COMPANY UPDATE   Real Estate ▪ Singapore

The Assembly Place Holdings Ltd.

(ASSPH SP/TAP.SI)

New verticals broaden growth runway

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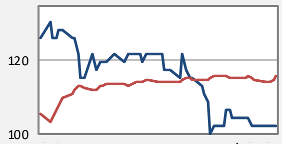
- **Strong top line growth and improved portfolio utilisation in FY25.** The Assembly Place (TAP) reported FY25 revenue of S$27.0mn (+42.4% YoY) and net profit of S$6.6mn (+6.4% YoY), while adjusted NPAT rose 24.2% YoY to S$7.7mn after excluding S$1.1mn of non-recurring IPO expenses. The Group ended FY25 with 3,422 keys across 100 property assets, while average occupancy improved to 94.4% from 91.0% in FY24, reinforcing the resilience of its core community living platform and the scalability of its asset light operating model.
- **Post-listing execution broadened the platform into new verticals.** In Mar 26, TAP entered the migrant worker accommodation segment via a 60:40 JV with S11, adding 886 beds under the new Habitat brand. In the same month, TAP completed the acquisition of 163 Tras Street through a 10% owned JV, with the asset now planned for conversion into a 163 room hotel, up from the initially disclosed 152 rooms. These developments materially strengthen TAP's platform breadth and improve medium-term optionality across workforce accommodation and hospitality.
- **Improved pipeline visibility, execution remains key.** Management now expects to deliver a secured pipeline of ~1,490 keys over the next two years, including Habitat, 163 Tras Street, Bangsar and additional Singapore assets at 282 & 400 River Valley Road, 63 & 65 South Bridge Road, 101 Lavender and 259 Outram. We think this supports TAP's path toward its >10,000 key by end FY30 target, but investor focus is likely to shift increasingly toward opening timelines, ramp up economics and the look through balance sheet implications of co-investment structures.

Financials & Key Operating Statistics					
YE Dec (S$ 'mn)	**2024**	**2025**	**2026F**	**2027F**	**2028F**
Revenue	18.9	27.0	43.0	77.9	93.3
Net Profit	6.2	6.6	10.8	12.8	15.4
EPS (cents)	0.29	(0.07)	0.94	0.18	0.10
EPS growth (%)	(366.9%)	(791.2%)	6.4%	63.0%	18.3%
DPS (Sing cents)	–	–	–	–	–
Div Yield (Y%)	–	–	–	–	–
Net Profit Margin (%)	32.8%	24.5%	25.1%	16.4%	16.5%
Net Gearing (x)	(0.2)	(0.1)	(0.0)	(0.1)	(0.0)
ROE (%)	44.6%	24.6%	28.6%	25.3%	23.4%

Source: Company data, KGI Research

Market position and outlook. Singapore's total population stood at 6.11mn as of Jun 25, including 1.91mn non-residents (+2.7% YoY), which continues to support demand for flexible accommodation across expatriates, students, healthcare professionals and short-term assignees. Budget 2026 also raised qualifying salary thresholds for Employment Pass and S Pass applicants from 2027, with the EP minimum rising from S$5,600 to S$6,000 and S Pass from S$3,300 to S$3,600; in our view, this should reinforce demand quality in higher value foreign professional segments over time, even as it could modestly tighten lower end labour market flexibility.

Outperform - Company Update			
Price as of 9 Apr 26 (SGD)	0.24	**Performance (Absolute)**	
12M TP ($)	0.35	1 Month (%)	-11.3
Previous TP ($)	-	3 Month (%)	N.A.
Upside, incl div (%)	48.9%	12 Month (%)	N.A.
Trading data		**Perf. vs STI Index (Red)**	
Mkt Cap ($mn)	90		
Issued Shares (mn)	383		
Vol - 3M Daily avg (mn)	N.A.		
Val - 3M Daily avg ($mn)	N.A.		
Free Float (%)	43.7%		
Major Shareholders		**Previous Recommendations**	
Low Eric	25.7%		
Lim Eugene	25.0%		
APRICOT CAPITAL PTE LTD	5.6%		



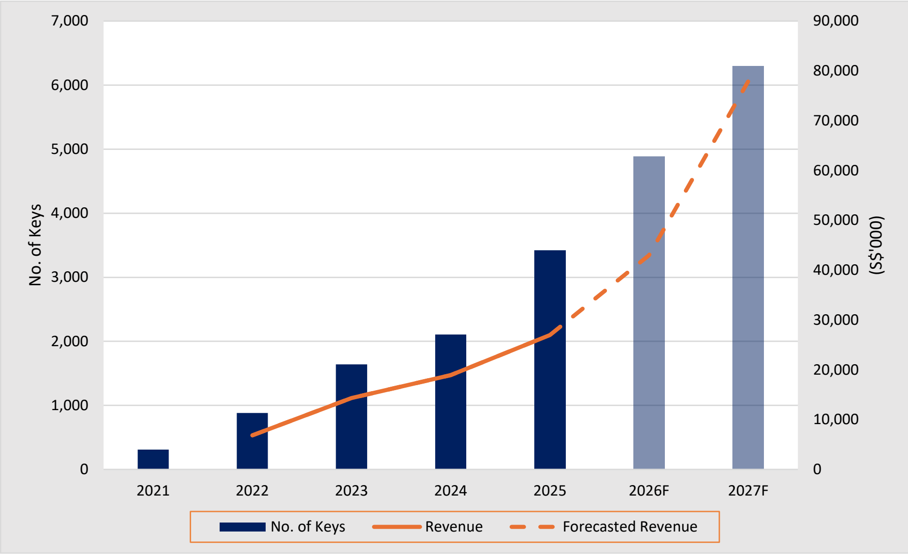
Valuation & Action: We maintain our **OUTPERFORM** rating with a target price of **S$0.35**, based on a DCF using a 9.0% WACC and 3.0x terminal EV/EBITDA multiple. While our core operating assumptions remain broadly unchanged, including TAP's path toward 10,000 keys by 2030, we have raised our projected fair value losses on investment properties to reflect the net effect of new portfolio additions and the shortening of existing lease tenures. As TAP scales, we think investors will increasingly focus on whether incremental revenue growth can continue to offset the rising noncash fair value drag from a larger lease book. Even so, TAP's asset light model, visible expansion pipeline and resilient cash generation continue to support an attractive medium-term return profile.

Risks: Lease renewal risk, regulatory changes, competitive supply pressures, macroeconomic sensitivity, execution risk from rapid expansion, market entry risk, related party landlord concentration, and technology & cybersecurity risks.

Business updates

FY25 results reinforce the core platform's scaling ability. TAP delivered another year of strong operating expansion in FY25. Keys under management and operation increased by 1,316 YoY to 3,422, while occupancy improved by 3.4ppt to 94.4%. Revenue growth remained broad based, supported by new FY25 openings including SOCIAL on Outram (26 rooms), SOCIAL on Mayo (26 rooms), COMMUNE on Henderson (273 rooms, 30% interest), additional healthcare accommodation sites with TS Group, and Serene Centre (86 room serviced apartment). The FY25 results confirm that TAP's growth is fundamentally driven by asset onboarding and high portfolio utilisation rather than one off financial effects.

Figure 1: Revenue and key growth pipeline (the road to >10,000 keys)



Source: Company, KGI Research

Habitat marks TAP's first step into migrant worker accommodation. TAP's JV with S11 adds a new and more defensive vertical to the platform. Under the agreement, TAP will hold 60% of the JV operating an 886 bed dormitory at 2 Seletar North Link, while S11 holds the remaining 40%. The arrangement is initially structured with a one-year licence, with an option to extend for a further three years on mutually agreed terms. Operationally, TAP will oversee commercial strategy, tenant management, billing and collections, and regulatory compliance, while S11 contributes the premises, licensing liaison, infrastructure maintenance and technology access. In our view, Habitat strengthens TAP's positioning as a full spectrum community living operator and opens a potentially scalable route into policy supported workforce housing.

163 Tras Street is the clearest proof point of TAP's co-investment strategy so far. TAP completed the acquisition of 163 Tras Street in March 2026 through 163 TS Pte. Ltd., where it holds a 10% stake. The asset is slated for conversion into a 163 room hotel, up from the 152 room plan previously disclosed. TAP's share of the JV funding commitment is S$2.25mn, to be funded by internal cash resources including S$1.88mn of IPO proceeds, of which S$1.42mn had been utilised as of March. In addition, TAP has provided a proportionate corporate guarantee with exposure of S$9.0mn if facilities are fully drawn. We think the project is strategically positive as it gives TAP direct exposure to hospitality asset repositioning, although investors should pay closer attention to the contingent liabilities embedded within its "asset light" model.

Capital deployment remains early, leaving room for further execution. As of 23 March 2026, TAP had utilised S$1.483mn of its S$10.756mn net IPO proceeds, leaving S$9.273mn undrawn. This remains broadly consistent with the use of proceeds outlined at listing, with the company continuing to deploy capital toward its co-investment strategy while retaining substantial dry powder for future opportunities. In our view, the remaining balance preserves flexibility to support direct lease expansion, strategic alliances, regional growth and further co-investments as suitable opportunities emerge. As TAP moves from listing narrative to execution delivery, we think investors will increasingly focus on the returns, payback periods and risk parameters attached to future capital deployment.

Figure 2: Use of IPO proceeds (gross proceeds: S$12.65mn; net proceeds: S$10.756mn)

Use of proceeds	Amount allocated (S$'000)	Amount used (S$'000)	Balance (S$'000)	% of net proceeds
Expansion of portfolio through direct lease agreements, JVs, strategic alliances and overseas expansion	5,700	(64)	5,636	53%
Co-investments with property asset owners to acquire minority stakes in entities holding property assets	4,000	(1,419)	2,581	37%
General working capital purposes, including operational expenses such as manpower cost	1,056	–	1,056	10%
Net IPO proceeds	**10,756**	**(1,483)**	**9,273**	**100%**

**Utilisation of net proceeds as of March 2026*
Source: Company, KGI Research

Upcoming openings and pipeline visibility

TAP's secured pipeline has expanded to 1,490 keys over the next two years, compared to the 610 keys at listing, with growth now extending beyond direct lease additions into JVs, hospitality conversion and overseas expansion.

Figure 3: Secured pipeline over the next two years ~1,490 keys

Location	Segment (Brand)	Keys / beds	% interest	Status
2 Seletar North Link	Migrant Workers' Accommodation (Habitat)	886 beds	60%	Announced Mar 26
163 Tras Street	Hotel	163 keys	10%	Acquisition completed Mar 26 / Redevelopment
Kuala Lumpur, Bangsar	Hotel	66 keys	100%	Launch 2Q26
282 & 400 River Valley Road	Serviced Apartment	~375 keys	~	Pipeline
63 & 65 South Bridge Road	Hostel		~	Pipeline
101 Lavender	Serviced Apartment		~	Pipeline
259 Outram	Hotel (SOCIAL)		~	Pipeline

Source: Company, KGI Research

Pipeline takeaways. The enlarged pipeline broadens TAP's growth mix across workforce accommodation, hospitality and overseas expansion. We think this improves visibility toward the Group's >10,000 key by end FY30 target, though execution timing and ramp up economics remain the key factors to watch.

Outlook and key takeaways

Growth on the core platform remains on track. TAP continues to demonstrate strong operating traction through asset onboarding, high occupancy and positive operating cash generation. As of FY25, the Group's platform spans 3,422 keys across 100 property assets, with a broadened six sector footprint including residential co-living, hotels and serviced apartments, student accommodation, inter-generational living, healthcare accommodation and migrant worker accommodation. We think this diversified portfolio reduces single segment dependency and supports steadier demand absorption across different tenant cohorts.

New verticals broaden medium-term optionality. TAP is evolving from a pure operator led growth story into a broader platform plus co-investment model. The Group has now executed both a new vertical JV (Habitat) and a hospitality co-investment (163 Tras Street), while still retaining a meaningful amount of undrawn IPO capital. In our view, this broadens TAP's growth levers beyond direct lease onboarding and could support a more valuable long-term model if TAP proves capable of capturing both operating income and selected asset level upside without materially diluting returns.

Execution and monetisation are the next key milestones. With a larger secured pipeline and substantial IPO proceeds still available, the central question is no longer whether TAP can grow, but how efficiently it can convert new projects into earnings while managing contingent balance sheet exposure. In the near term, we would focus on (i) timing of pipeline openings, especially Bangsar and Habitat; (ii) the earnings contribution profile of 163 Tras Street, which is strategically important but still pre-stabilisation; and (iii) look through financial exposure, given the growing use of JV loans and guarantees alongside lease liabilities.

We are also closely monitoring whether the rise in fair value losses on investment properties is matched by sufficiently strong incremental revenue growth. TAP's expansion strategy requires the Group to take on more leases, which increases the investment property base and, in turn, the associated noncash fair value drag over time. The risk becomes more visible if the pace of new lease additions moderates, as the earnings burden from a larger existing lease book may remain while the revenue contribution from newly onboarded assets slows. The key test, in our view, is whether portfolio growth can continue to outpace the accounting drag from lease aging.

Policy and demographic backdrops remain supportive. Singapore's overall population reached 6.11mn in Jun 25, while the non-resident population rose to 1.91mn, continuing to support flexible accommodation demand across expatriates, students, healthcare workers and mobile professionals. Budget 2026 also raised qualifying salary thresholds for EP and S Pass holders from 2027, with the EP minimum rising from S$5,600 to S$6,000 and S Pass from S$3,300 to S$3,600. In our view, this should help sustain demand quality in TAP's professional tenant base over time. At the lower wage end, the Local Qualifying Salary will rise from S$1,600 to S$1,800, which could modestly increase labour cost pressure across hospitality and operations.

Valuation

We continue to value The Assembly Place using a DCF framework, which we believe remains the most appropriate methodology given the Group's asset light operating model, visible medium-term expansion pipeline and recurring cash flow profile. Our core valuation parameters are unchanged at a **9.0% WACC** and **3.0x terminal EV/EBITDA multiple**.

We also keep our operating framework broadly intact, including the assumption that TAP remains on track to scale its platform toward 10,000 keys by 2030, consistent with management's long-term portfolio expansion strategy. The key change in this update is a more conservative treatment of fair value losses on investment properties. While new direct leases enlarge the investment property base and can partly support valuation through portfolio additions, we now assume a higher ongoing drag from fair value movements as the existing lease book seasons and unexpired lease terms shorten. In our view, this better reflects the economic reality of TAP's model, where portfolio growth and lease decay run concurrently, and where reported earnings can remain exposed to noncash valuation pressure even as operating cash generation improves. On this basis, our DCF yields an implied equity value of S$134.4mn, or S$0.35 per share.

We therefore maintain our target price at **S$0.35**. Despite the more conservative fair value assumptions, our unchanged target price continues to reflect our view that TAP's platform remains scalable, cash generative and positioned to compound through disciplined key additions, while the revised valuation better captures the balance between growth in new leases and mark-to-model pressure from the maturing portfolio.

Figure 4: DCF Valuation

Free Cash Flow Calculation (SGD'mn)	2024	2025	2026E	2027E	2028E	2029E	2030E
EBITDA	8.8	11.0	16.4	20.2	24.1	26.3	28.6
Add: D&A	0.3	0.4	0.1	0.1	0.1	0.1	0.1
Operating Profit (EBIT)	8.5	10.7	16.3	20.1	24.0	26.2	28.5
Less: Tax	(0.9)	(0.9)	(1.8)	(2.2)	(2.6)	(3.2)	(3.5)
Add: Depreciation & Amortisation	0.3	0.4	0.1	0.1	0.1	0.1	0.1
Less: Changes in working capital	0.1	(0.9)	(0.8)	(2.6)	3.7	2.4	3.0
Less: Capital Expenditures	(1.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
FCFF	7.0	8.8	13.8	15.3	25.0	25.4	28.0
Terminal Value							79.0
Total FCFF	7.0	8.8	13.8	15.3	25.0	25.4	106.9
Period			1	2	3	4	5
Discount Factor			0.9	0.8	0.8	0.7	0.6
PV FCFF			12.6	12.9	19.3	18.0	69.5

Valuations (SGD'mn)		
Discounted Cash Flow (DCF)		
Target EV/EBITDA Multiple	3.0 x	
	9.0%	
WACC		
Sum of PV FCFF	132.2	
Less: Net Debt	(2.1)	
Implied Equity Value	134.4	
Total Shares Outstanding	383.0	
Implied 12M-TP (S$)	SGD	0.35
Upside (%)	49.3%	

Source: KGI Research

APPENDIX: Portfolio summary

Figure 5: Existing brands and operating key count

Brand	Type	Customer base	% interest	No. of keys / beds
THE ASSEMBLY PLACE SOCIAL COMMUNITY LIVING	Residential Co-Living	Individuals, young professionals, digital nomads, expatriates and individuals	100%	1,080
SOCIAL BY THE ASSEMBLY PLACE	Hotels & Serviced Apartments	Short-stay travellers	100%	308
STAY BY THE ASSEMBLY PLACE	Students' Accommodation	Upper-primary to lower-secondary school students	100%	25
CAMPUS by THE ASSEMBLY PLACE	Students' Accommodation	Tertiary students	100%	428
commune on Henderson managed by TSTAP	Inter-Generational Living	Seniors and young adults	30%	273
TSTAP	Healthcare Professionals' Accommodation	Foreign healthcare professionals	20%	1,308
Total operating portfolio				**3,422**

**No. of keys/beds as of 31 December 2025*
Source: Company, KGI Research

Financial Summary

FYE 31 December

INCOME STATEMENT (The Assembly Place mn)	2024	2025	2026F	2027F	2028F
Revenue	**18.9**	**27.0**	**43.0**	**77.9**	**93.3**
Cost of sales	(3.2)	(6.5)	(10.3)	(16.4)	(21.5)
Gross profit	**15.7**	**20.5**	**32.7**	**61.5**	**71.9**
Other income	0.1	0.0	0.0	0.0	0.0
General and administrative expenses	(3.6)	(5.5)	(8.8)	(17.9)	(19.1)
Changes in fair value of investment properties	(5.6)	(4.7)	(7.6)	(23.5)	(28.8)
Changes in fair value of investments in unquotedshares	1.9	0.4	0.0	0.0	0.0
Other losses	(0.0)	(0.3)	0.0	0.0	0.0
Finance costs	(1.4)	(2.3)	(3.3)	(4.7)	(5.4)
Share of results of associates, net of tax	(0.1)	0.2	0.0	0.0	0.0
Profit before tax	**7.1**	**8.4**	**13.0**	**15.4**	**18.6**
Income tax expense	(0.9)	(1.8)	(2.2)	(2.6)	(3.2)
Profit	**6.2**	**6.6**	**10.8**	**12.8**	**15.4**

BALANCE SHEET (The Assembly Place mn)	2024	2025	2026F	2027F	2028F
Cash and cash equivalents	3.2	2.2	1.4	4.9	2.5
Other current assets	8.5	11.7	18.3	30.8	34.4
Total current assets	**11.7**	**13.9**	**19.7**	**35.7**	**36.9**
Property, plant and equipment	0.4	0.1	0.1	0.1	0.1
Intangible assets	2.0	2.0	2.1	2.1	2.1
Other non-current assets	42.4	81.1	117.5	136.3	159.6
Total non-current assets	**44.7**	**83.3**	**119.7**	**138.5**	**161.8**
Total assets	**56.4**	**97.1**	**139.4**	**174.2**	**198.7**
Trade and other payables	8.6	6.3	10.5	18.9	24.9
Loans and contract liabilities	10.3	13.0	27.8	31.8	32.4
Other current liabilities	1.0	0.9	2.5	4.0	5.3
Total current liabilities	**20.0**	**20.1**	**40.8**	**54.7**	**62.5**
Lease liabilities	21.2	47.2	58.0	66.2	67.4
Other non-current liabilities	1.3	2.8	2.8	2.8	2.8
Total non-current liabilities	**22.5**	**50.0**	**60.8**	**69.0**	**70.3**
Total liabilities	**42.5**	**70.2**	**101.6**	**123.7**	**132.8**
Unitholders' funds and reserves	14.0	26.9	37.7	50.5	65.9
Total liabilities and equity	**56.4**	**97.1**	**139.4**	**174.2**	**198.7**

CASH FLOW STATEMENT (The Assembly Place mn)	2024	2025	2026F	2027F	2028F
Profit before tax	**7.1**	**8.4**	**13.0**	**15.4**	**18.6**
Adjustments	5.5	8.1	11.0	28.4	34.3
Operating cash flows before WC changes	**12.6**	**16.5**	**24.0**	**43.7**	**52.9**
Change in working capital	12.7	15.6	23.2	41.2	56.5
Income tax paid	(0.0)	(0.2)	(2.2)	(2.6)	(3.2)
Cash flows from operations	**12.7**	**15.5**	**21.0**	**38.5**	**53.4**
Capital expenditure	(1.1)	(0.4)	(0.1)	(0.1)	(0.1)
Acquisition of subsidiaries	(0.0)	0.0	0.0	0.0	0.0
Others	(3.9)	(0.5)	(3.3)	(1.6)	(7.6)
Cash flows from investing	**(5.0)**	**(0.9)**	**(3.4)**	**(1.8)**	**(7.8)**
Lease payments	(10.0)	(13.8)	(15.0)	(28.6)	(42.6)
Dividends paid	0.0	0.0	0.0	0.0	0.0
Interest paid	(1.4)	(2.3)	(3.3)	(4.7)	(5.4)
Other financing cashflow	5.7	0.6	(0.0)	(0.0)	(0.0)
Cash flows from financing	**(5.7)**	**(15.5)**	**(18.3)**	**(33.3)**	**(47.9)**
FX Effects, Others	-	-	-	-	-
Net increase in cash	**1.9**	**(1.0)**	**(0.8)**	**3.5**	**(2.4)**
Beginning Cash	1.0	2.9	2.2	1.4	4.9
Ending cash	**2.9**	**1.9**	**1.4**	**4.9**	**2.5**

KEY RATIOS	2024	2025	2026F	2027F	2028F
DPS (SGD cents)	–	–	–	–	–
Dividend yield (%)	–	–	–	–	–
NAV per share (SGD cents)	3.6	7.0	9.9	13.2	17.2
Price/NAV (x)	6.5	3.3	2.4	1.8	1.4
Profitability					
EBITDA Margin (%)	46.6%	40.9%	38.2%	26.0%	25.8%
Net Margin (%)	32.8%	24.5%	25.1%	16.4%	16.5%
ROE (ex. Property FV gain) (%)	44.6%	24.6%	28.6%	25.3%	23.4%
ROA (ex. Property FV gain) (%)	11.0%	6.8%	7.7%	7.3%	7.8%
Financial Structure					
Interest Coverage Ratio (x)	8.8	6.5	7.2	9.2	9.8
Gearing Ratio (%)	(0.2)	(0.1)	(0.0)	(0.1)	(0.0)

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Outperform (OP)	We take a positive view on the stock. The stock is expected to outperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
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