



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

Condensed Interim Financial Statements
For the six months ended 30 June 2024



APAC REALTY LIMITED
Company Registration Number: 201319080C

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Condensed Interim Consolidated Income Statement
Six months ended 30 June 2024

	Note	Group		Change %
		Six months ended 30 June 2024 \$'000	2023 \$'000	
Revenue				
Real estate brokerage fees and related services	4.2	263,833	258,646	2.0
Other revenue	4.2	1,323	992	33.4
Total Revenue		<u>265,156</u>	<u>259,638</u>	2.1
Items of expense				
Cost of services		240,683	233,030	3.3
Personnel cost		9,198	9,498	(3.2)
Marketing and promotion expenses		2,068	2,644	(21.8)
Depreciation of plant and equipment		1,418	1,340	5.8
Depreciation of right-of-use assets		297	486	(38.9)
Amortisation of intangible assets		580	534	8.6
Allowance for doubtful debt provided (trade)		1,661	1,905	(12.8)
Finance costs		985	1,032	(4.6)
Other operating expenses		3,450	3,313	4.1
Total operating expenses		<u>19,657</u>	<u>20,752</u>	(5.3)
Costs and Expenses		<u>260,340</u>	<u>253,782</u>	2.6
Profit before tax	5	4,816	5,856	(17.8)
Income tax expense	6	(1,131)	(1,514)	(25.3)
Profit for the period		<u>3,685</u>	<u>4,342</u>	(15.1)
Profit attributable to:				
Owners of the Company		4,071	5,005	(18.7)
Non-controlling interests ("NCI")		(386)	(663)	(41.8)
		<u>3,685</u>	<u>4,342</u>	(15.1)
Earnings per share attributable to the owners of the Company (cents per share)				
Basic and diluted	13	1.15	1.41	(18.4)

NM - not meaningful

Condensed Interim Consolidated Statement of Comprehensive Income
Six months ended 30 June 2024

	Group		
	Six months ended 30 June		
	2024	2023	Change
	\$'000	\$'000	%
Profit for the period	3,685	4,342	(15.1)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(194)	220	NM
Other comprehensive income for the period, net of tax	(194)	220	NM
Total comprehensive income for the period	<u>3,491</u>	<u>4,562</u>	(23.5)
Attributable to:			
Owners of the Company	3,835	5,204	(26.3)
Non-controlling interests	(344)	(642)	(46.4)
	<u>3,491</u>	<u>4,562</u>	(23.5)

NM - not meaningful

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	71,100	72,472	–	–
Right-of-use assets		810	1,054	–	–
Intangible assets	9	111,521	111,189	1,275	1,393
Investment in subsidiaries		–	–	199,488	198,888
Investment in associates		–	–	193	193
Deferred tax assets		200	236	–	–
		<u>183,631</u>	<u>184,951</u>	<u>200,956</u>	<u>200,474</u>
Current assets					
Trade receivables		91,812	99,495	36	51
Other receivables		2,493	2,566	175	117
Unbilled receivables		8,351	8,388	–	–
Amount due from subsidiaries		–	–	14,314	14,115
Tax recoverable		53	22	53	22
Prepaid operating expenses		2,363	3,196	6	14
Cash and bank balances		36,152	44,052	8,691	2,051
		<u>141,224</u>	<u>157,719</u>	<u>23,275</u>	<u>16,370</u>
Total assets		<u>324,855</u>	<u>342,670</u>	<u>224,231</u>	<u>216,844</u>
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables and accruals		101,084	116,433	303	349
Other payables		15,156	13,213	–	–
Amount due to subsidiaries		–	–	93,480	81,212
Deferred income		1,350	1,607	33	–
Lease liabilities		546	628	–	–
Loan and borrowing	10	3,093	3,093	–	–
Provision for taxation		2,503	3,389	–	–
		<u>123,732</u>	<u>138,363</u>	<u>93,816</u>	<u>81,561</u>
Net current assets/(liabilities)		<u>17,492</u>	<u>19,356</u>	<u>(70,541)</u>	<u>(65,191)</u>
Non-current liabilities					
Lease liabilities		276	420	–	–
Loan and borrowings	10	38,586	40,133	–	–
Employee benefits		533	480	–	–
Deferred taxation		4,398	4,493	21	11
		<u>43,793</u>	<u>45,526</u>	<u>21</u>	<u>11</u>
Net assets		<u>157,330</u>	<u>158,781</u>	<u>130,394</u>	<u>135,272</u>
Equity attributable to owners of the Company					
Share capital	12	98,946	98,946	98,946	98,946
Foreign currency translation reserve		(479)	(243)	–	–
Accumulated profits		58,780	59,682	31,448	36,326
		<u>157,247</u>	<u>158,385</u>	<u>130,394</u>	<u>135,272</u>
Non-controlling interests (“NCI”)		83	396	–	–
Total equity		<u>157,330</u>	<u>158,781</u>	<u>130,394</u>	<u>135,272</u>

Condensed Interim Consolidated Statement of Cash Flows
Six months ended 30 June 2024

	Group	
	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	4,816	5,856
<u>Adjustments for:</u>		
Allowance for doubtful debts (trade)	1,661	1,905
Amortisation of intangible assets	580	534
Depreciation of property, plant and equipment	1,418	1,340
Depreciation of right-of-use assets	297	486
Loss on disposal of plant and equipment	35	–
Write off of loan to associate	–	37
Interest expense	985	1,032
Interest income	(231)	(128)
Operating cash flows before working capital changes	9,561	11,062
<u>Changes in working capital</u>		
Decrease in trade and other receivables	6,728	27,478
Decrease in trade and other payables	(13,757)	(34,791)
Cash flows from operations	2,532	3,749
Interest income received	231	128
Interest paid	(955)	(972)
Income taxes paid	(2,081)	(3,450)
Net cash used in operating activities	(273)	(545)
Cash flows from investing activities		
Purchase of plant and equipment	(69)	(778)
Acquisition of subsidiary, net of cash acquired	(867)	(4,261)
Net cash used in investing activities	(936)	(5,039)
Cash flows from financing activities		
Repayment of lease liabilities	(171)	(337)
Repayment of loan and borrowings	(1,547)	(1,450)
Payment of dividends	(4,973)	(9,768)
Net cash used in financing activities	(6,691)	(11,555)
Net decrease in cash and cash equivalents	(7,900)	(17,139)
Cash and cash equivalents at beginning of the period	44,052	49,274
Cash and cash equivalents at end of the period	36,152	32,135

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
As at 1 January 2024	98,946	(243)	59,682	158,385	396	158,781
Profit/(loss) for the period	–	–	4,071	4,071	(386)	3,685
Other comprehensive income						
- Foreign currency translation	–	(236)	–	(236)	42	(194)
Total comprehensive income	–	(236)	4,071	3,835	(344)	3,491
Total contributions by and distributions to owners						
Dividends on ordinary shares	–	–	(4,973)	(4,973)	–	(4,973)
Total changes in ownership interests in subsidiaries						
Acquisition of subsidiary with NCI	–	–	–	–	31	31
As at 30 June 2024	98,946	(479)	58,780	157,247	83	157,330
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 2023	98,946	(316)	61,582	160,212	158	160,370
Profit/(loss) for the period	–	–	5,005	5,005	(663)	4,342
Other comprehensive income						
- Foreign currency translation	–	199	–	199	21	220
Total comprehensive income	–	199	5,005	5,204	(642)	4,562
Total contributions by and distributions to owners						
Dividends on ordinary shares	–	–	(9,768)	(9,768)	–	(9,768)
Total changes in ownership interests in subsidiaries						
Acquisition of subsidiary with NCI	–	–	–	–	555	555
As at 30 June 2023	98,946	(117)	56,819	155,648	71	155,719

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 30 June 2024 and for the six months ended 30 June 2024 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 30 June 2024 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 annual financial statements for the year ended 31 December 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 2024. 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 2023 and for the financial year ended 31 December 2023.

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 property.
- 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
1 January 2024 to 30 June 2024					
Revenue:					
Real estate brokerage fees and related services	261,506	1,276	2,278	(1,227)	263,833
Other revenue	139	–	1,184	–	1,323
Total revenue	261,645	1,276	3,462	(1,227)	265,156
Segment results	6,005	(137)	(298)	–	5,570
Interest income					231
Finance costs					(985)
Profit before tax					4,816
Income tax expense					(1,131)
Profit for the period					3,685
Others:					
Allowance for doubtful debts provided – trade	(1,691)	–	30	–	(1,661)
Depreciation and amortisation	(1,763)	(186)	(346)	–	(2,295)
1 January 2023 to 30 June 2023					
Revenue:					
Real estate brokerage fees and related services	255,974	1,079	2,648	(1,055)	258,646
Other revenue	46	–	946	–	992
Total revenue	256,020	1,079	3,594	(1,055)	259,638
Segment results	7,853	(133)	(960)	–	6,760
Interest income					128
Finance costs					(1,032)
Profit before tax					5,856
Income tax expense					(1,514)
Profit for the period					4,342
Others:					
Allowance for doubtful debts provided – trade	(1,670)	–	(235)	–	(1,905)
Depreciation and amortisation	(1,781)	(157)	(422)	–	(2,360)

4.2 Revenue

Geographical segments

	Revenue		Non-current assets*	
	Six months ended		30 June	31 December
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore	260,965	257,295	160,431	166,530
Indonesia	1,678	1,110	8,910	9,022
Vietnam	2,351	925	13,851	8,628
Others	162	308	239	250
	265,156	259,638	183,431	184,430

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

Disaggregation of real estate brokerage fees and related services

	Real estate brokerage income		Others		Total	
	Six months ended		Six months ended		Six months ended	
	30 June		30 June		30 June	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines						
Brokerage fees from resale, rental and new home transactions	261,505	255,974	–	–	261,505	255,974
Others	–	–	2,328	2,672	2,328	2,672
	261,505	255,974	2,328	2,672	263,833	258,646
Timing of transfer of goods or services						
At a point in time	261,505	255,974	1,915	2,033	263,420	258,007
Over time	–	–	413	639	413	639
	261,505	255,974	2,328	2,672	263,833	258,646

Other revenue

	Group	
	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Rental of rooms, workstations, lockers and furniture	395	438
Incentives, referral and administrative fees	303	279
Government grants	1	106
Interest income from cash at bank and fixed deposits	231	128
Sundry income	393	41
	1,323	992

5 Profit before taxation

Significant items

	Group	
	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
<u>Included in finance costs</u>		
Interest on lease liabilities	(30)	(61)
<u>Included in other operating expenses</u>		
Loss on disposal of plant and equipment	(35)	–
Write off of loan to associate	–	(37)
Foreign exchange gain/(loss), net	38	(73)
Rental expense	(164)	(140)

Related party transactions

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

6 Taxation

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 30 June	
	2024	2023
	\$'000	\$'000
Tax expense recognised in respect of profit for the period		
Current tax	1,195	1,596
	1,195	1,596
Deferred tax provided		
Origination and reversal of temporary differences	(64)	(82)
Income tax expense	1,131	1,514

7 Financial assets and financial liabilities

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Total trade and other receivables	102,656	110,449	14,525	14,283
Less:				
Advances	(1,211)	(1,115)	–	–
Unbilled receivables	(8,351)	(8,388)	–	–
Add:				
Cash and bank balances	36,152	44,052	8,691	2,051
Total financial assets carried at amortised cost	129,246	144,998	23,216	16,334
Total trade and other payables	116,240	129,646	93,783	81,561
Less: GST payable	(10,889)	(10,444)	(8)	–
Add: Loan and borrowing	41,679	43,226	–	–
Total financial liabilities carried at amortised cost	147,030	162,428	93,775	81,561

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	
	30 June 2024 \$'000	31 December 2023 \$'000
At the beginning of period/year	5,211	5,572
Charge for the period/year	1,661	2,209
Written off	(68)	(2,557)
Others	278	(13)
At end of period/year	7,082	5,211

8 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$94,000 (1H2023: \$755,000) and disposed assets amounting to \$35,000 (1H2023: no disposal).

9 Intangible assets

Group	Goodwill \$'000	Franchise rights \$'000	Total \$'000
Cost:			
At 1 January 2023	81,386	31,369	112,755
Additions	10,452	2,986	13,438
At 31 December 2023 and 1 January 2024	91,838	34,355	126,193
Additions	912	–	912
At 30 June 2024	92,750	34,355	127,105
Accumulated amortisation and impairment:			
At 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 and 1 January 2024	5,178	9,826	15,004
Charge for the period	–	580	580
At 30 June 2024	5,178	10,406	15,584
Net carrying amount:			
At 31 December 2023	86,660	24,529	111,189
At 30 June 2024	87,572	23,949	111,521

Company

	Franchise rights \$'000
Cost:	
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	3,816
Accumulated amortisation:	
At 1 January 2023	2,187
Charge for the year	236
At 31 December 2023 and 1 January 2024	2,423
Charge for the period	118
At 30 June 2024	2,541
Net carrying amount:	
At 31 December 2023	1,393
At 30 June 2024	1,275

9 Intangible assets (cont'd)

Goodwill

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

Group	30 June 2024 \$'000	31 December 2023 \$'000
Real estate brokerage income (Singapore)	61,345	61,345
Real estate brokerage income (Thailand)	231	231
Real estate brokerage income and master franchisee of ERA Indonesia	7,169	6,257
Real estate brokerage income (Vietnam)	10,357	10,357
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
	<hr/>	<hr/>
	92,750	91,838
Less: Impairment losses	(5,178)	(5,178)
	<hr/>	<hr/>
	87,572	86,660

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 value in use was determined similarly to the 31 December 2023 goodwill impairment assessment and was based on key assumptions in relation to 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 as follows:

	30 June 2024	31 December 2023
Growth rate	1.2% - 1.7%	1.2% - 1.7%
Discount rate	11.4% - 13.3%	11.4% - 13.3%

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 30 June 2024, the carrying amount of the ERA franchise right in Asia Pacific region is \$1,275,000 (31 December 2023: \$1,393,000) and has remaining amortisation period of 5 years (31 December 2023: 6 years).

The Group also holds ERA Subfranchise right in Singapore for an initial term of 30 years from 28 June 1990, which expired in 2021. 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 30 June 2024, the carrying amount of the ERA Singapore Subfranchise right is \$18,060,000 (31 December 2023: \$18,407,000) and has remaining amortisation period of 26 years (31 December 2023: 27 years).

The Group 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 30 June 2024, the carrying amount of the franchise right is \$1,743,000 (31 December 2023: \$1,782,000) and has remaining amortisation period of 20 years (31 December 2023: 21 years).

The Group 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 30 June 2024, the carrying amount of the franchise right is \$2,869,000 (31 December 2023: \$2,947,000) and has remaining amortisation period of 18 years (31 December 2023: 19 years).

10 Loan and borrowing

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Current:		
SGD loan at Compounded SORA + 0.80% p.a.	3,093	3,093
Non-current:		
SGD loan at Compounded SORA +/- 3.00% p.a.	38,586	40,133
	<u>41,679</u>	<u>43,226</u>

The loan is secured by way of a first legal mortgage over the Group's leasehold 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 0.80% per annum for the first 2 years effective from 19 October 2023 and 3-month Compounded SORA plus 3.00% per annum thereafter. The loan is repayable over 59 equal monthly instalments of \$257,778 per month with a final bullet principal payment of \$28,532,745 on the final maturity date, 19 October 2028.

11 Dividends

	Group and Company	
	Six months ended 30 June 2024	2023
	\$'000	\$'000
Declared and paid during the financial period:		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2023: 1.4 cents per share (2022: 2.75 cents per share)	4,973	9,768

12 Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning and end of period	<u>355,198</u>	<u>98,946</u>	<u>355,198</u>	<u>98,946</u>

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 30 June 2024 and 31 December 2023.

13 Earnings per share

	Group	
	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Profit for the period attributable to owners of the Company	4,071	5,005
	No of shares	No of shares
	'000	'000
Weighted average number of ordinary shares for earnings per share computation	355,198	355,198

14 Net asset value

	Group		Company	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share	44.3	44.6	36.7	38.1

15 Financial assets at fair value

There were no financial assets measured at fair value as at 30 June 2024 and 31 December 2023.

16 Acquisition of subsidiary

In March 2024, the Group has acquired 51% interest in ERA Fiesta, an Indonesian member broker group, for a purchase consideration of \$1.0 million through its subsidiary, PT ERA Graharealty Tbk ("PT ERA"). The estimated fair value of the identifiable assets and liabilities of ERA Fiesta as of the date of acquisition were:

	Fair value recognised on acquisition \$'000
Assets	
Plant and equipment	12
Trade and other receivables	21
Cash and cash equivalents	93
Total assets	<u>126</u>
Liabilities	
Trade and other payables	<u>(94)</u>
Total liabilities	<u>(94)</u>
Total identifiable net assets at fair value	<u>32</u>
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	16
Goodwill on acquisition	<u>943</u>
Purchase consideration transferred, settled in cash	<u>959</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 30 June 2024 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 30 June 2024, 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 30 June 2024 (“1H2024”) vs Six months ended 30 June 2023 (“1H2023”)

	1H2024	1H2023	Change
	\$’000	\$’000	(%)
Real estate brokerage fees and related services	263,833	258,646	2.0
Other revenue	1,323	992	33.4
Total revenue	265,156	259,638	2.1
Cost of services	(240,683)	(233,030)	3.3
Gross Profit	24,473	26,608	(8.0)

Revenue

Revenue from real estate brokerage fees and related services increased by approximately \$5.2 million or 2.0%, from \$258.6 million in 1H2023 to \$263.8 million in 1H2024. The increase in brokerage income is due to the following:

- a) increase in resale and rental of properties of \$20.9 million or 11.5%, from \$182.7 million in 1H2023 to \$203.6 million in 1H2024; offset by

- 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)

Revenue (cont'd)

- b) decrease in new home sales of \$15.4 million or 21.0%, from \$73.3 million in 1H2023 to \$57.9 million in 1H2024.

Other revenue increased by \$0.3 million or 33.4%, from \$1.0 million in 1H2023 to \$1.3 million in 1H2024 mainly due to higher interest income and higher referral fees generated for the period.

Cost of services

Cost of services increased by approximately \$7.7 million or 3.3%, from \$233.0 million in 1H2023 to \$240.7 million in 1H2024. The rate of increase in cost of services is higher than the rate of increase in revenue because the margins from resale and rental transactions are lower than those from new home sales transactions.

Gross profit

Gross profit decreased by approximately \$2.1 million or 8.0%, mainly due to decrease in brokerage income from new home sales transactions.

Operating expenses

Personnel cost decreased by approximately \$0.3 million or 3.2%, from \$9.5 million in 1H2023 to \$9.2 million in 1H2024 mainly due to decrease in headcount in Singapore (30 June 2024: 162; 30 June 2023: 180).

Marketing and promotion expenses decreased by approximately \$0.5 million or 21.8%, from \$2.6 million in 1H2023 to \$2.1 million in 1H2024 mainly due to decrease in recruitment, advertising and brand promotion costs.

Depreciation of plant and equipment increased by \$0.1 million, from \$1.3 million in 1H2023 to \$1.4 million in 1H2024 mainly due to additions of plant and equipment in 2023.

Depreciation of right-of-use assets has decreased by \$0.2 million, from \$0.5 million in 1H2023 to \$0.3 million in 1H2024 as 1H2023 included two months depreciation from the lease of Mountbatten Square office, which ended in February 2023.

Amortisation of intangible assets for 1H2024 and 1H2023 was approximately \$0.6 million and \$0.5 million respectively.

Allowance for doubtful debts (trade) decreased by approximately \$0.2 million or 12.8%, from \$1.9 million in 1H2023 to \$1.7 million in 1H2024 mainly due lower expected credit loss on revenue that was recognised in the second half of 2023.

Finance costs comprised mainly interest expense from bank borrowings and was approximately \$1.0 million for 1H2024 and 1H2023.

Other operating expenses increased by approximately \$0.2 million or 4.1%, from \$3.3 million in 1H2023 to \$3.5 million in 1H2024 mainly due to increase in IT related costs.

Overall, total operating expenses decreased by approximately \$1.1 million or 5.3%, from \$20.8 million in 1H2023 to \$19.7 million in 1H2024.

Profit before tax

As a result of the foregoing, profit before tax decreased by approximately \$1.1 million or 17.8%, from \$5.9 million in 1H2023 to \$4.8 million in 1H2024.

- 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 \$0.4 million, from \$1.5 million in 1H2023 to \$1.1 million in 1H2024 due to lower taxable income during the period.

Profit for the period

As a result of the foregoing, profit for the period decreased by approximately \$0.6 million or 15.1%, from \$4.3 million in 1H2023 to \$3.7 million in 1H2024.

Statement of Financial Position

30 June 2024 vs 31 December 2023

Non-current assets

The Group's total non-current assets amounted to approximately \$183.6 million and \$185.0 million as at 30 June 2024 and 31 December 2023 respectively. The decrease of approximately \$1.4 million was mainly due to depreciation of plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets for a total of \$2.3 million; partially offset by due to goodwill arising from the Group's acquisition of ERA Fiesta of \$0.9 million.

Current assets

Trade receivables amounted to approximately \$91.8 million and \$99.5 million as at 30 June 2024 and 31 December 2023 respectively. The decrease of approximately \$7.7 million or 7.7% was mainly due to decrease in billings made in 1H2024.

Other receivables amounted to approximately \$2.5 million and \$2.6 million as at 30 June 2024 and 31 December 2023 respectively.

Unbilled receivables amounted to approximately \$8.4 million as at 30 June 2024 and 31 December 2023 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 \$2.4 million and \$3.2 million as at 30 June 2024 and 31 December 2023 respectively. The decrease of \$0.8 million was mainly due to the recognition of expenses in 1H2024.

Cash and bank balances decreased by approximately \$7.9 million or 17.9%, from \$44.1 million as at 31 December 2023 to \$36.2 million as at 30 June 2024.

As a result of the foregoing, total current assets decreased by approximately \$16.5 million or 10.5%, from \$157.7 million as at 31 December 2023 to \$141.2 million as at 30 June 2024.

Non-current liabilities

The Group's total non-current liabilities decreased from \$45.5 million as at 31 December 2023 to \$43.8 million as at 30 June 2024. The decrease of \$1.7 million or 3.7% was mainly due to repayment of bank borrowings during the period.

- 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

Trade payables and accruals amounted to approximately \$101.1 million and \$116.4 million as at 30 June 2024 and 31 December 2023 respectively. The decrease of approximately \$15.3 million or 13.1% was mainly due to payment of commissions during the period to real estate agents.

Other payables comprised mainly goods and services tax (GST) payable, deposits and sundry payables which amounted to approximately \$15.2 million and \$13.2 million as at 30 June 2024 and 31 December 2023 respectively. The increase of approximately \$2.0 million or 14.7% was mainly due to increase in advance collections from the Group's real estate agents for the purpose of their licence renewal for 2025.

Deferred income amounted to approximately \$1.4 million and \$1.6 million as at 30 June 2024 and 31 December 2023 respectively.

Lease liabilities represent the current portion of the lease obligations and has decreased by \$0.1 million due to repayment of leases during the period.

Provision for taxation amounted to approximately \$2.5 million and \$3.4 million as at 30 June 2024 and 31 December 2023 respectively. The decrease of approximately \$0.9 million or 26.1% was mainly due to tax paid and lower income tax accrued during the period.

As a result of the foregoing, total current liabilities decreased by approximately \$14.7 million or 10.6%, from \$138.4 million as at 31 December 2023 to \$123.7 million as at 30 June 2024.

Equity attributable to the owners of the Company

The equity attributable to the owners of the Company decreased by approximately \$1.2 million, from \$158.4 million as at 31 December 2023 to \$157.2 million as at 30 June 2024. The decrease was mainly due to dividend payment of \$5.0 million in May 2024, offset by the net profit attributable to owners of the Company of \$4.1 million for 1H2024.

Statement of Cash Flows

1H2024 vs 1H2023

Net cash used in operating activities was approximately \$0.3 million in 1H2024 as compared to approximately \$0.5 million in 1H2023. The difference of \$0.2 million was mainly due to lower income taxes paid during the period.

Net cash used in investing activities was approximately \$0.9 million and \$5.0 million in 1H2024 and 1H2023 respectively. The decrease of \$4.1 million was mainly due to the lower acquisition cost of ERA Fiesta of \$0.9 million (1H2023: acquisition cost of ERA VN amounted to \$4.3 million) and the decrease in purchase of plant and equipment by \$0.7 million.

Net cash used in financing activities was approximately \$6.7 million and \$11.6 million in 1H2024 and 1H2023 respectively. The decrease of \$4.9 million was mainly due to lower dividend payment of \$5.0 million in 1H2024 (1H2023: \$9.8 million).

As a result of the foregoing, there was a net decrease in cash and cash equivalents of approximately \$7.9 million for 1H2024. Cash and cash equivalents stood at \$36.2 million as at 30 June 2024.

4 Use of Proceeds Raised From IPO

Purpose	Balance of Net Proceeds as at 1 January 2024 S\$'000	Net Proceeds Utilised as at 8 August 2024 S\$'000	Balance of Net Proceeds as at 8 August 2024 S\$'000
Enhancing technological capabilities	3,126	412*	2,714

* Relates to Sales+ app development cost

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.

The first half of 2024 saw a decrease in transactions in the new private residential market, and increase in transactions in the private residential resale and HDB resale markets. The recent Urban Redevelopment Authority (URA) data showed that prices of private residential property increased by 0.9% in the second quarter of 2024 after increasing 1.4% in the first quarter. Data from HDB indicated that overall prices for HDB has increased by 4.2% in the first half of 2024, higher than the 2.4% increase for second half of 2023.

In 1H2024, developers sold 2,484 private residential units (including ECs), a decrease of 31.9% from 3,646 units sold in 1H2023. The private residential resale market recorded sales of 7,256 units, an increase of 18.4% from 6,126 units sold in 1H2023. The HDB resale market also reported an increase of 6.9% to 14,420 units in 1H2024 from 13,493 units in 1H2023.

The vacancy rate of completed private residential units has decreased from 8.1% as at 31 December 2023 to 6.1% as at 30 June 2024. Apart from the 22,099 unsold units (including ECs) with planning approval as at 30 June 2024, there is a potential supply of 15,061 units (including ECs) from Government Land Sales sites that have not been granted planning approval yet.

As there were fewer new home launches in the first half of 2024, the Group will continue to focus on improving the efficiencies of its Singapore operations while leveraging its investments in technology for ERA salespersons. While the operating environment remains uncertain, the Group is cautiously optimistic about the outlook for the remainder of 2024.

In addition to enhancing its business in Singapore, the Group has continued to focus on its regional presence in ASEAN. In light of the challenging market conditions in Vietnam, the Group continues to monitor ERA Vietnam's financial performance including cost management and operational efficiencies.

7 Dividend

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount	0.9 cent 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	Interim
Dividend Type	Cash
Dividend Amount	1.1 cents per ordinary share
Tax Rate	Tax Exempt

(c) Date payable

Payment of interim dividend will be made on 6 September 2024.

(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 30 August 2024 for the preparation of dividend warrants for the interim 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 30 August 2024 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. (Singapore time) on 30 August 2024 will be entitled to the interim 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 Confirmation Pursuant to the Rule 705(5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the six months ended 30 June 2024 unaudited financial results to be false or misleading in any material respect.

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

Acquisition of equity interest in ERA Fiesta

The Company, through its subsidiary, PT ERA Graharealty Tbk, has on 26 January 2024, entered into seven Shares Purchase agreements with the existing shareholders of ERA Fiesta to acquire 51% of the share capital of ERA Fiesta for S\$1.0 million. The acquisition was completed on 4 March 2024. For more information, please refer to the announcement dated 8 August 2024.

Incorporation of a subsidiary

The Company has on 3 July 2024, incorporated a subsidiary in Malaysia, ERA Realtor Group (Malaysia) Sdn Bhd (“ERASB”). ERASB has issued and paid-up capital of RM5,000 and is wholly owned by the Group. ERASB’s principal activities are those relating to investment holding for the territory of Malaysia. For more information, please refer to the announcement dated 8 August 2024.

BY ORDER OF THE BOARD

Chua Khee Hak
Executive Chairman
8 August 2024