



APAC REALTY DELIVERS FY2022 NET PROFIT OF S\$26.4M

- Board declares a final dividend of 2.75 cents per share. Aggregate dividend for FY2022 is 6.25 cents per share, representing a dividend payout ratio of 74.4% and a total dividend yield of 10.2%¹
- APAC Realty continues to be well-positioned with a strong balance sheet and healthy cash balance of S\$49.3 million as at 31 December 2022

"In the face of geo-political challenges, rising inflation and a fresh round of cooling measures introduced in September 2022, Singapore residential property market remained relatively robust in FY2022. Whilst the September 2022 cooling measures weighed on transaction volumes in 2H2022, home prices remained buoyant. This was largely driven by strong demand from local home buyers and interest from foreign investors amidst a backdrop of limited supply.

In January 2023, we made strong headway with our regional growth expansion strategy by increasing our interest in ERA Vietnam to 60%. We are now better positioned to participate in the long-term growth of Vietnam's residential property market and one of the fastest growing economies in the region. We are working on realizing synergies and opportunities with ERA Vietnam for the Group, which will accrete value for our shareholders over the long-term," said Mr Marcus Chu, Chief Executive Officer of APAC Realty Limited.

Financial Highlights

S\$'000	2H	2H	Change	FY2022	FY2021	Change
	FY2022	FY2021	(%)			
Revenue	362,401	381,319	(5.0)	705,005	739,750	(4.7)
Profit before tax	12,683	22,241	(43.0)	32,881	42,619	(22.8)
Profit after tax	9,887	18,271	(45.9)	26,434	35,294	(25.1)
Profit after tax before FV loss on convertible loan	13,022	18,271	(28.7)	29,569	35,294	(16.2)
Earnings per share (cents)*	2.78	5.16	(46.2)	7.48	9.96	(24.9)
Net asset value per share (cents)	As at 31 Dec 2022		As at 31 Dec 2021		Change (%)	
	45.1		45.3		(0.4)	

* Based on 355,197,700 weighted average number of shares as at 31 December 2022 and 31 December 2021.

SINGAPORE, 23 February 2022 – 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 strong revenue of S\$705.0 million for the year ended 31 December 2022 ("FY2022"), a marginal decline of 4.7% compared to S\$739.8 million for the year ended 31 December 2021 ("FY2021").

¹ As at close of market on 22 February 2023, being the last full trading day preceding the date of this news release



The marginal decline in FY2022 revenues of 4.7% or S\$34.7 million is attributed to a lower volume of property transactions completed during the year, as a result of the latest round of cooling measures implemented by the government in September 2022. This impact was partially offset by strong demand from local home buyers and foreign investors for well-located properties across Singapore.

Revenue from resale and rental of properties declined 7.1% or S\$32.1 million to S\$417.0 million in FY2022 from S\$449.1 million in FY2021. New home sales remained relatively stable, contributing S\$278.3 million in revenues in FY2022. This is 1.0% or S\$2.7 million lower compared with S\$281.0 million in FY2021.

The Group expanded its lines of business with the formation of its Capital Markets & Investment Sales ("CMIS") division to engage high-net-worth individuals, family offices, developers, institutional investors and real estate investment trusts in February 2022. In 2022, the Group also expanded its corporate and marketing communication team as well as the IT team to invest in technical and digital capabilities that will position ERA for its next phase of growth.

With the additional headcount and a general increase in salaries, personnel costs increased 19.6% or S\$2.9 million to S\$18.0 million in FY2022. Marketing and promotion expenses increased by approximately 15.8% or S\$0.6 million to S\$4.3 million in FY2022 as the Group raised the level of marketing activity during the year.

The Group ended FY2022 with a net profit of S\$26.4 million, 25.1% or S\$8.9 million lower compared to S\$35.3 million in FY2021.

Delivering Value to Shareholders Through Market Cycles

"The Board of Directors has declared a final dividend of 2.75 Singapore cents per share to reward APAC Realty shareholders for their continued trust and support over the past year. With the interim dividend of 3.5 Singapore cents per share distributed on 9 September 2022, the aggregate FY2022 dividend of 6.25 cents represents a payout ratio of 74.4% based on profit after tax before FV loss on convertible loan of S\$29.6 million. We remain true to our dividend policy of distributing between 50% to 80% of our profits as dividends on a semi-annual basis," said Mr Jack Chua, Executive Chairman of APAC Realty.

Based on the closing price of S\$0.615 per share on 22 February 2023, total dividends disbursed in FY2022 represent a dividend yield of 10.2%. The Group's ability to meet its dividend policy commitments is enabled by the APAC Realty's strong business model, cash flow generation and healthy balance sheet.

Singapore: Market Leadership

During the year, Singapore developers sold 8,578 private residential units (including ECs), 43.4% or 6,568 units lower compared to 15,146 units in FY2021. ERA Singapore was appointed sole or joint marketing agent to 14 projects with a total of 4,032 units over this period, providing the Group with an estimated 30.6% share of the new homes segment in FY2022.

The Group continues to build on its 40-year track record of success and position as the preferred marketing agency for established developers in Singapore. As of 22 February 2023, the Group has secured marketing



agent mandates for 36 quality residential projects with close to 12,000 new home units launched and to be launched in FY2023.

With the cooling measures in place in Q4 2022, Singapore's private residential resale market recorded sales of 14,791 units in FY2022, 28.0% or 5,739 units lower than 20,530 units transacted in FY2021. The HDB resale market recorded 27,896 transactions in FY2022, 10.1% or 3,121 units lower than 31,017 units in FY2021.

The Group recorded 20,832 property transactions in FY2022 compared to 26,851 property transactions in FY2021. Based on market data, ERA closed FY2022 with 40.6% share of Singapore's total residential property market, compared with 40.3% in the year ago period.

Since its inception in early FY2022, the CMIS business unit has made significant ground, recording over S\$43 million in transaction value. The CMIS team has been appointed sole marketing agent for the collective sale of Villa De West and Tan Tong Meng Tower, and is currently working with ERA trusted agents on the collective sale of Parkshore, The Meyer Place, Paya Ubi Industrial and Casa Feliz. In aggregate, these mandates have a transaction value of approximately S\$1.58 billion.

In the Budget Statement on 14 February 2023, the government announced increases to the Buyer's Stamp Duty ("BSD") tiered structure for property transactions with effect from 15 February 2023². While BSD for property values below S\$1.5 million will not be affected, the portion of the purchase value in excess of S\$1.5 million and up to S\$3 million will be taxed at 5%, up from the current rate of 4%. For higher-end residential properties, the value of the property in excess of S\$3 million will be taxed at 6%, up from the current rate of 4%. As most of the transactions are below S\$3 million, the Group believes that the increase in BSD amount will not significantly affect the demand from genuine local and foreign home-buyers.

Update: 3-Year Roadmap for Sustained Growth

"A year-ago, I outlined our three-pronged 3-year roadmap to build resilience and deliver sustained growth for the Group and our shareholders. I am pleased to inform you that we have made good progress in year one, strengthening our core and competitive edge, and augmenting our leadership across our markets," said Mr Chu.

Advancing the Group's digitalization and IT transformation strategy, ERA launched SALES+, a proprietary and highly advanced super-app in August 2022, moving the needle for the industry and ERA trusted agents. With its one-tap access to data, market trends, financial and property analysis, SALES+ is an excellent prospecting digital tool for ERA trusted advisors to manage and grow their business. SALES+ complements APAC Realty's ecosystem of digital technologies and proptech app which have been developed to empower ERA trusted agents to deliver bespoke knowledge-based advice and best-in-class service to customers.

"During the year, we made good progress with our regional expansion strategy by acquiring an additional 22% interest in ERA Vietnam, bringing our total shareholding to 60%. This allows us to consolidate ERA Vietnam, allowing us to benefit from the upside of Asia's best performing economy in FY2022. We will

² "Impact of rise in buyer's stamp duty falls mainly on luxury properties: Analysts", ChannelNewsAsia, 14 February 2023



focus on our regional markets which also includes Indonesia, Thailand, and Malaysia, positioning each business to benefit from a property upcycle in the post-pandemic environment,” added Mr Chu.

Recognising that the growth of its business is dependent on the size and reach of its trusted agents, the Group has set a target of achieving an agent count of approximately 10,000 trusted agents over the next two years. As at 22 February, ERA Singapore had 8,527 trusted agents, an increase of 5% from 8,144 trusted agents on 1 January 2022.

APAC Realty continues to maintain a strong balance sheet and robust cashflows providing the Group with ample financial flexibility to meet its debt obligations and finance its growth aspirations. The Group remains cautiously optimistic about its prospects in FY2023.

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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 21,900 trusted advisors across 646 offices, and is the largest ERA Member Broker 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 8,400 trusted advisors as at 31 December 2022, providing property brokerage services for primary and secondary home sales, as well as rental of residential, commercial and industrial properties. Through its Capital Markets & Investment Sales business unit, the Group delivers corporate real estate services for sizeable assets to high-net-worth individuals, family offices, developers, institutional investors and real estate investment trusts.

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 40 years. The Group empowers its trusted advisors with the latest proptech, training, and proprietary super apps such as RealtyWatch, allowing each to extend best-in-class advice and service to customers.

APAC Realty’s wholly-owned subsidiary Realty International Associates Pte Ltd (“RIA”) operates training programmes and courses for real estate trusted advisors 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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