



**APAC Realty Limited
and its Subsidiaries
Company Registration No. 201319080C**

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2021



APAC REALTY LIMITED
Company Registration Number: 201319080C

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Condensed Interim Consolidated Income Statement
Six months and full year ended 31 December 2021

	Note	Group					
		Six months ended 31 December		Change %	Twelve months ended 31 December		Change %
		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000	
Revenue							
Real estate brokerage fees and related services	4.2	378,895	219,546	72.6	735,369	389,429	88.8
Other revenue	4.2	2,424	2,756	(12.0)	4,381	5,696	(23.1)
Total Revenue		<u>381,319</u>	<u>222,302</u>	71.5	<u>739,750</u>	<u>395,125</u>	87.2
Costs and Expenses							
Cost of services		341,166	196,458	73.7	664,343	347,610	91.1
Personnel cost		8,676	6,910	25.6	15,072	13,074	15.3
Marketing and promotion expenses		2,016	1,378	46.3	3,692	2,860	29.1
Depreciation of property, plant and equipment		1,051	342	207.3	2,065	615	235.8
Depreciation of right-of-use assets		861	861	–	1,722	1,722	–
Amortisation of intangible assets		466	466	–	932	932	–
Allowance for doubtful debt provided (trade)		2,292	1,486	54.2	3,873	2,384	62.5
Finance costs		372	399	(6.8)	774	1,069	(27.6)
Other operating expenses		2,072	3,260	(36.4)	4,258	5,049	(15.7)
Total operating expenses		<u>17,806</u>	<u>15,102</u>	17.9	<u>32,388</u>	<u>27,705</u>	16.9
Costs and Expenses		<u>358,972</u>	<u>211,560</u>	69.7	<u>696,731</u>	<u>375,315</u>	85.6
Operating Profit		22,347	10,742	108.0	43,019	19,810	117.2
Share of results in associates		(106)	(161)	(34.2)	(400)	(161)	148.4
Profit before tax	5	22,241	10,581	110.2	42,619	19,649	116.9
Income tax expense	6	(3,970)	(1,940)	104.6	(7,325)	(3,307)	121.5
Profit for the period		<u>18,271</u>	<u>8,641</u>	111.4	<u>35,294</u>	<u>16,342</u>	116.0
Profit attributable to:							
Owners of the Company		18,343	8,681	111.3	35,389	16,438	115.3
Non-controlling interests (“NCI”)		(72)	(40)	80.0	(95)	(96)	(1.0)
		<u>18,271</u>	<u>8,641</u>	111.4	<u>35,294</u>	<u>16,342</u>	116.0
Earnings per share attributable to the owners of the Company (cents per share)							
Basic and diluted	13	5.16	2.45	110.6	9.96	4.63	115.1

NM - not meaningful

Condensed Interim Consolidated Statement of Comprehensive Income
Six months and full year ended 31 December 2021

	Six months ended 31 December		Group		Twelve months ended 31 December		Change %
	2021 \$'000	2020 \$'000	Change %	2021 \$'000	2020 \$'000	Change %	
Profit for the period	18,271	8,641	111.4	35,294	16,342	116.0	
Other comprehensive income							
Items that will not be classified to profit or loss:							
Equity instruments at fair value through other comprehensive income ("FVOCI") – net change in fair value	(16)	–	NM	(16)	–	NM	
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation	112	(78)	(243.6)	110	(110)	(200.0)	
Other comprehensive income for the period, net of tax	<u>96</u>	<u>(78)</u>	<u>(223.1)</u>	<u>94</u>	<u>(110)</u>	<u>(185.5)</u>	
Total comprehensive income for the period	<u>18,367</u>	<u>8,563</u>	<u>114.5</u>	<u>35,388</u>	<u>16,232</u>	<u>118.0</u>	
Attributable to:							
Owners of the Company	18,432	8,601	114.3	35,466	16,326	117.2	
Non controlling interests	<u>(65)</u>	<u>(38)</u>	<u>71.1</u>	<u>(78)</u>	<u>(94)</u>	<u>(17.0)</u>	
	<u>18,367</u>	<u>8,563</u>	<u>114.5</u>	<u>35,388</u>	<u>16,232</u>	<u>118.0</u>	

NM - not meaningful

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	72,848	73,918	–	–
Right-of-use assets		1,988	3,710	–	–
Intangible assets	9	96,890	97,719	1,866	2,102
Investment in subsidiaries		–	–	189,943	190,236
Investment in associates		2,360	2,427	2,950	2,661
Other investments		789	1,000	250	1,000
Fixed deposits		400	400	400	400
		175,275	179,174	195,409	196,399
Current assets					
Convertible loan		3,587	3,587	–	–
Trade receivables		120,792	79,568	63	75
Other receivables		12,852	11,370	554	534
Unbilled receivables		17,993	10,002	–	–
Amount due from subsidiaries		–	–	15,297	14,142
Tax recoverable		–	–	–	24
Prepaid operating expenses		1,686	2,464	14	22
Cash and bank balances		53,665	35,119	6,632	4,058
		210,575	142,110	22,560	18,855
Total assets		385,850	321,284	217,969	215,254
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables and accruals		147,717	90,887	456	408
Other payables		14,045	10,902	–	19
Amount due to subsidiaries		–	–	52,312	55,131
Deferred income		1,299	1,214	–	2
Lease liabilities		1,694	1,879	–	–
Loan and borrowing	10	2,900	2,900	–	–
Provision for taxation		7,481	4,159	15	–
		175,136	111,941	52,783	55,560
Net current assets/(liabilities)		35,439	30,169	(30,223)	(36,705)
Non-current liabilities					
Lease liabilities		44	1,738	–	–
Loan and borrowing	10	45,917	48,817	–	–
Deferred taxation		4,089	4,200	–	–
		50,050	54,755	–	–
Net assets		160,664	154,588	165,186	159,694
Equity attributable to owners of the Company					
Share capital	12	98,946	98,946	98,946	98,946
Fair value reserve		(16)	–	–	–
Foreign currency translation reserve		(21)	(114)	–	–
Accumulated profits		62,005	55,920	66,240	60,748
		160,914	154,752	165,186	159,694
Non-controlling interests (“NCI”)		(250)	(164)	–	–
Total equity		160,664	154,588	165,186	159,694

Condensed Interim Consolidated Statement of Cash Flows
Full year ended 31 December 2021

	Group	
	Twelve months ended 31 December	
	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	42,619	19,649
<u>Adjustments for:</u>		
Allowance for doubtful debts (trade)	3,873	2,384
Amortisation of intangible assets	932	932
Bad debts recovered	(161)	(67)
Depreciation of property, plant and equipment	2,065	615
Depreciation of right-of-use assets	1,722	1,722
Loss on disposal of plant and equipment	88	53
Impairment of goodwill	128	–
Write off of plant and equipment	–	49
Write off of other investments	745	500
Write off of investment in associate	–	619
Interest expense	774	1,069
Interest income	(521)	(520)
Share of results in associates	400	161
Operating cash flows before working capital changes	52,664	27,166
<u>Changes in working capital</u>		
Increase in trade and other receivables	(53,570)	(24,814)
Increase in trade and other payables	60,015	20,504
Cash flows from operations	59,109	22,856
Interest income received	521	520
Interest paid	(657)	(874)
Income taxes paid	(4,115)	(2,473)
Net cash generated from operating activities	54,858	20,029
Cash flows from investing activities		
Purchase of plant and equipment	(1,081)	(161)
Proceeds from disposal of plant and equipment	3	3
Acquisition of subsidiary, net of cash acquired	(206)	(268)
Investment in associates	(32)	(2,207)
Investment in convertible loan	–	(801)
Investment in other investments	(539)	(500)
Loan to an associate	(257)	(1,000)
Net cash used in investing activities	(2,112)	(4,934)
Cash flows from financing activities		
Repayment of lease liabilities	(1,996)	(1,996)
Repayment of loan and borrowing	(2,900)	(2,900)
Payment of dividends	(29,304)	(7,104)
Net cash used in financing activities	(34,200)	(12,000)
Net increase in cash and cash equivalents	18,546	3,095
Cash and cash equivalents at beginning of the year	35,119	32,024
Cash and cash equivalents at end of the year	53,665	35,119

Condensed Interim Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total Equity \$'000
As at 1 January 2021	98,946	–	(114)	55,920	154,752	(164)	154,588
Profit/(loss) for the year	–	–	–	35,389	35,389	(95)	35,294
Other comprehensive income							
- Equity instruments at FVOCI – net change in fair value	–	(16)	–	–	(16)	–	(16)
- Foreign currency translation	–	–	93	–	93	17	110
Total comprehensive income	–	(16)	93	35,389	35,466	(78)	35,388
Total contributions by and distributions to owners							
Dividends on ordinary shares	–	–	–	(29,304)	(29,304)	–	(29,304)
Total changes in ownership interests in subsidiaries							
Acquisition of subsidiary with NCI	–	–	–	–	–	(8)	(8)
Issuance of new shares of subsidiary to NCI	–	–	–	–	–	–*	–*
As at 31 December 2021	98,946	(16)	(21)	62,005	160,914	(250)	160,664

* Less than \$1,000

Group	Share capital \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total Equity \$'000
As at 1 January 2020	98,946	(2)	46,586	145,530	(70)	145,460
Profit/(loss) for the year	–	–	16,438	16,438	(96)	16,342
Other comprehensive income						
- Foreign currency translation	–	(112)	–	(112)	2	(110)
Total comprehensive income	–	(112)	16,438	16,326	(94)	16,232
Total contributions by and distributions to owners						
Dividends on ordinary shares	–	–	(7,104)	(7,104)	–	(7,104)
As at 31 December 2020	98,946	(114)	55,920	154,752	(164)	154,588

Notes to the Condensed Interim Financial Statements

1 Corporate information

APAC Realty Limited (the “Company”) is a public company limited by shares incorporated and domiciled in Singapore and is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The registered office of the Company and its principal place of business is located at 450 Lorong 6 Toa Payoh, ERA APAC Centre, Singapore 319394. These interim consolidated financial statements as at 31 December 2021 and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those relating to investment holding, owning and operating the master franchise rights relating to the “ERA Real Estate” brand for sale and licensing to sub-franchisees in the Asia Pacific Region. The principal activities of the Group are:

- a) real estate brokerage & consultancy services, real estate training to real estate agents and sale of marketing materials;
- b) master franchisee of the “ERA Real Estate” franchise for the territory of Singapore to grant membership of the “ERA” franchise to housing agents;
- c) property management, valuation and consultancy services, conducting training courses, and the publication and distribution of real estate periodicals;
- d) rental of investment property; and
- e) advertising activities and those relating to research and experimental development on IT.

2 Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency, and all values are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group adopted various new accounting standards, amendments to and interpretations of standards that are effective for annual periods beginning on or after 1 January 2021. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at 31 December 2020 and for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 7 – allowance for expected credit losses of trade receivables

Note 9 – impairment of goodwill

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into the following main business segments:

- I. Real estate brokerage income – relates to commission and fee income from the brokerage of resale and rental of residential, commercial and industrial properties and new residential projects for sale by various developers.
- II. Rental income – relates to rental income generated from properties, workstations, lockers and furniture.
- III. Others – relate to incentives, referral, professional indemnity insurance and administration fees income, business conference income and miscellaneous income.

These operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker who monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes and finance costs are managed on a group basis and are not allocated to operating segments.

The Group did not disclose operating segment assets and liabilities as such measures are not monitored. The Group operates mainly in Singapore with revenue predominantly generated in Singapore. Accordingly, analysis of revenue and assets of the Group by geographical distribution has not been presented.

4.1 Reportable segments

	Real estate brokerage services \$'000	Rental income \$'000	Others \$'000	Eliminations \$'000	Total \$'000
1 July 2021 to 31 December 2021					
Revenue:					
Real estate brokerage fees and related services	376,326	937	2,482	(850)	378,895
Other revenue	133	1	2,290	–	2,424
Total revenue	376,459	938	4,772	(850)	381,319
Segment results	21,282	146	1,033	–	22,461
Share of results in associates					(106)
Interest income					258
Finance costs					(372)
Profit before tax					22,241
Income tax expense					(3,970)
Profit for the period					18,271
Others:					
Bad debts recovered	116	–	–	–	116
Allowance for doubtful debts provided – trade	(2,343)	74	(23)	–	(2,292)
Depreciation and amortisation	(1,942)	(15)	(421)	–	(2,378)
1 July 2020 to 31 December 2020					
Revenue:					
Real estate brokerage fees and related services	216,575	1,556	2,322	(907)	219,546
Other revenue	45	1	2,710	–	2,756
Total revenue	216,620	1,557	5,032	(907)	222,302
Segment results	10,647	593	(351)	–	10,889
Share of results in associates					(161)
Interest income					252
Finance costs					(399)
Profit before tax					10,581
Income tax expense					(1,940)
Profit for the period					8,641
Others:					
Bad debts recovered	37	–	–	–	37
Allowance for doubtful debts provided - trade	(1,417)	(49)	(20)	–	(1,486)
Depreciation and amortisation	(1,188)	(9)	(472)	–	(1,669)

4.1 Reportable segments (cont'd)

	Real estate brokerage services \$'000	Rental income \$'000	Others \$'000	Eliminations \$'000	Total \$'000
1 January 2021 to 31 December 2021					
Revenue:					
Real estate brokerage fees and related services	730,107	1,872	4,919	(1,529)	735,369
Other revenue	192	1	4,188	–	4,381
Total revenue	730,299	1,873	9,107	(1,529)	739,750
Segment results	41,499	349	1,424	–	43,272
Share of results in associates					(400)
Interest income					521
Finance costs					(774)
Profit before tax					42,619
Income tax expense					(7,325)
Profit for the year					35,294
Others:					
Bad debts recovered	161	–	–	–	161
Allowance for doubtful debts provided – trade	(3,896)	31	(8)	–	(3,873)
Depreciation and amortisation	(3,858)	(25)	(836)	–	(4,719)
1 January 2020 to 31 December 2020					
Revenue:					
Real estate brokerage fees and related services	383,791	3,424	4,276	(2,062)	389,429
Other revenue	87	1	5,608	–	5,696
Total revenue	383,878	3,425	9,884	(2,062)	395,125
Segment results	19,027	1,296	36	–	20,359
Share of results in associates					(161)
Interest income					520
Finance costs					(1,069)
Profit before tax					19,649
Income tax expense					(3,307)
Profit for the year					16,342
Others:					
Bad debts recovered	67	–	–	–	67
Allowance for doubtful debts provided – trade	(2,315)	(49)	(20)	–	(2,384)
Depreciation and amortisation	(2,282)	(19)	(968)	–	(3,269)

4.2 Revenue

Disaggregation of real estate brokerage fees and related services

	Real estate brokerage income		Others		Total	
	Six months ended		Six months ended		Six months ended	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines						
Brokerage fees from resale, rental and new home transactions	376,327	216,575	–	–	376,327	216,575
Others	–	–	2,568	2,971	2,568	2,971
	<u>376,327</u>	<u>216,575</u>	<u>2,568</u>	<u>2,971</u>	<u>378,895</u>	<u>219,546</u>
Timing of transfer of goods or services						
At a point in time	376,327	216,575	1,837	2,078	378,164	218,653
Over time	–	–	731	893	731	893
	<u>376,327</u>	<u>216,575</u>	<u>2,568</u>	<u>2,971</u>	<u>378,895</u>	<u>219,546</u>
Real estate brokerage income						
Twelve months ended		Others		Total		
31 December		31 December		31 December		
2021	2020	2021	2020	2021	2020	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Major product or service lines						
Brokerage fees from resale, rental and new home transactions	730,108	383,791	–	–	730,108	383,791
Others	–	–	5,261	5,638	5,261	5,638
	<u>730,108</u>	<u>383,791</u>	<u>5,261</u>	<u>5,638</u>	<u>735,369</u>	<u>389,429</u>
Timing of transfer of goods or services						
At a point in time	730,108	383,791	4,018	3,756	734,126	387,547
Over time	–	–	1,243	1,882	1,243	1,882
	<u>730,108</u>	<u>383,791</u>	<u>5,261</u>	<u>5,638</u>	<u>735,369</u>	<u>389,429</u>

4.2 Revenue (cont'd)

Disaggregation of real estate brokerage fees and related services (cont'd)

Other revenue

	Group		Group	
	Six months ended		Twelve months ended	
	31 December		31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Rental of properties, workstations, lockers and furniture	721	447	1,239	1,112
Professional indemnity insurance fees	698	4	948	204
Incentives, referral and administrative fees	530	432	1,054	699
Government grants	–	1,019	275	1,919
Interest income from cash at bank and fixed deposits	258	252	521	520
Bad debts recovered	116	37	161	67
Sundry income	101	565	183	1,175
	2,424	2,756	4,381	5,696

Breakdown of sales

	2021	2020	Change
	\$'000	\$'000	%
Revenue reported for the first half year	358,431	172,823	107.4
Operating profit after tax reported for first half year	17,023	7,701	121.0
Revenue reported for the second half year	381,319	222,302	71.5
Operating profit after tax reported for second half year	18,271	8,641	111.4

5 Profit before tax

Significant items

	Group		Group	
	Six months ended		Twelve months ended	
	31 December		31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>Included in finance costs</u>				
Interest on lease liabilities	(48)	(88)	(117)	(195)
<u>Included in other operating expenses</u>				
Impairment of goodwill	(128)	–	(128)	–
Loss on disposal of plant and equipment	(90)	(53)	(88)	(53)
Write off of plant and equipment	–	(49)	–	(49)
Write off of investment in associate	–	(368)	–	(619)
Write off of other investments	(245)	(500)	(745)	(500)
Foreign exchange gain/(loss), net	60	(741)	192	(281)
Rental expense	(45)	(227)	(91)	(273)

5 Profit before tax (cont'd)

Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

6 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	Group Six months ended 31 December		Group Twelve months ended 31 December	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Tax expense recognised in respect of profit for the period				
Current tax	3,978	1,980	7,532	3,389
Over provision in respect of previous period	(14)	(91)	(96)	(93)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,964	1,889	7,436	3,296
Deferred tax provided				
Origination and reversal of temporary differences	6	51	(111)	11
	<hr/>	<hr/>	<hr/>	<hr/>
Income tax expense	3,970	1,940	7,325	3,307

7 Financial assets and financial liabilities

	Group		Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Total trade and other receivables	151,637	100,940	15,914	14,751
Less:				
Advances	(10,749)	(10,088)	–	–
Unbilled receivables	(17,993)	(10,002)	–	–
Add:				
Fixed deposits	400	400	400	400
Cash and bank balances	53,665	35,119	6,632	4,058
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets carried at amortised cost	176,960	116,369	22,946	19,209

7 Financial assets and financial liabilities (cont'd)

	Group		Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Total trade and other payables	161,762	101,789	52,768	55,558
Less: GST payable	(12,228)	(8,680)	(7)	(5)
Add: Lease liabilities	1,738	3,617	–	–
Add: Loan and borrowing	48,817	51,717	–	–
Total financial liabilities carried at amortised cost	200,089	148,443	52,761	55,553

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The carrying amount of trade and other receivables and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Expected credit losses

There are no significant changes to estimation techniques or assumptions made during the reporting period. The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	31 December 2021 \$'000	31 December 2020 \$'000
At the beginning of year	3,752	3,295
Charge for the year	3,873	2,384
Written off	(2,186)	(1,927)
At end of year	5,439	3,752

8 Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$251,000 (31 December 2020: \$133,000) and disposed assets amounting to \$90,000 (31 December 2020: \$105,000).

9 Intangible assets

Group	Goodwill \$'000	Franchise rights \$'000	Total \$'000
Cost:			
At 1 January 2020	75,575	29,473	105,048
Additions	128	–	128
At 31 December 2020 and 1 January 2021	75,703	29,473	105,176
Additions	231	–	231
At 31 December 2021	75,934	29,473	105,407
Accumulated amortisation and impairment:			
At 1 January 2020	582	5,943	6,525
Charge for the year	–	932	932
At 31 December 2020 and 1 January 2021	582	6,875	7,457
Charge for the year	–	932	932
Impairment loss	128	–	128
At 31 December 2021	710	7,807	8,517
Net carrying amount:			
At 31 December 2020	75,121	22,598	97,719
At 31 December 2021	75,224	21,666	96,890
Company			
			Franchise rights \$'000
Cost:			
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021			3,816
Accumulated amortisation:			
At 1 January 2020			1,478
Charge for the year			236
At 31 December 2020 and 1 January 2021			1,714
Charge for the year			236
At 31 December 2021			1,950
Net carrying amount:			
At 31 December 2020			2,102
At 31 December 2021			1,866

9 Intangible assets (cont'd)

Goodwill

The carrying amount of goodwill allocated to each CGU as follows:

Group	31 December 2021 \$'000	31 December 2020 \$'000
Real estate brokerage income (Singapore)	61,345	61,345
Real estate brokerage income (Thailand)	231	–
Membership fee earned in relation to the master franchisee of ERA Singapore	10,311	10,311
Property management, valuation, consultancy, training and related services	3,337	3,337
Membership fee earned in relation to the “Coldwell Banker” franchise	582	582
Others	128	128
	<hr/>	<hr/>
	75,934	75,703
Less: Impairment loss	(710)	(582)
	<hr/>	<hr/>
	75,224	75,121

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections for the remaining useful life, including financial budgets approved by management covering a one-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the one-year period are as follows:

	31 December 2021	31 December 2020
Growth rate	1.2% - 1.7%	1.2% - 1.7%
Discount rate	9% - 10%	9% - 10%

Impairment

During the full year ended 31 December 2021, the Group has assessed that the recoverable amount of goodwill relating to the “Others” CGU was lower than its carrying amount and has recognised impairment loss of \$128,000. The carrying amount of this CGU is fully impaired.

Franchise rights

Franchise rights is held for the exclusive right of use of the brand names being “ERA” and “Coldwell Banker”.

The Group acquired exclusive ERA Regional Master franchise right for certain countries in the Asia Pacific region for an initial term of 30 years from 19 November 1999, which expires in 2029. The Group has the option to renew the regional master franchise agreements for an additional 30-year term upon expiry of the initial term subject to certain conditions. As at 31 December 2021, the carrying amount of the ERA franchise right in Asia Pacific region is \$1,866,000 (31 December 2020: \$2,102,000) and has remaining amortisation period of 8 years (31 December 2020: 9 years).

The Group also holds ERA Subfranchise right in Singapore for an initial term of 30 years from 28 June 1990, which expires in 2020. It includes a renewal clause for an additional successive 30 years, which the Group has renewed upon its expiry for additional 30 years with no additional cost in accordance to the franchise agreement. As at 31 December 2021, the carrying amount of the ERA Singapore Subfranchise right is \$19,799,000 (31 December 2020: \$20,494,000) and has remaining amortisation period of 29 years (31 December 2020: 30 years).

In addition, the Group has the Coldwell Banker franchise right for an initial term of 30 years from 16 October 1998, which expires in 2028. The Group has the option to renew the franchise agreement for an additional 30-year term upon expiry of the initial term subject to certain conditions. As at 31 December 2021, the carrying amount of the Coldwell Banker Franchise right is \$1,000 (31 December 2020: \$1,000) and has remaining amortisation period of 7 years (31 December 2020: 8 years).

10 Loan and borrowing

	Group	
	31 December 2021	31 December 2020
	\$'000	\$'000
Current:		
SGD loan at Compounded SORA + 1.15% p.a.	2,900	2,900
Non-current:		
SGD loan at Compounded SORA + 1.15% p.a.	45,917	48,817
Total	48,817	51,717

The loan is secured by way of a first legal mortgage over the Group's property at 450 Lorong 6 Toa Payoh, Singapore 319394 and a corporate guarantee from the Company.

The loan bears interest at the prevailing 3-month Compounded SORA plus 1.15% per annum for the first 3 years effective from 19 October 2020 and 3-month Compounded SORA plus 4.00% per annum thereafter. The loan is repayable over 59 equal monthly instalments of \$241,667 per month with a final bullet principal payment of \$43,741,647 on the final maturity date, 19 October 2023. The first monthly instalment repayment of the loan was on 19 November 2018.

11 Dividends

	Group	
	Twelve months ended 31 December	
	2021	2020
	\$'000	\$'000
Declared and paid during the financial period:		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2020: 1.75 cents per share (2019: 1.25 cents)	6,216	4,440
- Interim exempt (one-tier) dividend for 2021: 3.5 cents per share (2020: 0.75 cents)	12,432	2,664
- Special exempt (one-tier) dividend for 2021: 3.0 cents per share	10,656	-
	29,304	7,104
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
- Final exempt (one-tier) dividend for 2021: 4.0 cents per share (2020: 1.75 cents)	14,208	6,216
	14,208	6,216

12 Share capital

	Group and Company			
	31 December 2021		31 December 2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning and end of period	355,198	98,946	355,198	98,946

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 December 2021 and 31 December 2020.

13 Earnings per share

	Group		Group	
	Six months ended 31 December		Twelve months ended 31 December	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Profit for the period attributable to owners of the Company	18,343	8,681	35,389	16,438
	No of shares '000	No of shares '000	No of shares '000	No of shares '000
Weighted average number of ordinary shares for earnings per share computation	355,198	355,198	355,198	355,198

14 Net asset value

	Group		Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Net asset value per ordinary share	45.3	43.6	46.5	45.0

15 Financial assets at fair value

	Group	
	31 December 2021 \$'000	31 December 2020 \$'000
Other investments		
Investments at fair value through profit or loss:		
Unquoted equity shares	250	1,000
Investments at FVOCI		
Quoted equity shares	539	–
Total	789	1,000

15 Financial assets at fair value (cont'd)

Investments at FVOCI represents the Group's investment in PT ERA Graharealty Tbk ("PT ERA") whose shares are listed on the Indonesian Stock Exchange. The investment represents a non-controlling interest of 5.24% in PT ERA. The investment is irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table presented the assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
31 December 2021				
Financial assets				
Investments at fair value through profit or loss	–	–	250	250
Investments at FVOCI	539	–	–	539
	539	–	250	789
31 December 2020				
Financial assets				
Investments at fair value through profit or loss	–	–	1,000	1,000

16 Acquisition of subsidiary

On 1 June 2021, the Group has acquired 99.99% of the issued share capital of ERA Property Network Co., Ltd, a company incorporated in Thailand. The fair value of the identifiable assets and liabilities of ERA Property Network Co., Ltd as of the date of acquisition were:

	Fair value recognised on acquisition \$'000
Assets	
Plant and equipment	5
Other receivables	4
Cash and cash equivalents	5
Total assets	<u>14</u>
Liabilities	
Other payables	<u>(42)</u>
Total liabilities	<u>(42)</u>
Total identifiable net liabilities at fair value	<u>(28)</u>
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	
	8
Goodwill on acquisition	<u>231</u>
Purchase consideration transferred, settled in cash	<u>211</u>

17 Subsequent events

There are no known subsequent events which led to adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim consolidated statements of financial position of APAC Realty Limited (the “Company”) and its subsidiaries (collectively, the “Group”) as at 31 December 2021 and the related condensed interim consolidated income statement, statement of comprehensive income, statement of cashflows and statement of changes in equity for the six months ended 31 December 2021, and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

2 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).

Not applicable.

2A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Income statement

Revenue derived from our real estate brokerage services include brokerage income from the brokerage of (a) resale and rental of residential, commercial and industrial properties and (b) new home sales. Revenue from real estate related services include merchandise sales, training fees from courses conducted, property valuation fees, property management fees, consultancy services fees, franchise fees and rental income from investment property. Other revenue refers to interest income, rental income from office spaces and workstations, business conference income, referral fee income and sundry income.

Six months ended 31 December 2021 (“2H2021”) vs Six months ended 31 December 2020 (“2H2020”)

	2H2021	2H2020	Change
	\$’000	\$’000	(%)
Total revenue	381,319	222,302	71.5
Cost of services	341,166	196,458	73.7
Gross Profit	40,153	25,844	55.4

Revenue

Revenue from real estate brokerage fees and related services increased by approximately \$159.4 million or 72.6%, from \$219.5 million in 2H2020 to \$378.9 million in 2H2021 following an increase in property transactions completed during the period. The increase in brokerage income is contributed by the following:

- a) resale and rental of properties of \$74.5 million or 48.2%, from \$154.5 million in 2H2020 to \$229.0 million in 2H2021; and
- b) new home sales of \$85.2 million, from \$62.1 million in 2H2020 to \$147.3 million in 2H2021.

Other revenue decreased by approximately \$0.4 million or 12.0%, from \$2.8 million in 2H2020 to \$2.4 million in 2H2021 mainly due to the decrease in government grant income under Jobs Support Scheme of \$0.9 million, partially offset by increase in professional indemnity income of \$0.5 million.

- 3 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on (cont'd).**

Income statement (cont'd)

Cost of services

Cost of services increased by approximately \$144.7 million or 73.7%, from \$196.5 million in 2H2020 to \$341.2 million in 2H2021, in line with the increase in revenue from real estate brokerage fees and related services.

Gross profit

Gross profit increased by approximately \$14.4 million or 55.4%, from \$25.8 million in 2H2020 to \$40.2 million in 2H2021. This was largely attributed to the increase in contribution from both the resale and rental of properties, and new home sales.

Operating expenses

Personnel cost increased by approximately \$1.8 million or 25.6%, from \$6.9 million in 2H2020 to \$8.7 million in 2H2021 mainly due to higher provision for staff bonus because of the better results in 2H2021.

Marketing and promotion expenses increased by approximately \$0.6 million or 46.3%, from \$1.4 million in 2H2020 to \$2.0 million in 2H2021 due to increase in marketing activities carried out in 2H2021.

Depreciation of property, plant and equipment increased by \$0.8 million, from \$0.3 million in 2H2020 to \$1.1 million in 2H2021 due to the depreciation of ERA APAC Centre. The building was reclassified from investment property to property, plant and equipment in the fourth quarter of 2020 ("4Q2020").

Depreciation of right-of-use assets was approximately \$0.9 million for both 2H2021 and 2H2020.

Amortisation of intangible assets was approximately \$0.5 million for both 2H2021 and 2H2020.

Allowance for doubtful debts (trade) increased by approximately \$0.8 million or 54.2%, from \$1.5 million in 2H2020 to \$2.3 million in 2H2021 mainly due to higher general provision made on expected credit loss as a result of higher trade receivables as at 31 December 2021.

Finance costs was approximately \$0.4 million for both 2H2021 and 2H2020.

Other operating expenses decreased by approximately \$1.2 million or 36.4%, from \$3.3 million in 2H2020 to \$2.1 million in 2H2021 mainly due to the absence of investment in associate that was written off in 2H2020 of \$0.4 million and unrealised exchange differences of \$0.8 million.

Overall, total operating expenses increased by approximately \$2.7 million or 17.9%, from \$15.1 million in 2H2020 to \$17.8 million in 2H2021.

Share of results of associates

The decrease in share of loss of associates was mainly due to the lower loss from operations of ERA Malaysia in 2H2021.

Profit before tax

As a result of the foregoing, profit before tax increased by approximately \$11.6 million, from \$10.6 million in 2H2020 to \$22.2 million in 2H2021.

Tax expense

Tax expense increased by approximately \$2.1 million, from \$1.9 million in 2H2020 to \$4.0 million in 2H2021. The increase was mainly due to the higher taxable income in 2H2021.

- 3 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on (cont’d).**

Income statement (cont’d)

Profit for the period

As a result of the foregoing, profit for the period increased by approximately \$9.7 million, from \$8.6 million in 2H2020 to \$18.3 million in 2H2021.

Twelve months ended 31 December 2021 (“FY2021”) vs Twelve months ended 31 December 2020 (“FY2020”)

	FY2021	FY2020	Change
	\$’000	\$’000	(%)
Total revenue	739,750	395,125	87.2
Cost of services	664,343	347,610	91.1
Gross Profit	75,407	47,515	58.7

Revenue

Revenue from real estate brokerage fees and related services increased by approximately \$346.0 million or 88.8%, from \$389.4 million in FY2020 to \$735.4 million in FY2021 following an increase in property transactions completed during the year. The increase in brokerage income is contributed by the following:

- c) resale and rental of properties of \$181.7 million or 68.0%, from \$267.4 million in FY2020 to \$449.1 million in FY2021; and
- d) new home sales of \$164.6 million, from \$116.4 million in FY2020 to \$281.0 million in FY2021.

Other revenue decreased by approximately \$1.3 million or 23.1%, from \$5.7 million in FY2020 to \$4.4 million in FY2021 mainly due to the decrease in government grant income under Jobs Support Scheme of \$1.6 million.

Cost of services

Cost of services increased by approximately \$316.7 million or 91.1%, from \$347.6 million in FY2020 to \$664.3 million in FY2021, in line with the increase in revenue from real estate brokerage fees and related services.

Gross profit

Gross profit increased by approximately \$27.9 million or 58.7%, from \$47.5 million in FY2020 to \$75.4 million in FY2021. This was largely attributed to the increase in contribution from both the resale and rental of properties, and new home sales.

Operating expenses

Personnel cost increased by approximately \$2.0 million or 15.3%, from \$13.1 million in FY2020 to \$15.1 million in FY2021 mainly due to higher provision for staff bonus because of the better results in FY2021 and a special one month staff bonus paid in September 2021.

Marketing and promotion expenses increased by approximately \$0.8 million or 29.1%, from \$2.9 million in FY2020 to \$3.7 million in FY2021 due to increase in marketing activities carried out in FY2021.

Depreciation of property, plant and equipment increased by \$1.5 million, from \$0.6 million in FY2020 to \$2.1 million in FY2021 due to the depreciation of ERA APAC Centre. The building was reclassified from investment property to property, plant and equipment in the fourth quarter of 2020 (“4Q2020”).

Depreciation of right-of-use assets was approximately \$1.7 million for both FY2021 and FY2020.

Amortisation of intangible assets was approximately \$0.9 million for both FY2021 and FY2020.

Allowance for doubtful debts (trade) increased by approximately \$1.5 million or 62.5%, from \$2.4 million in FY2020 to \$3.9 million in FY2021 mainly due to higher general provision made on expected credit loss as a result of higher trade receivables as at 31 December 2021.

- 3 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on (cont’d).**

Income statement (cont’d)

Operating expenses (cont’d)

Finance costs of approximately \$0.8 million in FY2021 (FY2020: \$1.1 million) comprised mainly interest expense from bank borrowings. The decrease is in line with the lower bank borrowings in FY2021 due to loan repayments over time and lower bank interest rates ranging from 1.26% to 1.33% p.a. in FY2021 (FY2020: 1.05% to 2.65% pa).

Other operating expenses decreased by approximately \$0.7 million or 15.7%, from \$5.0 million in FY2020 to \$4.3 million in FY2021 mainly due to the absence of investment in associate that was written off in FY2020.

Overall, total operating expenses increased by approximately \$4.7 million or 16.9%, from \$27.7 million in FY2020 to \$32.4 million in FY2021.

Share of results of associates

The increase in share of loss of associates was mainly due to the increase in loss from operations from the Group’s associates in Vietnam and Malaysia.

Profit before tax

As a result of the foregoing, profit before tax increased by approximately \$23.0 million, from \$19.6 million in FY2020 to \$42.6 million in FY2021.

Tax expense

Tax expense increased by approximately \$4.0 million, from \$3.3 million in FY2020 to \$7.3 million in FY2021. The increase was mainly due to the higher taxable income in FY2021.

Profit for the year

As a result of the foregoing, profit for the year increased by approximately \$19.0 million or 116.0%, from \$16.3 million in FY2020 to \$35.3 million in FY2021.

Statement of Financial Position

31 December 2021 vs 31 December 2020

Non-current assets

The Group’s total non-current assets amounted to approximately \$175.3 million and \$179.2 million as at 31 December 2021 and 31 December 2020 respectively. The decrease of approximately \$3.9 million or 2.2% was mainly due to depreciation of property, plant and equipment, depreciation of right-of-use assets, as well as amortisation of intangible assets for a total of \$4.7 million, partially offset by purchase of plant and equipment which amounted to \$1.1 million in FY2021.

Current assets

Trade receivables amounted to approximately \$120.8 million and \$79.6 million as at 31 December 2021 and 31 December 2020 respectively. The increase of approximately \$41.2 million or 51.8% was mainly due to the higher brokerage revenue invoiced in fourth quarter of 2021 (“4Q2021”) of \$193.1 million as compared to 4Q2020 of \$134.5 million.

Other receivables amounted to approximately \$12.9 million and \$11.4 million as at 31 December 2021 and 31 December 2020 respectively. The increase was mainly due to advance payments made for ERA APAC Centre’s renovation, which is still in progress.

- 3 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on (cont'd).**

Statement of Financial Position (cont'd)

Current assets (cont'd)

Unbilled receivables amounted to approximately \$18.0 million and \$10.0 million as at 31 December 2021 and 31 December 2020 respectively. This relates to brokerage fees arising from new home sales where services are deemed rendered but not invoiced yet at the respective dates.

Prepaid operating expenses amounted to approximately \$1.7 million and \$2.5 million as at 31 December 2021 and 31 December 2020 respectively. The decrease of \$0.8 million was mainly due to the recognition of expenses in FY2021.

Cash and bank balances increased by approximately \$18.6 million or 53.0%, from \$35.1 million as at 31 December 2020 to \$53.7 million as at 31 December 2021.

As a result of the foregoing, total current assets increased by approximately \$68.5 million or 48.2%, from \$142.1 million as at 31 December 2020 to \$210.6 million as at 31 December 2021.

Non-current liabilities

The Group's total non-current liabilities decreased from \$54.8 million as at 31 December 2020 to \$50.1 million as at 31 December 2021. The decrease of \$4.7 million or 8.6% was mainly due to the repayment of loan and borrowing of \$2.9 million and lease liabilities of \$2.0 million in FY2021.

Current liabilities

Trade payables and accruals amounted to approximately \$147.7 million and \$90.9 million as at 31 December 2021 and 31 December 2020 respectively. The increase of approximately \$56.8 million or 62.5% was due to an increase in commission payables which corresponds with the higher trade receivables.

Other payables comprised mainly goods and services tax (GST) payable, deposits and sundry payables which amounted to approximately \$14.0 million and \$10.9 million as at 31 December 2021 and 31 December 2020 respectively. The increase of approximately \$3.1 million or 28.4% was mainly due to higher GST payable as a result of the higher brokerage revenue invoiced in 4Q2021 as compared to 4Q2020.

Deferred income amounted to approximately \$1.3 million and \$1.2 million as at 31 December 2021 and 31 December 2020 respectively. The increase of approximately \$0.1 million or 8.3% was mainly due to the collections for the annual business conference scheduled to be held in 2021 but has since been deferred indefinitely.

Lease liabilities represent the current portion of the lease obligations and was approximately \$1.7 million and \$1.9 million as at 31 December 2021 and 31 December 2020 respectively

Provision for taxation amounted to approximately \$7.5 million and \$4.2 million as at 31 December 2021 and 31 December 2020 respectively. The increase of approximately \$3.3 million or 78.6% was mainly due to higher income tax provided for FY2021 as a result of higher taxable income.

As a result of the foregoing, total current liabilities increased by approximately \$63.2 million or 56.5%, from \$111.9 million as at 31 December 2020 to \$175.1 million as at 31 December 2021.

Equity attributable to the owners of the Company

The equity attributable to the owners of the Company increased by approximately \$6.1 million or 3.9%, from \$154.8 million as at 31 December 2020 to \$160.9 million as at 31 December 2021. The increase was mainly attributable to the net profit of \$35.3 million for FY2021, partially offset by dividend payments of \$29.3 million during the year.

- 3 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on (cont'd).**

Statement of Cash Flows

FY2021 vs FY2020

Net cash generated from operating activities was approximately \$54.9 million in FY2021 as compared to approximately \$20.0 million in FY2020. The increase of \$34.9 million was mainly due to the higher operating profit of \$43.0 million in FY2021 as compared to \$19.8 million in FY2020 and improvement in working capital of \$10.8 million.

Net cash used in investing activities was approximately \$2.1 million and \$4.9 million in FY2021 and FY2020 respectively. The decrease of \$2.8 million was mainly due to the lower investment in associates, loan to associate and convertible loan, partially offset by the higher purchase of plant and equipment in FY2021 as compared to FY2020.

Net cash used in financing activities was approximately \$34.2 million and \$12.0 million in FY2021 and FY2020 respectively. The increase of \$22.2 million was mainly due to higher dividend payments of \$29.3 million in FY2021 (FY2020: \$7.1 million).

As a result of the foregoing, there was a net increase in cash and cash equivalents of approximately \$18.5 million for FY2021, higher than the increase of approximately \$3.1 million in FY2020. Cash and cash equivalents stood at \$53.7 million as at 31 December 2021.

4 **Use of Proceeds Raised From IPO**

Purpose	Balance of Net Proceeds (as announced on 13 January 2021) (S\$'000)	Net Proceeds Utilised as at 22 February 2022 (S\$'000)	Balance of Net Proceeds as at 22 February 2022 (S\$'000)
Enhancing technological capabilities	3,982	–	3,982
Refurbishment of ERA APAC Centre	1,250	–	1,250
	<u>5,232</u>	<u>–</u>	<u>5,232</u>

- 5 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Company did not make any prospect statement previously.

6 A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite the on-going Covid-19 pandemic, residential home sales and rentals have consistently risen quarter on quarter where market transactions have surpassed 2020. The Group has performed better for FY2021 as compared to FY2020, with an increase in revenue from real estate brokerage fees and related services by approximately \$346.0 million or 88.8% year-on-year.

For the year 2021, developers sold 15,146 private residential units (including ECs), an increase of 38.4% from 10,940 units in 2020. The private residential resale market recorded sales of 20,530 units, an increase of 87.9% from 10,927 units sold in 2020. The HDB resale market also reported an increase of 25.3% to 31,017 units in 2021 from 24,748 units in 2020.

The vacancy rate of completed private residential units have decreased to 6.0% as at 31 December 2021, from 7.0% a year ago. Apart from the 16,139 unsold units (including ECs) with planning approval as at 31 December 2021, there is a potential supply of 6,900 units (including ECs) from Government Land Sales (GLS) sites that have not been granted planning approval yet.

With the latest round of property cooling measures including ABSD rates, lower TDSR and LTV rules on 16 December 2021, this may affect the underlying demand for residential properties in Singapore. The Singapore property market may also be affected by any adverse global economic conditions and changes in mortgage interest rates.

In addition to enhancing its business in Singapore, the Group has continued to focus on its regional presence in ASEAN. The Group continues to monitor the developments of its investments in Indonesia, Thailand, Vietnam and Malaysia given the prevailing Covid-19 pandemic and is cautiously optimistic on the recovery of their respective economies as vaccination rates increase and each country is gradually moving on to learn to live with Covid-19.

7 Dividend

(a) Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount	4.0 cents per ordinary share
Tax Rate	Tax Exempt

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Proposed Second and Final
Dividend Type	Cash
Dividend Amount	1.75 cents per ordinary share
Tax Rate	Tax Exempt

(c) Date payable

Payment of proposed final tax-exempt dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be convened, will be made on **10 May 2022**.

7 Dividend (cont'd)

(d) Record date

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. (Singapore time) on **29 April 2022** for the preparation of dividend warrants for the proposed final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to the close of business at 5.00 p.m. (Singapore time) on **29 April 2022** will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. (Singapore time) on **29 April 2022** will be entitled to the proposed final dividend.

8 If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

9 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as the Group does not have in place a general mandate for interested person transactions.

10 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX Listing Manual.

11 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement. Confirmation Pursuant to the Rule 705(5) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the director, chief executive officer or substantial shareholder of the Company

12 Additional information required Pursuant to the Rule 706A of the Listing Manual

Incorporation of a subsidiary

The Company has on 6 October 2021, incorporated a subsidiary, Estatify Pte Ltd ("Estatify"). Estatify has issued and paid-up share capital of \$100 and the Company's shareholding is 51%. Estatify's principal activities are those relating to production of advertisements, corporate videos and event videos; and advertising activities. For more information, please refer to the announcement dated 22 February 2022.

BY ORDER OF THE BOARD

Chua Khee Hak
Executive Chairman
22 February 2022