



APAC Realty Limited Announces Joint Venture to Boost Project Sales in China

SINGAPORE, 29 August 2018 – APAC Realty Limited today announced that it has entered into a joint venture agreement with Hainan Zhong Zhi Sheng He Real Estate Investment Consulting Co., Ltd (海南中置盛和房地产投资顾问有限公司) and Bei Guo Tou (Shanghai) Equity Investment and Fund Management Co., Ltd (北国投(上海)股权投资基金管理有限公司).

The joint venture, ERA Hainan Real Estate Marketing Co., Ltd (海南易安居房地产营销有限公司), will conduct brokerage and resale brokerage businesses, as well as establish training for and licensing of real estate agents in Hainan. This agreement presents APAC Realty with an opportunity and key milestone to penetrate the China market. This allows APAC Realty to have more participation and control in the business with better profit margins through its equity participation. The full range of real estate agency service is similar to those offered in Singapore such as brokerage services covering new sales, resales and leasing in the residential and commercial sectors.

APAC Realty and Zhong Zhi Sheng He Real Estate Investment Consulting Co., Ltd will each own 40 per cent shareholding in ERA Hainan Real Estate Marketing Co., Ltd., and Bei Guo Tou (Shanghai) Equity Investment and Fund Management Co., Ltd will own the remaining 20 per cent. The registered share capital of the joint venture is RMB 20 million, approximately SGD 4 million.

As part of the joint venture agreement, all existing project-sale businesses from Zhong Zhi Sheng He Real Estate Investment will be transferred to the new joint venture. Established since 2015, Zhong Zhi Sheng He Real Estate Investment has been in the business of real estate consultancy and marketing services, with about 50 employees currently. It has acted as a consultant for and/or successfully marketed these projects:

- | | | |
|-----------|-----------|------------------|
| 1. 富力湾 | 5. 石梅山庄 | 9. 海棠.南洋小镇 |
| 2. 香水湾 | 6. 合景.汀澜 | 10. 清风海长滩 |
| 3. 海韵陵河假日 | 7. 清水湾智汇城 | 11. 海棠泰岳府(海南海棠湾) |
| 4. 碧桂园 | 8. 海棠月色 | 12. 凤凰水城 |



Moving forward, the company has also secured the rights to market upcoming project such as:

1. 富力湾 Phase 2 by R&F Properties
2. 碧桂园珊瑚宫殿 by Country Garden
3. 雅居乐清水湾 by Agile Group
4. 国家海岸保利海棠湾 by Poly Real Estate
5. 万科湖畔度假公园 by Vanke
6. 万宁日月湾旅游度假区 by Sunac

Bei Guo Tou Equity Investment and Fund Management Co., Ltd is a private company incorporated in the People's Republic of China in 2013. It specialises in equity investment and asset management; investment advisory; business consultancy; and management services. Its registered share capital is RMB 40 million. Currently, the company is also the shareholder of Clear Water Bay International Information Industrial Park, a high-tech industrial park approved by the Hainan Provincial Government. With four industry positioning - cloud computing platforms and next-generation Internet-based service outsourcing, smart Internet, cloud services and digital content, the golden ecological coastline industrial park is dedicated to building a world-leading, domestically-initiated multi-urbanization technology city.

About Hainan's real estate market

Known as China's Hawaii, Hainan's real estate market has been promising and robust in the recent years. According to the Hainan Provincial Bureau of Statistics, property prices have doubled in the past 10 years, and were USD\$1,543 per sq metre in 2016. The prices continue to rise and are now doubled.

According to the latest measures, those who wish to buy units in Hainan must provide proof of at least one family member paying taxes or social security for 60 months there. In the central mountainous region, non-local buyers are unable to purchase any property. Non-Hainan residents aiming to buy homes in any other part of the province must provide proof of at least one family member paying taxes or social security for at least 24 months in Hainan.

"The transactions might be affected in the near term. However, we believe the recent measures will help ensure a sustainable transaction volume and price appreciation in light of the government's plan to establish a free trade zone in Hainan by 2020, which will see more



international and regional investments in the province’s economy,” Jack Chua, Chief Executive Officer of APAC Realty explained.

Empowering sales agents to become business owners

In addition to the new joint venture set up in Hainan, APAC Realty has also announced entrepreneurship opportunities for ERA’s agents to further advance their careers and be business owners in other cities of China. They can apply to open a franchise office in any Chinese city, and run a company with the support and guidance from ERA management.

Senior Group Division Director Daniel Phua was the first to pilot test this concept. He began a franchise office in Nanning, Guangxi, in May 2018 called 广西南宁德里房地产咨询有限公司 under the ERA brand. Despite this being a new venture, clients engaged them as ERA is a well-established organisation with over 2,200 offices globally. The company has been successful in providing investors with a one-stop solution: brokerage and after sales services such as introducing renovation contacts and property management. Hence, APAC Realty is excited to extend this opportunity to all ERA agents.

“The property market in Nanning is currently booming, especially in the areas of residential sales and rentals,” says Daniel. “The home buyers purchase properties as a form of investment with average rental yield of about six to seven per cent. Currently, all the projects are sold out. The upcoming project launch is 大润花乡里 – a 200-unit landed property project, and we are very optimistic about it. Plans are also in the pipeline for us to move into commercial sales.”

Nanning has a population of over seven million people. Located near the Vietnamese border, it used to be the poorest in the country, but since evolved into a second-tier city that attracts investments. The presence of Zara Home, BreadTalk, MixC Shopping Mall (which typically opens in first-tier cities) signifies global interest in the city. There is an existing high-speed railway linked to Guangzhou, and there are plans to build another one that links to Pingxiang on the Vietnamese border. This railway aims to connect Pan-Pearl River Delta and southeast China with members of the ASEAN, with Nanning being the first stop.

DBS Bank Ltd. is the sole issue manager of the initial public offering (“IPO”) and listing of APAC Realty Limited. DBS Bank Ltd. assumes no responsibility for the contents of this press release.



About APAC Realty Limited

APAC Realty Limited (“APAC Realty”, the “Company” or together with its subsidiaries, the “Group”) is a leading real estate services provider which operates a market-leading real estate brokerage in Singapore under the ERA brand. APAC Realty operates three main business segments – the real estate brokerage services; franchise agreements; and training, valuation, property management and other ancillary services.

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 more than 6,000 agents registered, 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 Singapore for Coldwell Banker, one of the oldest and most established real estate office and franchising companies in the United States. As at 30 June 2018, there are 22 Coldwell Banker Member Brokers in Singapore which collectively have over 100 agents registered with them.

APAC Realty’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 regulations. RIA also undertakes valuation work on behalf of clients such as financial institutions, government agencies and property owners and provides property management services for real estate developments.

www.apacrealty.com.sg

###

For media enquiries, please contact:

Amanda Moo, Mobile: 8150 6748, Email: amandamoo@brand-cellar.com

Jaslyn Low, Mobile: 8608 4629, Email: jaslyn@brand-cellar.com