SINGAPORE EQUITY RESEARCH

APAC Realty Ltd

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DBS Group Research

04 August 2026

1H26 results: Special dividend cushions a softer year

What's New

- 1H26 PATMI of SGD 9.4mn (-17% y/y) came in slightly below expectations, accounting for c.47-48% of DBS and consensus full year estimates, due to lower new home sales
- Near-term support for share price underpinned by interim dividend of 1.9 Scts (c.78% payout ratio) and special dividend of 3.6 Scts (above previous special dividend of 3.0 Scts back in FY21), in line with our expectations that excess cash would be returned to shareholders
- Earnings trajectory skewed to downside in 2H26, with a thinner new launch pipeline and delay of some projects into 2027, partly mitigated by policy support from removal of 15-month wait-out period which should boost resale volumes
- Maintain HOLD and TP of SGD 0.70

What's new:

APAC Realty reported 1H26 PATMI of SGD 9.4mn (-16.8% y/y), accounting for c.47-48% of DBS and consensus full year estimates. The slight underperformance was mainly driven by lower-than-expected revenue from new home sales, which declined 11.0% y/y to SGD 131.2mn, due to a lighter launch pipeline. This was partly offset by a 0.8% increase in resale and rental revenue to SGD 208.4mn while other revenue fell 13.0% y/y to SGD 1.3mn. Gross profit and net profit margins contracted to 10.3% (-0.2ppt y/y) and 4.0% (-0.7ppt y/y) respectively in 1H26. An interim dividend of 1.9 Scts/share was declared (1H25: 2.7 Scts), which represents c.78% payout ratio, with a special dividend of 3.6 Scts/share (above last special dividend in FY21 of 3.0 Scts/share).

Our view:

The special dividend should provide near-term support for the share price, although the earnings trajectory remains skewed to the downside over the rest of 2026. While 1H26 results came in slightly below expectations, we believe this was more than offset by the special dividend, which we had previously highlighted as a likely outcome given the group's strong cash accumulation and healthy balance sheet, with a net cash position of c.SGD16mn. Although 1H26 earnings softened due to weaker residential transaction volumes, the result was largely expected given the slowdown in the primary market following the exceptionally strong launch activity in 2025. 1H25 was also a high base, with more than 8,000 units launched and healthy take-up rates.

We similarly expect 2H26 earnings to decline y/y, as fewer new launches (i.e. projects launched between April and September 2026) are expected to contribute to revenue. We note that several projects, including Chuan Grove (c.1,000 units) and several EC projects, are likely to be pushed into 2027. In addition, the planned redevelopments of Marina Square (c.700 units) and Valley Point (c.400 units), previously expected to launch in 4Q26 (source: PropNex), could also be delayed. That said, the removal of the 15-month wait-out period should improve market liquidity by allowing eligible private homeowners to right-size into HDB resale flats more readily, while also facilitating upgrading demand among existing HDB owners. This should support transaction activity across the housing market and benefit property agencies through higher transaction volumes.

Maintain HOLD and TP of SGD 0.70.

Analyst

Tabitha Foo | tabithafoo@dbs.com

Key Financial Data (FY Dec)

Bloomberg Ticker	APAC SP
Sector	Real Estate Management & Development
Share Price(SGD)	0.57
DBS Rating	HOLD
12-mth Target Price (SGD)	0.70
Market Cap (USDbn)	0.2
3m Avg. Daily Val (USDmn)	0.0
Dividend yield (%)	7.8
Fwd. P/E (x)	12.6
P/Book (x)	1.5
ROE (%)	12.8

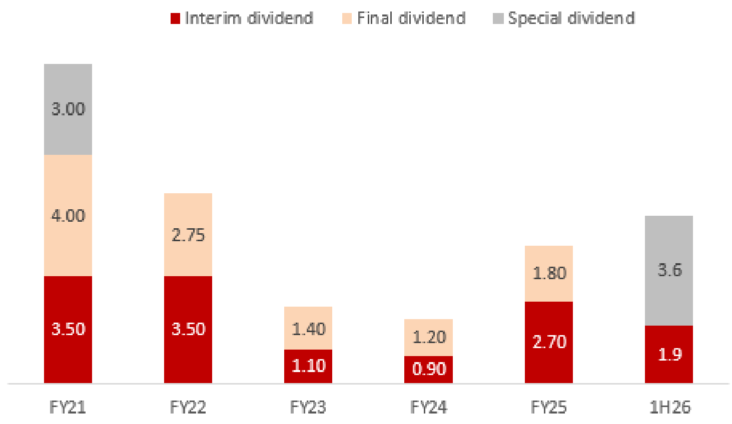
Closing Price as of 03/08/2026

Source: Twelve Data, DBS, Visible Alpha

APAC Realty Ltd Share Price

Source: Twelve Data

APAC Realty dividends (Scts/share)



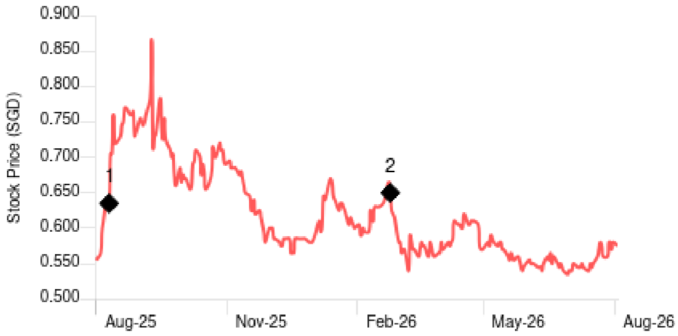
Source: Company, DBS

Upcoming major launches in 2026

Project	No. of units	Target preview date
Lucerne Grand	570	Sep 2026
Amberwood at Holland	212	Sep/Oct 2026
Thomson Reserve	1,268	Sep/Oct 2026
Wynwood Grand (EC)	420	4Q26
Total	2,470	

Source: Company, DBS

Target Price & Ratings History - APAC Realty Ltd (APAC_SP_Equity)



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1	10 Aug'25	0.635	0.800	BUY
2	24 Feb'26	0.665	0.700	HOLD

Source: DBS
Analyst: Tabitha Foo

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STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
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Share price appreciation + dividends

Sources for all charts and tables are DBS unless otherwise specified.

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