



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

Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2023



**APAC REALTY LIMITED**  
**Company Registration Number: 201319080C**

<b><u>TABLE OF CONTENTS</u></b>		<b><u>PAGE</u></b>
A.	Condensed Interim Consolidated Income Statement	3
B.	Condensed Interim Consolidated Statement of Comprehensive Income	4
C.	Condensed Interim Statements of Financial Position	5
D.	Condensed Interim Consolidated Statement of Cash Flows	6
E.	Condensed Interim Consolidated Statement of Changes in Equity	7
F.	Notes to the Condensed Interim Financial Statements	9
G.	Other Information Required by Listing Rule Appendix 7.2	23

**Condensed Interim Consolidated Income Statement**  
**Six months and full year ended 31 December 2023**

	Note	Group					
		Six months ended 31 December		Change %	Twelve months ended 31 December		Change %
		2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
<b>Revenue</b>							
Real estate brokerage fees and related services	4.2	295,846	360,005	(17.8)	554,492	700,363	(20.8)
Other revenue	4.2	1,768	2,396	(26.2)	2,760	4,642	(40.5)
<b>Total Revenue</b>		<u>297,614</u>	<u>362,401</u>	(17.9)	<u>557,252</u>	<u>705,005</u>	(21.0)
<b>Costs and Expenses</b>							
Cost of services		269,201	324,363	(17.0)	502,231	631,625	(20.5)
Personnel cost		10,472	10,316	1.5	19,970	18,030	10.8
Marketing and promotion expenses		2,909	2,883	0.9	5,553	4,275	29.9
Depreciation of property, plant and equipment		1,405	1,306	7.6	2,745	2,445	12.3
Depreciation of right-of-use assets		339	675	(49.8)	825	1,536	(46.3)
Amortisation of intangible assets		545	473	15.2	1,079	940	14.8
Allowance for doubtful debt provided (trade)		304	1,933	(84.3)	2,209	3,113	(29.0)
Finance costs		1,094	624	75.3	2,126	982	116.5
Other operating expenses		3,694	3,865	(4.4)	7,007	6,161	13.7
Total operating expenses		<u>20,762</u>	<u>22,075</u>	(5.9)	<u>41,514</u>	<u>37,482</u>	10.8
<b>Costs and Expenses</b>		<u>289,963</u>	<u>346,438</u>	(16.3)	<u>543,745</u>	<u>669,107</u>	(18.7)
<b>Operating Profit</b>		7,651	15,963	(52.1)	13,507	35,898	(62.4)
Other non-operating income/(expenses)		56	(3,135)	NM	56	(3,135)	NM
Share of results in associates		–	(145)	NM	–	118	NM
Profit before tax	5	7,707	12,683	(39.2)	13,563	32,881	(58.8)
Income tax expense	6	(1,448)	(2,796)	(48.2)	(2,962)	(6,447)	(54.1)
<b>Profit for the period</b>		<u>6,259</u>	<u>9,887</u>	(36.7)	<u>10,601</u>	<u>26,434</u>	(59.9)
<b>Profit attributable to:</b>							
Owners of the Company		6,770	9,866	(31.4)	11,775	26,556	(55.7)
Non-controlling interests (“NCI”)		(511)	21	NM	(1,174)	(122)	NM
		<u>6,259</u>	<u>9,887</u>	(36.7)	<u>10,601</u>	<u>26,434</u>	(59.9)
<b>Earnings per share attributable to the owners of the Company (cents per share)</b>							
Basic and diluted	13	1.91	2.78	(31.3)	3.32	7.48	(55.6)

NM - not meaningful

**Condensed Interim Consolidated Statement of Comprehensive Income**  
**Six months and full year ended 31 December 2023**

	Six months ended 31 December		Group			Change %
	2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	
<b>Profit for the period</b>	6,259	9,887	(36.7)	10,601	26,434	(59.9)
<b>Other comprehensive income</b>						
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	–	12	NM	–	–	NM
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(155)	(388)	(60.1)	65	(337)	NM
Other comprehensive income for the period, net of tax	<u>(155)</u>	<u>(376)</u>	(58.8)	<u>65</u>	<u>(337)</u>	NM
<b>Total comprehensive income for the period</b>	<u>6,104</u>	<u>9,511</u>	(35.8)	<u>10,666</u>	<u>26,097</u>	(59.1)
<b>Attributable to:</b>						
Owners of the Company	6,644	9,541	(30.4)	11,848	26,261	(56.4)
Non controlling interests	<u>(540)</u>	<u>(30)</u>	NM	<u>(1,182)</u>	<u>(164)</u>	NM
	<u>6,104</u>	<u>9,511</u>	(35.8)	<u>10,666</u>	<u>26,097</u>	(59.1)

NM - not meaningful

## Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	72,472	73,858	–	–
Right-of-use assets		1,054	230	–	–
Intangible assets	9	110,905	104,008	1,393	1,629
Investment in subsidiaries		–	–	198,888	189,773
Investment in associates		–	2,175	193	2,693
Deferred tax assets		236	85	–	–
Fixed deposits		–	400	–	400
		184,667	180,756	200,474	194,495
<b>Current assets</b>					
Trade receivables		99,495	151,008	51	51
Other receivables		2,566	2,366	117	430
Unbilled receivables		8,388	2,093	–	–
Amount due from subsidiaries		–	–	11,779	13,217
Tax recoverable		22	34	22	34
Prepaid operating expenses		3,196	2,869	14	13
Cash and bank balances		44,052	49,274	2,051	3,015
		157,719	207,644	14,034	16,760
<b>Total assets</b>		<b>342,386</b>	<b>388,400</b>	<b>214,508</b>	<b>211,255</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables and accruals		116,433	155,944	349	297
Other payables		13,213	13,170	–	–
Amount due to subsidiaries		–	–	78,876	65,766
Deferred income		1,607	1,423	–	–
Lease liabilities		628	118	–	–
Loan and borrowing	10	3,093	45,917	–	–
Provision for taxation		3,389	6,753	–	–
		138,363	223,325	79,225	66,063
<b>Net current assets/(liabilities)</b>		<b>19,356</b>	<b>(15,681)</b>	<b>(65,191)</b>	<b>(49,303)</b>
<b>Non-current liabilities</b>					
Lease liabilities		420	19	–	–
Loan and borrowing	10	40,133	–	–	–
Employee benefits		480	343	–	–
Deferred tax liabilities		4,384	4,343	11	–
		45,417	4,705	11	–
<b>Net assets</b>		<b>158,606</b>	<b>160,370</b>	<b>135,272</b>	<b>145,192</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	98,946	98,946	98,946	98,946
Foreign currency translation reserve		(243)	(316)	–	–
Accumulated profits		59,682	61,582	36,326	46,246
		158,385	160,212	135,272	145,192
Non-controlling interests (“NCI”)		221	158	–	–
<b>Total equity</b>		<b>158,606</b>	<b>160,370</b>	<b>135,272</b>	<b>145,192</b>

**Condensed Interim Consolidated Statement of Cash Flows**  
**Full year ended 31 December 2023**

	<b>Group</b>	
	<b>Twelve months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	13,563	32,881
<u>Adjustments for:</u>		
Allowance for doubtful debts (trade)	2,209	3,113
Amortisation of intangible assets	1,079	940
Bad debts recovered	–	(157)
Depreciation of property, plant and equipment	2,745	2,445
Depreciation of right-of-use assets	825	1,536
Loss on disposal of plant and equipment	3	9
Impairment loss on goodwill	5,178	–
Write off of other investments	–	250
Write off of loan to associate	37	289
Gain on remeasurement of equity interest previously held	(5,234)	–
Gain on disposal of associate	–	(591)
Loss on subsidiaries being struck off	–	164
Fair value loss on convertible loan	–	3,135
Interest expense	2,126	982
Interest income	(322)	(497)
Share of results in associates	–	(118)
<b>Operating cash flows before working capital changes</b>	22,209	44,381
<u>Changes in working capital</u>		
Decrease/(increase) in trade and other receivables	45,285	(8,134)
(Decrease)/increase in trade and other payables	(41,660)	6,760
<b>Cash flows from operations</b>	25,834	43,007
Interest income received	322	497
Interest paid	(2,036)	(946)
Income taxes paid	(6,817)	(7,466)
<b>Net cash generated from operating activities</b>	17,303	35,092
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(1,346)	(2,302)
Proceeds from disposal of plant and equipment	–	29
Acquisition of subsidiaries, net of cash acquired	(4,183)	(6,476)
Proceeds from disposal of an associate	–	542
<b>Net cash used in investing activities</b>	(5,529)	(8,207)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(630)	(1,736)
Repayment of loan and borrowing	(2,691)	(2,900)
Payment of dividends	(13,675)	(26,640)
<b>Net cash used in financing activities</b>	(16,996)	(31,276)
<b>Net decrease in cash and cash equivalents</b>	(5,222)	(4,391)
<b>Cash and cash equivalents at beginning of the year</b>	49,274	53,665
<b>Cash and cash equivalents at end of the year</b>	44,052	49,274

## Condensed Interim Consolidated Statement of Changes in Equity

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
<b>As at 1 January 2023</b>	98,946	(316)	61,582	160,212	158	160,370
Profit/(loss) for the year	–	–	11,775	11,775	(1,174)	10,601
Other comprehensive income						
- Foreign currency translation	–	73	–	73	(8)	65
<b>Total comprehensive income</b>	–	73	11,775	11,848	(1,182)	10,666
<b>Total contributions by and distributions to owners</b>						
Dividends on ordinary shares	–	–	(13,675)	(13,675)	–	(13,675)
<b>Total changes in ownership interests in subsidiaries</b>						
Acquisition of subsidiary with NCI	–	–	–	–	1,245	1,245
<b>As at 31 December 2023</b>	<b>98,946</b>	<b>(243)</b>	<b>59,682</b>	<b>158,385</b>	<b>221</b>	<b>158,606</b>

**Condensed Interim Consolidated Statement of Changes in Equity (cont'd)**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Attributable to owners of the Company \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total Equity \$'000</b>
<b>As at 1 January 2022</b>	98,946	(16)	(21)	62,005	160,914	(250)	160,664
Profit/(loss) for the year	–	–	–	26,556	26,556	(122)	26,434
Other comprehensive income							
- Deemed disposal of equity investments at FVOCI	–	16	–	(16)	–	–	–
- Foreign currency translation	–	–	(295)	–	(295)	(42)	(337)
<b>Total comprehensive income</b>	–	16	(295)	26,540	26,261	(164)	26,097
<b>Total contributions by and distributions to owners</b>							
Dividends on ordinary shares	–	–	–	(26,640)	(26,640)	–	(26,640)
<b>Total changes in ownership interests in subsidiaries</b>							
Acquisition of subsidiary with NCI	–	–	–	–	–	669	669
Acquisition of NCI without change in control	–	–	–	(323)	(323)	(253)	(576)
Strike off of subsidiary with NCI	–	–	–	–	–	156	156
<b>As at 31 December 2022</b>	<b>98,946</b>	<b>–</b>	<b>(316)</b>	<b>61,582</b>	<b>160,212</b>	<b>158</b>	<b>160,370</b>



## 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 2023 and for the six months ended 31 December 2023 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 2023 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 2023.

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 2023. 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 and for the financial year ended 31 December 2022.

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.

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
- Note 16 – acquisition of subsidiaries

## 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. Geographical segments are analysed by four principal geographical areas, namely Singapore, Indonesia, Vietnam and Others. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers which the sales are made to regardless of where the sales originate. Segment non-current assets and total assets are based on the geographical location of the assets.

#### 4.1 Reportable segments

	Real estate brokerage services \$'000	Rental income \$'000	Others \$'000	Eliminations \$'000	Total \$'000
<b>1 July 2023 to 31 December 2023</b>					
<b>Revenue:</b>					
Real estate brokerage fees and related services	292,680	1,070	3,151	(1,055)	295,846
Other revenue	177	1	1,590	–	1,768
<b>Total revenue</b>	<b>292,857</b>	<b>1,071</b>	<b>4,741</b>	<b>(1,055)</b>	<b>297,614</b>
Segment results	8,328	(149)	428	–	8,607
Interest income					194
Finance costs					(1,094)
<b>Profit before tax</b>					<b>7,707</b>
Income tax expense					(1,448)
<b>Profit for the period</b>					<b>6,259</b>
<b>Others:</b>					
Allowance for doubtful debts provided – trade	(379)	–	75	–	(304)
Depreciation and amortisation	(1,849)	(164)	(276)	–	(2,289)
<b>1 July 2022 to 31 December 2022</b>					
<b>Revenue:</b>					
Real estate brokerage fees and related services	356,941	1,094	3,025	(1,055)	360,005
Other revenue	188	1	2,207	–	2,396
<b>Total revenue</b>	<b>357,129</b>	<b>1,095</b>	<b>5,232</b>	<b>(1,055)</b>	<b>362,401</b>
Segment results	16,760	(117)	(3,408)	–	13,235
Share of results in associates					(145)
Interest income					217
Finance costs					(624)
<b>Profit before tax</b>					<b>12,683</b>
Income tax expense					(2,796)
<b>Profit for the period</b>					<b>9,887</b>
<b>Others:</b>					
Bad debts recovered	132	–	–	–	132
Allowance for doubtful debts provided – trade	(1,959)	–	26	–	(1,933)
Depreciation and amortisation	(1,836)	(156)	(462)	–	(2,454)

#### 4.1 Reportable segments (cont'd)

	Real estate brokerage services \$'000	Rental income \$'000	Others \$'000	Eliminations \$'000	Total \$'000
<b>1 January 2023 to 31 December 2023</b>					
<b>Revenue:</b>					
Real estate brokerage fees and related services	548,654	2,149	5,799	(2,110)	554,492
Other revenue	223	1	2,536	–	2,760
<b>Total revenue</b>	<b>548,877</b>	<b>2,150</b>	<b>8,335</b>	<b>(2,110)</b>	<b>557,252</b>
Segment results	16,181	(282)	(532)	–	15,367
Interest income					322
Finance costs					(2,126)
<b>Profit before tax</b>					<b>13,563</b>
Income tax expense					(2,962)
<b>Profit for the year</b>					<b>10,601</b>
<b>Others:</b>					
Allowance for doubtful debts provided – trade	(2,049)	–	(160)	–	(2,209)
Depreciation and amortisation	(3,630)	(321)	(698)	–	(4,649)
<b>1 January 2022 to 31 December 2022</b>					
<b>Revenue:</b>					
Real estate brokerage fees and related services	695,224	2,184	5,052	(2,097)	700,363
Other revenue	237	1	4,404	–	4,642
<b>Total revenue</b>	<b>695,461</b>	<b>2,185</b>	<b>9,456</b>	<b>(2,097)</b>	<b>705,005</b>
Segment results	36,571	(135)	(3,188)	–	33,248
Share of results in associates					118
Interest income					497
Finance costs					(982)
<b>Profit before tax</b>					<b>32,881</b>
Income tax expense					(6,447)
<b>Profit for the year</b>					<b>26,434</b>
<b>Others:</b>					
Bad debts recovered	157	–	–	–	157
Allowance for doubtful debts provided – trade	(3,137)	19	5	–	(3,113)
Depreciation and amortisation	(3,806)	(241)	(874)	–	(4,921)

#### 4.1 Reportable segments (cont'd)

##### Geographical segments

	Revenue				Non-current assets*	
	Six months ended 31 December		Twelve months ended 31 December		31 December	31 December
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	293,503	360,962	550,798	703,372	166,530	169,102
Indonesia	1,548	1,199 <sup>^</sup>	2,658	1,199	9,022	9,113
Vietnam	2,374	–	3,299	–	8,628	2,175
Others	189	240	497	434	250	281
	297,614	362,401	557,252	705,005	184,430	180,671

\* Comprising property, plant and equipment, right-of-use assets, intangible assets and fixed deposits

<sup>^</sup> PT ERA Graharealty Tbk was acquired in August 2022

#### 4.2 Revenue

##### Disaggregation of real estate brokerage fees and related services

	Real estate brokerage income		Others		Total	
	Six months ended 31 December		Six months ended 31 December		Six months ended 31 December	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Major product or service lines</b>						
Brokerage fees from resale, rental and new home transactions	292,680	356,941	–	–	292,680	356,941
Others	–	–	3,166	3,064	3,166	3,064
	292,680	356,941	3,166	3,064	295,846	360,005
<b>Timing of transfer of goods or services</b>						
At a point in time	292,680	356,941	2,845	2,526	295,525	359,467
Over time	–	–	321	538	321	538
	292,680	356,941	3,166	3,064	295,846	360,005

## 4.2 Revenue (cont'd)

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

	Real estate brokerage income		Others		Total	
	Twelve months ended 31 December		Twelve months ended 31 December		Twelve months ended 31 December	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Major product or service lines</b>						
Brokerage fees from resale, rental and new home transactions	548,654	695,224	–	–	548,654	695,224
Others	–	–	5,838	5,139	5,838	5,139
	548,654	695,224	5,838	5,139	554,492	700,363
<b>Timing of transfer of goods or services</b>						
At a point in time	548,654	695,224	4,878	3,961	553,532	699,185
Over time	–	–	960	1,178	960	1,178
	548,654	695,224	5,838	5,139	554,492	700,363

### Other revenue

	Group Six months ended 31 December		Group Twelve months ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Rental of properties, workstations, lockers and furniture	449	627	887	1,396
Professional indemnity insurance fees	–	286	–	384
Incentives, referral and administrative fees	429	318	708	737
Government grants	4	80	110	169
Gain on disposal of associate	–	591	–	591
Interest income from cash at bank and fixed deposits	194	217	322	497
Bad debts recovered	–	132	–	157
Sundry income	692	145	733	711
	1,768	2,396	2,760	4,642

### Breakdown of sales

	2023 \$'000	2022 \$'000	Change %
Revenue reported for the first half year	259,638	342,604	(24.2)
Operating profit after tax reported for first half year	4,342	16,547	(73.8)
Revenue reported for the second half year	297,614	362,401	(17.9)
Operating profit after tax reported for second half year	6,259	9,887	(36.7)

## 5 Profit before tax

### Significant items

	Group Six months ended 31 December		Group Twelve months ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Included in finance costs</u>				
Interest on lease liabilities	(30)	(9)	(91)	(37)
<u>Included in other operating expenses</u>				
Loss on disposal of plant and equipment	(3)	(5)	(3)	(9)
Write off of other investments	–	–	–	(250)
Write off of loan to associate	–	(38)	(37)	(289)
Loss on subsidiaries being struck off	–	(164)	–	(164)
Foreign exchange loss, net	(107)	(569)	(180)	(261)
Rental expense	(152)	(79)	(292)	(139)
<u>Included in other non-operating income/(expenses)</u>				
Gain on remeasurement of equity interest previously held	5,234	–	5,234	–
Impairment loss on goodwill	(5,178)	–	(5,178)	–
Fair value loss in convertible loan	–	(3,135)	–	(3,135)

### 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Tax expense recognised in respect of profit for the period				
Current tax	1,596	2,976	3,192	6,669
Under provision in respect of previous period	261	69	261	69
	1,857	3,045	3,453	6,738
Deferred tax provided				
Origination and reversal of temporary differences	(409)	(249)	(491)	(291)
Income tax expense	1,448	2,796	2,962	6,447

## 7 Financial assets and financial liabilities

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Total trade and other receivables	110,449	155,467	11,947	13,698
Less:				
Advances	(1,115)	(1,260)	–	–
Unbilled receivables	(8,388)	(2,093)	–	–
Add:				
Fixed deposits	–	400	–	400
Cash and bank balances	44,052	49,274	2,051	3,015
Total financial assets carried at amortised cost	144,998	201,788	13,998	17,113
Total trade and other payables	129,646	169,114	79,225	66,063
Less: GST payable	(10,444)	(11,775)	–	–
Add: Lease liabilities	1,048	137	–	–
Add: Loan and borrowing	43,226	45,917	–	–
Total financial liabilities carried at amortised cost	163,476	203,393	79,225	66,063

### 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.



## 7 Financial assets and financial liabilities (cont'd)

### 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:

	<b>Group</b>	
	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>
At the beginning of year	5,572	5,439
Charge for the year	2,209	3,113
Written off	(2,557)	(2,980)
Exchange difference	(13)	–
At end of year	5,211	5,572

## 8 Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to \$1,352,000 (31 December 2022: \$268,000) and disposed assets amounting to \$3,000 (31 December 2022: \$9,000).

## 9 Intangible assets

<b>Group</b>	<b>Goodwill \$'000</b>	<b>Franchise rights \$'000</b>	<b>Total \$'000</b>
<b>Cost:</b>			
At 1 January 2022	75,934	29,473	105,407
Additions	6,162	1,896	8,058
Written off	(710)	–	(710)
At 31 December 2022 and 1 January 2023	81,386	31,369	112,755
Additions	10,715	2,439	13,154
At 31 December 2023	92,101	33,808	125,909
<b>Accumulated amortisation and impairment:</b>			
At 1 January 2022	710	7,807	8,517
Charge for the year	–	940	940
Written off	(710)	–	(710)
At 31 December 2022 and 1 January 2023	–	8,747	8,747
Charge for the year	–	1,079	1,079
Impairment loss	5,178	–	5,178
At 31 December 2023	5,178	9,826	15,004
<b>Net carrying amount:</b>			
At 31 December 2022	81,386	22,622	104,008
At 31 December 2023	86,923	23,982	110,905

## 9 Intangible assets (cont'd)

### Company

	<b>Franchise rights \$'000</b>
<b>Cost:</b>	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	3,816
<b>Accumulated amortisation:</b>	
At 1 January 2022	1,950
Charge for the year	237
At 31 December 2022 and 1 January 2023	2,187
Charge for the year	236
At 31 December 2023	2,423
<b>Net carrying amount:</b>	
At 31 December 2022	1,629
At 31 December 2023	1,393

### Goodwill

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

<b>Group</b>	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>
Real estate brokerage income (Singapore)	61,345	61,345
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
Real estate brokerage income (Thailand)	231	231
Real estate brokerage income and master franchisee of ERA Indonesia	6,257	6,162
Real estate brokerage income and master franchisee of ERA Vietnam	10,620	–
	92,101	81,386
Less: Impairment loss	(5,178)	–
	86,923	81,386

### Impairment testing for CGUs containing goodwill

The key assumptions used in impairment testing for CGUs containing goodwill are set out below. The values assigned to key assumptions represent management's assessment of future trends in the relevant industries and countries and have been based on historical data from both external and internal sources.

#### **Singapore CGUs**

Singapore CGUs comprise the following CGUs:

- Real estate brokerage income (Singapore)
- Membership fee earned in relation to the master franchisee of ERA Singapore
- Property management, valuation, consultancy, training and related services

The recoverable amounts of these 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.

## 9 Intangible assets (cont'd)

### Goodwill (cont'd)

#### Impairment testing for CGUs containing goodwill (cont'd)

##### Singapore CGUs (cont'd)

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 2023	31 December 2022
Growth rate	1.2% - 1.7%	1.2% - 1.7%
Discount rate	11.4% - 13.3%	10.9% - 14.4%

##### Other CGUs

Other CGUs comprise CGUs relating to “Real estate brokerage income and master franchisee of ERA Indonesia” and “Real estate brokerage income and master franchisee of ERA Vietnam”. The recoverable amounts of these 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 2023
Average growth rate for 10 year period	20.4% to 85.4%
Growth rate after 10 year period	1.7% - 2.0%
Discount rate	15.3% - 16.8%

#### Impairment

During the full year ended 31 December 2023, the Group has assessed that the recoverable amount of goodwill relating to the “Real estate brokerage income and master franchisee of ERA Vietnam” CGU was lower than its carrying amount and has recognised impairment loss of \$5,178,000.

### Franchise rights

Franchise rights is held for the exclusive right of use of the brand name “ERA”.

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 2023, the carrying amount of the ERA franchise right in Asia Pacific region is \$1,393,000 (31 December 2022: \$1,629,000) and has remaining amortisation period of 6 years (31 December 2022: 7 years).

The Group also holds ERA Subfranchise right in Singapore for an initial term of 30 years from 28 June 1990, which expired 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 2023, the carrying amount of the ERA Singapore Subfranchise right is \$18,408,000 (31 December 2022: \$19,104,000) and has remaining amortisation period of 27 years (31 December 2022: 28 years).

The Group also owns a reacquired franchise right in Indonesia for an initial term of 25 years from 8 February 2019. It includes a renewal clause for an additional successive 30 years. As at 31 December 2023, the carrying amount of the reacquired franchise right is \$1,782,000 (31 December 2022: \$1,889,000) and has remaining amortisation period of 21 years (31 December 2022: 22 years).

The Group also owns a reacquired franchise right in Vietnam for an initial term of 25 years from 12 May 2017. It includes a renewal clause for an additional successive 30 years. As at 31 December 2023, the carrying amount of the reacquired franchise right is \$2,400,000 and has remaining amortisation period of 19 years.

## 10 Loan and borrowing

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current:</b>		
SGD loan at Compounded SORA + 0.80% p.a. (31 December 2022: SORA + 1.15% p.a.)	3,093	45,917
<b>Non-current:</b>		
SGD loan at Compounded SORA + 3.00% p.a.	40,133	–
<b>Total</b>	43,226	45,917

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. The loan was classified accordingly as current as at 31 December 2022 due to the final maturity date.

During the year, the Group has refinanced the bank loan in October 2023 with the same bank and the following are the main terms:

- interest rate of 3-month Compounded SORA plus 0.80% per annum for the first two years and 3-month Compounded SORA plus 3.00% per annum thereafter; and
- 59 equal monthly instalments of \$257,778 per month with a final bullet principal payment of all outstanding amounts.

## 11 Dividends

	<b>Group</b>	
	<b>Twelve months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Declared and paid during the financial period:</b>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2022: 2.75 cents per share (2021: 4.0 cents)	9,768	14,208
- Interim exempt (one-tier) dividend for 2023: 1.1 cents per share (2022: 3.5 cents)	3,907	12,432
	13,675	26,640
<b>Proposed but not recognised as a liability as at 31 December:</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
- Final exempt (one-tier) dividend for 2023: 1.4 cents per share (2022: 2.75 cents)	4,971	9,768
	4,971	9,768

## 12 Share capital

	Group and Company			
	31 December 2023		31 December 2022	
	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 2023 and 31 December 2022.

## 13 Earnings per share

	Group		Group	
	Six months ended 31 December		Twelve months ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit for the period attributable to owners of the Company	6,770	9,866	11,775	26,556
	<b>No of shares '000</b>	<b>No of shares '000</b>	<b>No of shares '000</b>	<b>No of shares '000</b>
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 2023	31 December 2022	31 December 2023	31 December 2022
Net asset value per ordinary share (cents)	44.6	45.1	38.1	40.9

## 15 Financial assets at fair value

There were no financial assets measured at fair value as at 31 December 2023 and 31 December 2022.

## 16 Acquisition of subsidiaries

In January 2023, the Group acquired has acquired additional 22% interest in ERA Vietnam Real Estate Joint Stock Company ("ERA VN") and Eurocapital Joint Stock Company ("Eurocapital") for a purchase consideration of \$4.9 million and additional earn-out payments that are subject to certain earn-out conditions. Following the acquisition, the Group has 60% equity interest in both ERA VN and Eurocapital. In addition, in August 2023, the Group acquired 51% of PT ERA Pro Realty ("PT EPR"), an Indonesian member broker company, through its subsidiary PT ERA Graharealty Tbk ("PT ERA").

## 16 Acquisition of subsidiary (cont'd)

The fair value of the identifiable assets and liabilities of ERA VN, Eurocapital and PT EPR as of the date of acquisition were:

	<b>Fair value recognised on acquisition \$'000</b>
<b>Assets</b>	
Plant and equipment	18
Right-of-use assets	1,286
Intangible assets	2,439
Deferred tax assets	164
Trade and other receivables	2,094
Cash and cash equivalents	935
Total assets	<u>6,936</u>
<b>Liabilities</b>	
Deferred tax liabilities	(555)
Lease liabilities	(1,147)
Trade and other payables	(2,177)
Total liabilities	<u>(3,879)</u>
<b>Total identifiable net assets at fair value</b>	<u>3,057</u>
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(1,245)
Settlement of pre-existing balances	(1,000)
Previously held as associate	(1,175)
Gain on remeasurement of equity interest previously held	(5,234)
Goodwill on acquisition	10,715
<b>Purchase consideration transferred, settled in cash</b>	<u>5,118</u>

## 17 Subsequent events

In January 2024, the Group acquired ERA Fiesta, an Indonesian member broker group, for a purchase consideration of \$1.0 million through its subsidiary, PT ERA. Following the acquisition, the Group has 51% equity interest in ERA Fiesta and will consolidate ERA Fiesta in its financial statements.

There are no other 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 2023 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 2023, 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 2023 (“2H2023”) vs Six months ended 31 December 2022 (“2H2022”)**

	<b>2H2023</b>	<b>2H2022</b>	<b>Change</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>(%)</b>
Total revenue	297,614	362,401	(17.9)
Cost of services	269,201	324,363	(17.0)
Gross Profit	28,413	38,038	(25.3)

### **Revenue**

Revenue from real estate brokerage fees and related services decreased by approximately \$64.2 million or 17.8%, from \$360.0 million in 2H2022 to \$295.8 million in 2H2023 following a decrease in property transactions completed during the period. The decrease in brokerage income is due to the following:

- a) decrease in new home sales of \$67.1 million or 48.3%, from \$139.0 million in 2H2022 to \$71.9 million in 2H2023.; offset by
- b) increase in resale and rental of properties of \$2.8 million or 1.3%, from \$218.0 million in 2H2022 to \$220.8 million in 2H2023.

Other revenue decreased by \$0.6 million or 26.2%, from \$2.4 million in 2H2022 to \$1.8 million in 2H2023 mainly due to the absence of gain on disposal of of associate of \$0.6 million recognised in 2H2022.

- 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 decreased by approximately \$55.2 million or 17.0%, from \$324.4 million in 2H2022 to \$269.2 million in 2H2023, in line with the decrease in revenue from real estate brokerage fees and related services.

##### **Gross profit**

Gross profit decreased by approximately \$9.6 million or 25.3%, from \$38.0 million in 2H2022 to \$28.4 million in 2H2023 following the decrease in revenue during the period.

##### **Operating expenses**

Personnel cost was consistent for both 2H2023 and 2H2022 at \$10.5 million and \$10.3 million respectively.

Marketing and promotion expenses was approximately \$2.9 million for both 2H2023 and 2H2022.

Depreciation of property, plant and equipment increased by \$0.1 million, from \$1.3 million in 2H2022 to \$1.4 million in 2H2023 due to plant and equipment purchased during the year.

Depreciation of right-of-use assets has decreased by \$0.4 million, from \$0.7 million in 2H2022 to \$0.3 million in 2H2023 due to the return of the office area at Mountbatten Square to the landlord in 1H2023.

Amortisation of intangible assets was approximately \$0.5 million for both 2H2023 and 2H2022.

Allowance for doubtful debts (trade) decreased by approximately \$1.6 million or 84.3%, from \$1.9 million in 2H2022 to \$0.3 million in 2H2023 mainly due to lower general provision made on expected credit loss as a result of lower revenue generated for the period and reversals made due to partial recovery of impaired trade receivables.

Finance costs has increased by \$0.5 million in 2H2023 as interest rates were higher during this period.

Other operating expenses decreased by approximately \$0.2 million or 4.4%, from \$3.9 million in 2H2022 to \$3.7 million in 2H2023 mainly due to:

- decrease in legal and professional fees incurred during the period; and
- absence of loss on subsidiaries being struck off in 2H2022; offset by
- inclusion of expenses from the consolidation of ERA Vietnam and Eurocapital, the Group's subsidiaries in Vietnam.

Overall, total operating expenses decreased by approximately \$1.3 million or 5.9%, from \$22.1 million in 2H2022 to \$20.8 million in 2H2023.

##### **Non-operating income/(expenses)**

In 2H2023, the Group did not incur any fair value loss on convertible loan as the convertible loan was fully converted in 2H2022.

##### **Share of results in associates**

The share of results in associates was absent in 2H2023 following the Group's acquisition of ERA Vietnam and Eurocapital in January 2023 (became subsidiaries of the Group).

##### **Profit before tax**

As a result of the foregoing, profit before tax decreased by approximately \$5.0 million, from \$12.7 million in 2H2022 to \$7.7 million in 2H2023.



- 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)**

**Tax expense**

Tax expense decreased by approximately \$1.4 million, from \$2.8 million in 2H2022 to \$1.4 million in 2H2023. The decrease was due to the lower taxable income in 2H2023.

**Profit for the period**

As a result of the foregoing, profit for the period decreased by approximately \$3.6 million, from \$9.9 million in 2H2022 to \$6.3 million in 2H2023.

**Twelve months ended 31 December 2023 (“FY2023”) vs Twelve months ended 31 December 2022 (“FY2022”)**

	<b>FY2023</b>	<b>FY2022</b>	<b>Change</b>
	<b>\$’000</b>	<b>\$’000</b>	<b>(%)</b>
Total revenue	557,252	705,005	(21.0)
Cost of services	502,231	631,625	(20.5)
Gross Profit	55,021	73,380	(25.0)

**Revenue**

Revenue from real estate brokerage fees and related services decreased by approximately \$145.9 million or 20.8%, from \$700.4 million in FY2022 to \$554.5 million in FY2023 following a decrease in property transactions completed during the year. The decrease in brokerage income is due to the following:

- a) decrease in resale and rental of properties of \$13.6 million or 3.3%, from \$417.0 million in FY2022 to \$403.4 million in FY2023; and
- b) decrease in new home sales of \$133.0 million or 47.8%, from \$278.2 million in FY2022 to \$145.2 million in FY2023.

Other revenue decreased by approximately \$1.8 million or 40.5%, from \$4.6 million in FY2022 to \$2.8 million in FY2023 mainly due to:

- the absence of gain on disposal of associate of \$0.6 million recognised in FY2022;
- lower room income by \$0.5 million after the return of the office area at Mountbatten Square to the landlord in 1H2023; and
- the decrease in professional indemnity income of \$0.4 million as insurance premiums increased substantially in 2023.

**Cost of services**

Cost of services decreased by approximately \$129.4 million or 20.5%, from \$631.6 million in FY2022 to \$502.2 million in FY2023, in line with the decrease in revenue from real estate brokerage fees and related services.

**Gross profit**

Gross profit decreased by approximately \$18.4 million or 25.0%, from \$73.4 million in FY2022 to \$55.0 million in FY2023 following the decrease in revenue during the year.

**Operating expenses**

Personnel cost increased by approximately \$2.0 million or 10.8%, from \$18.0 million in FY2022 to \$20.0 million in FY2023 mainly due an increase in staff headcount in Singapore (expansion of the Group’s corporate marketing and IT departments) and the inclusion of salaries from ERA VN.

Marketing and promotion expenses increased by approximately \$1.3 million or 29.9%, from \$4.3 million in FY2022 to \$5.6 million in FY2023 due to increase in marketing activities carried out in FY2023.

- 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)**

Depreciation of property, plant and equipment increased by \$0.3 million, from \$2.4 million in FY2022 to \$2.7 million in FY2023 due to internal refurbishment costs incurred for ERA APAC Centre during the year (upgrading of escalators and auditorium).

Depreciation of right-of-use assets decreased by \$0.7 million in FY2023 due to the return of office area at Mountbatten Square to the landlord in 1H2023.

Amortisation of intangible assets increased by \$0.2 million or 14.8% due to the higher intangible assets following the acquisitions in Indonesia and Vietnam.

Allowance for doubtful debts (trade) decreased by approximately \$0.9 million or 29.0%, from \$3.1 million in FY2022 to \$2.2 million in FY2023 mainly due to lower general provision made on expected credit loss as a result of lower revenue for the year, and reversal of provisions due to recovery of some impaired trade receivables in 2H2023.

Finance costs of approximately \$2.1 million in FY2023 (FY2022: \$1.0 million) comprised mainly interest expense from bank borrowings. The increase is due to higher bank interest rates during the year, ranging from 3.44% to 4.85% p.a. in FY2023 (FY2022: 1.28% to 3.44% pa).

Other operating expenses increased by approximately \$0.8 million or 13.7%, from \$6.2 million in FY2022 to \$7.0 million in FY2023 mainly due to:

- increase in costs incurred for physical events held by the Group; and
- inclusion of expenses from the consolidation of ERA Vietnam and Eurocapital, the Group's subsidiaries in Vietnam; offset by
- decrease in legal and professional fees.

Overall, total operating expenses increased by approximately \$4.0 million or 10.8%, from \$37.5 million in FY2022 to \$41.5 million in FY2023.

##### **Non-operating income/(expenses)**

In FY2023, the Group did not incur any fair value loss on convertible loan as the convertible loan was fully converted in FY2022.

##### **Share of results in associates**

The share of results in associates was absent in FY2023 following the Group's acquisition of ERA Vietnam and Eurocapital in January 2023 (became subsidiaries of the Group).

##### **Profit before tax**

As a result of the foregoing, profit before tax decreased by approximately \$19.3 million, from \$32.9 million in FY2022 to \$13.6 million in FY2023.

##### **Tax expense**

Tax expense decreased by approximately \$3.4 million, from \$6.4 million in FY2022 to \$3.0 million in FY2023. The decrease was due to the lower taxable income in FY2023.

##### **Profit for the year**

As a result of the foregoing, profit for the year decreased by approximately \$15.8 million or 59.9%, from \$26.4 million in FY2022 to \$10.6 million in FY2023.

- 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**

#### **31 December 2023 vs 31 December 2022**

##### **Non-current assets**

The Group's total non-current assets amounted to approximately \$184.7 million and \$180.8 million as at 31 December 2023 and 31 December 2022 respectively. The increase of approximately \$3.9 million or 2.2% was mainly due to purchase of plant and equipment of \$1.4 million, increase in intangible assets and right-of-use assets arising from the acquisition of subsidiaries in Vietnam which amounted to \$13.2 million and \$1.3 million respectively, partially offset by:

- the deemed disposal of the Group's investment in associates as a result of the acquisition of subsidiaries in Vietnam. This resulted in a decrease of \$2.2 million as compared to FY2022;
- impairment of goodwill of \$5.2 million; and
- depreciation of property, plant and equipment, depreciation of right-of-use assets, as well as amortisation of intangible assets for a total of \$4.6 million.

##### **Current assets**

Trade receivables amounted to approximately \$99.5 million and \$151.0 million as at 31 December 2023 and 31 December 2022 respectively. The decrease of approximately \$51.5 million or 34.1% was due to the decrease in revenue in 2H2023.

Other receivables amounted to approximately \$2.6 million and \$2.4 million as at 31 December 2023 and 31 December 2022 respectively. The increase was due to the inclusion of the Group's subsidiaries in Vietnam.

Unbilled receivables amounted to approximately \$8.4 million and \$2.1 million as at 31 December 2023 and 31 December 2022 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 \$3.2 million and \$2.9 million as at 31 December 2023 and 31 December 2022 respectively. The increase of \$0.3 million was due to the inclusion of the Group's subsidiaries in Vietnam.

Cash and bank balances decreased by approximately \$5.2 million or 10.5%, from \$49.3 million as at 31 December 2022 to \$44.1 million as at 31 December 2023.

As a result of the foregoing, total current assets decreased by approximately \$49.9 million or 24.0%, from \$207.6 million as at 31 December 2022 to \$157.7 million as at 31 December 2023.

##### **Non-current liabilities**

The Group's total non-current liabilities increased from \$4.7 million as at 31 December 2022 to \$45.4 million as at 31 December 2023. The increase of \$40.7 million was mainly due to the reclassification of the Group's loan to non-current following the refinancing of bank loan in October 2023.

##### **Current liabilities**

Trade payables and accruals amounted to approximately \$116.4 million and \$155.9 million as at 31 December 2023 and 31 December 2022 respectively. The decrease of approximately \$39.5 million or 25.3% was in line with the decrease in trade receivables.

Other payables comprised mainly goods and services tax (GST) payable, deposits and sundry payables which amounted to approximately \$13.2 million for both 31 December 2023 and 31 December 2022 respectively.

Deferred income amounted to approximately \$1.6 million and \$1.4 million as at 31 December 2023 and 31 December 2022 respectively. The increase of approximately \$0.2 million or 14.3% was mainly due to the inclusion of the Group's subsidiaries in Vietnam.

- 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 liabilities (cont’d)**

Lease liabilities represent the current portion of the lease obligations and was approximately \$0.6 million and \$0.1 million as at 31 December 2023 and 31 December 2022 respectively. The increase was mainly due to the inclusion of the Group’s subsidiaries in Vietnam.

Provision for taxation amounted to approximately \$3.4 million and \$6.8 million as at 31 December 2023 and 31 December 2022 respectively. The decrease of approximately \$3.4 million or 50.0% was mainly due to lower income tax provided for FY2023 as a result of lower taxable income.

Loan and borrowing decreased by \$42.8 million following the refinancing of the Group’s loan in October 2023, as discussed above.

As a result of the foregoing, total current liabilities decreased by approximately \$84.9 million or 38.0%, from \$223.3 million as at 31 December 2022 to \$138.4 million as at 31 December 2023.

**Equity attributable to the owners of the Company**

The equity attributable to the owners of the Company decreased by approximately \$1.8 million or 1.1%, from \$160.2 million as at 31 December 2022 to \$158.4 million as at 31 December 2023. The decrease was mainly due dividend payments of \$13.7 million during the year, offset by net profit of \$11.8 million for FY2023.

**Statement of Cash Flows**

**FY2023 vs FY2022**

Net cash generated from operating activities was approximately \$17.3 million in FY2023 as compared to approximately \$35.1 million in FY2022. The decrease of \$17.8 million was mainly due to the lower cash flows from operations of \$17.2 million.

Net cash used in investing activities was approximately \$5.5 million and \$8.2 million in FY2023 and FY2022 respectively. The decrease of \$2.7 million was mainly due to lower purchases of plant and equipment and acquisition of subsidiaries of \$1.0 million and \$2.3 million respectively.

Net cash used in financing activities was approximately \$17.0 million and \$31.3 million in FY2023 and FY2022 respectively. The decrease of \$14.3 million was mainly due to lower dividend payments of \$13.7 million in FY2023 (FY2022: \$26.6 million).

As a result of the foregoing, there was a net decrease in cash and cash equivalents of approximately \$5.2 million for FY2023. Cash and cash equivalents stood at \$44.1 million as at 31 December 2023.

4 **Use of Proceeds Raised From IPO**

<b>Purpose</b>	<b>Balance of Net Proceeds as at 4 August 2023 S\$’000</b>	<b>Net Proceeds Utilised as at 23 February 2024 S\$’000</b>	<b>Balance of Net Proceeds as at 23 February 2024 S\$’000</b>
Enhancing technological capabilities	3,982	856*	3,126

\* Relates to Sales+ app development cost and implementation of customer relationship management tool

**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.**

For the year 2023, there was a decrease in the transaction volume in the private new and resale residential markets, as well as the HDB resale market as compared to year 2022. This is due to the cooling measures rolled out by the authorities in September 2022 and April 2023 amidst a high interest rate environment. The recent Urban Redevelopment Authority (URA) data showed that prices of private residential property increased at a slower pace of 6.8% for 2023 as a whole, as compared to 8.6% and 10.6% in 2022 and 2021 respectively. Data from HDB indicated that resale prices for HDB has risen by 4.9% in 2023, less than half of the 10.4% increase in 2022.

In 2023, developers sold 7,158 private residential units (including ECs), a decrease of 16.6% from 8,578 units sold in 2022. The private residential resale market recorded sales of 12,623 units, a decrease of 14.7% from 14,791 units sold in 2022. The HDB resale market reported a decline of 4.2% to 26,735 units in 2023 from 27,896 units in 2022.

The vacancy rate of completed private residential units has increased from 5.5% as at 31 December 2022 to 8.1% as at 31 December 2023. Apart from the 17,729 unsold units (including ECs) with planning approval as at 31 December 2023, there is a potential supply of 16,651 units (including ECs) from Government Land Sales sites that have not been granted planning approval yet.

With this backdrop, the Group will continue to focus on improving the efficiencies of its Singapore operations, reducing overheads, and leveraging its investments in technology for ERA salespersons. Despite the uncertain operating environment, the Group is cautiously optimistic about the outlook for 2024.

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 subsidiaries in Indonesia and Vietnam.

**7 Dividend**

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

Yes.

<b>Name of Dividend</b>	Proposed Final
<b>Dividend Type</b>	Cash
<b>Dividend Amount</b>	1.4 cents per ordinary share
<b>Tax Rate</b>	Tax Exempt

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

Yes.

<b>Name of Dividend</b>	Proposed Final
<b>Dividend Type</b>	Cash
<b>Dividend Amount</b>	2.75 cents per ordinary share
<b>Tax Rate</b>	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 **8 May 2024**.

**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 **26 April 2024** 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 **26 April 2024** 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 **26 April 2024** 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**

Not applicable.

**BY ORDER OF THE BOARD**

Chua Khee Hak  
Executive Chairman  
23 February 2024