

Product Highlights Sheet for the Prospectus dated 21 September 2017



## APAC REALTY LIMITED

(Company Registration Number: 201319080C)  
(incorporated in Singapore on 15 July 2013)

### Offering in respect of 48,914,200 Offering Shares (subject to the Over-allotment Option) Offering Price: S\$0.66 per Offering Share

*Prior to making a decision to purchase the Shares, you should carefully consider all the information contained in the Prospectus. This Product Highlights Sheet should be read in conjunction with the Prospectus. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Shares, you should consult your legal, financial, tax or other professional adviser.*

This Product Highlights Sheet is an important document.

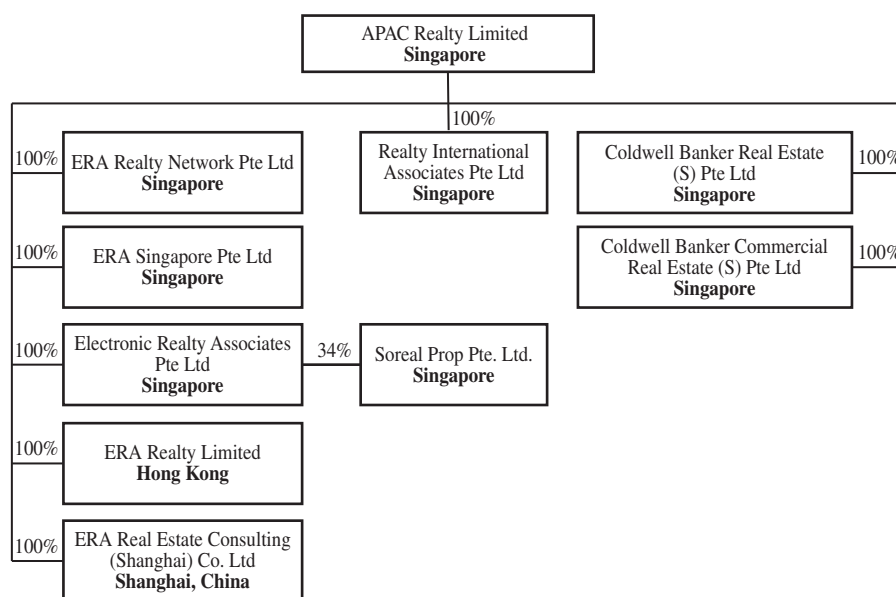
- It highlights the key information and risks relating to the offer of the Shares contained in the Prospectus. It complements the Prospectus<sup>1</sup>.
- You should **not** purchase the Shares if you do not understand the nature of an investment in shares of a company, our business or are not comfortable with the accompanying risks.
- If you wish to purchase the Shares, you will need to make an application in the manner set out in the Prospectus. If you do not have a copy of the Prospectus, please contact our Company or the Sole Issue Manager, Bookrunner and Underwriter to ask for one.

<b>Issuer</b>	APAC Realty Limited	<b>Place of incorporation</b>	Singapore
<b>Details of this offer</b>	Total number of Shares to be offered under the Offering (subject to the Over-allotment Option): 4,796,500 New Shares and 44,117,700 Vendor Shares, comprising:  (i) 44,503,200 Placement Shares; and  (ii) 4,411,000 Public Offer Shares	<b>Total amount to be raised in this offer</b>	Net proceeds of approximately S\$55.0 million (assuming the Over-allotment Option is not exercised) of which approximately S\$27.1 million will be due to our Company.
<b>Offering Price</b>	S\$0.66 per Offering Share	<b>Listing status of the Issuer and the Securities</b>	An application has been made to the SGX-ST for permission to list all our issued Shares, the Offering Shares and the Cornerstone Shares on the Mainboard of the SGX-ST. The Shares are expected to be listed on 28 September 2017.

<sup>1</sup> The Prospectus, lodged with and registered by the Monetary Authority of Singapore (the "MAS") on 14 September 2017 and 21 September 2017 respectively, may be obtained on request, subject to availability, during office hours, from DBS Bank Ltd. at their address stated in the Prospectus and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST's website at <http://www.sgx.com> and the MAS' OPERA website at <https://eservices.mas.gov.sg/opera/>.

<b>Sole Issue Manager, Bookrunner and Underwriter</b>	DBS Bank Ltd.		
<b>OVERVIEW</b>			
<b>WHO ARE WE AND WHAT DO WE DO?</b>			
<p>We are a leading real estate services provider which operates a market-leading real estate brokerage in Singapore under the ERA brand. We operate in three main segments:</p> <p><b>Real estate brokerage services</b> Our real estate brokerage services are operated by our wholly-owned subsidiary ERA Realty Network Pte Ltd (“<b>ERA Realty</b>”) under the ERA brand. ERA Realty is one of Singapore’s largest real estate agencies with 6,223 salespersons (termed as agents or associates) registered with the industry’s regulator, the Council for Estate Agencies (the “<b>CEA</b>”), as at 31 March 2017. We believe that ERA Realty is the industry pioneer with a solid track record of 35 years of growth, innovative contributions and service excellence in Singapore.</p> <p><b>Franchise arrangements</b> We hold the exclusive ERA regional master franchise rights for the following countries in the Asia-Pacific region, acquired from Realogy Group LLC (“<b>Realogy</b>”) pursuant to the Regional MFA: Australia, Brunei, Cambodia, China (including Hong Kong and Macau), Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Korea, the Philippines, Papua New Guinea, Singapore, Taiwan, Thailand and Vietnam (the “<b>Territories</b>”). Realogy is a leader in residential real estate office franchising and brokerage, with many well-known brands such as CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, ERA®, Sotheby’s International Realty® and Better Homes and Gardens Real Estate®.</p> <p>We have licensed the ERA brand and the use of certain ERA Marks to sub-franchisees in Japan, Korea, Taiwan, Thailand, Malaysia, Vietnam and Indonesia, and also to our subsidiary ERA Singapore Pte Ltd (“<b>ERA Singapore</b>”) in Singapore. Our sub-franchisees are the ERA master franchisors for their territory and may in such capacity appoint sub-franchisees and ERA Member Brokers. ERA Singapore has appointed ERA Realty as an ERA Member Broker.</p> <p>We also hold the master franchise rights for Singapore for Coldwell Banker, one of the oldest and most established real estate office and franchising companies in the United States. As at 31 March 2017, through our wholly-owned subsidiary Coldwell Banker Real Estate (S) Pte Ltd, we have 21 Coldwell Banker Member Brokers in Singapore which collectively have over 100 agents registered with them.</p> <p><b>Training, valuation and other ancillary services</b> Our wholly-owned subsidiary Realty International Associates Pte Ltd (“<b>RIA</b>”) operates training programmes and courses for real estate agents in preparation for professional certification exams and as part of continuing professional development regulations. RIA is an Approved Course Provider appointed by the CEA. RIA also undertakes valuation work on behalf of clients such as financial institutions, government agencies and property owners and provides management services for real estate developments.</p>		<p>Refer to “<i>Offering Summary</i>” on page 11 of the Prospectus, “<i>Our History and Development</i>” on page 75 of the Prospectus and “<i>Business</i>” on page 78 of the Prospectus for more information.</p>	

As at the Latest Practicable Date, our corporate structure is as follows:



#### WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our directors are Mr. Stewart Yen Se-Hua (Non-Executive Chairman and Independent Director), Mr. Jack Chua (Executive Director and Chief Executive Officer), Mr. Tan Choon Hong (Non-Executive Director), Mr. Tommy Teo Zhi Zhuang (Non-Executive Director), Mr. Tan Bong Lin (Non-Executive Independent Director) and Mr. Hee Theng Fong (Non-Executive Independent Director).

Our executive officers are Mr. Jack Chua (Executive Director and Chief Executive Officer), Mr. Poh Chee Yong (Chief Financial Officer) and Mr. Eugene Lim (Key Executive Officer).

Refer to “*Management*” on page 131 of the Prospectus for more information on our directors and management

#### WHO ARE OUR CONTROLLING SHAREHOLDERS?

Immediately after the completion of the Restructuring (as defined herein), the Offering and the issue of the Cornerstone Shares, each of our controlling shareholders Mr. Tan Choon Hong, PGA Realty and APRH will, either directly or indirectly, as the case may be, own approximately 74.7% of our share capital (assuming the Over-allotment Option is not exercised) and approximately 72.0% of our share capital (assuming the Over-allotment Option is exercised in full).

Refer to “*Share Capital and Shareholders*” on page 142 of the Prospectus for more information on our controlling shareholders.

#### HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

##### Key profit and loss information

	FY2014	FY2015	FY2016	1Q2016	1Q2017
	(S\$'000)				
	(audited)			(unaudited)	
Total Revenue	218,191	232,586	287,749	56,132	67,165
Profit before tax	14,691	10,327	18,079	2,207	4,753
Profit for the year/period	12,241	8,486	15,882	1,926	4,031
Basic and diluted earnings per Share (cents) <sup>(1)</sup>	3.94	2.73	5.11	0.62	1.30
Adjusted earnings per Share (cents) <sup>(2)</sup>	3.45	2.39	4.47	0.54	1.13

##### Notes:

- (1) For comparative purposes, the basic and diluted earnings per Share have been computed based on our share capital of 311,080,000 Shares (after adjusting for the Share Split) prior to the completion of the Offering and the issue of the Cornerstone Shares.
- (2) For comparative purposes, the adjusted earnings per Share have been computed based on our share capital of 355,197,700 Shares (after adjusting for the Share Split) immediately after the completion of the Offering and the issue of the Cornerstone Shares.

Refer to “*Management’s Discussion and Analysis of Results of Operations and Financial Position*” on page 57 of the Prospectus for more information on our financial performance and position.

**Key balance sheet information**

	As at 31 December			As at 31 March
	2014	2015	2016	2017
	(S\$'000)			
	(audited)			(unaudited)
Total assets	150,177	154,650	170,338	163,801
Total liabilities	70,679	91,654	91,461	80,893
Net assets	79,498	62,996	78,877	82,908

**Key cash flows information**

	FY2014	FY2015	FY2016	1Q2016	1Q2017
	(S\$'000)				
	(audited)			(unaudited)	
Net cash generated from operating activities	18,246	7,116	22,672	2,215	440
Net cash used in investing activities	(721)	(2,096)	(141)	(14)	(61)
Net cash used in financing activities	(13,500)	(9,000)	(19,000)	(6,300)	(8,000)
Net increase/(decrease) in cash and cash equivalents	4,025	(3,980)	3,531	(4,099)	(7,621)
<b>Cash and cash equivalents at beginning of year/period</b>	<b>14,171</b>	<b>18,196</b>	<b>14,216</b>	<b>14,216</b>	<b>17,747</b>
<b>Cash and cash equivalents at end of year/period</b>	<b>18,196</b>	<b>14,216</b>	<b>17,747</b>	<b>10,117</b>	<b>10,126</b>

The most significant factors contributing to our financial performance in 1Q2017 compared to 1Q2016 are as follows:

- Revenue increased by approximately S\$11.1 million or 19.7%, from S\$56.1 million in 1Q2016 to S\$67.2 million in 1Q2017. This was mainly due to the increase in brokerage income from resale and rental of properties of S\$7.6 million or 18.1%, from S\$42.3 million in 1Q2016 to S\$49.9 million in 1Q2017 and the increase in brokerage income from new home sales of S\$3.4 million or 28.9%, from S\$11.6 million in 1Q2016 to S\$15.0 million in 1Q2017.
- Gross profit increased by approximately S\$2.7 million or 34.9%, from S\$7.5 million in 1Q2016 to S\$10.2 million in 1Q2017. This was largely attributed to the increase in contribution from both the resale and rental of properties, and new home sales. The gross profit margin from the brokerage income increased from 10.4% in 1Q2016 to 12.6% in 1Q2017, largely due to the increase in contribution of new home sales relative to other business segments.
- As a result of the foregoing and other factors set out in the Prospectus, profit for the period increased by approximately S\$2.1 million or 109.2%, from S\$1.9 million in 1Q2016 to S\$4.0 million in 1Q2017.

The most significant factors contributing to our financial performance in FY2016 compared to FY2015 are as follows:

- Revenue increased by approximately S\$55.1 million or 23.7%, from S\$232.6 million in FY2015 to S\$287.7 million in FY2016. This was mainly due to the increase in brokerage income from resale and rental of properties of S\$30.5 million or 16.6%, from S\$183.2 million in FY2015 to S\$213.7 million in FY2016 and the increase in brokerage income from new home sales of S\$24.3 million or 59.4%, from S\$41.1 million in FY2015 to S\$65.4 million in FY2016.
- Gross profit increased by approximately S\$8.6 million or 27.5%, from S\$31.3 million in FY2015 to S\$39.9 million in FY2016. This was largely attributed to the increase in contribution from both the resale and rental of properties, and new home sales. The gross profit margin from brokerage income increased from 10.7% in FY2015 to 11.5% in FY2016, largely due to the increase in contribution of new home sales relative to other business segments.
- As a result of the foregoing and other factors set out in the Prospectus, profit for the year increased by approximately S\$7.4 million or 87.2%, from S\$8.5 million in FY2015 to S\$15.9 million in FY2016.

The most significant factors contributing to our financial performance in FY2015 compared to FY2014 are as follows:

- Revenue increased by approximately S\$14.4 million or 6.6%, from S\$218.2 million in FY2014 to S\$232.6 million in FY2015. This was mainly attributable to the increase in brokerage income from resale and rental of properties of approximately S\$30.6 million or 20.1%, from S\$152.6 million in FY2014 to S\$183.2 million in FY2015, which was partially offset by a decrease in brokerage income from new home sales of S\$15.3 million or 27.2%, from S\$56.4 million in FY2014 to S\$41.1 million in FY2015.
- Gross profit decreased by approximately S\$3.5 million or 10.3%, from S\$34.8 million in FY2014 to S\$31.3 million in FY2015. The decrease was largely attributed to a decrease in brokerage income from new home sales which have a higher gross profit margin offset partially by an increase in brokerage income from resale and rental of properties, which has a lower gross profit margin. The gross profit margin from our brokerage income decreased from 12.6% in FY2014 to 10.7% in FY2015 due to lower brokerage income from new home sales.
- As a result of the foregoing and other factors set out in the Prospectus, profit for the year decreased by approximately S\$3.7 million or 30.7%, from S\$12.2 million in FY2014 to S\$8.5 million in FY2015.

**The above factors are not the only factors contributing to our financial performance in FY2014, FY2015, FY2016 and 1Q2017. Please refer to the other factors set out in “Management’s Discussion and Analysis of Results of Operations and Financial Position” on pages 57 to 74 of the Prospectus.**

## INVESTMENT HIGHLIGHTS

### WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

- **Strengthen and expand our presence in Singapore.** We intend to strengthen and expand our presence in Singapore to further benefit from the recovery of the Singapore residential property market through establishing a centralised business centre. From time to time, we may also explore opportunities to increase our agent network in Singapore through recruiting individual agents and/or acquiring agent networks.
- **Expand our range of services and geographical presence in the Asia-Pacific region.** We intend to grow our business by expanding our range of real estate-related services and expanding our geographical presence in the Asia-Pacific region. With the competitive margins of our brokerage business, we intend to further diversify our business into other real estate-related services that offer higher margins, while maintaining our focus on our brokerage business. In addition, as our residential real

Refer to “Offering Summary – Strategies” on page 17 of the Prospectus and “Business – Strategies” on page 102 of the Prospectus for more information on our strategies and future plans.

<p>estate brokerage business is cyclical in nature, increasing our exposure to other sources of income such as training, valuation, property management, commercial and industrial leasing, purchasing, auction, research and facilities management would contribute to greater stability in our cash flows and improved profitability. We also intend to expand and deepen our presence in key markets in the Asia-Pacific region either by setting up a brokerage office, entering into sub-franchise arrangements with local operators or acquiring an existing agent network (subject to any applicable non-compete restrictions).</p> <ul style="list-style-type: none"> <li>● <b>Enhance our technological capabilities.</b> We place a strong emphasis on enhancing agent productivity. We currently offer various tools such as mobile applications (i-ERA, ERA SG Projects), a website (ERA.com.sg), a customer relationship and management system (24/7 PropWatch) and an internal portal (MyERA) which we have developed for our agents to facilitate the execution of real estate transactions. We intend to continue to enhance our technological capabilities, create and/or acquire new tools to increase our business efficiency and offer better levels of service to our customers and agents, including through investments and/or partnerships with third parties.</li> </ul>	
<p><b>WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?</b></p>	
<p>We expect that our sales and results of operations for FY2017 will be affected by the following:</p> <ul style="list-style-type: none"> <li>● general economic and financial market conditions which will have an impact on the general demand for real estate and real estate brokerage services from our customers;</li> <li>● changes in regulations and policies governing real estate transactions;</li> <li>● number of competitors and competition in the real estate brokerage industry;</li> <li>● our ability to retain and grow our existing agent base;</li> <li>● our ability to maintain and improve operating margins; and</li> <li>● our ability to execute our business plans and strategies.</li> </ul> <p><b>The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in the sections of the Prospectus listed in the column to the right.</b></p>	<p>Refer to “<i>Management’s Discussion and Analysis of Results of Operations and Financial Position</i>” on page 57 of the Prospectus for more information on our business and financial prospects.</p>
<p><b>WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?</b></p>	
<p>We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in our Shares.</p> <ul style="list-style-type: none"> <li>● <b>The ERA brand is very important to our business and success, and we are subject to certain restrictive provisions under our franchise agreements.</b> Under the Regional MFA, Realogy has granted our Company the exclusive right to license the ERA Marks and the ERA System to sub-franchisees in the Territories. Under the Singapore MFA (which is presently an intra-group agreement between our Company (as ERA regional master franchisor for the Territories) and our wholly-owned subsidiary ERA Singapore (as ERA master franchisor for Singapore)), ERA Singapore has been granted the exclusive right to grant memberships to parties to operate ERA Member Broker Offices in Singapore. ERA Realty has been appointed as an ERA Member Broker in Singapore, pursuant to the ERA Realty Membership Agreement (which is presently an agreement between our wholly-owned subsidiaries, ERA Singapore and ERA Realty). We also hold the Coldwell Banker master franchise rights for Singapore pursuant to the Coldwell Banker MFA. The Regional MFA may be terminated by either party upon a material and uncured breach by the other party of a material provision of the Regional MFA or of any other agreement or document entered into or delivered pursuant to the Regional MFA. Further, Realogy may terminate the Regional MFA immediately without recourse to any legal formalities or court proceedings upon the occurrence of, among other things, (a) insolvency of our Company, (b) a breach by our Company for which Realogy has given us a prior notice of breach within the previous 12 months, (c) an assignment by our Company of the Regional MFA, or one or more sales, transfers or new issues of stock in excess of the stipulated threshold, without obtaining Realogy’s prior written consent as required under the Regional MFA or (d) a failure to provide Realogy with a right of first refusal as required under the Regional MFA. The Coldwell Banker</li> </ul>	<p>Refer to “<i>Risk Factors</i>” on page 29 of the Prospectus for more information on risk factors.</p>

MFA also contains similar termination events. While there has not been any material breach by our Company of a material provision of the Regional MFA or the Coldwell Banker MFA and we believe that we have developed and maintained a good working relationship with Realogy and are confident that any breach of the Regional MFA or the Coldwell Banker MFA by our Company is likely to be rectified or resolved in accordance with the provisions described above and that the Regional MFA and the Coldwell Banker MFA will not be prematurely terminated, we cannot assure you that this will be the case. For so long as the Singapore MFA and the ERA Realty Membership Agreement are intra-group agreements, we do not foresee that either agreement will be prematurely terminated. However, in the event that the Regional MFA is terminated or expires, the Singapore MFA and the ERA Realty Membership Agreement may be assigned to Realogy or its nominee and will upon such assignment cease to be intra-group agreements.

In addition, the prior written consent of Realogy (such consent not to be unreasonably withheld or delayed) is required for an assignment by our Company of the Regional MFA or any of its rights, privileges, duties or obligations thereunder or in the event APRH's ownership of the Shares, PGA Realty's ownership of the Class A voting shares of APRH or Mr. Tan Choon Hong's ownership of the shares of PGA Realty is diluted to below 51.0%, subject to an exception. Realogy also has a right of first refusal in the event that our Company desires to assign its rights under the Regional MFA. Any such assignment, sale or transfer (actual or purported) without Realogy's prior written consent constitutes a default of a material obligation of the Regional MFA, shall be null and void as against Realogy and is a termination event under the Regional MFA. There are similar provisions in the Coldwell Banker MFA. In the event that Realogy exercises its right to terminate the Regional MFA and we lose the ERA master franchise rights for the Territories, we will no longer receive royalty income from the sub-franchisees in the Territories. We are also to pay to Realogy liquidated damages, the amount of which is potentially significant.

Further, under the Regional MFA, during the term of the agreement and for a period of one year after termination or expiration of the Regional MFA (except in the event of termination by Realogy without cause or termination by our Company for cause), our Company, our Directors (during the term of their appointment), our senior executive officers (during the term of their appointment), APRH, PGA Realty and Mr. Tan Choon Hong are subject to non-compete restrictions pursuant to which we and they may not (a) enter the real estate brokerage business in competition with our franchisees or our sub-franchisees or their franchisees, nor have a direct or indirect financial interest in any of our franchisees or our sub-franchisees or their franchisees, without Realogy's prior written consent or (b) engage in or have a direct or indirect financial interest in a company that engages in the sale and/or servicing of other real estate brokerage office franchises, except those real estate brokerage franchising systems owned or operated by Realogy or its affiliates or their parent. The Coldwell Banker MFA contains a similar non-compete restriction, with similar exclusions. There is also a non-compete restriction under the Singapore MFA which applies to our Company and ERA Singapore for two years after the Singapore MFA is terminated under certain circumstances, and which has an exclusion for, among other things, our direct or indirect ownership interest in any ERA Member Broker Office.

The termination of one or more of the Regional MFA, the Coldwell Banker MFA, the Singapore MFA and/or the ERA Realty Membership Agreement may, as the case may be, result in the Singapore MFA and/or ERA Realty Membership Agreement ceasing to be an intra-group agreement and/or may have a material and adverse impact on our business, prospects, results of operations and financial condition. Our other services such as property management, valuation and training are not operated based on our franchise arrangements with Realogy and are not subject to the non-compete restrictions under the Regional MFA. Such other services are also not prohibited by the non-compete restrictions under the Singapore MFA, as our provision of such other services does not result in competition with any ERA Member Broker in Singapore. However, in the event that we are not able to operate our brokerage business for a period of up to two years as a result of the non-compete restrictions, our business and operations will be materially and adversely affected.

- **We are subject to significant competition.** The real estate brokerage industry in Singapore is highly competitive, and we face significant competition. We face considerable competition from established estate agency brands, as do our sub-franchisees in their respective territory. We may also face competition from new market entrants, or as a result of consolidation by our existing competitors. Increased competition may decrease both the number of transactions that our agents broker and the commissions and price levels our agents are able to charge, which may in turn adversely impact our business, prospects, results of operations and financial condition. There is also substantial competition for high-performing agents in the industry, which is characterised by high levels of agent turnover. All of our agents are independent contractors and are able to leave us at short notice and potentially join other agencies. A portion of our revenue is also derived from the provision of ancillary services that are related to the sale of residential property, including property management and valuation services. Customers may procure such ancillary services from providers other than our Group, which would decrease revenue generated by such services.
- **We are dependent on the strength of the ERA brand and on our reputation and goodwill, all of which may be affected by factors such as litigation, agent and employee misconduct and negative publicity.** We operate in an industry where integrity, trust and confidence are important. Consequently, we are exposed to risks which could undermine any of those characteristics, such as, but not limited to, litigation, agent and employee misconduct, operational failures, adverse regulatory investigations, negative publicity or press speculation, unauthorised disclosure of or access to confidential or personal information and poor service. While we continually review our risk management policies and procedures, keep track of misconduct by agents and employees and have policies and procedures in place to minimise the impact of any such misconduct, we cannot assure you that these procedures will be sufficient. As our rights to the ERA brand are franchised from Realogy, who has other franchisees worldwide, the strength of the ERA brand is also subject to consumer perception and the reputation of Realogy, whom we have no control over. We are also required under the Regional MFA to take all commercially reasonable steps to, and use our best efforts to cause our sub-franchisees and their franchisees to, preserve the goodwill and prestige of the ERA Marks, and there is no assurance that we will be able to satisfy this obligation as our sub-franchisees and their franchisees operate independently from us. In addition, adverse publicity about another operator in our industry may have a negative impact on us even if we are not (or have not been) directly involved. While our Company and our agents are covered under professional indemnity insurance which may help to mitigate economic losses, any such occurrence could materially and adversely impact our reputation and goodwill, cause loss of consumer and customer confidence in us and loss of customers, which could in turn have a material adverse effect on our business, prospects, results of operations and financial condition.
- **Our business and ability to execute our strategies are dependent on retaining key personnel and attracting high-performing agents.** Our business and our ability to execute our strategies depend on the services provided by, and experience of, Mr. Jack Chua, our Executive Director and Chief Executive Officer, our management team and our agent network. In particular, members of our senior management team have made significant contributions to the growth and success of our business and have played a large role in establishing and sustaining our sales and service culture, and are expected to continue to do so following the Listing. Accordingly, the loss of a substantial number of members of the senior management team without suitable and timely replacements may have a material adverse effect on our business, prospects, results of operations and financial condition. In addition, our agents are key to the success of our business. As we rely heavily on commissions generated by our agents, the loss of high-performing or a substantial number of agents, especially to competitors, or an inability to attract, retain and motivate additional high-performing agents required for the expansion of our business, could have a material adverse effect on our business, prospects, results of operations and financial condition.



- We are subject to government policies, laws and regulations with which we may be found to be non-compliant, and changes in government policies, laws or regulations may affect our business and profitability.** Regulators (in particular, the CEA) can conduct industry-wide investigations which might not necessarily result from any action or omission by us. A regulator may determine that we have failed to comply with applicable laws, regulations or rules or that we have not undertaken corrective action required by that regulator. Furthermore, we rely upon, and may be responsible for, the actions of our agents. Acts or omissions of our agents (including negligence, fraud and other misconduct) could result in us failing to comply with applicable laws, regulations, rules or industry codes of conduct, or requirements imposed or supervision by a regulator, which could lead to onerous requests for information, prosecution, disciplinary action, imposition of fines or the revocation of a permission or authorisation, and could result in adverse publicity for, or negative perceptions of, us and affect our relationships with our current and potential customers and applicants, as well as diverting management's attention. In addition, changes in government policies, laws, regulations and/or industry codes of conduct in Singapore may significantly decrease the number of residential property transactions and may increase the cost or reduce the profitability of providing services related to such transactions. Furthermore, a change in the regulation of property sales may reduce, cap or otherwise limit the amount of commission payable on sales transactions or other charges levied by us. Changes may also limit or prescribe our ability to offer certain products and services. Even though some changes may have a beneficial impact in the medium or long term, they may create uncertainty and decrease residential property transaction volumes in the short term, which could have a material adverse effect on our business, prospects, results of operations and financial condition.
- We are dependent on Singapore's residential property market and macroeconomic conditions in Singapore.** We generate almost all of our revenue from the Singapore property market, in particular, the residential property market. We are, therefore, adversely affected by factors that reduce transaction volumes or sales prices and rental rates in the Singapore residential property market. The number of transactions brokered by our agents could decrease if the Singapore residential property market contracts. Transaction volumes in Singapore are dependent on many factors which are beyond our control. When the number of transactions brokered by our agents decreases without a corresponding increase in commissions and/or property prices, the commissions we earn will decrease. The commissions we earn are also affected by the mix of property transactions in the market at the prevailing time. In addition to pressure on ERA Realty's revenue, lower volumes of transactions can be expected to result in our having fewer opportunities to earn revenue from providing ancillary services related to the sale of residential properties, including property management and valuation services. Accordingly, our business, prospects, results of operations and financial condition are closely linked to the Singapore residential property market and could be affected by any decline in the volume of residential property sales or prices. The Singapore housing market has historically been linked to the strength of the Singapore economy, as well as government regulations introduced from time to time. We cannot predict whether, when, or which parts of, the Singapore residential property market will experience a period of sustained growth or downturn. If the Singapore economy, or parts of it, stagnate or contract, average property prices and the volume of activity in the Singapore residential property market could decrease further, which may have a material adverse effect on our business, prospects, results of operations and financial condition.

**The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your Shares. Refer to "Risk Factors" on page 29 of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Shares, you should consider all the information contained in the Prospectus.**

### WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the Latest Practicable Date, our issued and paid up share capital was S\$70,700,000 comprising 311,080,000 Shares.

We have only one class of Shares which have identical rights in all respects and rank equally with one another. The Offering Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Offering. There is no restriction on the transfer of the fully paid-up Shares except where required by law or the rules or regulations of the SGX-ST, or as provided in our Constitution.

Refer to “*Share Capital and Shareholders*” on page 142 and “*Description of the Shares*” on page 148 of the Prospectus for more information on the Offering Shares.

### HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The estimated net proceeds from the Offering and issue of the Cornerstone Shares (after deducting underwriting commissions and estimated offering expenses payable by us and the Vendor but excluding any discretionary incentive fees and assuming the Over-allotment Option is not exercised) will be approximately S\$55.0 million, of which approximately S\$27.1 million will be due to us. We will not receive any proceeds from sale of the Vendor Shares by the Vendor, nor will we receive any proceeds from the exercise of the Over-allotment Option granted by the Vendor.

We intend to use the gross proceeds from the Offering and the issue of the Cornerstone Shares due to us as follows:

Application	S\$ in millions	As a dollar amount for each S\$1.00 of the gross proceeds due to us from the Offering and the issue of the Cornerstone Shares (S\$)
For strengthening and expanding our presence in Singapore	10.0	0.34
For expanding our range of services and geographical presence in the Asia-Pacific region	10.0	0.34
For enhancing our technological capabilities	5.0	0.17
For general corporate and working capital purposes	2.0	0.07
For payment of underwriting commissions and offering expenses	2.1	0.07
<b>Gross proceeds due to us from the Offering and the issue of the Cornerstone Shares</b>	<b>29.1</b>	<b>1.00</b>

Refer to “*Use of Proceeds*” on page 49 of the Prospectus, and “*Business – Strategies*” on page 102 of the Prospectus for more information on our use of proceeds.

### WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

Our Company did not declare or pay dividends in each of FY2014 and FY2016. For FY2015, our Company paid dividends to our Shareholder of approximately S\$0.354 per Share (before adjusting for the Share Split) or S\$0.080 (after adjusting for the Share Split).

Our Company currently does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by our Board at their discretion, after considering a number of factors, including our level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by our Board, including our expected financial performance.

Refer to “*Dividends*” on page 47 of the Prospectus for more information on our dividend policy.

<p>However, our Board intends to recommend and distribute dividends of at least 50% of our net profit after tax (excluding exceptional items) for the period from the Listing Date to 31 December 2017 and FY2018, as we wish to reward our Shareholders for participating in our Group's growth. Investors should note that the foregoing statements are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legally binding statements in respect of our future dividends (including those proposed for the period from the Listing Date to 31 December 2017 and for FY2018), which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for the period from the Listing Date to 31 December 2017 and for FY2018 as an indication of our future dividend policy. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.</p>	
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## DEFINITIONS

<b>1Q</b>	: Three months ended 31 March
<b>APRH or Vendor</b>	: Asia Pacific Realty Holdings Ltd
<b>Coldwell Banker MFA</b>	: The Coldwell Banker International Subfranchise Agreement for Singapore dated 16 October 1998, as assigned and amended
<b>Cornerstone Shares</b>	: The 39,321,200 Shares to be issued pursuant to the cornerstone subscription agreements entered into between our Company and each of FIL Investment Management (Hong Kong) Limited, Qilin Asset Management Pte. Ltd., Asdew Acquisitions Pte Ltd and Azure Capital Pte Ltd
<b>ERA Marks</b>	: The trade names, trademarks and servicemarks, whether in English or any other language, including the name "ERA" which have been or will be registered in the Territories, or for which registration has been or will be applied in the Territories, together with the other slogans, logos or other indicia of the ERA System (" <b>US Registrations</b> ") which have not been registered in the Territories, to the extent such US Registrations do not infringe the rights of third parties in the Territories, together with marks which may be developed, registered or used in the future for the ERA System
<b>ERA Realty Membership Agreement</b>	: The Membership Agreement (an ERA franchise agreement) pursuant to which ERA Realty is appointed as an ERA Member Broker
<b>ERA System</b>	: The proprietary plan for the sublicense of franchises to real estate brokers developed by ERA Franchise Systems, Inc., policies, procedures, merchandising techniques, manuals, forms, advertising and marketing programs, control and other systems together with certain "ERA" marks
<b>Eugene Lim</b>	: Mr. Lim Tong Weng, our Key Executive Officer
<b>FY</b>	: Financial year ended or, as the case may be, ending 31 December
<b>Group</b>	: Our Company together with our subsidiaries
<b>Jack Chua</b>	: Mr. Chua Khee Hak, our Executive Director and Chief Executive Officer
<b>Latest Practicable Date</b>	: 4 September 2017
<b>New Shares</b>	: Comprising 4,796,500 Shares to be issued by our Company in the Offering
<b>Offering</b>	: The Placement and the Public Offering
<b>Offering Price</b>	: S\$0.66 for each Offering Share
<b>Offering Shares</b>	: 48,914,200 Shares offered by our Company and the Vendor in the Offering
<b>Over-allotment Option</b>	: The over-allotment option granted by APRH to the Sole Issue Manager, Bookrunner and Underwriter as described in " <i>Plan of Distribution – Over-allotment Option</i> " section of the Prospectus
<b>PGA Realty</b>	: PGA Realty Partners Ltd

<b>Placement</b>	: The international placement of Offering Shares to investors, including institutional and other investors in Singapore
<b>Placement Shares</b>	: The 44,503,200 Offering Shares which are the subject of the Placement
<b>Public Offer Shares</b>	: The 4,411,000 Offering Shares which are the subject of the Public Offering
<b>Public Offering</b>	: The offering of Offering Shares by way of a public offer in Singapore
<b>Regional MFA</b>	: The ERA Regional Master Franchise Agreement for Asia Pacific dated 19 November 1999, as assigned and amended
<b>SGX-ST</b>	: Singapore Exchange Securities Trading Limited
<b>Share Split</b>	: The sub-division of the 70,700,000 Shares into 311,080,000 Shares, which was effected on 5 September 2017
<b>Shareholders</b>	: Registered holders of the Shares, except where the registered holder is The Central Depository (Pte) Limited, the term "Shareholders" shall, in relation to such Shares, mean the Depositors (as defined in the Securities and Futures Act, Chapter 289 of Singapore) whose securities accounts are credited with Shares
<b>Shares</b>	: Ordinary shares in the capital of our Company
<b>Singapore MFA</b>	: The Assigned Master Franchise Agreement for Singapore dated 20 July 1990, as assigned and amended
<b>Territories</b>	: The countries covered under the Regional MFA, being Australia, Brunei, Cambodia, China (including Hong Kong and Macau), Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Korea, the Philippines, Papua New Guinea, Singapore, Taiwan, Thailand and Vietnam
<b>Vendor Shares</b>	: Comprising 44,117,700 Shares offered by the Vendor in the Offering

### CONTACT INFORMATION

#### WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

##### HOW DO YOU CONTACT US?

##### The Company

APAC Realty Limited

Address : 229 Mountbatten Road, #03-01 Mountbatten Square, Singapore 398007

Telephone No. : +65 6226 2000

Website : <http://www.apacrealty.com.sg>

##### The Sole Issue Manager, Bookrunner and Underwriter

DBS Bank Ltd.

Address : 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982

Telephone No. : 1800 111 1111