



APAC REALTY EYES ASIA'S TOP PROPERTY HOTSPOT WITH STRATEGIC INVESTMENT IN ERA VIETNAM

- APAC Realty invests S\$1.5 million for 38% stake in ERA Vietnam
- Supported by a team of 900 agents, ERA Vietnam has taken an estimated 20% share of Vietnam's project marketing sector within two years of its founding
- ERA Vietnam's turnover grew 75% and the franchise became profitable in its second year of operations (FY2019¹)
- Provides APAC Realty with access to Vietnam's thriving real estate market and fast-growing middle class of 33 million in 2019
- APAC Realty ventured into four major Southeast Asian real estate markets over the past 12 months: Indonesia, Thailand, Malaysia and Vietnam, as part of the Group's strategy to grow its business in some of the highest growth real estate markets in Asia

SINGAPORE, 26 February 2020 – APAC Realty Limited ("APAC Realty", the "Company" or together with its subsidiaries, the "Group"), a leading real estate services provider which operates a market-leading real estate brokerage in Singapore under the ERA brand, announced the acquisition of a 38% interest in ERA Vietnam for S\$1.5 million, providing the Group with access to Vietnam's vibrant real estate market.

The Transaction

APAC Realty will acquire 304,000 shares or 38% of Eurocapital Joint Stock Company ("Eurocapital") from Terra Partners Vietnam Joint Stock Company and KTP & Partners Company Limited for a total nominal consideration of S\$100. Eurocapital was granted the exclusive franchise rights for Vietnam by APAC Realty under a 25-year ERA Master Franchise Agreement for Vietnam from 12 May 2017.

In addition, APAC Realty will subscribe for 1,225,800 new shares in ERA Vietnam Realty Limited Company ("ERA Vietnam"), representing 38% of the enlarged issued share capital for a consideration of S\$1,499,900.

The total consideration of S\$1.5 million will be funded using internal cashflows. Upon completion of the transaction, Eurocapital and ERA Vietnam will become associates of APAC Realty.

"Our entry into Vietnam is another testament to the success of the ERA franchise business model. Our unique franchise model allows the Group to establish the ERA brand name in new markets through a cost-efficient platform. Having worked closely with our franchisees to build a strong reputation for quality service and trusted advice, and a track record of success through an expert local team, we would assess if the franchise is ripe for the next phase – an investment by the Group," said Mr. Jack Chua, Chairman and Chief Executive Officer of APAC Realty.

ERA Vietnam: Driving Performance Through Excellence in Project Marketing

Established in 2017, ERA Vietnam is led by its Chief Executive Officer, Mr. Tuan Pham, who comes with over 15 years of experience in real estate industry and has helmed sales & marketing functions for several reputable developers in Vietnam. The CEO is supported by a strong and capable management team with an average of 12 years of experience in real estate and investment.

¹ For the financial year ended 30 June 2019



ERA Vietnam has expanded rapidly over the past two years to take an estimated 20% share of Vietnam's growing project marketing segment and rank in the top 10 real estate agencies in the country. This was made possible through the dedication and commitment of approximately 900 ERA salespersons² in Ho Chi Minh City.

Following its success in marketing and closing 40 key projects for leading developers in 2019, ERA Vietnam has to-date, been appointed as the marketing agency for 20 key project marketing launches in 2020. The developers of these quality projects include leading Singapore names such as Guocoland, Keppel Land, and Mapletree, as well as leading local and international developers such as BCG Capital, CFLD, GS E&C, M.I.K Group, Novaland, Son Kim Land, Sunshine Group and Vinhomes (of Vingroup).

Following the completion of the transaction, APAC Realty will continue working closely with Mr. Tuan Pham and his team to expand the business across the country.

Vietnam's Attractive Real Estate Market

Vietnam is Southeast Asia's third most populous country with a population of 96 million in 2019. Over a five-year period, from 2014 and 2019, Vietnam's middle class doubled to 33 million people to account for a third of the country's population. This number is expected to continue to rise to 44 million in 2020 and 95 million in 2030.³

This expected growth of Vietnam's middle class is set to increase demand for housing especially in key cities with high-growth economies such as Ho Chi Minh City and Hanoi, which offer better employment opportunities, a higher standard of living, better educational facilities and infrastructure. As at end 2019, the estimated total supply of completed apartments in Ho Chi Minh City and Hanoi was approximately 202,000 units and 224,000 units respectively equating to the rate of 17 apartments per 1,000 people.⁴ Given the demand-supply imbalance, most residential projects launched in the past few years have seen strong demand and sales.

In FY2019, Vietnam recorded GDP growth of 7.02% and attracted more than US\$38 billion in foreign direct investment.⁵ Supported by continued growth in domestic consumption, strong increases in export turnover and foreign investment, Vietnam's GDP is expected to remain robust between 6.7% to 6.8%.⁶

Strategic Expansion Plans Set to Enhance Competitive Advantage

"The investment in ERA Vietnam follows a series of well-timed acquisitions over the past 12 months. We added ERA Indonesia and ERA Thailand to our portfolio in February 2019 and ERA Malaysia at the end of last year. Our acquisitions are of strategic importance as they will allow the Group to build a business that is underpinned by stability through geographic and income diversification. We now enjoy access to some of the highest growth real estate markets in Asia which continue to be supported by urbanization and a booming middle class," said Mr. Chua.

In the first of many steps, APAC Realty has provided additional revenue growth opportunities for both ERA Indonesia and ERA Thailand. Leveraging on ERA Singapore's project marketing expertise, training programmes and long track record of success, both ERA Indonesia and ERA Thailand have better access

² As at 31 December 2019

³ "Vietnam's Real Estate Market: 3 Growth Drivers in 2020", Vietnam Briefing

⁴ "Ensuring affordable housing during Vietnam's golden age", JLL Vietnam, 14 January 2020

⁵ "2020 Vision, Market Brief 2019", Savills Vietnam

⁶ "ADB affirms economic growth potential of Vietnam", Vietnam Investment Review, 24 December 2019



to the new homes market and are better equipped to engage leading local developers for project marketing mandates. APAC Realty has also deployed integration taskforces to carefully design integration programmes to realise synergies and economies of scale over the longer-term.

With the recent acquisition of ERA Malaysia, the Group is currently planning to expand its presence across the country. Currently with only one office in Penang, APAC Realty expects to take a strong position in several key cities, allowing the Group to grow its market share and participate in the growth of Malaysia's property market. The first phase of this expansion plan will see ERA Malaysia opening offices in Johor Bahru and Kuala Lumpur by end June 2020.

APAC Realty has one of the largest real estate networks in Asia with more than 17,300 salespersons in 651 offices across 10 countries through the Group's offices and ERA franchisees.

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About APAC Realty Limited

APAC Realty is a leading real estate services provider, holding the exclusive ERA regional master franchise rights for 17 countries in Asia Pacific. Through its ERA franchisee network, the Group has one of the largest brand footprints in Asia with more than 17,300 salespersons across 651 offices, and is one of the largest ERA Member Brokers globally by transaction value.

The Group has a market-leading position in the Singapore real estate brokerage business through its wholly-owned subsidiary ERA Realty Network Pte Ltd ("ERA Realty"). Established in 1982, ERA Realty is one of Singapore's largest real estate agencies with more than 7,000 salespersons, providing property brokerage services for primary and secondary home sales, as well as rental of residential, commercial and industrial properties. As an industry pioneer, ERA Realty has constantly been at the forefront of technological innovations with an emphasis of enhancing agent productivity and service excellence for the past 38 years.

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. As at 31 December 2019, there are 20 Coldwell Banker Member Brokers in Singapore.

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

APAC Realty is listed on the Mainboard of the Singapore Exchange Limited since 2017. For more information, please visit www.apacrealty.com.sg.

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