



APAC Realty Limited
(Company Registration No. 201319080C)
(Incorporated in Singapore on 15 July 2013)

Proposed Investments in Vietnam

1. INTRODUCTION

1.1 Proposed Transactions. The Board of Directors (the “**Board**”) of APAC Realty Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce the following:

a) acquisition of a total of 304,000 shares (“**Target Shares**”) in Eurocapital Joint Stock Company (“**Eurocapital**”), representing 38% of the current issued share capital in Eurocapital, from its existing shareholders, namely Terra Partners Vietnam Joint Stock Company (“**Terra Partners**”) and KTP & Partners Company Limited (“**KTP**”), for a total nominal consideration of S\$100; and

b) subscription of 1,225,800 new shares (“**New Shares**”) in ERA Vietnam Realty Limited Company (“**ERA Vietnam**”) (the “**Proposed Subscription**”), representing 38% of the enlarged issued share capital of ERA Vietnam upon completion of the Proposed Subscription, for a consideration of S\$1,499,900 (“**Consideration**”).

The total consideration of S\$1.5 million will be funded using internal cashflows.

Upon completion of the Proposed Transactions, Eurocapital and ERA Vietnam will become associates of the Company.

1.2 Investment. In respect of the Proposed Transactions, the Company has today entered into an investment agreement (the “**Agreement**”) with Eurocapital, Terra Partners, KTP and ERA Vietnam.

2. INFORMATION ON EUROCAPITAL, ERA VIETNAM, TERRA PARTNERS AND KTP

2.1 Eurocapital. Eurocapital is a joint stock company organised under the laws of the Socialist Republic of Vietnam, having business registration number of 0314292360, with its principal office at 394 Ung Van Khiem St, Ward 25, Binh Thanh Dist. Ho Chi Minh 70000, Vietnam. Eurocapital was granted the exclusive rights by the Company to use the ERA marks and ERA System in the Republic of Vietnam under an ERA Master Franchise Agreement for Vietnam for 25 years from 12 May 2017.

- 2.2 ERA Vietnam.** ERA Vietnam is a limited company organised under the laws of the Socialist Republic of Vietnam, having business registration number of 0312393109, with its principal office at 72 Le Thanh Ton St, Ben Nghe Ward, District 1, Ho Chi Minh 70000, Vietnam.

ERA Vietnam was granted the exclusive rights by Eurocapital to use the ERA marks and ERA system as a real estate agency in Vietnam for approximately 25 years from June 2017. ERA Vietnam was ranked the top 10 real estate agencies in Vietnam and has a salesforce of approximately 900 salespersons as at 31 December 2019.

- 2.3 Terra Partners.** Terra Partners is a joint stock company organised under the laws of the Socialist Republic of Vietnam, having business registration number of 0314128089, with its principal office at 394 Ung Van Khiem St, Ward 25, Binh Thanh Dist. Ho Chi Minh 70000, Vietnam. Terra Partners is an existing shareholder of Eurocapital.

- 2.4 KTP.** KTP is a limited company organised under the laws of the Socialist Republic of Vietnam, having business registration number of 0314185827, with its principal office at 72 Le Thanh Ton St, Ben Nghe Ward, District 1, Ho Chi Minh 70000, Vietnam. KTP is an existing shareholder of Eurocapital.

3. PRINCIPAL TERMS OF THE INVESTMENT

- 3.1 Target Shares.** Pursuant to the terms of the Agreement, Terra Partners & KTP shall jointly sell, and the Company shall purchase, the Target Shares free from any encumbrances or liens.

- 3.2 New Shares.** Pursuant to the terms of the Agreement, ERA Vietnam will issue, and the Company shall subscribe, the New Shares free from any encumbrances or liens.

- 3.3 Consideration.** The Consideration was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis, and took into consideration factors, amongst others, the future plans and earnings potential of ERA Vietnam.

- 3.4 Shareholder Loan.** A shareholder loan of S\$1,000,000 shall be made available to and disbursed to ERA Vietnam in full on the day no later than 30 June 2020 and subject to the terms and conditions of a loan agreement that the parties will be entering into.

- 3.5 Completion.** Completion will take place within 12 weeks from the date of the Agreement.

4. RATIONALE OF THE PROPOSED TRANSACTIONS AND BENEFITS TO THE GROUP

The Proposed Transactions will allow the Company to be more involved in the business and participate in the direction and strategy planning for ERA Vietnam.

Both ERA Realty Network Pte Ltd, a Singapore-incorporated subsidiary of the Company and ERA Vietnam will also derive cross-selling benefits when their salespersons work in tandem to market and sell overseas properties to their respective customers.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The Proposed Transactions are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2020.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE SGX-ST LISTING MANUAL

As none of relative figures computed on the applicable bases set out under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) exceeds 5%, neither of the Proposed Transactions is considered a discloseable transaction under Chapter 10 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and to the best of the Directors’ knowledge, none of the controlling Shareholders or their respective associates has any interest, direct or indirect, in the Proposed Transactions, other than that arising from their respective shareholdings and / or directorships, as the case may be, in the Company.

BY ORDER OF THE BOARD

Chua Khee Hak
Executive Chairman and CEO
26 February 2020