



PropNex Limited and its Subsidiaries
(Company Registration No. 201801373N)

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

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PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Profit or Loss
For the six months and financial year ended 31 December 2023**

	Note	Group					
		Six months ended 31 December			Twelve months ended 31 December		
		2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	Change %
Revenue	5	473,817	556,859	(14.9)	838,100	1,029,193	(18.6)
Cost of services rendered		(428,611)	(499,953)	(14.3)	(757,116)	(924,510)	(18.1)
Finance income		2,528	931	N.M.	4,486	1,184	N.M.
Other income		3,219	11,328	(71.6)	7,879	16,107	(51.1)
Staff costs		(9,715)	(9,217)	5.4	(17,719)	(18,355)	(3.5)
Depreciation of plant and equipment		(417)	(507)	(17.8)	(888)	(1,015)	(12.5)
Depreciation of right-of-use assets		(1,152)	(1,156)	(0.3)	(2,305)	(2,297)	0.3
Amortisation of intangible assets		(149)	(148)	0.7	(298)	(297)	0.3
Finance costs		(18)	(8)	N.M.	(36)	(32)	12.5
Other expenses		(6,998)	(7,123)	(1.8)	(19,436)	(13,097)	48.4
Gain on disposal of associate		–	516	N.M.	–	516	N.M.
(Impairment losses)/reversal of impairment losses recognised on trade and other receivables		(497)	(6,598)	(92.5)	6,815	(8,312)	(N.M.)
Profit before tax	6	32,007	44,924	(28.8)	59,482	79,085	(24.8)
Tax expense	7	(5,345)	(7,827)	(31.7)	(9,872)	(13,713)	(28.0)
Profit for the period/year		26,662	37,097	(28.1)	49,610	65,372	(24.1)
Profit attributable to:							
Owners of the Company		25,753	35,339	(27.1)	47,807	62,360	(23.3)
Non-controlling interests		909	1,758	(48.3)	1,803	3,012	(40.1)
Profit for the period/year		26,662	37,097	(28.1)	49,610	65,372	(24.1)
Earnings per share							
Basic earnings per share (cents)	8	3.48	4.78	(27.1)	6.46	8.43	(23.3)
Diluted earnings per share (cents)	8	3.48	4.78	(27.1)	6.46	8.43	(23.3)

N.M. – Not meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Comprehensive Income
For the six months and financial year ended 31 December 2023**

	Six months ended		Change %	Group Twelve months ended		Change %
	31 December			31 December		
	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
Profit for the period/year	26,662	37,097	(28.1)	49,610	65,372	(24.1)
Other comprehensive income						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences						
- foreign operations	–	2	N.M.	3	4	(25.0)
Other comprehensive income for the period/year, net of tax	–	2	N.M.	3	4	(25.0)
Total comprehensive income for the period/year	26,662	37,099	(28.1)	49,613	65,376	(24.1)
Total comprehensive income attributable to:						
Owners of the Company	25,752	35,341	(27.1)	47,809	62,364	(23.3)
Non-controlling interests	910	1,758	(48.2)	1,804	3,012	(40.1)
Total comprehensive income for the period/year	26,662	37,099	(28.1)	49,613	65,376	(24.1)

N.M. – Not meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

**Condensed Interim Statements of Financial Position
As at 31 December 2023**

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Plant and equipment	9	1,214	1,384	–	2
Right-of-use assets		2,952	5,007	–	–
Intangible assets		305	603	30	60
Subsidiaries		–	–	17,548	17,548
Other investments		362	362	–	–
Long-term deposits	11	14,710	–	14,710	–
Deferred tax assets		29	*	–	–
Non-current assets		19,572	7,356	32,288	17,610
Other investments		5,443	5,690	5,443	5,690
Trade and other receivables	10	184,631	223,413	3,719	2,185
Cash and cash equivalents	11	133,417	138,891	84,424	81,484
Current assets		323,491	367,994	93,586	89,359
Total assets		343,063	375,350	125,874	106,969
Equity					
Share capital	12	57,491	57,491	57,491	57,491
Merger reserve		(17,663)	(17,663)	–	–
Capital reserve		607	607	–	–
Foreign currency translation reserve		6	4	–	–
Retained earnings		84,710	85,110	58,539	38,730
Equity attributable to owners of the Company		125,151	125,549	116,030	96,221
Non-controlling interests		1,075	944	–	–
Total equity		126,226	126,493	116,030	96,221
Liabilities					
Deferred tax liabilities		179	177	170	–
Lease liabilities		924	2,757	–	–
Non-current liabilities		1,103	2,934	170	–
Trade and other payables		200,667	228,320	8,615	10,575
Deferred income		2,884	1,541	622	–
Lease liabilities		2,042	2,257	–	–
Current tax liabilities		10,141	13,805	437	173
Current liabilities		215,734	245,923	9,674	10,748
Total liabilities		216,837	248,857	9,844	10,748
Total equity and liabilities		343,063	375,350	125,874	106,969

* Less than \$1,000

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity
For the financial year ended 31 December 2023

<u>Group</u>	Attributable to owners of the Company								
	Note	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2023		57,491	(17,663)	607	4	85,110	125,549	944	126,493
Profit for the year		–	–	–	–	47,807	47,807	1,803	49,610
Other comprehensive income									
Foreign currency translation differences		–	–	–	2	–	2	1	3
Total comprehensive income for the year		–	–	–	2	47,807	47,809	1,804	49,613
Transactions with owners, recognised directly in equity									
<i>Distributions to owners</i>									
Dividends paid	13	–	–	–	–	(48,100)	(48,100)	(1,690)	(49,790)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control		–	–	–	–	(107)	(107)	17	(90)
Total transactions with owners		–	–	–	–	(48,207)	(48,207)	(1,673)	(49,880)
At 31 December 2023		57,491	(17,663)	607	6	84,710	125,151	1,075	126,226

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity
For the financial year ended 31 December 2023

<u>Group</u>	Attributable to owners of the Company								
	Note	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2022		57,491	(17,663)	607	–	69,000	109,435	3,143	112,578
Profit for the year		–	–	–	–	62,360	62,360	3,012	65,372
Other comprehensive income									
Foreign currency translation differences		–	–	–	4	–	4	–	4
Total comprehensive income for the year		–	–	–	4	62,360	62,364	3,012	65,376
Transactions with owners, recognised directly in equity									
<i>Distributions to owners</i>									
Dividends paid	13	–	–	–	–	(46,250)	(46,250)	(5,211)	(51,461)
Total transaction with owners		–	–	–	–	(46,250)	(46,250)	(5,211)	(51,461)
At 31 December 2022		57,491	(17,663)	607	4	85,110	125,549	944	126,493

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the financial year ended 31 December 2023**

<u>Company</u>	Note	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2023		57,491	38,730	96,221
Profit for the year		–	67,909	67,909
Total comprehensive income for the year		–	67,909	67,909
Transactions with owners, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	13	–	(48,100)	(48,100)
Total transactions with owners		–	(48,100)	(48,100)
At 31 December 2023		57,491	58,539	116,030
At 1 January 2022		57,491	38,987	96,478
Profit for the year		–	45,993	45,993
Total comprehensive income for the year		–	45,993	45,993
Transactions with owner, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	13	–	(46,250)	(46,250)
Total transactions with owners		–	(46,250)	(46,250)
At 31 December 2022		57,491	38,730	96,221

The accompanying notes form an integral part of these condensed interim financial statements.

PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023**

	Note	Group Twelve months ended 31 December	
		2023 \$'000	2022 \$'000
Cash flows from operating activities			
Profit for the year		49,610	65,372
Adjustments for:			
Amortisation of intangible assets	6	298	297
Bad debts written off	6	284	331
Depreciation of plant and equipment	6	888	1,015
Depreciation of right-of-use assets	6	2,305	2,297
Fair value (gain)/loss on other investments	6	(62)	182
Gain on disposal of associate		–	(516)
Loss/(gain) on disposal of plant and equipment	6	4	(3)
Reversal of derecognition/(derecognition) of trade payables	6	5,893	(7,806)
(Reversal of impairment losses)/impairment losses recognised on trade and other receivables	6	(6,815)	8,312
Interest expense	6	36	32
Interest income	6	(4,486)	(1,184)
Tax expense	7	9,872	13,713
Operating cash flows before changes in working capital		57,827	82,042
Changes in working capital:			
Trade and other receivables		47,475	(89,489)
Trade and other payables		(33,543)	71,832
Deferred income		98	422
Cash generated from operations		71,857	64,807
Tax paid		(13,669)	(13,423)
Tax refunded		106	29
Net cash from operating activities		58,294	51,413
Cash flows from investing activities			
Acquisition of plant and equipment	9	(722)	(368)
Interest received		3,878	1,178
Acquisition of other investments		–	(5,866)
Increase in long-term deposits		(14,710)	–
Net proceeds from disposal of associate		–	687
Proceeds from sale of plant and equipment		–	4
Net cash used in investing activities		(11,554)	(4,365)
Cash flows from financing activities			
Acquisition of non-controlling interests		(90)	–
Dividends paid to owners of the Company	13	(48,100)	(46,250)
Dividends paid to non-controlling interests	13	(1,690)	(5,211)
Interest paid		(36)	(32)
Payment of lease liabilities		(2,298)	(2,310)
Net cash used in financing activities		(52,214)	(53,803)
Net decrease in cash and cash equivalents		(5,474)	(6,755)
Cash and cash equivalents at beginning of the year		138,829	145,584
Cash and cash equivalents at end of the year	11	133,355	138,829

The accompanying notes form an integral part of these condensed interim financial statements.

1. Corporate information

PropNex Limited (the “Company”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements for the six months and financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are the provision of real estate agency services, real estate project marketing services, administrative support services and training/courses.

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“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 condensed interim financial statements for the period ended 30 June 2023 and the last annual financial statements for the financial year ended 31 December 2022.

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 disclosed in Note 2.1 below.

The condensed interim financial statements are presented in Singapore Dollar (“\$”) which is the Company’s functional currency and all values in the tables 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 these standards.

2.2 Use of estimates and judgements

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

There are no critical judgements in the application of accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. 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.

2. Basis of preparation (continued)

2.2 Use of estimates and judgements (continued)

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 is included in the following note:

- Note 5 – Revenue recognition on commission income from the resale of Housing and Development Board (“HDB”) properties which is included in real estate agency services, where management’s judgement is applied in determining when HDB’s approval is granted, thereby representing legal completion has taken place and determining the point of revenue recognition. The Group has used its past experience as well as other publicly available information to estimate the expected legal completion date.

3. Seasonal operations

The Group’s businesses are not significantly affected by seasonal or cyclical factors.

4. Segment information

The Group has four strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they require different marketing strategies. The Group’s Chief Executive Officer (“CEO”), who is the chief operating decision maker, reviews internal management reports of each division at least on a quarterly basis. The following summary describes the operations in each of the Group’s reportable segment:

- Agency services Real estate agency services relate to services rendered in the sale and lease of public and private residential and commercial/industrial properties, including HDB flats and executive condominiums, private condominiums, landed properties, retail shops, offices and factories.
- Project marketing services Real estate project marketing services relate to services rendered in the sale of new private residential development projects for third-party property developers in Singapore as well as overseas.
- Administrative support services Administrative support services relate to the use of space and other ancillary services.
- Training services Training services relate mainly to real estate related courses and training programmes organised by the Group to salespersons.

Information regarding the results of each reportable segment is included below. Performance is measured based on profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group’s CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

PropNex Limited and its Subsidiaries

Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Six months ended 31 December 2023						
Revenue	460,093	128,847	2,228	1,390	45,535	638,093
Inter-segment revenue	(117,646)	–	(1,099)	(1)	(45,530)	(164,276)
External revenue	<u>342,447</u>	<u>128,847</u>	<u>1,129</u>	<u>1,389</u>	<u>5</u>	<u>473,817</u>
Finance income	341	79	6	4	2,098	2,528
Depreciation expense	(389)	(108)	(1,020)	(51)	(1)	(1,569)
Amortisation expense	–	–	–	–	(149)	(149)
Finance costs	–	–	(14)	(4)	–	(18)
Segment profit before tax	<u>24,843</u>	<u>3,962</u>	<u>530</u>	<u>835</u>	<u>1,837</u>	<u>32,007</u>
Other material non-cash items:						
- Bad debts written off	259	–	–	–	–	259
- Impairment losses/(reversal of impairment losses) recognised on trade and other receivables	511	(10)	(4)	–	–	497
- Reversal of derecognition of trade payables	79	–	–	–	–	79
- Net foreign exchange loss	–	13	–	–	–	13
- Fair value gain on other investments	–	–	–	–	(99)	(99)

PropNex Limited and its Subsidiaries

Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Six months ended 31 December 2022						
Revenue	538,380	200,322	1,860	1,896	31,674	774,132
Inter-segment revenue	(184,665)	–	(972)	(2)	(31,634)	(217,273)
External revenue	<u>353,715</u>	<u>200,322</u>	<u>888</u>	<u>1,894</u>	<u>40</u>	<u>556,859</u>
Finance income	112	16	1	–	802	931
Depreciation expense	(475)	(107)	(1,023)	(57)	(1)	(1,663)
Amortisation expense	–	–	–	–	(148)	(148)
Finance costs	–	(1)	(16)	(1)	10	(8)
Segment profit before tax	<u>35,274</u>	<u>7,738</u>	<u>179</u>	<u>1,294</u>	<u>439</u>	<u>44,924</u>
Other material non-cash items:						
- Bad debts written off	74	–	–	–	–	74
- Impairment losses/(reversal of impairment losses) recognised on trade and other receivables	953	5,648	–	(3)	–	6,598
- Derecognition of trade payables	(2,860)	(4,946)	–	–	–	(7,806)
- Net foreign exchange loss	–	14	–	–	–	14
- Fair value loss on other investments	–	–	–	–	182	182

PropNex Limited and its Subsidiaries

Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Twelve months ended 31 December 2023						
Revenue	812,270	242,320	4,422	2,359	73,984	1,135,355
Inter-segment revenue	(221,150)	–	(2,132)	(1)	(73,972)	(297,255)
External revenue	591,120	242,320	2,290	2,358	12	838,100
Finance income	491	108	6	4	3,877	4,486
Depreciation expense	(830)	(214)	(2,040)	(107)	(2)	(3,193)
Amortisation expense	–	–	–	–	(298)	(298)
Finance costs	–	(1)	(31)	(4)	–	(36)
Segment profit before tax	46,126	7,897	1,017	1,289	3,153	59,482
Other material non-cash items:						
- Bad debts written off	284	–	–	–	–	284
- Reversal of impairment losses recognised on trade and other receivables	(380)	(6,425)	(4)	(2)	(4)	(6,815)
- Reversal of derecognition of trade payables	947	4,946	–	–	–	5,893
- Net foreign exchange loss	–	26	–	–	–	26
- Fair value gain on other investments	–	–	–	–	(62)	(62)
As at 31 December 2023						
Reportable segment assets	166,885	63,896	3,209	1,789	107,284	343,063
Additions to non-current assets	665	35	–	22	–	722
Reportable segment liabilities	206,054	2,083	4,299	773	3,628	216,837

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Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Twelve months ended 31 December 2022						
Revenue	993,100	383,744	3,745	2,944	55,088	1,438,621
Inter-segment revenue	(352,479)	–	(1,918)	(2)	(55,029)	(409,428)
External revenue	<u>640,621</u>	<u>383,744</u>	<u>1,827</u>	<u>2,942</u>	<u>59</u>	<u>1,029,193</u>
Finance income	145	22	1	–	1,016	1,184
Depreciation expense	(947)	(184)	(2,061)	(118)	(2)	(3,312)
Amortisation expense	–	–	–	–	(297)	(297)
Finance costs	–	(2)	(29)	(1)	–	(32)
Segment profit before tax	<u>63,227</u>	<u>13,253</u>	<u>421</u>	<u>1,968</u>	<u>216</u>	<u>79,085</u>
Other material non-cash items:						
- Bad debts written off	197	–	–	–	134	331
- Impairment losses/(reversal of impairment losses) recognised on trade and other receivables	1,877	6,433	3	(1)	–	8,312
- Derecognition of trade payables	(2,860)	(4,946)	–	–	–	(7,806)
- Net foreign exchange loss	–	21	–	–	–	21
- Fair value loss on other investments	–	–	–	–	182	182
As at 31 December 2022						
Reportable segment assets	163,063	117,877	5,064	1,213	88,133	375,350
Additions to non-current assets	318	42	–	8	–	368
Reportable segment liabilities	<u>234,877</u>	<u>3,715</u>	<u>6,257</u>	<u>681</u>	<u>3,327</u>	<u>248,857</u>

Notes to the Condensed Interim Financial Statements

5. Revenue

	Group			
	Six months ended		Twelve months ended	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Commission income from real estate agency services	342,447	353,715	591,120	640,621
Commission income from real estate project marketing services	128,847	200,322	242,320	383,744
Administrative support fee income	1,129	888	2,290	1,827
Courses and related fee income from training services	1,389	1,894	2,358	2,942
Technology platform income from services providers	5	11	12	23
Dividend income	–	29	–	36
	<u>473,817</u>	<u>556,859</u>	<u>838,100</u>	<u>1,029,193</u>
Timing of revenue recognition:				
Services transferred at a point in time	473,228	556,247	836,914	1,027,919
Services transferred over time	589	612	1,186	1,274
	<u>473,817</u>	<u>556,859</u>	<u>838,100</u>	<u>1,029,193</u>

6. Profit before tax

The following items have been included in arriving at profit before tax:

	Group			
	Six months ended		Twelve months ended	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Income				
Interest income	(2,528)	(931)	(4,486)	(1,184)
Expenses				
Amortisation of intangible assets	149	148	298	297
Depreciation of plant and equipment	417	507	888	1,015
Depreciation of right-of-use assets	1,152	1,156	2,305	2,297
Net foreign exchange loss	13	14	26	21
Bad debts written off	259	74	284	331
Impairment losses/(reversal of impairment losses) recognised on trade and other receivables	497	6,598	(6,815)	8,312
Interest expense on lease liabilities	18	8	36	32
Reversal of derecognition/(derecognition) of trade payables ^(a)	79	(7,806)	5,893	(7,806)
Fair value (gain)/loss on other investments	(99)	182	(62)	182
Loss/(gain) on disposal of plant and equipment	4	(3)	4	(3)
	<u>4</u>	<u>(3)</u>	<u>4</u>	<u>(3)</u>

6. Profit before tax (continued)

- (a) In prior year, the Group derecognised commission payables for impaired trade receivables as the Group does not have obligation to pay its salespersons when the receivables were impaired. During the financial year ended 31 December 2023, the Group recovered the previously impaired trade receivables. As such, the Group reversed the previously derecognised commission payables in the consolidated statement of profit or loss.

7. Tax expense

	Group			
	Six months ended 31 December		Twelve months ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<i>Current tax expense</i>				
Current period/year	5,471	7,843	10,141	13,790
Over provision in prior periods/years	(105)	(16)	(254)	(87)
Withholding tax	6	–	12	10
	<u>5,372</u>	<u>7,827</u>	<u>9,899</u>	<u>13,713</u>
<i>Deferred tax expense</i>				
Origination and reversal of temporary differences	9	(53)	9	(53)
(Over)/under provision in prior periods/years	(36)	53	(36)	53
	<u>(27)</u>	<u>–</u>	<u>(27)</u>	<u>–</u>
Total tax expense	<u><u>5,345</u></u>	<u><u>7,827</u></u>	<u><u>9,872</u></u>	<u><u>13,713</u></u>

8. Earnings per share

Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to owners of the Company and weighted average number of ordinary shares outstanding:

	Group			
	Six months ended		Twelve months ended	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Profit for the period/year attributable to owners of the Company	25,753	35,339	47,807	62,360
	Group			
	Six months ended		Twelve months ended	
	31 December		31 December	
	2023	2022	2023	2022
	'000	'000	'000	'000
		(Restated)		(Restated)
Weighted average number of ordinary shares	740,000	740,000	740,000	740,000

The weighted average number of ordinary shares outstanding were adjusted for the issuance of bonus shares on 5 May 2023 (Note 12). In accordance with SFRS(I) 1-33 *Earning per Share*, the weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. As the bonus shares were issued to existing shareholders for no additional consideration, the Group had accounted for the issuance of bonus shares as if it had occurred on 1 January 2022 which is the beginning of the earliest period presented.

Diluted earnings per share

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares outstanding during the period/year.

9. Plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to \$722,000 (2022: \$368,000) and disposed assets amounting to \$4,000 (2022: \$1,000).

Notes to the Condensed Interim Financial Statements

10. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
- third parties	183,172	230,766	–	–
Impairment losses	(2,220)	(9,819)	–	–
	<u>180,952</u>	<u>220,947</u>	<u>–</u>	<u>–</u>
Other receivables:				
- third parties	237	472	–	–
- subsidiaries (non-trade)	–	–	1,574	1,890
Deposits	430	412	253	244
Accrued interest receivable	1,853	–	1,853	–
	<u>2,520</u>	<u>884</u>	<u>3,680</u>	<u>2,134</u>
Impairment losses	–	(20)	–	(4)
	<u>2,520</u>	<u>864</u>	<u>3,680</u>	<u>2,130</u>
	<u>183,472</u>	<u>221,811</u>	<u>3,680</u>	<u>2,130</u>
Prepayments	1,159	1,602	39	55
	<u>184,631</u>	<u>223,413</u>	<u>3,719</u>	<u>2,185</u>

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Other receivables comprised mainly advance payments to salespersons.

The Group's and the Company's exposure to credit risk and impairment losses for trade and other receivables are disclosed in Note 14.

11. Cash and cash equivalents and long-term deposits

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and on hand	35,013	58,560	3,355	4,178
Brokerage accounts	508	454	508	454
Short-term deposits	97,896	79,877	80,561	76,852
Cash and cash equivalents in the statements of financial position	<u>133,417</u>	<u>138,891</u>	<u>84,424</u>	<u>81,484</u>
Deposits pledged	<u>(62)</u>	<u>(62)</u>		
Cash and cash equivalents in the consolidated statement of cash flows	<u>133,355</u>	<u>138,829</u>		
Long-term deposits	<u>14,710</u>	<u>–</u>	<u>14,710</u>	<u>–</u>

12. Share capital

	Group and Company			
	Number of shares		Amount	
	2023 '000	2022 '000	2023 \$'000	2022 \$'000
Fully paid ordinary shares, with no par value:				
At beginning of the year	370,000	370,000	57,491	57,491
Issuance of ordinary shares by virtue of bonus issue	370,000	–	–	–
At end of the year	<u>740,000</u>	<u>370,000</u>	<u>57,491</u>	<u>57,491</u>

On 5 May 2023, the Company allotted and issued 370,000,000 ordinary shares pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every one ordinary share held by shareholders in the Company.

There were no outstanding share options, treasury shares and subsidiary holdings as at 31 December 2023 and 31 December 2022.

13. Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and the Company:

	Group and Company Twelve months ended 31 December	
	2023 \$'000	2022 \$'000
	Paid by the Company to owners of the Company	
Final dividends for financial year ended 31 December 2022 of \$0.080 per ordinary share	29,600	–
Final dividends for financial year ended 31 December 2021 of \$0.070 per ordinary share	–	25,900
Interim dividends for financial year ended 31 December 2023 of \$0.025 per ordinary share	18,500	–
Interim dividends for financial year ended 31 December 2022 of \$0.055 per ordinary share	–	20,350
	<u>48,100</u>	<u>46,250</u>

13. Dividends (continued)

	Group	
	Twelve months ended	
	31 December	
	2023	2022
	\$'000	\$'000
Paid by a subsidiary to non-controlling interests		
<u>PropNex International Pte. Ltd.</u>		
Final dividends for financial year ended 31 December 2021 of \$110 per ordinary share	–	3,099
First interim dividends for financial year ended 31 December 2022 of \$45 per ordinary share	–	1,267
Second interim dividends for financial year ended 31 December 2022 of \$30 per ordinary share	–	845
First interim dividends for financial year ended 31 December 2023 of \$30 per ordinary share	845	–
Second interim dividends for financial year ended 31 December 2023 of \$30 per ordinary share	845	–
	1,690	5,211

14. Financial instruments

14.1 Accounting classifications

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company:

Group	Carrying amount				Total
	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Financial assets					
Other investments	362	5,443	–	–	5,805
Trade and other receivables ⁽¹⁾	–	–	183,472	–	183,472
Long-term deposits	–	–	14,710	–	14,710
Cash and cash equivalents	–	–	133,417	–	133,417
	362	5,443	331,599	–	337,404
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(200,277)	(200,277)
Lease liabilities	–	–	–	(2,966)	(2,966)
	–	–	–	(203,243)	(203,243)

⁽¹⁾ Exclude prepayments

⁽²⁾ Exclude liability for short-term accumulating compensated absences

Notes to the Condensed Interim Financial Statements

14. Financial instruments (continued)

14.1 Accounting classifications (continued)

Group	Carrying amount				Total \$'000
	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	
2022					
Financial assets					
Other investments	362	5,690	–	–	6,052
Trade and other receivables ⁽¹⁾	–	–	221,811	–	221,811
Cash and cash equivalents	–	–	138,891	–	138,891
	<u>362</u>	<u>5,690</u>	<u>360,702</u>	<u>–</u>	<u>366,754</u>
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(227,935)	(227,935)
Lease liabilities	–	–	–	(5,014)	(5,014)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(232,949)</u>	<u>(232,949)</u>

Company	Carrying amount				Total \$'000
	Fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000		
2023					
Financial assets					
Other investments	–	5,443	–	–	5,443
Trade and other receivables ⁽¹⁾	–	–	3,680	–	3,680
Long-term deposits	–	–	14,710	–	14,710
Cash and cash equivalents	–	–	84,424	–	84,424
	<u>–</u>	<u>5,443</u>	<u>102,814</u>	<u>–</u>	<u>108,257</u>
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(8,386)	(8,386)
2022					
Financial assets					
Other investments	–	5,690	–	–	5,690
Trade and other receivables ⁽¹⁾	–	–	2,130	–	2,130
Cash and cash equivalents	–	–	81,484	–	81,484
	<u>–</u>	<u>5,690</u>	<u>83,614</u>	<u>–</u>	<u>89,304</u>
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(10,377)	(10,377)

⁽¹⁾ Exclude prepayments

⁽²⁾ Exclude liability for short-term accumulating compensated absences

14. Financial instruments (continued)

14.2 Fair values

The Group categories fair values into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The financial assets carried at fair values are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group			
2023			
Financial assets			
Other investments – at fair value through other comprehensive income	–	–	362
Other investments – mandatorily at fair value through profit or loss	5,443	–	–
	<u>5,443</u>	<u>–</u>	<u>362</u>
2022			
Financial assets			
Other investments – at fair value through other comprehensive income	–	–	362
Other investments – mandatorily at fair value through profit or loss	5,690	–	–
	<u>5,690</u>	<u>–</u>	<u>362</u>
Company			
2023			
Financial assets			
Other investments – mandatorily at fair value through profit or loss	5,443	–	–
	<u>5,443</u>	<u>–</u>	<u>–</u>
2022			
Financial assets			
Other investments – mandatorily at fair value through profit or loss	5,690	–	–
	<u>5,690</u>	<u>–</u>	<u>–</u>

14. Financial instruments (continued)

14.2 Fair values (continued)

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2023			
Other investments – at fair value through other comprehensive income	The fair value is calculated using the net asset value of the investee entity adjusted for the fair value of the underlying assets, where applicable.	Net asset value of the investee entity.	The higher/(lower) of the net asset value of the investee entity, the higher/(lower) of the fair value.
2022			
Other investments – at fair value through other comprehensive income	The fair value is calculated using the net asset value of the investee entity adjusted for the fair value of the underlying assets, where applicable.	Net asset value of the investee entity.	The higher/(lower) of the net asset value of the investee entity, the higher/(lower) of the fair value.

14.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the Group's and the Company's maximum exposures to credit risk. The Group and the Company do not require any collateral in respect of their financial assets.

Notes to the Condensed Interim Financial Statements

14. Financial instruments (continued)

14.3 Credit risk (continued)

Trade and other receivables (continued)

The exposure to credit risk for trade and other receivables (excluding prepayments) is as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
- real estate agency services	128,037	111,857	–	–
- real estate project marketing services	55,124	118,896	–	–
- administrative support services	11	13	–	–
Other receivables and deposits	2,520	884	3,680	2,134
Total gross carrying amount	185,692	231,650	3,680	2,134
Less: Impairment losses	(2,220)	(9,839)	–	(4)
Net carrying amount	183,472	221,811	3,680	2,130

ECL assessment for trade receivables of real estate agency services

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers of real estate agency services, which comprise a very large number of small balances.

The following table provides information about the exposure to credit risk and ECLs for trade receivables of real estate agency services:

Group	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance		
			Credit- impaired \$'000	Not credit- impaired \$'000	Total \$'000
2023					
Past due					
- Past due 1 to 30 days	0.01	73,389	–	(5)	(5)
- Past due 31 to 90 days	0.02	38,724	–	(10)	(10)
- Past due 91 to 180 days	0.05	6,724	–	(5)	(5)
- Past due 181 to 270 days	0.46	2,364	–	(10)	(10)
- Past due more than 270 days	1.62	6,836	(1,977)	(105)	(2,082)
		128,037	(1,977)	(135)	(2,112)
2022					
Past due					
- Past due 1 to 30 days	0.01	73,025	–	(3)	(3)
- Past due 31 to 90 days	0.04	22,460	–	(10)	(10)
- Past due 91 to 180 days	0.05	8,570	–	(4)	(4)
- Past due 181 to 270 days	0.59	2,532	–	(15)	(15)
- Past due more than 270 days	1.17	5,270	(3,231)	(24)	(3,255)
		111,857	(3,231)	(56)	(3,287)

14. Financial instruments (continued)

14.3 Credit risk (continued)

Trade and other receivables (continued)

ECL assessment for trade receivables of real estate agency services (continued)

Loss rates are based on actual credit loss experience over the past 3 years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Scalar factors are based on actual and forecast gross domestic products at 1.04 (2022: 1.35) for Singapore.

ECL assessment for trade receivables of real estate project marketing services, administrative support services and training services

These trade receivables comprise mainly recurring customers. The Group assessed the ECL exposure of these receivables based on the historical default rates, the Group's view of current and future conditions corresponding with default rates pertaining to the group of customers. The Group applies the published independent default rate of real estate industry and monitors changes in the default rate by tracking to the published independent research report.

The following table provides information about the exposure to credit risk and ECLs for trade receivables of real estate project marketing services, administrative support services and training services:

Group	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance		
			Credit- impaired \$'000	Not credit- impaired \$'000	Total \$'000
2023					
Past due					
- Past due 1 to 30 days	0.11-1.36	14,721	–	(16)	(16)
- Past due 31 to 90 days	0.11-1.36	21,674	–	(24)	(24)
- Past due 91 to 180 days	0.11-1.36	4,642	–	(5)	(5)
- Past due 181 to 270 days	0.11-1.36	7,879	–	(8)	(8)
- Past due more than 270 days	0.11-1.36	6,219	(48)	(7)	(55)
		55,135	(48)	(60)	(108)
2022					
Past due					
- Past due 1 to 30 days	0.15 - 1.82	35,676	–	(52)	(52)
- Past due 31 to 90 days	0.15 - 1.82	49,285	–	(72)	(72)
- Past due 91 to 180 days	0.15 - 1.82	8,366	–	(12)	(12)
- Past due 181 to 270 days	0.15 - 1.82	14,662	–	(21)	(21)
- Past due more than 270 days	0.15 - 1.82	10,920	(6,368)	(7)	(6,375)
		118,909	(6,368)	(164)	(6,532)

Notes to the Condensed Interim Financial Statements

14. Financial instruments (continued)

14.3 Credit risk (continued)

Trade and other receivables (continued)

Movements in the allowance for impairment loss in respect of trade and other receivables are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At beginning of the year	9,839	1,850	4	4
(Reversal of impairment losses)/ impairment losses recognised	(6,815)	8,312	(4)	–
Amounts written off	(804)	(323)	–	–
At end of the year	<u>2,220</u>	<u>9,839</u>	<u>–</u>	<u>4</u>

15. Net asset value

	Group		Company	
	2023	2022	2023	2022
Net asset value per ordinary share (cents)	<u>16.91</u>	<u>33.93</u>	<u>15.68</u>	<u>26.01</u>

As at 31 December 2023, net asset value per ordinary share of the Group and the Company was 16.91 cents and 15.68 cents respectively. The decrease in net asset value per ordinary share as at 31 December 2023 as compared to 31 December 2022 was due to the increase in ordinary shares arising from the issuance of 370,000,000 bonus shares on 5 May 2023 (Note 12).

16. Subsequent events

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

1. Review

The condensed interim financial statements which comprise the condensed interim statements of financial position of the Group and the Company as at 31 December 2023, the condensed interim statements of changes in equity of the Group and the Company and the condensed interim consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows for the six months and financial year then ended, and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed Interim Consolidated Statement of Profit or Loss

Six months ended 31 December 2023 (“2H2023”) vs six months ended 31 December 2022 (“2H2022”)

Revenue

Revenue decreased by \$83.0 million or 14.9% from \$556.9 million in 2H2022 to \$473.8 million in 2H2023 mainly due to decrease in commission income from agency services of \$11.3 million and from project marketing services of \$71.5 million. This was a result of lower number of transactions completed for agency services and project marketing in 2H2023.

Cost of services rendered

Cost of services decreased by \$71.3 million or 14.3% from \$500.0 million in 2H2022 to \$428.6 million in 2H2023. This was mainly due to the decrease in commission cost to salespersons which was in line with the decrease in revenue.

Gross profit

Gross profit decreased by \$11.7 million or 20.6% from \$56.9 million in 2H2022 to \$45.2 million in 2H2023 which was in line with the decrease in revenue.

Finance income

Finance income increased by \$1.6 million from \$0.9 million in 2H2022 to \$2.5 million in 2H2023 mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placements.

Other income

Other income decreased by \$8.1 million or 71.6% from \$11.3 million in 2H2022 to \$3.2 million in 2H2023 mainly due to the decrease in derecognition of trade payables of \$7.8 million arising from impaired trade receivables.

Staff costs

Staff costs increased by \$0.5 million or 5.4% from \$9.2 million in 2H2022 to \$9.7 million in 2H2023 mainly due to higher headcounts.

Impairment losses recognised on trade and other receivables

Impairment losses on trade and other receivables decreased by \$6.1 million or 92.5% from \$6.6 million in 2H2022 to \$0.5 million in 2H2023.

Profit before tax

As a result of the foregoing, profit before tax decreased by \$12.9 million or 28.8% from \$44.9 million in 2H2022 to \$32.0 million in 2H2023.

2. Review of performance of the Group (continued)

Condensed Interim Consolidated Statement of Profit or Loss (continued)

Six months ended 31 December 2023 (“2H2023”) vs six months ended 31 December 2022 (“2H2022”) (continued)

Tax expense

Tax expense decreased by \$2.5 million or 31.7% from \$7.8 million in 2H2022 to \$5.3 million in 2H2023 in line with lower profits.

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

Revenue

Revenue decreased by \$191.1 million or 18.6% from \$1,029.2 million in FY2022 to \$838.1 million in FY2023 mainly due to decrease in commission income from agency services of \$49.5 million and from project marketing services of \$141.4 million. This was a result of lower number of transactions completed for agency services and project marketing in FY2023.

Cost of services rendered

Cost of services decreased by \$167.4 million or 18.1% from \$924.5 million in FY2022 to \$757.1 million in FY2023. This was mainly due to the decrease in commission cost to salespersons which was in line with the decrease in revenue.

Gross profit

Gross profit decreased by \$23.7 million or 22.6% from \$104.7 million in FY2022 to \$81.0 million in FY2023 which was in line with the decrease in revenue.

Finance income

Finance income increased by \$3.3 million from \$1.2 million in FY2022 to \$4.5 million in FY2023 mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placements.

Other income

Other income decreased by \$8.2 million or 51.1% from \$16.1 million in FY2022 to \$7.9 million in FY2023 mainly due to the decrease in derecognition of trade payables of \$7.8 million arising from impaired trade receivables.

Staff costs

Staff costs decreased by \$0.6 million or 3.5% from \$18.4 million in FY2022 to \$17.8 million in FY2023 mainly due to the reversal of over accrual for staff bonus for FY2022 in FY2023.

Other expenses

Other expenses increased by \$6.3 million from \$13.1 million in FY2022 to \$19.4 million in FY2023. This was mainly due to the reversal of derecognition of trade payables arising from impaired trade receivables collected in FY2023 of \$5.9 million.

Reversal of impairment losses/(impairment losses) recognised on trade and other receivables

The Group reversed impairment losses on trade and other receivables of \$6.8 million upon collection in FY2023.

2. Review of performance of the Group (continued)

Condensed Interim Consolidated Statement of Profit or Loss (continued)

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

Profit before tax

As a result of the foregoing, profit before tax decreased by \$19.6 million or 24.8% from \$79.1 million in FY2022 to \$59.5 million in FY2023.

Tax expense

Tax expense decreased by \$3.8 million or 28.0% from \$13.7 million in FY2022 to \$9.9 million in FY2023 in line with lower profits.

Condensed Interim Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased by \$12.2 million from \$7.4 million as at 31 December 2022 to \$19.6 million as at 31 December 2023 mainly due to the placement of long-term deposits of \$14.7 million.

Current assets

Trade and other receivables decreased by \$38.8 million or 17.4% from \$223.4 million as at 31 December 2022 to \$184.6 million as at 31 December 2023. The decrease was in line with lower revenue in FY2023.

Cash and cash equivalents decreased by \$5.5 million or 3.9% from \$138.9 million as at 31 December 2022 to \$133.4 million as at 31 December 2023. The decrease was mainly due to payment of dividends of \$49.8 million and placement of long-term deposits of \$14.7 million, partially offset by net cash from operating activities of \$58.3 million.

As a result, total current assets decreased by \$44.5 million or 12.1% from \$368.0 million as at 31 December 2022 to \$323.5 million as at 31 December 2023.

Non-current liabilities

Non-current liabilities decreased by \$1.8 million or 62.4% from \$2.9 million as at 31 December 2022 to \$1.1 million as at 31 December 2023. This was mainly due to payment of lease liabilities in FY2023.

Current liabilities

Trade and other payables decreased by \$27.7 million or 12.1% from \$228.3 million as at 31 December 2022 to \$200.7 million as at 31 December 2023. This was mainly due to the decrease in trade payables of \$26.4 million and accrued expenses of \$1.8 million which was in line with lower commission payable to salespersons and revenue.

Current tax liabilities decreased by \$3.7 million or 26.5% from \$13.8 million as at 31 December 2022 to \$10.1 million as at 31 December 2023. This was mainly due to the payment of tax for FY2022 of \$13.6 million, offset by the provision of tax expense for FY2023 of \$9.9 million.

As a result, total current liabilities decreased by \$30.2 million or 12.3% from \$245.9 million as at 31 December 2022 to \$215.7 million as at 31 December 2023.

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

Condensed Interim Consolidated Statement of Financial Position (continued)

Equity

Equity attributable to owners of the Company decreased by \$0.4 million or 0.3% from \$125.5 million as at 31 December 2022 to \$125.2 million as at 31 December 2023. This was mainly due to payment of dividends of \$48.1 million, offset by net profit of \$47.8 million in FY2023.

Condensed Interim Consolidated Statement of Cash Flows

Net cash from operating activities was \$58.3 million in FY2023 as compared to \$51.4 million in FY2022. The increase was mainly due to higher cash generated from operations of \$7.1 million.

Net cash used in investing activities was \$11.6 million in FY2023 as compared to \$4.4 million in FY2022. The increase was mainly due to placement of long-term deposits of \$14.7 million, partially offset by the decrease in acquisition of other investments of \$5.9 million and increase in interest received of \$2.7 million.

Net cash used in financing activities was \$52.2 million in FY2023 as compared to \$53.8 million in FY2022. The decrease was mainly due to the decrease in payment of dividends of \$1.6 million in FY2023.

As a result, there was a net decrease in cash and cash equivalents of \$5.5 million in FY2023 as compared to \$6.8 million in FY2022.

3. Use of proceeds raised from initial public offering (“IPO”)

Pursuant to the Company’s IPO, the Company received net proceeds of approximately \$38.3 million (“Net Proceeds”). The Board of Directors wishes to provide an update on the use of Net Proceeds as at 31 December 2023 as follows.

Use of Net Proceeds	Allocation of Net Proceeds \$'000	Net Proceeds utilised \$'000	Balance of Net Proceeds \$'000
Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy	1,000	679 ⁽¹⁾	321
Enhancement of real estate brokerage business	18,000	12,158 ⁽²⁾	5,842
Expansion in range of business services	11,280	9,819 ⁽³⁾	1,461
Enhancement of technological capabilities	8,000	6,768 ⁽⁴⁾	1,232
	38,280	29,424	8,856

Notes:

- (1) These were mainly investment in overseas franchisees, business trips and due diligence expenses for existing or potential franchisees.
- (2) These were mainly renovation costs incurred for the new office at level 18 of HDB Hub and recruitment expenses for the real estate brokerage business.
- (3) These were mainly expenses incurred by Auction, Collective Sales, Corporate Leasing, Valuation and Good Class Bungalows departments as well as funding new business initiatives.
- (4) These were mainly expenses incurred for subscriptions of new software, renewal of IT software, purchases of new hardware, expansion and development cost of in-house IT team for software development.

Other Information Required by Listing Rule Appendix 7.2

4. 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 disclose any forecast or prospect statement previously.

5. A commentary at the date of the 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.

Private Homes Prices

Latest figures from the Urban Redevelopment Authority (“URA”) showed that private home prices increased by 2.8% quarter on quarter (“QoQ”) in 4Q2023, compared with the 0.8% increase in 3Q2023. Over the same period, prices of landed properties rose 4.6% following the 3.6% decrease in 3Q2023, while prices of non-landed properties increased by 2.3% over the 2.2% growth a quarter ago.

On a full year basis, overall private home prices have risen by 6.8%, marking the seventh consecutive year of price increase since 2017. Price growth, however, has moderated in 2023, slowing from 8.6% in 2022. Similarly, prices of landed properties rose 8.0% year on year (“YoY”) while those of non-landed properties were up 6.6% YoY, moderating from the respective increases of 9.6% and 8.1% in 2022.

Private Homes Sale Volumes

Sale volumes for both private new homes and private resale segments softened in the quarter. Developers sold 1,092 units (excluding Executive Condominiums (“ECs”)) in 4Q2023, down 43.9% from 1,946 units in 3Q2023. On a full year basis, 6,421 new private homes were sold in 2023, marking a 9.6% drop from 7,099 units in 2022 and reflecting the lowest annual tally in 15 years since 4,264 units were sold in 2008. This is despite developers launching 7,551 uncompleted new units (excluding EC) in 2023, representing about 66.8% more stock compared with 4,528 units in 2022.

In the private resale market, transactions eased by 2.4% QoQ to 2,831 transactions in 4Q2023 from 2,900 units resold in the previous quarter. On a full year basis, 11,329 private homes were transacted in 2023, registering a 19.2% decline from the 14,026 units resold in 2022.

Private Homes Rentals

Meanwhile, quarterly rentals of private homes fell for the first time in 3 years, dipping 2.1% QoQ in 4Q2023 after the 0.8% increase in the previous quarter. On a full year basis, rentals increased by 8.7% YoY in 2023, a significant moderation from the 29.7% increase in 2022. This moderation was partly attributed to increasing rental price resistance from tenants and the surge in private home completions at 19,968 units (excluding EC) in 2023.

HDB Resale Prices

The Housing and Development Board (“HDB”) Resale Price Index recorded 15 consecutive quarters of growth up till 4Q2023. Despite this, the rate of increase in resale prices has continued to moderate following the Government’s implementation of a strong pipeline of housing supply, as well as cooling measures to promote a stable and sustainable property market. According to HDB’s latest data, resale flat prices rose by 1.1% QoQ in 4Q2023, easing slightly from the 1.3% QoQ increase in 3Q2023. On a full year basis, HDB resale prices rose by 4.9% in 2023, slowing from the 10.4% growth in 2022.

HDB Resale Volume

There were 6,547 HDB resale flat transactions in 4Q2023, down 2.2% QoQ from 6,695 HDB flats resold in 3Q2023. For the whole of 2023, 26,735 HDB flats were resold, down slightly by 4.2% from the 27,896 units transacted in 2022.

Other Information Required by Listing Rule Appendix 7.2

5. **A commentary at the date of the 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. (continued)**

Outlook

Taking into consideration the stabilising housing market in Singapore as well as the projected improvement in its economy and a potential for interest rates to moderate later in the year, the Group is cautiously optimistic about the private residential property outlook in 2024. Based on its projections, private home prices could rise at a slower rate of 3% to 4% in 2024, which would be more sustainable and in keeping with the pace of inflation. The Group anticipates new private home sales to range between 7,000 to 7,500 units (excluding EC), while private resale volume may come in at around 13,000 to 14,000 units.

Meanwhile, the Group expects market uncertainties and increasing price resistance among buyers to keep the HDB resale price movements measured with a projected price increase of between 4% to 5%. It also expects the HDB resale volume to remain stable at around 26,000 to 27,000 units in 2024 as this segment will continue to cater to the masses.

The Group's leadership team was bolstered in 2023 with several key promotions including the Deputy Chief Executive Officer, Chief Agency Officer and five Agency Vice Presidents, while its salesforce remains the largest in Singapore with 12,233 salespersons as of 15 February 2024. In view of this, the Group believes it is well-positioned to grow its market shares in the different revenue segments. At the same time, the Group intends to further scale up its salesforce and focuses on information technology development and training programmes to enhance productivity levels across its business operations. Barring any unforeseen circumstances, the Group remains cautiously optimistic about the private residential property outlook in 2024, in view of a more stable market, coupled with the projected improvements in Singapore's economy and a potential for interest rates to moderate later in the year.

6. **Dividend**

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	3.5 cents per ordinary share
Dividend Amount	\$25,900,000
Tax Rate	Tax exempt

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	8.0 cents per ordinary share*
Dividend Amount	\$29,600,000
Tax Rate	Tax exempt

Other Information Required by Listing Rule Appendix 7.2

6. Dividend (continued)

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

* Equivalent to 4.0 cents per ordinary share based on the enlarged share capital of 740,000,000 ordinary shares after the bonus issue on 5 May 2023.

c. Date payable

10 May 2024

d. Books closure date

2 May 2024 at 5.00 p.m.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

8. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions.

9. A breakdown of sales and operating profit.

	Group		Change
	Twelve months ended		
	31 December		
	2023	2022	
	\$'000	\$'000	%
(a) Sales reported for first half year	364,283	472,334	(22.9)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	22,948	28,275	(18.8)
(c) Sales reported for second half year	473,817	556,859	(14.9)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	26,662	37,097	(28.1)

Other Information Required by Listing Rule Appendix 7.2

10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Twelve months ended	
	31 December	
	2023	2022
	\$'000	\$'000
Paid by the Company to owners of the Company		
Interim dividends	18,500	20,350
Final dividends	25,900	29,600
	<u>44,400</u>	<u>49,950</u>

11. Disclosure of person(s) occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13)

The company confirms that there is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the issuer.

12. 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)

The Company confirmed 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 Listing Manual.

On behalf of the Board of Directors

Mohamed Ismail s/o Abdul Gafoore
Executive Chairman and Chief Executive Officer

Kelvin Fong Keng Seong
Executive Director and Deputy Chief
Executive Officer

BY ORDER OF THE BOARD

Lee Li Huang
Chief Financial Officer and Company Secretary

28 February 2024