



APAC REALTY REPORTED 65% JUMP IN NET PROFIT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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SINGAPORE, 9 November 2017 – 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, reported today that its net profit for the nine months ended 30 September 2017 ("9M2017") was \$18.0 million or 64.6% higher than the \$10.9 million net profit for the same period last year ("9M2016").

Financial Highlights for the nine months ended 30 September

In \$'000	9M2017	9M2016	Change (%)
Revenue	270,920	207,901	30.3
Profit Before Tax	20,992	12,810	63.9
Profit After Tax	18,024	10,947	64.6
Earnings per share* (In Cents)	5.07	3.08	64.6
Net Asset Value per share (In Cents)	35.2	25.4 ¹	38.6

* Computed based on 355,197,700 ordinary shares as at 30 September 2016 and 2017

¹ As at 31 December 2016

The strong improvement in net profits was achieved on the back of a 30.3% increase in revenue for the nine months ended 30 September 2017 ("9M2017") as compared to the corresponding same period in 2016 ("9M2016").

The increase in revenue is largely attributable to the increase in brokerage income from resale and rental of properties, and new home sales amounting to a total of approximately \$62.2 million. The Group benefited from a recovery in the Singapore residential market where there is a substantial increase in transaction volume for the private primary and secondary market. The private residential price index also registered its first increase after 15 consecutive quarters of decline.

Excluding the expenses relating to the IPO of \$1.1 million, the net profits for 9M2017 would have been \$19.1 million, or 74.3% higher than the \$10.9 million net profits achieved for 9M2016.



No interim dividends were declared for the quarter ended 30 September 2017.

To date, ERA has already secured more than 10 projects to be launched in 2018 with close to 10,000 residential units available for sale. This is double the 4,800 units (from 8 projects) launched by ERA in the first nine months of 2017 and signifies greater growth potential for ERA and more sales opportunities for ERA salespersons in the coming year.

Commenting on the strong results, Mr. Jack Chua, Executive Director and Chief Executive Officer said: "We are pleased with the good set of results achieved for the nine months in 2017. The property market is recovering. Going forward, we intend to strengthen and grow our presence in Singapore and the Asia-Pacific region, expand our range of services, and enhance our technological capabilities to remain a leader in our industry and a stalwart of the ERA brand here in Singapore and across the region."

Being an industry leader, ERA has launched a new customised property technology solution called FindPropertyAgent.sg. Designed with consumers in mind, the new portal streamlines the property search process and enhances the matching process by **integrating all the key factors for consideration** on a single platform. "The new portal aims to better facilitate the matching and communication between consumers and real estate salesperson. This allows our salesperson to focus on other important tasks and improve overall productivity," explained Chua.

By utilising the **smart filters** function, clients can now choose their preferred agent based on genuine service rating and reviews, specialty, comprehensive property details such as price, psf and size. In addition, they will be able to access to detailed information such as agents' past transactions, current listings, awards and training to make more informed decisions. The portal is set to be one of the most comprehensive technological platforms for customised property search experience in Singapore.

Over the years, the company has launched 24/7 PropWatch, i-ERA mobile application and other technologies which have helped more than 6,000 agents and over 400,000 consumers to simplify and increase the efficiency of property transaction processing.

MARKET OUTLOOK

Singapore's property market recovery is expected to be gradual in the next 12 months with more transactions across all segments of the real estate market, especially private residential sales and HDB resale.



Private Residential Sales

The latest statistics demonstrate that **Q3 2017 might be a turning point in the market**. The first price increase in four years was registered and all sectors of the market experienced significant increases in volume; compared to the same period last year. Going forward, we are expecting prices to increase by up to 1% for 2017, a reversal of the 3.1% decline in 2016. Transaction volumes are expected to reach 21,000 to 23,000 (excluding EC transactions) units for 2017 or an approximate 28% increase over 2016's 16,378 units.

Private Residential Rental

The overall rental index remained unchanged in Q3 2017 while the vacancy rate of completed private residential units (excluding ECs) increased to 8.4% at the end of Q3 2017, compared with 8.1% in the previous quarter. **A recovery in the rental market may happen in the next 12 months** in the form of lower vacancy rates, as the expected number of completed units in 2018 is only half, or approximately 8,000 of the 16,000 expected completions in 2017. Further, we are expecting there to be an overall 2% to 3% decrease in rental prices for 2017.

HDB Resale

A total of 16,339 resale flats were transacted in the first three quarters of the year. This is a 3.4% increase over the 15,801 units resold in the same period last year. Prices have also been quite stable, with only a slight 1.3% decrease over 9 months. Looking forward, **we are expecting resale prices to remain more or less stable**, with transactions for the whole year projected to be in the range of 21,000 to 22,000 units.

HDB Rental

The rental market for HDB flats has also been active, with 31,608 applications for subletting approved in the first 9 months of 2017. Rental demand for HDB flats has fallen due to more options being available in the private property market, especially for tenants that have higher rental budgets. Due to the oversupply of rentable private property units, landlords have been lowering prices; and tenants who had previously rented HDB flats find that they can now afford to rent private condominium units. However, HDB flats are still an attractive option for tenants, especially those who are constrained by budget considerations. For 2017, rental transactions are expected to range from 41,000 to 43,000; a decline from the 44,530 units that were rented out in 2016.

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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 6,285 agents registered as at 30 September 2017, 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 September 2017, 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.

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