 2025. Based on our observation, it takes a longer time to fill up industrial spaces in Japan.
- Scale is not optimal.** The REIT sits mid-pack among the S-REIT peers. It is roughly twice the size of Alpha Integrated REIT and about one-fifth that of Mapletree Industrial Trust. We think the REIT is not at optimal scale.
- Sponsors will hold 19% of the REIT.** Post listing, the sponsors will hold 19% stake. We favour sponsors with higher ownership stakes, as this strengthens alignment with unitholders.
- Initiate with Neutral with target price of S\$0.91.** Currently, UI Boustead REIT is trading at S\$0.81, implying FY2027E distribution yield of 8.4%. This is higher than the peers' FY2026E average distribution yield of 7.0%. Our target price at S\$0.91 is based on the dividend discount model, representing FY2027E distribution yield of 7.5%. While the dividend yield appears high, this is offset by the shorter lease tenures; sponsor's relatively low stake, the longer time needed to fill vacant space in Japan, and the REIT's smaller scale.
- Key Risks.** Concentrated two-market exposure, foreign exchange risk, lease expiry risk, and regulatory exposure.

Ticker	UIBU
Rating	Neutral
Price Target*	S\$0.91
Price (26 Mar 2026)	S\$0.81
Upside/Downside	+12%
52-week range	S\$0.80 – 0.84
Market Cap	S\$1.1B

*Target price is for 12 months

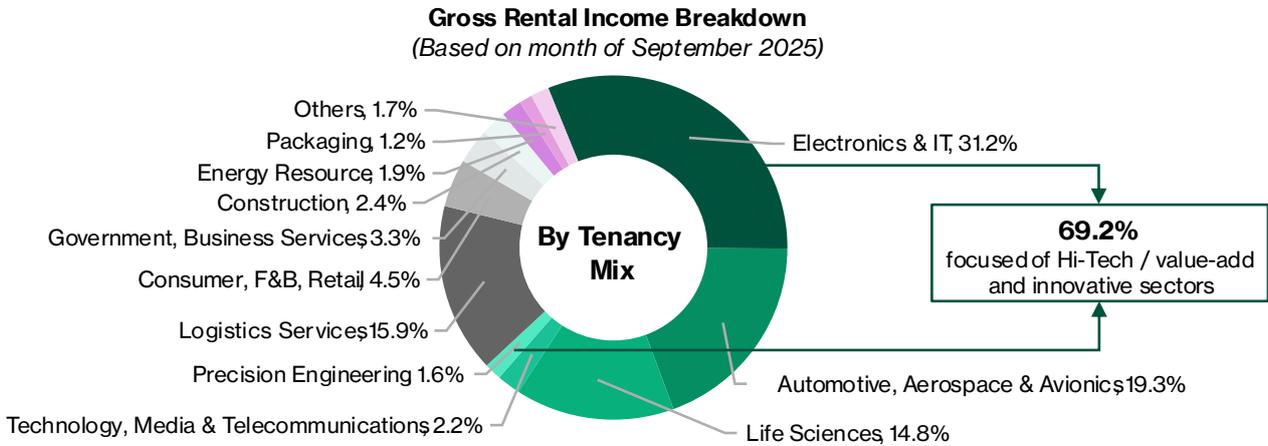
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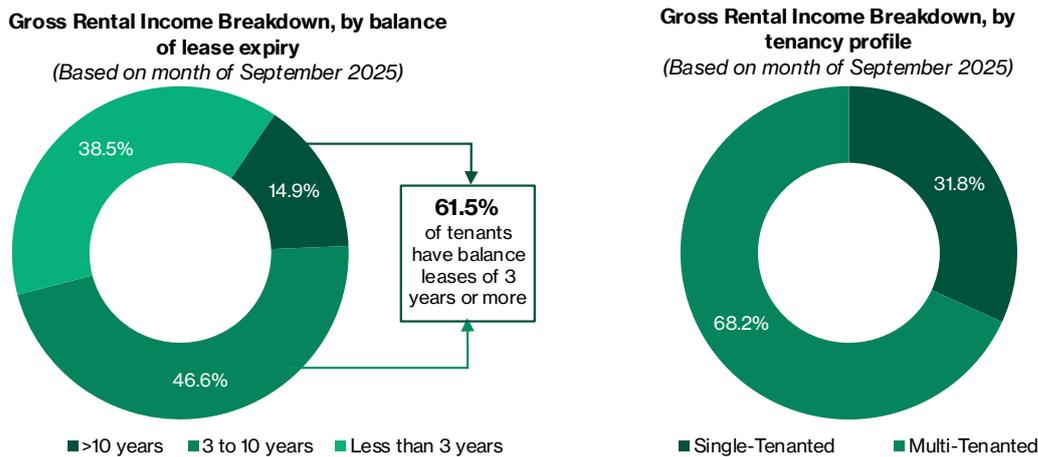
Focus charts and tables

Figure 1: Gross rental income breakdown, by tenant mix



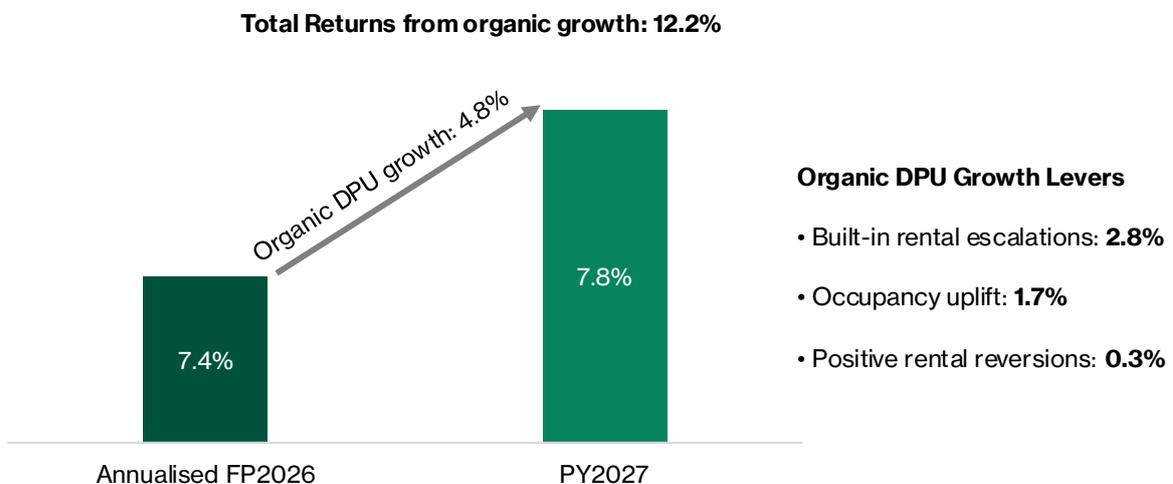
Source: Company prospectus, dated 5 March 2026

Figure 2: Gross rental income breakdown



Source: Company prospectus, dated 5 March 2026

Figure 3: Distribution yield based on organic growth levers at IPO price



Source: Company prospectus, dated 5 March 2026

Gateway to Asia Pacific industrial real estate

About UI Boustead REIT

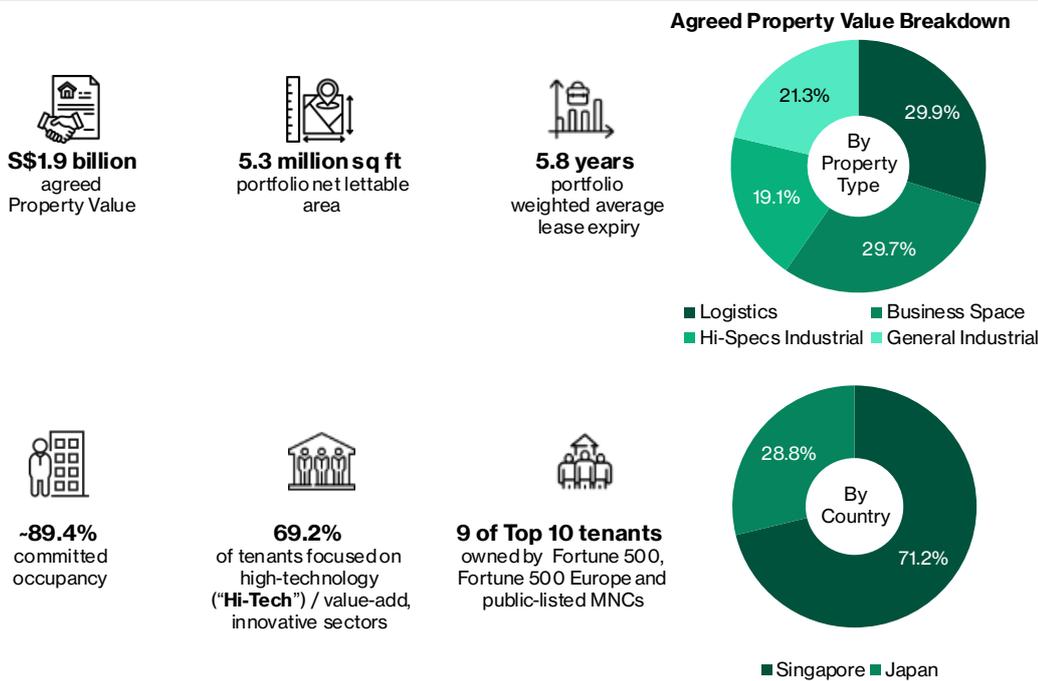
UI Boustead REIT is a real estate investment trust established with the mandate to invest in logistics, industrial, high-specifications (“Hi-Specs”) industrial and business space assets across the Asia Pacific region. Its initial focus is on Singapore and Japan.

The initial portfolio consists of 23 properties, of which 21 assets in Singapore and 2 assets in Japan. The portfolio is concentrated in Singapore, which accounts for 71.2% of the total portfolio value, with the remaining 28.8% comprising properties located in Japan.

The IPO portfolio has a total gross floor area (GFA) of approximately 5.9 million sq ft and a net lettable area (NLA) of approximately 5.3 million sq ft. As at 30 September 2025, the agreed property value was S\$1.9 billion, with a committed occupancy rate of 89.4%, providing a stable recurring rental income.

A portfolio providing a base of stable income, the portfolio is well-diversified across asset classes, including logistics facilities, business parks, high-specs industrial and general industrial buildings. The tenant profile is unique with 69.2% of the tenants in high-technology and value-add innovative sectors. These industries typically require purpose-built or specialised facilities, which makes tenants more anchored to the properties and results in stronger tenant retention.

Figure 4: Key portfolio highlights, as at 30 September 2025



Source: Company prospectus, dated 5 March 2026

Figure 5: UI Boustead REIT's portfolio

No.	Name of property	Country	Address of property	Completion year	Balance land lease term, years	Net lettable area, sq ft	Type of tenancy	Committed occupancy rate %	WALE by gross rental income, as of Sep 2025, years	Agreed property value S\$ million
Logistics										
1	UIB Konan Phase 2	Japan	1-2315-1, Ishibe-midoridai, Konan City, Shiga	2025	Freehold	1,713,617	Multi	76.7	9.3	431.0
2	12 Changi North Way	Singapore	12 Changi North Way, Singapore 498791	2005	39.3	221,822	Multi	100.0	1.1	66.0
3	16 Changi North Way	Singapore	16 Changi North Way, Singapore 498772	2008	39.3	121,851	Single	100.0	8.3	36.8
4	10 Changi North Way	Singapore	10 Changi North Way, Singapore 498740	2011	39.3	128,505	Single	100.0	6.2	36.0
Total, Logistics										569.8
Business Space										
5	ALICE@Mediapolis	Singapore	29 Media Circle, Singapore 138565	2018	21.3	329,896	Multi	91.6	2.1	209.5
6	GSK Asia House	Singapore	20-23 Rochester Park, Singapore 139231-139234	2016	19.4	136,341	Multi	100.0	6.2	128.0
7	Toyo MK Fuso Building	Japan	7-2-13 and 14 Toyo, Koto-ku, Tokyo	1997	Freehold	163,579	Industrial: Single / Office: Multi	76.5	7.8	117.5
8	Razer SEA HQ	Singapore	1 One-North Crescent, Singapore 138538	2021	23.4	179,716	Multi	100.0	4.8	110.0
Total, Business Space										565.0
Hi-specs Industrial										
9	351 Braddell Road	Singapore	351 Braddell Road, Singapore 579713	2021	23.2	236,864	Multi	93.4	1.6	131.0
10	26 Tai Seng Street	Singapore	26 Tai Seng Street, Singapore 534057	2011	41.7	180,801	Multi	81.6	5.8	105.0
11	AUMOVIO Building Phase 1 and 2	Singapore	80 Boon Keng Road, Singapore 339780	2012	33.8	174,917	Single	100.0	3.9	72.0
12	AUMOVIO Building Phase 3	Singapore	84 Boon Keng Road, Singapore 339781	2018	21.3	120,031	Single	100.0	0.7	25.4
13	Edward Boustead Centre	Singapore	82 Ubi Avenue 4, Singapore 408832	2014	17.5	76,894	Multi	100.0	2.0	29.5
Total, Hi-specs Industrial										362.9
General Industrial										
14	6 Tampines Industrial Avenue 5	Singapore	6 Tampines Industrial Avenue 5, Singapore 528760	2010	43.6	383,006	Multi	86.6	4.5	115.0
15	8 & 12 Seletar Aerospace Heights	Singapore	8 Seletar Aerospace Heights, Singapore 797549; 12 Seletar Aerospace Heights, Singapore 797378	2020	23.4	222,840	Single	100.0	23.4	72.7
16	Rolls-Royce Solutions Asia	Singapore	10 Tukang Innovation Drive, Singapore 618302	2014	18.1	266,947	Single	100.0	4.8	51.6
17	Jabil Circuit	Singapore	16 Tampines Industrial Crescent, Singapore 528604	2013	16.7	215,495	Single	100.0	5.6	48.0
18	85 Tuas South Avenue 1	Singapore	85 Tuas South Avenue 1, Singapore 637419	2008	34.5	112,299	Single	100.0	3.7	25.7
19	10 Seletar Aerospace Heights	Singapore	10 Seletar Aerospace Heights, Singapore 797546	2013	16.7	67,708	Single	100.0	16.7	24.4
20	31 Tuas South Avenue 10	Singapore	31 Tuas South Avenue 10, Singapore 637015	2014	18.2	113,316	Single	100.0	1.3	20.5
21	26 Changi North Rise	Singapore	26 Changi North Rise, Singapore 498756	2011	44.6	64,584	Single	100.0	5.4	19.7
22	98 Tuas Bay Drive	Singapore	98 Tuas Bay Drive, Singapore 636833	2019	23	74,859	Single	100.0	9.8	17.0
23	11 Seletar Aerospace Link	Singapore	11 Seletar Aerospace Link, Singapore 797554	2015	19.6	38,391	Single	100.0	5.2	11.9
Total, General Industrial										406.5
Total portfolio value, S\$ million										1,904.2

Source : UI Boustead REIT Prospectus dated 5 March 2026

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PLEASE SEE ANALYST CERTIFICATION(S) AND IMPORTANT DISCLOSURES BEGINNING IN APPENDIX.

Focused on high-technology and innovative sectors in Singapore

UI Boustead REIT is formed through a partnership between Unified Industrial and Boustead Projects Limited. UI Boustead REIT was listed on the Mainboard of SGX on 12 March 2026 at S\$0.88 per unit. The Sponsor of the REIT, UIB Holdings, is 80% owned by Unified Industrial and 20% owned by Boustead Projects Limited.

Unified Industrial is a real estate investment, development, and asset management firm focused on industrial and logistics properties in North Asia. It operates in Japan and China, targeting logistics facilities, warehouses, and industrial parks.

Boustead Projects Limited is the real estate solutions division of Boustead Singapore Limited (F9D), an infrastructure-related engineering and technology group listed on the Mainboard of SGX with a market capitalisation of S\$943.8 million.

The portfolio has a total net leasable area (NLA) of approximately 5.3 million square feet (sq ft) and a portfolio value of S\$1.90 billion as at 30 September 2025. The initial portfolio comprises 23 properties across Singapore and Japan.

- Singapore – 21 leasehold properties strategically located near Changi Airport, one-north, Seletar Aerospace Park, and the Tuas industrial corridor.
- Japan – UIB Konan Phase 2, a large-scale institutional-grade logistics facility in Shiga Prefecture, and Toyo MK Fuso Building, a business space property in Tokyo's Koto Ward.

About 69.2% of the portfolio's gross rental income is derived from tenants operating in high-technology, value-added, and innovative sectors. These include electronics and IT, automotive, aerospace and avionics, life sciences, precision engineering, and technology, media and telecommunications.

Figure 6: Properties are strategically located near designated hubs



Source: Company prospectus, dated 5 March 2026

Strategy

Asset management and asset enhancement initiative (AEI)

The REIT Manager adopts a proactive asset management approach, focusing on lease management, occupancy uplift, and value-enhancing AEIs.

Key near-term AEI opportunities include the AUMOVIO Building Phase 3 and the potential redevelopment of Toyo MK Fuso Building

- AUMOVIO Building Phase 3 will become vacant from 29 May 2026. The REIT has a planned \$3.0 million AEI to convert the property from single-tenanted to multi-tenanted. The downtime of 12 months from June 2026 includes the AEI completion and the progress to achieve a stabilised occupancy.
- Toyo MK Fuso Building could be redeveloped into a data centre with up to 20-megawatt capacity, subject to obtaining approvals from Tokyo Electronic Power Company Holdings.

Acquisitions and Co-Development Pipeline

UI Boustead REIT benefits from rights of first refusal (ROFR) of the sponsor's stabilised Pan-Asian logistics and industrial assets pipeline of over US\$5.9 billion. The sponsor has a sizeable pipeline of approximately 19.6 million sq ft of GFA, including 1.7 million sq ft across four completed projects that are still in the lease-up phase or at an early stage of fund life. The balance of c.17.9 million sq ft comprises projects under development, on secured land, or currently under exclusive negotiation, providing potential visibility for future growth.

The near-term acquisition visibility includes a pre-committed logistics facility at 36 Tuas Road.

- 36 Tuas Road is a five-storey ramp-up logistics facility with a gross floor area of 640,147 sq ft. Completed in February 2025, the asset features modern logistics specifications including high floor loading, efficient floor plates, direct ramp access, and high ceiling clearance. The property is leased to tenants including a leading global apparel brand and a multinational shipping and logistics solutions provider and was valued at approximately S\$220.0 million as at 31 March 2025.

Co-development opportunities, includes, a built-to-suit facility in Singapore for an existing tenant in Singapore, and a two-storey logistics facility in Greater Osaka.

Figure 7: DPU growth not factored into IPO forecast



Source: Company prospectus, dated 5 March 2026

Portfolio performance metrics

Built-in rental escalations and property expense pass-through

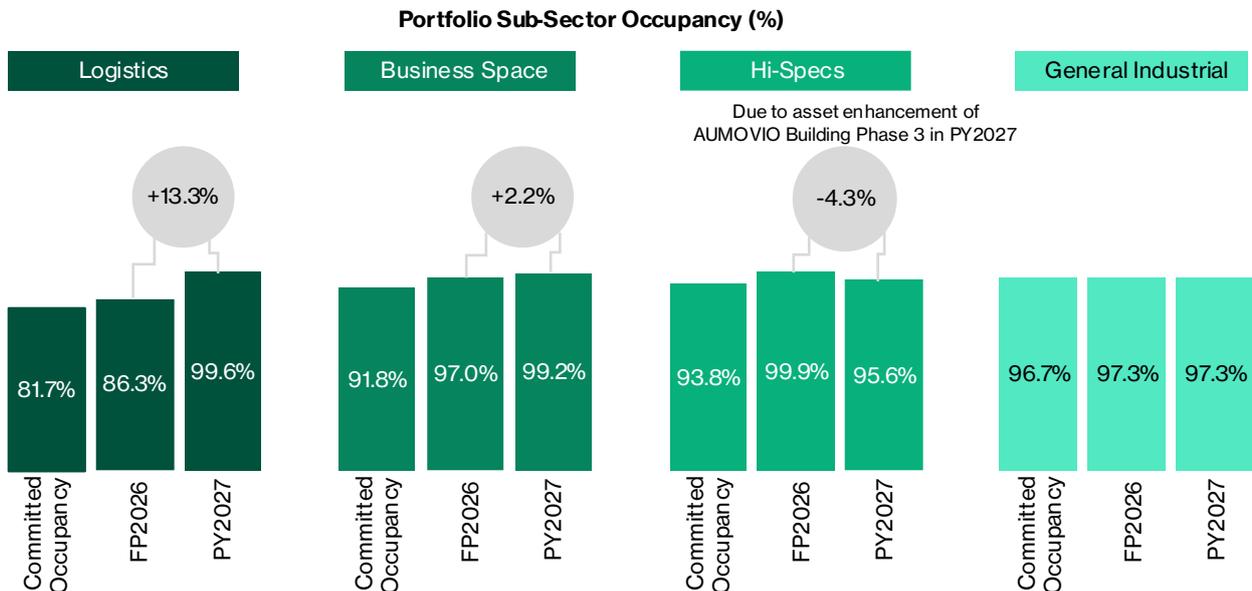
The Singapore Properties are well positioned to deliver healthy organic growth, supported by built-in rental escalations in committed leases. For Forecast period 2026 and Projection Year 2027, 72.3% and 70.3% of leases have built-in rental escalations of 3.3% and 2.3%, respectively.

In addition, approximately 34.0% of leases (by NLA) include cost pass-through arrangements for property expenses such as property tax, utilities, and land rent. Leases in multi-tenanted buildings typically include service charge review clauses, allowing adjustments in the event of increases in operating costs.

These contractual features provide income visibility and protection for unitholders, supporting stable and predictable cash flows.

Occupancy rates uplift

Figure 8: Occupancy rates of IPO properties by property type, as at 30 September 2025



Source: Company prospectus, dated 5 March 2026

As at 30 September 2025, the occupancy rates for the business space, Hi-Specs industrial were 91.8% and 93.8%, respectively.

The logistics properties are expected to see committed occupancy increase from 81.7% as at 30 September 2025 to 99.6% in Projection Year 2027, driven by the lease-up of the recently completed Japan property, UIB Konan Phase 2. As at 30 September 2025, UIB Konan Phase 2 recorded a committed occupancy rate of 76.7%, which is projected to increase to 99.4% by Projection Year 2027, supported by healthy leasing enquiries and activity.

However, as the leases are still under negotiation, the vacancies may not be filled as projected. This is particularly relevant in Japan, where the leasing lead time tends to be longer. Based on our research on industrial REITs in Japan, the competitive landscape is also relatively more intense.

Business space will also record occupancy uplift from 91.8% as at 30 September 2025, to 97% as of FP2026, driven by Toyo MK Fuso Building. Toyo MK Fuso Building's major tenant recently vacated the property following a corporate restructuring exercise, resulting in the committed occupancy rate declining to 76.5% as at 30 September 2025. Leasing momentum has since improved, with committed occupancy recovering to 100.0% as at 20 February 2026.

The Hi-Specs industrial are expected to see committed occupancy increase from 93.8% as at 30 September 2025 to 99.9% in the Forecast Period 2026, driven by the lease-up of 26 Tai Seng Street. As at 30 September 2025, the property recorded a committed occupancy rate of 81.6%, with a further 14.4% of NLA under various stages of negotiations with prospective tenants.

Overall leasing momentum remains positive with occupancy uplift across the sub-sectors, in the next 12 to 18 months.

Tenant profile

The REIT has a highly diversified tenant base. The top 10 tenants account for approximately 53.9% of Net Property Income (NPI). Largest tenant accounted for 8.6% of the net property income.

Nine of the top 10 tenants are owned by Fortune 500, Fortune 500 Europe, or public-listed MNCs, with an average relationship of approximately 11.4 years with the Sponsor. The relationship with a portfolio of high quality tenants strengthens the REIT's position as a provider of reliable tenant infrastructure.

Key tenants include a leading aircraft manufacturer (APAC HQ, 8.6% NPI contribution), a global technology company (8.4%), GlaxoSmithKline (Asia Commercial Hub, 7.8%), AUMOVIO (R&D Centre, 6.2%), and Rolls-Royce Solutions Asia (Regional HQ, 4.9%).

Figure 11: Top 10 tenants

Tenant	Sector	Net Property Income Contribution ¹¹	Fortune 500 / Listed Company ¹²	Strategic Tenant Infrastructure ¹³	Years Relationship with UIB ¹⁴
Leading aircraft manufacturer	Automotive, Aerospace & Avionics	8.6%	✓	✓ APAC HQ	~14
Global technology company	Electronics & IT	8.4%	✓	-	~6
GlaxoSmithKline	Life Sciences	7.8%	✓	✓ Asia Commercial Hub	~11
AUMOVIO	Automotive, Aerospace & Avionics	6.2%	✓	✓ R&D Centre	~15
Rolls-Royce Solutions Asia	Automotive, Aerospace & Avionics	4.9%	✓ ¹⁵	✓ Regional HQ	~12
Jabil Circuit (Singapore)	Electronics & IT	4.4%	✓	-	~13
Yamato Transport	3PL Provider	4.3%	✓ ¹⁶	-	~8
Network for Electronic Transfers	Electronics & IT	3.5%	✓ ¹⁷	✓ HQ	~5
Nippon Express	3PL Provider	3.5%	✓	✓ Regional Branch	~20
Razer (Asia-Pacific)	Electronics & IT	2.4%	-	✓ SEA HQ	~7

¹¹ Based on Net Property Income or, as the case may be, GRI for the month of September 2025.

¹² Tenants are owned by Fortune 500, Fortune 500 Europe and public-listed MNCs.

¹³ Strategic tenant infrastructure refers to assets that are the tenants' regional headquarters, or per the REIT Manager's view, are important facilities that are critical parts of tenants' broader supply chain.

¹⁴ As of 30 September 2025.

¹⁵ Subsidiary of Rolls-Royce Holdings, a listed company on the London Stock Exchange.

¹⁶ Subsidiary of Yamato Holdings, a company listed on the Tokyo Stock Exchange.

¹⁷ Owned by DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, all of which are listed on the SGX-ST.

Source: Company prospectus, dated 5 March 2026

65.1% of the portfolio by Gross Rental Income comprises assets serving as strategic tenant infrastructure – properties that serve as tenants' regional headquarters or are critical parts of tenants' broader supply chains, enhancing "tenant stickiness" and income resilience.

Figure 12: Strategic tenant infrastructure in the REIT Manager's view

Properties serve as tenants' regional headquarters or, in the REIT Manager's view, are important facilities that are critical parts of tenants' broader supply chain



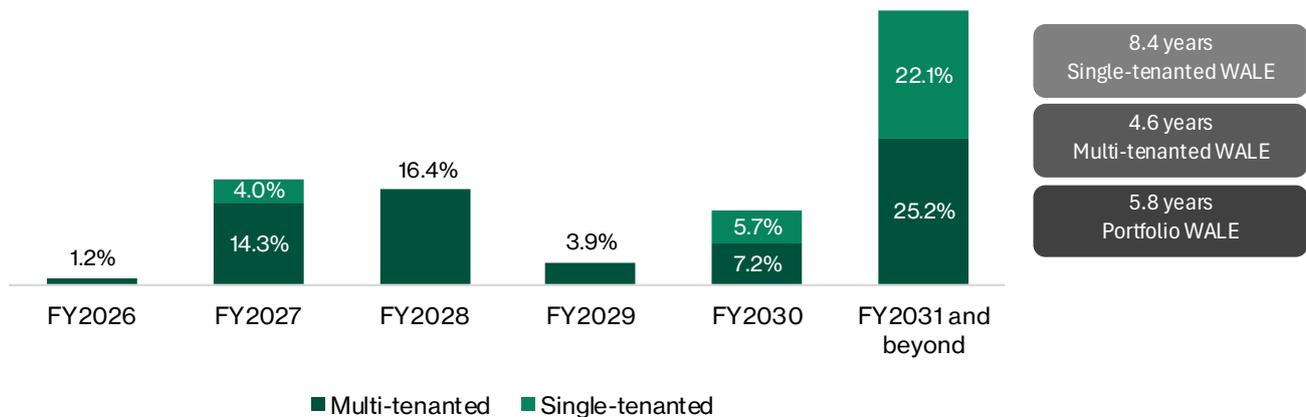
Source: Company prospectus, dated 5 March 2026

Long weighted average lease expiry

To the extent that the portfolio WALE stands at 5.8 years by Gross Rental Income, investors have reasonable visibility on the mid-term income stream. Furthermore, 61.5% of tenants are holding balance leases of three years or more.

Figure 9: Weighted average lease expiry at 5.8 years

Long weighted average lease expiry ("WALE")
(Based on Gross Rental Income for month of September 2025)



Source: Company prospectus, dated 5 March 2026

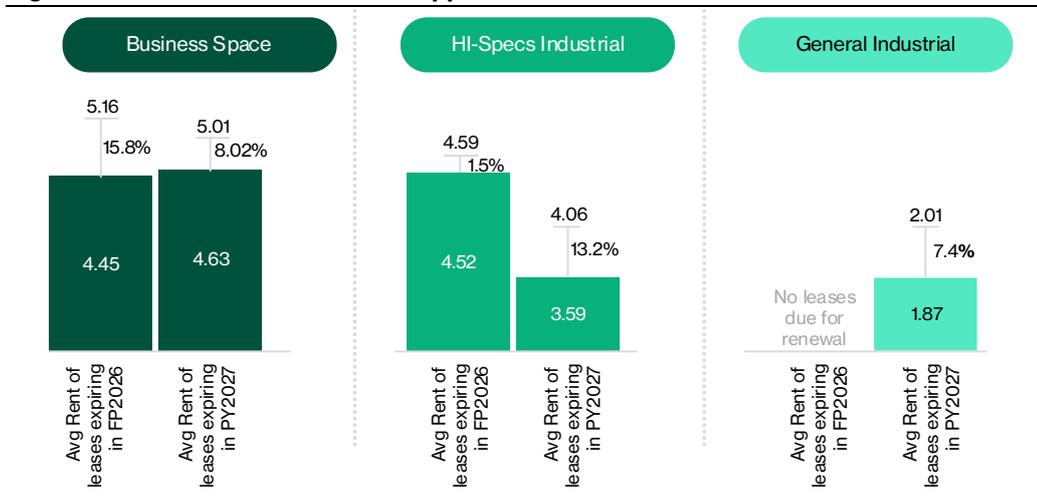
Positive rental reversion from lease renewal

As the passing rents on leases due for renewal in Forecast Period 2026 and Projection Year 2027 are below current market rents, there is room for potential positive rental reversion. For example, the lease at one Property was renewed in the first half of the financial year ending 31 March 2026 with a 20.0% increase in newly signed rental rates.

In Forecast Period 2026 and Projection Year 2027, rents of expiring leases at business space are 15.8% and 8.2% below current market rents, respectively. In Forecast Period 2026 and Projection Year 2027, passing rents of expiring leases at Hi-Specs industrial properties are 1.5% and 13.2% lower than current market rents, respectively.

We expect the renewal to be set at a rent near to the passing rent, bringing positive rental reversion to the portfolio.

Figure 10: Positive rental reversion opportunities



Source: Company prospectus, dated 5 March 2026

Industry outlook

Singapore industrial and logistics market

Singapore's industrial and logistics market is underpinned by robust structural demand drivers. The government has designated several sectors – electronics, precision engineering, energy and chemicals, aerospace, and logistics – as strategic growth areas under its Industry Transformation Maps, targeting a 50% increase in manufacturing value-add between 2020 and 2030.

Supply remains constrained across Singapore's industrial sub-sectors. For business space in the Central region, there are no new projects in the pipeline between 3Q 2025 and 2028. For logistics in the East region, limited new supply is expected over the next two years, while Hi-Specs industrial supply is expected to remain tight through 2028. This supply scarcity should continue to support occupancy and rental growth across the portfolio.

Japan Logistics Market

Japan's logistics sector is undergoing structural change driven by the "2024 issue" – a regulation capping truck driver overtime hours to 960 hours annually and driving time to four hours between rest periods – which is reshaping logistics footprints and driving demand for strategically-located, modern distribution facilities.

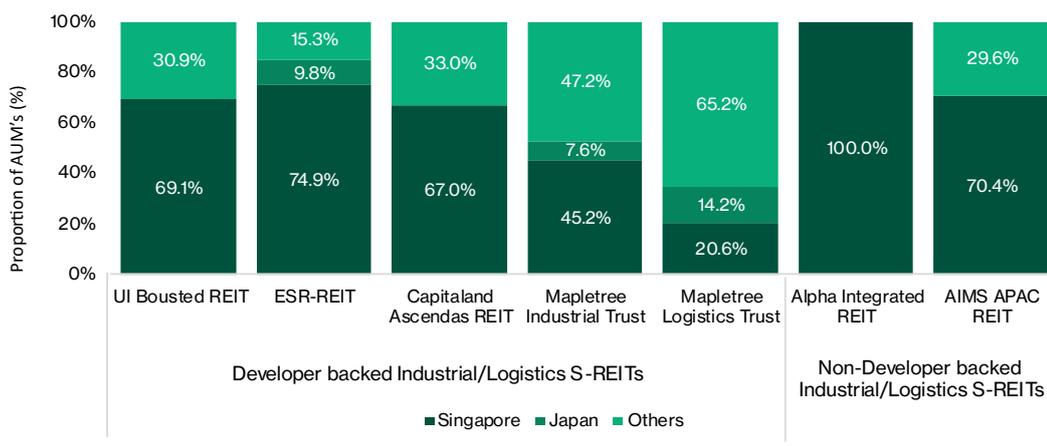
UIB Konan Phase 2, located in Shiga Prefecture in the Kansai region, is well-positioned to benefit. The asset is the only double-rampway facility in Shiga Prefecture, which provides access to approximately 30% of Japan's population and has 20 prefectures and cities within a four-hour driving radius. The Greater Osaka logistics rental market has grown approximately 1.8 times between 2020 and 3Q 2025, exhibiting stronger rental growth compared to Greater Tokyo.

Competitors

There are six REITs listed on the SGX that have industrial and logistics properties within their portfolio. They include developer-backed or non-developer backed industrial/logistics REITs.

The REIT sits mid-pack among the S-REIT peers. It is roughly twice the size of Alpha Integrated REIT and about one-fifth that of Mapletree Industrial Trust. We think the REIT is not at optimal scale.

Figure 13: Competitor's assets under management by country



Source: Company prospectus, dated 5 March 2026

The weighted average lease to expiry (WALE) for UI Boustead REIT's portfolio was 5.8 years, the longest among its competitors (2.7 to 4.6 years) as at 30 September 2025.

Figure 14: Competitors' WALE

Category	REIT	WALE by GRI	Period
Developer Backed Industrial/ Logistics S-REITs	UI Boustead REIT	5.8 years	As at 30 September 2025
	ESR-REIT	4.1 years	As at 30 September 2025
	Mapletree Industrial Trust	4.6 years	As at 30 September 2025
	Mapletree Logistics Trust	2.7 years	As at 30 September 2025
	CapitaLand Ascendas REIT	3.6 years	As at 30 September 2025
Non-developer Backed Industrial/ Logistics S-REITs	AIMS APAC REIT	4.2 years	As at 30 September 2025
	Alpha Integrated REIT	2.8 years	As at 30 September 2025

Source: Company prospectus, dated 5 March 2026

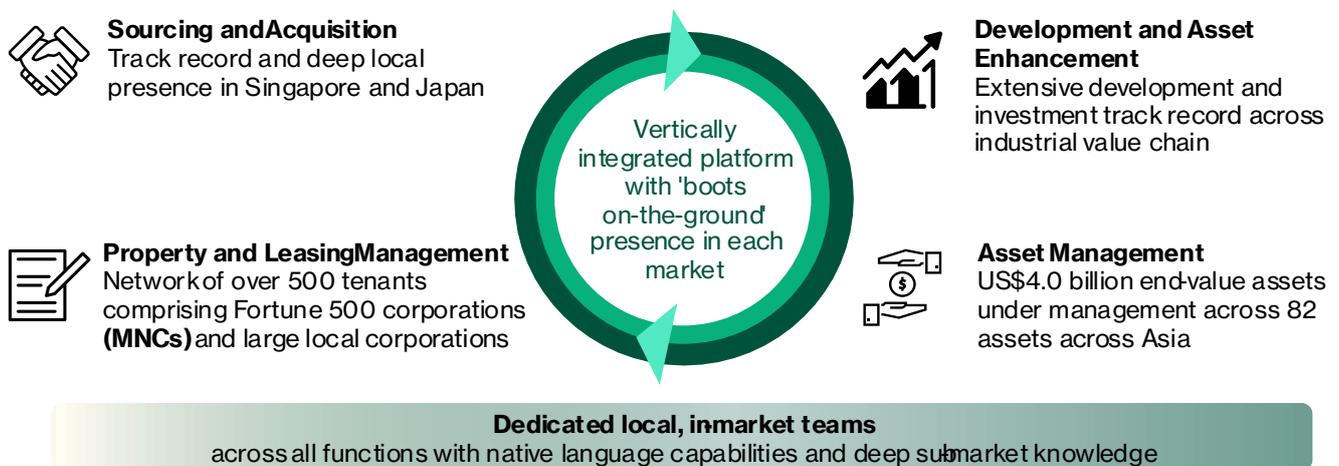
The Sponsor

The Sponsor is a fully vertically integrated Pan-Asian logistics and industrial real estate platform with end-to-end capabilities and experience across markets it operates in. It is ability to source and access real estate opportunities in its key focus markets of Singapore and Japan.

This is particularly important when the REIT embarks on co-development projects. The REIT will be able to benefit from a higher yield on costs from these projects.

Figure 15: Sponsor operates a fully vertically integrated platform

FULLY VERTICALLY INTEGRATED PLATFORM WITH END -TO-END CAPABILITIES AND LOCAL “BOOTS-ON-THE-GROUND” ACROSS MARKETS IT OPERATES IN



Source: Company prospectus, dated 5 March 2026

The Sponsor has granted UI Boustead REIT a voluntary right of first refusal over its stabilised income-producing logistics, industrial, Hi-Specs industrial, and business space assets across the Asia Pacific region. The UIB ROFR gives the REIT potential access to a pipeline of over US\$5.9 billion in relevant assets, supporting responsible, value-enhancing growth. The properties in the acquisition pipeline are mostly located in Japan. Of the US\$5.9 billion in relevant assets, US\$4.99 billion or 84% are properties located in Japan while the remaining are located in Singapore.

Separately, BPL has granted a ROFR to UI Boustead REIT (the “BPL ROFR”), providing potential additional access to relevant assets.

Following the listing, the Sponsor and BPL will hold 19% in combined stake in UI Boustead REIT. While this reflects the alignment of interest with unitholders, we prefer that the Sponsor and BPL own a higher stake in UI Boustead REIT.

Figure 16: Acquisition pipeline



Source: Company prospectus, dated 5 March 2026

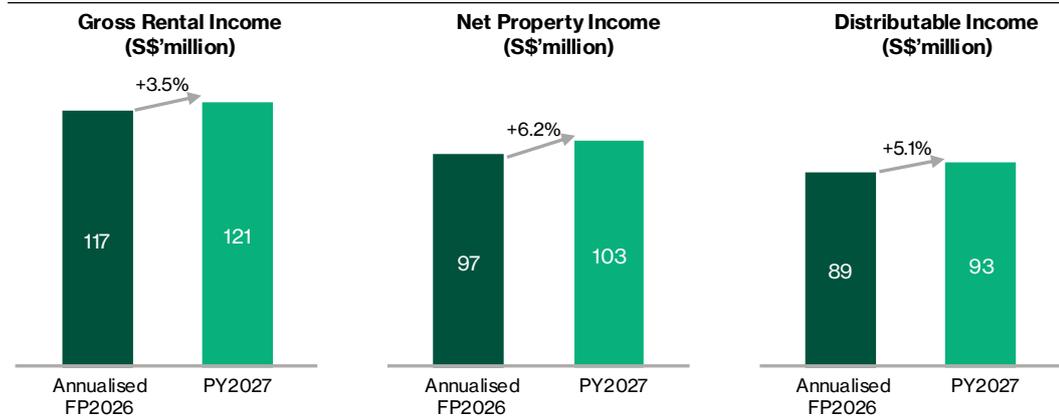
Financial performance

Robust Distribution Profile

UI Boustead REIT offers an annualised distribution yield of 7.4% for the Forecast Period 2026 (FP2026, two months from 1 February 2026 to 31 March 2026) and 7.8% for PY2027, with approximately 98.1% and 87.0% of Gross Rental Income derived from in-place contracted leases in FP2026 and PY2027, respectively.

Organic DPU growth of 4.8% from annualised FP2026 to PY2027 is driven by built-in rental escalations (2.8%), occupancy uplift (1.7%), and positive rental reversions (0.3%).

Figure 17: Financial performance to underpin unitholder returns



Source: Company prospectus, dated 5 March 2026

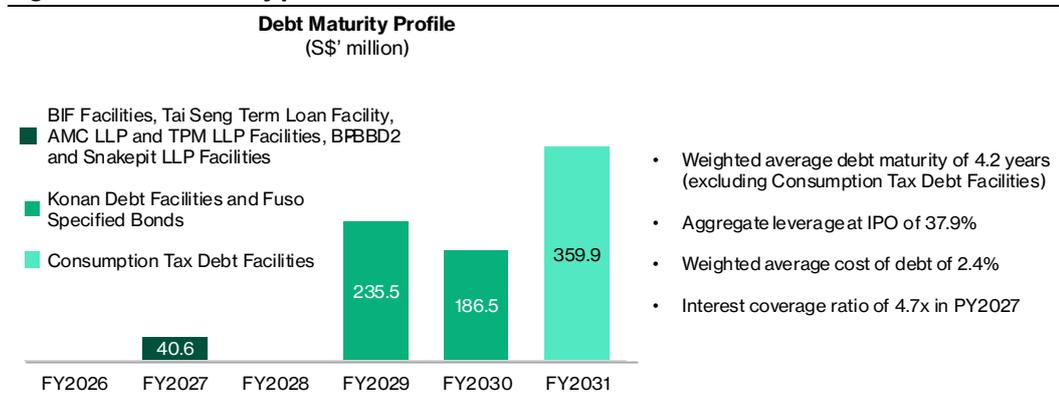
Disciplined capital management

As at IPO, the REIT's aggregate leverage stands at 37.9%, well within the MAS regulatory limit of 50%. This leaves a debt headroom of about S\$230 million.

The weighted average debt maturity is 4.2 years (excluding Consumption Tax Debt Facilities), with a weighted average cost of debt of 2.4% and interest coverage ratio of 4.7x in FY2027.

Approximately 80% of borrowings are on fixed rates, limiting near-term interest rate sensitivity.

Figure 18: Debt maturity profile



Source: Company prospectus, dated 5 March 2026

Initiate at Neutral

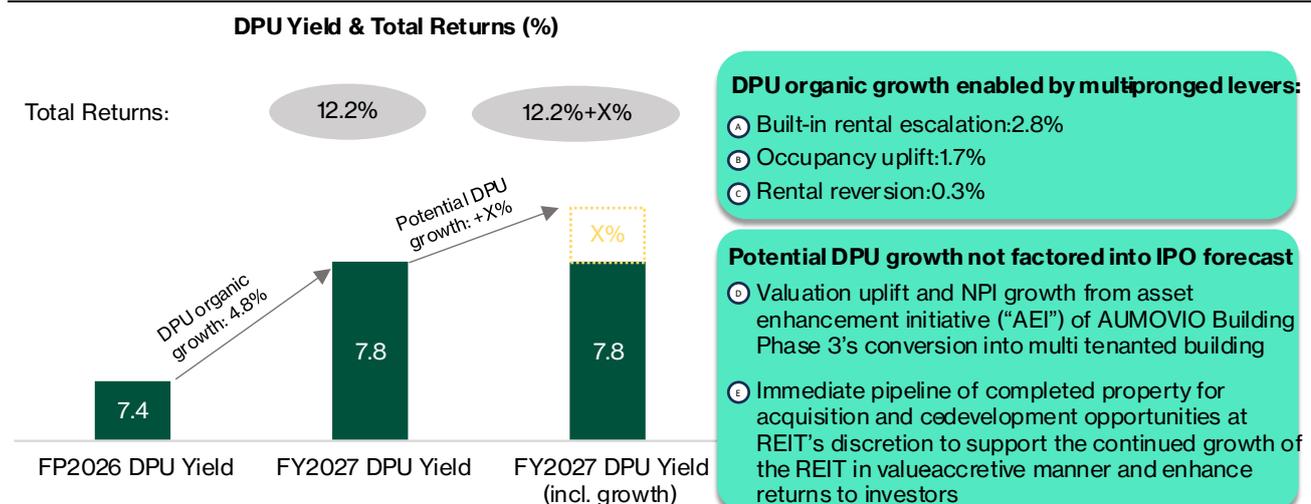
We initiate coverage on UI Boustead REIT with a Neutral rating and a target price of S\$0.91 per unit. UI Boustead REIT is relatively attractive compared to other industrial REITs, in our view.

The REIT has developed a network of high-quality tenants to support a visible income stream with modest positive rental reversion. In the near term, there are organic growth from built-in positive rental reversion and asset enhancement initiatives. In the medium term, the REIT is looking at new asset acquisition and property development projects for inorganic expansion.

Target price of S\$0.91

Currently, UI Boustead REIT is trading at S\$0.81, implying FY2026E annualised distribution yield of 8.0% and FY2027E distribution yield of 8.4%. This is higher than the peers' average FY2026E distribution yield of 7.0% and FY2027E distribution yield of 7.2%. Our target price at S\$0.91 is based on the dividend discount model. At S\$0.91, UI Boustead REIT is trading at FY2027E distribution yield of 7.5%. While the dividend yield appears high, this is offset by the shorter lease tenures; sponsor's relatively low stake, the longer lead time needed to fill vacant space in Japan, and the REIT's smaller scale compared to peers.

Figure 19: Projected dividend yield at IPO price



Source: Company prospectus, dated 5 March 2026

Figure 20: Peer comparison

Name	Ticker	Fiscal Period	Currency	Price	Market cap, S\$ million	Revenue, S\$ million	DPU Yield FY2026E, %	DPU Yield FY2027E, %	Price/Book, x	Aggregate Leverage
UI Boustead REIT	UIBU	03/31/2025	SGD	0.82	1,120	107.4	7.9%	8.3%	0.96	37.9%
Mapletree Industrial Trust	ME8U	03/31/2025	SGD	2.00	5,702	713.3	6.2%	6.4%	1.17	39.8%
Mapletree Logistics Trust	M44U	03/31/2025	SGD	1.21	6,131	729.7	6.0%	6.3%	0.92	40.3%
ESR-REIT	9A4U	12/31/2025	SGD	2.36	1,900	453.9	9.1%	9.2%	0.92	42.1%
AIMS APAC REIT	O5RU	03/31/2025	SGD	1.45	1,180	187.3	6.8%	7.0%	1.17	36.5%
Average							7.0%	7.2%	1.05	

Source: Factset, 20 March 2026

Key risks

Key risks include concentrated two-market exposure, foreign exchange risk, lease expiry and tenant concentration risk, and regulatory exposure.

Concentrated asset type and geographic exposure

UI Boustead REIT's portfolio is exclusively comprised of industrial, logistics and business space assets in Singapore and Japan. While both are developed markets which offer attractive fundamentals, the REIT's financial performance is exposed to risks specific to these two markets and sectors.

Limited duration of lease tenures

The lease tenures of industrial land of Singapore are typically limited to 30 years, relatively short compared to other commercial land use. For UI Boustead REIT, 13 of the 21 Singapore Properties have lease tenure of less than 30 years. A significant portion of operating profits is generated from these properties of limited duration. The 13 properties account for 61.4% of the portfolio's operating profits in FY2025. Besides the loss of income, the decay in lease terms will also adversely affect the valuation of the portfolio.

Lease expiry and tenant concentration risk

While the portfolio has a healthy WALE of 5.8 years, approximately 38.5% of tenants by Gross Rental Income have balance leases of less than three years. Any failure to renew leases at favourable terms or the early departure of a major tenant – such as AUMOVIO, which has already issued a notice of termination of its lease at AUMOVIO Building Phase 3 – could adversely affect the REIT's distributable income.

Foreign exchange risk

28.8% of the IPO Portfolio by Agreed Property Value is in Japan. Distributions from the Japan Properties will be impacted by fluctuations in the SGD/JPY exchange rate. The REIT may employ hedging strategies to mitigate this risk, though there is no assurance that these will fully offset currency movements.

Interest rate risk

While approximately 80% of borrowings are on fixed rates, rising interest rates could increase refinancing costs upon debt maturity, reduce distribution coverage, and compress the yield spread relative to risk-free rates, affecting unit price performance.

Regulatory and planning risk

Industrial and logistics properties in Singapore are subject to JTC land lease conditions, URA zoning requirements, and evolving environmental regulations. In Japan, ongoing regulatory changes affecting logistics operations may affect the operating environment.

Financial summary

FYE Mar (\$S '000)	FY2025	FY2026E	FY2027E	FY2028E	FYE Mar (\$S '000)	FY2025	FY2026E	FY2027E	FY2028E
Income Statement					Cash Flow				
Revenue	99,252	115,795	129,407	150,289	Operating cash flow				
Property expenses	-22,165	-25,937	-26,864	-34,567	Profit for the year/period	51,516	48,430	81,361	129,087
Net property income	77,087	89,858	102,543	115,723	Adjustments	24,802	37,585	23,347	-12,187
Other income	8,191	2,874	2,871	2,000	Working capital changes	-17,932	-4,677	-5,167	-5,352
Manager's fees	-6,919	-9,521	-10,427	-11,006	Others	-	-575	-959	-1,522
Other expenses	-2,260	-8,597	-2,406	-2,406	Cash flow from operations	58,386	80,764	98,581	110,026
Change in value of derivatives	0	0	0	0	Investing cash flow				
Change in value of investment properties	-1,365	-21,173	-2,951	38,846	CAPEX	0	-3,000	-3,000	-1,000
EBIT	74,734	53,441	89,630	143,157	Others	-1,800,547	4,234	4,319	-217,595
Net finance expenses	-8,377	-14,090	-16,207	-21,444	Cash flow from investments	-1,800,547	1,234	1,319	-218,595
Profit before tax	66,357	39,351	73,423	121,712	Financing cash flow				
Tax	-759	-575	-959	-1,522	Dividends paid	-40,180	-54,999	-93,490	-94,318
Minority interests	0	1	5	5	Proceeds from borrowings	0	0	0	220,000
Profit attributable to owners	73,857	48,430	81,361	129,087	Others	1,845,104	-14,396	-16,513	-21,750
Balance sheet					Cash flow from financing	1,804,924	-69,395	-110,003	103,932
Assets					Net change in cash	62,763	12,603	-10,103	-4,637
Investment properties	1,690,984	1,690,984	1,724,804	1,979,300	Beginning cash	0	62,763	75,366	65,262
Others	109,627	109,627	109,627	109,627	Currency translation	0	0	0	0
Total non-current assets	1,800,611	1,800,611	1,834,431	2,088,927	Ending cash	62,763	75,366	65,262	60,626
Cash & cash equivalents	27,593	75,366	65,262	60,626	Per share data (\$S cents)				
Trade & other receivables	45,891	47,192	52,739	61,250	Book value per unit	0.85	0.89	0.90	0.92
Others	0	0	0	0	Distribution per unit	1.08	6.51	6.80	6.81
Total current assets	73,484	122,557	118,002	121,876	Earnings per unit	0.05	0.04	0.06	0.09
Total assets	1,874,095	1,923,168	1,952,432	2,210,802	No. of shares (end-of period), milli	1,366	1,366	1,375	1,385
Liabilities					Valuation				
ST borrowings	40,634	40,634	40,634	40,634	P/E, x	18.7	12.4	11.9	11.9
Trade & other payables	14,013	10,637	11,017	14,176	P/B, x	0.95	0.91	0.90	0.88
Others	896	959	959	959	Dividend yield (%)	-	8.0%	8.4%	8.4%
Total current liabilities	55,543	52,230	52,610	55,769	Ratios				
LT borrowings	632,883	632,883	632,883	852,883	ROE (%)	6.3%	4.0%	6.5%	10.1%
Others	19,760	23,031	23,031	23,031	ROA (%)	3.9%	2.5%	4.2%	5.8%
Total non-current liabilities	652,643	655,914	655,914	875,914	Net property income margin	78%	78%	79%	77%
Total liabilities	708,186	708,144	708,524	931,683	Net margin	74%	42%	63%	86%
Equity					Leverage				
Unitholders' funds	1,165,909	1,215,024	1,243,908	1,279,120	Gearing (%)	36%	38%	37%	42%
Minority interest	0	0	0	0	Net gearing (%)	52%	46%	46%	62%
Total equity	1,165,909	1,215,024	1,243,908	1,279,120	Interest cover	8.9	3.8	5.5	6.7
Total equity and liabilities	1,874,095	1,923,168	1,952,432	2,210,802					

Disclosure Appendix

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