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APAC REALTY, OPERATOR OF MARKET-LEADING REAL ESTATE BROKERAGE IN SINGAPORE UNDER THE ERA BRAND, LAUNCHES \$58.2 MILLION IPO

- APAC Realty, through its wholly-owned subsidiary ERA Realty, is the operator of a market-leading real estate brokerage in Singapore under the ERA brand. The Group believes that ERA Realty is the industry pioneer with a solid track record of 35 years of growth, innovative contributions and service excellence in Singapore.
- APAC Realty holds the exclusive ERA regional master franchise rights to 17 countries in the Asia-Pacific region. Through its ERA sub-franchisees, the Group has one of the largest brand footprints in Asia, with a business network comprising more than 15,300 agents in 660 offices across seven countries as at 31 December 2016.
- Offering in respect of 48,914,200 Offering Shares, comprising an offering of 4,796,500 Shares (the "New Shares") by APAC Realty and an offering of 44,117,700 Shares by Asia Pacific Realty Holdings Ltd (the "Vendor") (subject to the Over-allotment Option), at S\$0.66 per Offering Share. At the same time but separate from the Offering, the Company has entered into cornerstone subscription agreements for 39,321,200 Cornerstone Shares.
- Net proceeds of approximately S\$55.0 million will be raised from the Offering and the issue of the Cornerstone Shares¹, of which an estimated S\$27.1 million will be received by the Company.

SINGAPORE, 21 September 2017 – APAC Realty Limited ("APAC Realty", the "Company" or together with its subsidiaries, the "Group"), a leading real estate brokerage services provider operating a market-leading real estate brokerage in Singapore under the ERA brand, announced today that it has registered its prospectus (the "Prospectus") with the Monetary Authority of Singapore in connection with its proposed Initial Public Offering ("IPO") and listing on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to the same as in the Prospectus



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THE OFFERING

The Company and its shareholder, Asia Pacific Realty Holdings Ltd, are making an offering (the "Offering") of 48,914,200 ordinary shares in the capital of the Company ("Shares"), comprising an international placement of 44,503,200 Shares to investors, including institutional and other investors in Singapore, and a public offering of 4,411,000 Shares in Singapore (collectively, the "Offering Shares") (subject to the Over-allotment Option of 9,750,000 Additional Shares), at S\$0.66 per Offering Share. The Offering Shares are subject to re-allocation between the placement and the public offering.

At the same time as but separate from the Offering, the Company has entered into cornerstone subscription agreements with FIL Investment Management (Hong Kong) Limited, Qilin Asset Management Pte. Ltd., Asdew Acquisitions Pte Ltd and Azure Capital Pte Ltd to subscribe for an aggregate of 39,321,200 Shares (the "Cornerstone Shares").

Net proceeds of approximately S\$55.0 million will be raised from the Offering and the issue of the Cornerstone Shares, of which an estimated S\$27.1 million will be received by the Company.

The Company has received a letter of eligibility from the SGX-ST for the listing and quotation of all the Shares on the Mainboard of the SGX-ST. The Company's eligibility to list and admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, the Company, any of its subsidiaries or the Shares.

The Offering is open as of 9.00 p.m. (Singapore time) on Thursday, 21 September 2017 and will close at 12 noon (Singapore time) on Tuesday, 26 September 2017. The trading of the Shares on the SGX-ST, in Singapore dollars, in board lots of 100 Shares, is expected to commence on a "ready" basis at 9.00 a.m. (Singapore time) on Thursday, 28 September 2017.

DBS Bank Ltd. is the Sole Issue Manager, Bookrunner and Underwriter for the Offering.

Mr. Jack Chua, Executive Director and Chief Executive Officer of the Group, said: "Through our ERA sub-franchisees, we have one of the largest brand footprints in Asia with a business network



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comprising more than 15,300 agents in 660 offices across seven countries as at 31 December 2016. We have also since appointed an ERA sub-franchisee in Vietnam. Led by our experienced management team, we look forward to growing our business by expanding our range of services and geographical presence in the Asia-Pacific region.

“We are fortunate to have an established track record and strong relationships with developers, which, together with being a member of the ERA global franchise network, has allowed us to offer our customers and agents greater access to a wide array of real estate opportunities. We expect further benefits from the expected recovery of the Singapore residential market. At the same time, we intend to expand our range of services and geographical presence in the Asia-Pacific region and to enhance our technological capabilities.”

OVERVIEW OF APAC REALTY

APAC Realty operates three main business segments – real estate brokerage services; franchise arrangements; and training, valuation and other ancillary services.

- **Real estate brokerage services**

The Group’s real estate brokerage services are operated by its wholly-owned subsidiary, ERA Realty Network Pte Ltd (“ERA Realty”) under the ERA brand. The Group believes that ERA Realty is the industry pioneer with a solid track record of 35 years of growth, innovative contributions and service excellence in Singapore. ERA Realty has one of the largest registered real estate agent networks in Singapore with 6,223 agents as at 31 March 2017, which represents an agent share in Singapore of 21.1% as at 31 March 2017. In 2016, ERA Realty was the largest ERA Member Broker globally by number of transactions and one of the largest ERA Member Brokers globally by transaction value.

- **Franchise agreements**

The Company holds the exclusive ERA regional master franchise rights for 17 countries in the Asia-Pacific region, acquired from Realogy Corporation LLC (“Realogy”) (until 2029 and renewable for further 30-year terms, subject to conditions). The Group has ERA sub-franchisees in Japan, Korea, Taiwan, Thailand, Malaysia, Vietnam and Indonesia, and also our



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subsidiary ERA Singapore Pte Ltd in Singapore. In addition, the Company holds the franchise rights for Coldwell Banker in Singapore. Coldwell Banker is one of the oldest and most established real estate office and franchising companies in the United States.

- **Training, valuation and other ancillary services**

The Group's wholly-owned subsidiary, Realty International Associates Pte Ltd ("RIA"), operates training programmes and courses for real estate agents in preparation for professional certification exams and as part of continuing professional development ("CPD") regulations. 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.

COMPETITIVE STRENGTHS

The Company holds the exclusive ERA regional master franchise rights for the Territories in the Asia-Pacific region and is a member of the ERA global franchise network

- Over the last 35 years, since the commencement of its brokerage business in February 1982, the Group has built its business by leveraging the ERA System to establish its presence in Singapore and had, over time, adapted its business model to cater to unique attributes of the Singapore residential property market.
- The Group's master franchise model provides it the ability to build its regional presence and network in a capital-efficient manner.

The Group is focused on the real estate brokerage market in Singapore which has a deep and attractive residential real estate market

- The Group's business is focused on Singapore which contributed 99.9% of Group revenue in FY2016.
- With the Singapore private residential real estate market largely supported by local buyers and with prices in most Asian markets being supported by low interest rates and strong demand, the Group is well positioned to benefit from the recovery of the Singapore residential market, according to Cushman & Wakefield, the Independent Market Research Consultant.



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The Group has one of the largest agent networks in Singapore

- The Group, through ERA Realty, has one of the largest registered real estate agent networks in Singapore with 6,223 agents as at 31 March 2017.
- ERA Realty's agent network has increased steadily at a 5-year CAGR of 5.0% per annum from January 2012 to January 2017.

The Group believes that it has built a resilient business model

The Group has maintained a consistent track record of profitability across property market down cycles, and this is mainly attributed to its:

- Robust operating expense structure.
- Brokerage business that is diversified across all property segments.
- Contribution of other non-brokerage businesses.

The Group has an experienced management team with vast experience in the real estate brokerage sector

- The Group's Executive Officers have an average of approximately 20 years of experience in the real estate industry.
- The Group's Executive Officers and senior management team have an average of approximately 17 years of experience with the Group (including under the previous holding company of the Group's subsidiaries).

USE OF PROCEEDS

The net proceeds from the issue of the New Shares and the Cornerstone Shares will be principally used towards the following:

- Strengthening and expanding its presence in Singapore;
- Expanding its range of services and geographical presence in the Asia-Pacific region;
- Enhancing its technological capabilities; and
- General corporate and working capital purposes.



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STRATEGIES

Strengthen and expand presence in Singapore

APAC Realty intends to establish a centralised business centre to facilitate greater synergies between its agents, and may also explore opportunities to increase its agent network in Singapore.

Expand range of services and geographical presence in the Asia-Pacific region

The Group intends to further diversify its business into other real estate-related services that offer higher margins, while maintaining its focus on its brokerage business. In addition, the Group intends to expand and deepen its existing 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.

Enhance technological capabilities

The Group places a strong emphasis on enhancing agent productivity, and currently offers 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 it has developed for its agents to facilitate the execution of real estate transactions. The Group intends to continue to enhance its technological capabilities, create and/or acquire new tools to increase its business efficiency and offer better levels of service to its customers and agents, including through investments and/or partnerships with third parties.

IMPORTANT NOTICE:

This announcement does not constitute an offer, invitation to purchase or subscribe for or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this announcement in respect of the Group is qualified in its entirety by, and is subject to, the more detailed information set out in the Prospectus. The information presented in this announcement is subject to change. Anyone wishing to purchase Shares should read the Prospectus before deciding whether to purchase Shares and will need to make an application in the manner set out in the Prospectus. Any decision to purchase Shares should be made solely on the basis of information



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contained in the Prospectus and no reliance should be placed on any information other than that contained in the Prospectus.

A copy of the Prospectus (and the application forms) may be obtained on request, subject to availability, during office hours, from the Sole Issue Manager, Bookrunner and Underwriter at its addresses stated in the Prospectus (12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982).

This press release does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States. Securities may not be offered, subscribed or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state securities laws. The securities of the Company have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and accordingly, they may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation under the Securities Act). Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the issuer and management, as well as financial statements. The Company does not intend to make a public offer of its securities in the United States. The information contained in this press release does not constitute an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so.

This press release may not be published, forwarded or distributed, directly or indirectly, in the United States (including its territories and dependencies and any state of the United States), Canada, Australia, Japan or any other jurisdiction where it is unlawful to do so. Any failure to comply with these restrictions may constitute a violation of the Securities Act or the applicable laws of other jurisdictions.

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About APAC Realty Limited

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APAC Realty’s real estate brokerage services are operated by its wholly-owned subsidiary ERA Realty Network Pte Ltd (“ERA Realty”) under the ERA brand. ERA Realty is one of Singapore’s largest real estate agencies with 6,223 agents registered as at 31 March 2017, providing property brokerage services for primary home sales, secondary home sales, and rental of residential, commercial and industrial properties.

APAC Realty holds the exclusive ERA regional master franchise rights for 17 countries in Asia Pacific, acquired from Realogy Group LLC. The Group also holds the master franchise rights for Coldwell Banker in Singapore. Coldwell Banker is one of the oldest and most established real estate office and franchising companies in the United States.

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