



APAC REALTY LIMITED

(Registered in the Republic of Singapore)
(Company Registration No: 201319080C)

ANNOUNCEMENT TO SHAREHOLDERS

in relation to

PROPOSED ADOPTION OF PERFORMANCE SHARE PLAN

1. INTRODUCTION

APAC Realty Limited (“**Company**”) wishes to announce that it intends to implement a performance share plan (“**Plan**”), pursuant to which selected members of management, agency leaders such as Senior Director of Agency, Chief Agency Director, Emeritus Agency Group Division Director and Executive Director of Agency (“**Agency Leaders**”)¹ and executive directors of the Company and its subsidiaries (“**Group**”) will be eligible to be awarded shares in the capital of the Company (“**Shares**”), subject to certain terms and conditions set out in the Plan.

2. RATIONALE FOR PLAN

The Plan will be in addition to existing bonus and incentives schemes and is proposed on the basis that it is important to recognise, reward and retain the participants, whose contributions are essential to the well-being and prosperity of the Group and who have contributed to the growth of the Group. The Plan will give participants an opportunity to have an equity interest in the Company and will help to achieve the following positive objectives:

- (a) to optimise each participant’s individual performance;
- (b) to instil a stronger sense of unity, loyalty and identification in participants to the Group, both individually and collectively; and
- (c) to strengthen the Group’s competitiveness in attracting and retaining potential management, agency leaders, real estate agents and directors, especially those who have the requisite knowledge, technical skills and experience and who will contribute to the development and growth of the Group.

¹ Each holding the rank of Division Director and above (or an equivalent or analogous rank).

3. KEY TERMS OF PLAN

Under the Plan, the Company proposes to grant awards comprising Shares to eligible participants, who will be selected by the Remuneration Committee of the Company, based on the participants' contribution to the success and development of the Group. These awards will vest over a period of up to four years, subject to certain customary conditions being satisfied. Upon vesting, vested Shares may be sold over a period of up to three years, subject to certain customary conditions being satisfied.

The Plan is required to be approved by the shareholders of the Company at a general meeting to be convened.

4. SGX-ST APPROVAL

4.1 The Company's directors and management recognise that agents are the key drivers of the Group's business – as such, APAC Realty Limited is the first to implement a share plan for agents in the real estate brokerage industry in Singapore.

4.2 Under Rule 844 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), participation in a share-based incentive scheme is restricted to directors and “employees” of a listed issuer and its subsidiaries. As Agency Leaders are not “employees” of the Group, the Company sought and obtained a waiver from SGX-ST for Agency Leaders to be eligible under the Plan on the following grounds:

- (a) in the context of a real estate brokerage business as carried on by the Group, agents are the primary contributors to generating revenues of the Group and therefore play a critical role in the success and development of the Group;
- (b) eligibility for participation in the Plan will be limited to Agency Leaders; and
- (c) the number of Share awards permitted to be given to Agency Leaders would be subject to certain limits under the Plan, both in the aggregate and to each Agency Leader individually.

4.3 As required under Rule 107 of the SGX-ST Listing Manual, the waiver was granted subject to the following conditions:

- (a) the Company announcing the waiver granted, the reasons for seeking the waiver, the conditions as required under Rule 107 and if the conditions of the waiver have been satisfied;
- (b) disclosure in the circular to shareholders (“**Circular**”) that the Agency Leaders included in the Plan are engaged on an exclusive agreement with the Company and act solely for the Company; and
- (c) disclosure in the Circular that the Agency Leaders eligible for the Plan contribute substantially to the Company's real estate brokerage income and the Group's revenue.

4.4 This Announcement satisfies condition (a) above. The Company confirms that conditions (b) and (c) above will be disclosed in the Circular.

5. MAS APPROVAL

- 5.1 The Company has also obtained approval from the Monetary Authority of Singapore (“**MAS**”) for an exemption, pursuant to Section 273(5) of the Securities and Futures Act 2001 of Singapore (“**SFA**”), from the requirement of having to issue a prospectus in relation to an offer by the Company of its Shares to Agency Leaders pursuant to the Plan.
- 5.2 The MAS exemption applies to an offer under the Plan (a) which is made within six months of the date of this Announcement, (b) which is accompanied by a written statement that such offer is made in reliance on the exemption and (c) in connection with which no selling or promotional expenses have been paid or incurred other than those incurred for administrative or professional services, or by way of commission or fee for services, rendered by licensed or exempt broker dealers.

6. TIMELINE

The Company intends to call for a general meeting in April 2023 seeking shareholders’ approval for the implementation of the Plan and will consider undertaking a share buy-back to satisfy its obligation to deliver Shares pursuant to awards granted under the Plan.

BY ORDER OF THE BOARD

Chua Khee Hak
Executive Chairman
16 January 2023