



Service You Trust  
SINGAPORE

**PROPNE X LIMITED**

**Company Registration Number: 201801373N**

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2022**

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**PROPnex LIMITED**

Company Registration Number: 201801373N

**INTERIM FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2022**

The Board of Directors (the “**Board**”) of PropNex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following interim financial information of the Group for the fourth quarter and full year ended 31 December 2022.

**A. Condensed Interim Consolidated Statement of Profit or Loss**

	<b>Group</b>			<b>Group</b>		
	<b>4Q2022</b> S\$'000	4Q2021 S\$'000	Change (%)	<b>FY2022</b> S\$'000	FY2021 S\$'000	Change (%)
<b>Continuing operations</b>						
Revenue	298,423	242,025	23.3	1,029,193	957,492	7.5
Cost of services rendered	(268,220)	(216,075)	24.1	(924,510)	(855,705)	8.0
Gross profits	30,203	25,950	16.4	104,683	101,787	2.8
Finance income	651	89	NM	1,184	366	NM
Finance costs	(11)	(8)	37.5	(32)	(43)	(25.6)
Other income	5,496	1,517	NM	16,107	6,971	NM
Staff costs	(4,401)	(4,670)	(5.8)	(18,355)	(16,804)	9.2
Depreciation of plant and equipment	(243)	(263)	(7.6)	(1,015)	(1,036)	(2.0)
Depreciation of right-of-use assets	(577)	(545)	5.9	(2,297)	(2,210)	3.9
Amortisation of intangible assets	(74)	(275)	(73.1)	(297)	(298)	(0.3)
Other expenses	(8,769)	(3,261)	NM	(21,409)	(10,653)	NM
Gain on disposal of associate	516	–	NM	516	–	NM
Gain on disposal of discontinued operation	–	–	–	–	637	NM
Share of loss of associate	–	–	–	–	(47)	NM
<b>Profit before tax</b>	<b>22,791</b>	<b>18,534</b>	<b>23.0</b>	<b>79,085</b>	<b>78,670</b>	<b>0.5</b>
Tax expense	(3,938)	(3,243)	21.4	(13,713)	(13,545)	1.2
<b>Profit from continuing operations</b>	<b>18,853</b>	<b>15,291</b>	<b>23.3</b>	<b>65,372</b>	<b>65,125</b>	<b>0.4</b>
<b>Discontinuing operations</b>						
Profit from discontinued operation (net of tax)	–	–	–	–	19	NM
<b>Profit for the period</b>	<b>18,853</b>	<b>15,291</b>	<b>23.3</b>	<b>65,372</b>	<b>65,144</b>	<b>0.3</b>
<b>Profit attributable to:</b>						
Owners of the Company	17,773	14,278	24.5	62,360	60,028	3.9
Non-controlling interests	1,080	1,013	6.6	3,012	5,116	(41.1)
<b>Profit for the period</b>	<b>18,853</b>	<b>15,291</b>	<b>23.3</b>	<b>65,372</b>	<b>65,144</b>	<b>0.3</b>

NM – Not meaningful

## B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			Group		
	4Q2022 S\$'000	4Q2021 S\$'000	Change (%)	FY2022 S\$'000	FY2021 S\$'000	Change (%)
<b>Profit for the period</b>	18,853	15,291	23.3	65,372	65,144	0.3
<b>Other comprehensive income, net of tax</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences						
- foreign operation	1	–	NM	4	1	NM
<b>Other comprehensive income for the period, net of tax</b>	1	–	NM	4	1	NM
<b>Total comprehensive income for the period</b>	18,854	15,291	23.3	65,376	65,145	0.4
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	17,773	14,278	24.5	62,363	60,029	3.9
Non-controlling interests	1,081	1,013	6.7	3,013	5,116	(41.1)
<b>Total comprehensive income for the period</b>	18,854	15,291	23.3	65,376	65,145	0.4

NM – not meaningful

### Profit from discontinuing operation

On 1 February 2021, the Company entered into a share sale and purchase agreement with a third party to dispose its entire 75% equity interests in PropNex Property Management Consultants Pte Ltd (“PPMC”) for a cash consideration of S\$763,500. Consequently, PPMC ceased to be a subsidiary of the Company.

	Group	
	FY2022 S\$'000	FY2021 S\$'000
<b>Discontinued operation</b>		
Revenue	–	177
Cost of services rendered	–	(102)
Other income	–	1
Staff costs	–	(43)
Depreciation of plant and equipment	–	(1)
Depreciation of right-of-use assets	–	(3)
Other expenses	–	(10)
<b>Profit before tax</b>	–	19
Tax expense	–	–
<b>Profit from discontinued operation (net of tax)</b>	–	19

### C. Condensed Interim Statements of Financial Position

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 22</b>	31 Dec 21	<b>31 Dec 22</b>	31 Dec 21
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
<b>Assets</b>				
Plant and equipment	1,384	2,032	2	4
Intangible assets	603	900	60	90
Right-of-use assets	5,007	2,888	–	–
Subsidiaries	–	–	17,548	17,548
Associates	–	–	–	–
Other investment	362	362	–	–
<b>Non-current assets</b>	<b>7,356</b>	<b>6,182</b>	<b>17,610</b>	<b>17,642</b>
Trade and other receivables	223,413	142,739	2,185	6,945
Cash and cash equivalents	138,891	145,646	81,484	75,184
Other investment	5,690	–	5,690	–
<b>Current assets</b>	<b>367,994</b>	<b>288,385</b>	<b>89,359</b>	<b>82,129</b>
<b>Total assets</b>	<b>375,350</b>	<b>294,567</b>	<b>106,969</b>	<b>99,771</b>
<b>Equity</b>				
Share capital	57,491	57,491	57,491	57,491
Merger reserve	(17,663)	(17,663)	–	–
Translation reserve	4	–	–	–
Capital reserve	607	607	–	–
Retained earnings	85,110	69,000	38,730	38,987
<b>Equity attributable to owners of the Company</b>	<b>125,549</b>	<b>109,435</b>	<b>96,221</b>	<b>96,478</b>
Non-controlling interests	944	3,143	–	–
<b>Total equity</b>	<b>126,493</b>	<b>112,578</b>	<b>96,221</b>	<b>96,478</b>
<b>Liabilities</b>				
Deferred tax liabilities	177	177	–	–
Lease liabilities	2,757	1,310	–	–
<b>Non-current liabilities</b>	<b>2,934</b>	<b>1,487</b>	<b>–</b>	<b>–</b>
Trade and other payables	228,320	164,299	10,575	3,196
Current tax liabilities	13,805	13,486	173	97
Deferred income	1,541	1,119	–	–
Lease liabilities	2,257	1,598	–	–
<b>Current liabilities</b>	<b>245,923</b>	<b>180,502</b>	<b>10,748</b>	<b>3,293</b>
<b>Total liabilities</b>	<b>248,857</b>	<b>181,989</b>	<b>10,748</b>	<b>3,293</b>
<b>Total equity and liabilities</b>	<b>375,350</b>	<b>294,567</b>	<b>106,969</b>	<b>99,771</b>

## D. Condensed Interim Consolidated Statements of Cash Flows

	Group		Group	
	4Q2022 S\$'000	4Q2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	18,853	15,291	65,372	65,144
Adjustments for:				
Amortisation of intangible assets	74	275	297	298
Bad debts written off	58	75	331	202
Depreciation of plant and equipment	243	263	1,015	1,037
Depreciation of right-of-use assets	577	545	2,297	2,213
Derecognition of trade payables	(4,105)	–	(7,806)	–
Gain on disposal of associate	(516)	–	(516)	–
Gain on disposal of discontinued operation	–	–	–	(637)
Gain on disposal of plant and equipment	(3)	–	(3)	–
Impairment losses on trade and other receivables	5,468	265	8,312	867
Interest expense	11	8	32	43
Interest income	(651)	(89)	(1,184)	(366)
Loss on disposal of other investment	–	29	–	29
Loss on investment securities	126	–	182	–
Share of loss of associate	–	–	–	47
Tax expense	3,938	3,243	13,713	13,545
	24,073	19,905	82,042	82,422
Changes in:				
- trade and other receivables	(57,860)	18,701	(89,489)	(63,417)
- trade and other payables	45,804	(12,869)	71,832	70,479
- deferred income	(325)	150	422	657
<b>Cash generated from operations</b>	11,692	25,887	64,807	90,141
Tax refund/(paid)	28	4	(13,394)	(7,061)
<b>Net cash from operating activities</b>	11,720	25,891	51,413	83,080
<b>Cash flows from investing activities</b>				
Net cash outflows arising from acquisition of a subsidiary	–	–	–	(979)
Acquisition of plant and equipment	(145)	(397)	(368)	(537)
Deposit pledged	–	–	–	(1)
Disposal of discontinued operation, net of cash disposed (Note)	–	–	–	585
Interest received	645	89	1,178	366
Addition in other investment	141	–	(5,866)	–
Proceeds from sale of associate	687	–	687	–
Proceeds from sale of plant and equipment	3	–	4	–
<b>Net cash from/(used in) investing activities</b>	1,331	(308)	(4,365)	(566)
<b>Cash flows from financing activities</b>				
Dividends paid to owners	–	–	(46,250)	(35,150)
Dividends paid to non-controlling interests	(845)	(3,099)	(5,211)	(5,244)
Interest paid	(1)	(8)	(32)	(43)
Repayment of lease liabilities	(572)	(552)	(2,310)	(2,234)
<b>Net cash used in financing activities</b>	(1,418)	(3,659)	(53,803)	(42,671)
<b>Net increase/(decrease) in cash and cash equivalents</b>	11,633	21,924	(6,755)	39,843
Cash and cash equivalents at beginning of the financial period	127,196	123,660	145,584	105,741
<b>Cash and cash equivalents at end of the financial period/year</b>	138,829	145,584	138,829	145,584

Additional information:

Cash at bank and on hand	138,891	145,646	138,891	145,646
Less: bank deposits pledged	(62)	(62)	(62)	(62)
Total cash and cash equivalents	<u>138,829</u>	<u>145,584</u>	<u>138,829</u>	<u>145,584</u>

**Note:**

Analysis of assets and liabilities of discontinued operation were as follows:

	<b>FY2021</b>
	<b>S\$'000</b>
Plant and equipment	61
Right-of-use assets	118
Trade and other receivables	361
Cash and cash equivalents	44
Deferred tax liabilities	(2)
Lease liabilities	(116)
Trade and other payables	(280)
Current tax liabilities	(18)
Net assets	<u>168</u>
Non-controlling interests	<u>(42)</u>
Identified net assets	126
Gain on disposal of discontinued operation, recognised in the consolidated statement of profit or loss	<u>637</u>
Selling proceeds	<u><u>763</u></u>
<b>Selling proceeds are represented by:</b>	
- Cash consideration received	629
- Deferred consideration to be received	134
	<u><u>763</u></u>
<b>Net cash outflows arising from the disposal of discontinued operation:</b>	
- Cash consideration received	629
- Cash and cash equivalents disposed off	(44)
	<u><u>585</u></u>

## E. Condensed Interim Consolidated Statement of Changes in Equity

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

## E. Condensed Interim Consolidated Statement of Changes in Equity (Cont'd)

	Attributable to owners of the Company						Non–controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
<b>As at 1 January 2021</b>	57,491	(17,663)	607	(1)	44,122	84,556	3,032	87,588
Profit for the period	–	–	–	–	60,028	60,028	5,116	65,144
<b>Other comprehensive income</b>								
– Foreign currency translation	–	–	–	1	–	1	–	1
<b>Total comprehensive income</b>	–	–	–	1	60,028	60,029	5,116	65,145
<b>Transaction with owner, recognised directly in equity</b>								
Disposal of discontinued operation with non–controlling interest	–	–	–	–	–	–	(42)	(42)
Dividend paid	–	–	–	–	(35,150)	(35,150)	(5,071)	(40,221)
Non-controlling interests on acquisition of subsidiary	–	–	–	–	–	–	108	108
<b>Total transaction with owners of the Company</b>	–	–	–	–	(35,150)	(35,150)	(5,005)	(40,155)
<b>As at 31 December 2021</b>	57,491	(17,663)	607	–	69,000	109,435	3,143	112,578



## E. Condensed Interim Consolidated Statement of Changes in Equity (Cont'd)

COMPANY – 2022	Attributable to owners of the Company		
	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
As at 1 January 2022	57,491	38,987	96,478
Profit for the period	–	45,993	45,993
<b>Total comprehensive income</b>	–	45,993	45,993
<b>Transaction with owner, recognised directly in equity</b>			
<b>Contribution by owners</b>			
Dividend paid	–	(46,250)	(46,250)
<b>Total transaction with owners of the Company</b>	–	(46,250)	(46,250)
As at 31 December 2022	57,491	38,730	96,221
<b>Attributable to owners of the Company</b>			
COMPANY – 2021	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
As at 1 January 2021	57,491	15,743	73,234
Profit for the period	–	58,394	58,394
<b>Total comprehensive income</b>	–	58,394	58,394
<b>Transaction with owner, recognised directly in equity</b>			
<b>Contribution by owners</b>			
Dividend paid	–	(35,150)	(35,150)
<b>Total transaction with owners of the Company</b>	–	(35,150)	(35,150)
As at 31 December 2021	57,491	38,987	96,478

## F. Notes to the Condensed Interim Consolidated Financial Statements

### 1 Corporate information

PropNex Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the full year ended 31 December 2022 comprise the Company and its subsidiaries.

The primary activities of the Group are involved in the provision of real estate agency services, real estate project marketing services, property management services, administrative support services and training/courses.

### 2 Basis of preparation

The condensed interim financial statements for the full year ended 31 December 2022 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 2021.

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

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the following standards:

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Annual Improvements to SFRS(I)s 2018-2020*

#### 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 expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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 period is:

- measurement of ECL allowance for trade and other receivables, specifically the key assumptions in determining the weighted-average loss rate; and
- point of revenue recognition on commission from the resale of HDB properties, where management judgement is applied in determining when HDB approval is granted.

### **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 has the following five 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 CEO (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- **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 Housing and Development Board flats and executive condominium, 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 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.
- **Property management services (Discontinued operation)** Property management services relate mainly to real estate management services rendered to private residential properties.

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 certain segments relative to other entities that operate within these industries.

#### 4.1 Reportable segments

<b>Group</b>	<b>Agency services S\$'000</b>	<b>Project marketing services S\$'000</b>	<b>Administrative support services S\$'000</b>	<b>Training services S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
<b>FY2022</b>						
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 revenues	640,621	383,744	1,827	2,942	59	1,029,193
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	63,227	13,253	421	1,968	216	79,085
Other material non-cash items:						
- Bad debts written off	197	–	–	–	134	331
- Impairment losses/(Reversal of impairment losses) on trade and other receivables	1,877	6,433	3	(1)	–	8,312
- Net foreign exchange loss	–	21	–	–	–	21
Reportable segment assets	157,272	123,668	5,064	1,213	88,133	375,350
Capital expenditure	318	42	–	8	–	368
Reportable segment liabilities	234,877	3,715	6,257	681	3,327	248,857

Group	< ----- Continued operations ----- >					Discontinued operation	Total
	Agency services S\$'000	Project marketing services S\$'000	Administrative support services S\$'000	Training services S\$'000	Others S\$'000	Property management services S\$'000	
<b>FY2021</b>							
Revenue	919,388	435,534	3,177	1,533	66,868	177	1,426,677
Inter-segment revenue	(400,148)	–	(1,890)	(111)	(66,859)	–	(469,008)
External revenues	<u>519,240</u>	<u>435,534</u>	<u>1,287</u>	<u>1,422</u>	<u>9</u>	<u>177</u>	<u>957,669</u>
Finance income	49	8	–	–	309	–	366
Depreciation expense	(965)	(35)	(2,124)	(119)	(3)	(4)	(3,250)
Amortisation expense	–	–	–	–	(298)	–	(298)
Finance costs	–	–	(41)	(2)	–	–	(43)
Segment profit/(loss) before tax	<u>55,189</u>	<u>22,256</u>	<u>(32)</u>	<u>523</u>	<u>734</u>	<u>19</u>	<u>78,689</u>
Other material non-cash items:							
- Bad debts written off	202	–	–	–	–	–	202
- Impairment loss on other investment	29	–	–	–	–	–	29
- Impairment losses on trade and other receivables	768	91	2	2	4	–	867
- Net foreign exchange loss	–	12	–	–	–	–	12
Reportable segment assets	115,077	98,105	3,420	1,365	76,600	–	294,567
Capital expenditure	502	11	–	21	3	–	537
Reportable segment liabilities	<u>169,139</u>	<u>5,075</u>	<u>3,612</u>	<u>799</u>	<u>3,364</u>	<u>–</u>	<u>181,989</u>

## 4.2 Disaggregation of revenue

	Group	
	FY2022 S\$'000	FY2021 S\$'000
<b>Types of goods or service:</b>		
Commission income from real estate agency services	640,621	519,240
Commission income from real estate project marketing services	383,744	435,534
Administrative support fee income	1,827	1,287
Courses and related fee income from training services	2,942	1,422
Technology platform income from services providers	23	9
Dividend income from investment securities	36	–
	1,029,193	957,492
<b>Timing of revenue recognition:</b>		
Services transferred at a point in time	1,027,919	956,206
Services transferred over time	1,274	1,286
	1,029,193	957,492

## 5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Carrying amount				
	FVOCI – equity Note instruments	FVTPL – equity instruments S\$'000	Financial assets at amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2022</b>					
<b>Financial assets</b>					
Equity investments – at FVOCI 10	362	–	–	–	362
Equity investments – at FVTPL 10	–	5,690	–	–	5,690
Trade and other receivables*	–	–	221,811	–	221,811
Cash and cash equivalents	–	–	138,891	–	138,891
	362	5,690	360,702	–	366,754
<b>Financial liabilities</b>					
Trade and other payables^	–	–	–	(227,934)	(227,934)
Lease liabilities	–	–	–	(5,014)	(5,014)
	–	–	–	(232,948)	(232,948)
<b>31 December 2021</b>					
<b>Financial assets</b>					
Equity investments – at FVOCI 10	362	–	–	–	362
Trade and other receivables*	–	–	142,137	–	142,137
Cash and cash equivalents	–	–	145,646	–	145,646
	362	–	287,783	–	288,145
<b>Financial liabilities</b>					
Trade and other payables^	–	–	–	(163,951)	(163,951)
Lease liabilities	–	–	–	(2,908)	(2,908)
	–	–	–	(166,859)	(166,859)

		Carrying amount			
	Note	FVTPL – equity instruments S\$'000	Financial assets at amortised cost S\$'000	Other financial liabilities S\$'000	Total S\$'000
<b>Company</b>					
<b>31 December 2022</b>					
<b>Financial assets</b>					
Equity investments – at FVTPL	10	5,690	–	–	5,690
Trade and other receivables*		–	2,130	–	2,130
Cash and cash equivalents		–	81,484	–	81,484
		<u>5,690</u>	<u>83,614</u>	<u>–</u>	<u>89,304</u>
<b>Financial liabilities</b>					
Trade and other payables^		–	–	(10,377)	(10,377)
<b>31 December 2021</b>					
<b>Financial assets</b>					
Trade and other receivables*		–	6,889	–	6,889
Cash and cash equivalents		–	75,184	–	75,184
		<u>–</u>	<u>82,073</u>	<u>–</u>	<u>82,073</u>
<b>Financial liabilities</b>					
Trade and other payables^		–	–	(3,009)	(3,009)

\* Excludes prepayments.

^ Excludes liability for short-term accumulating compensated absence.

## 5.1 ECL allowance for trade and other receivables

*Expected credit loss 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:

	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance		
			Credit- impaired S\$'000	Not credit- impaired S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2022</b>					
<b>Past due</b>					
- Past due 1 to 30 days	0.00	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)
		<u>111,857</u>	<u>(3,231)</u>	<u>(56)</u>	<u>(3,287)</u>

	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance		
			Credit- impaired S\$'000	Not credit- impaired S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2021</b>					
<b>Past due</b>					
- Past due 1 to 30 days	0.01	32,535	–	(1)	(1)
- Past due 31 to 90 days	0.06	20,177	–	(12)	(12)
- Past due 91 to 180 days	0.08	6,194	–	(5)	(5)
- Past due 181 to 270 days	0.37	1,764	–	(7)	(7)
- Past due more than 270 days	0.76	2,703	(1,617)	(8)	(1,625)
		<u>63,373</u>	<u>(1,617)</u>	<u>(33)</u>	<u>(1,650)</u>

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 1.35 (31 December 2021: 0.97) for Singapore.

*Expected credit loss 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 expected credit loss exposure of these receivables to be insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with default rates pertaining to 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:

	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance		
			Credit- impaired S\$'000	Not credit- impaired S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2022</b>					
<b>Not past due</b>					
	1.82	–	–	–	–
<b>Past due</b>					
- Past due 1 to 30 days	1.82	35,676	–	(52)	(52)
- Past due 31 to 90 days	1.82	49,285	–	(72)	(72)
- Past due 91 to 180 days	1.82	8,366	–	(12)	(12)
- Past due 181 to 270 days	1.82	14,663	–	(21)	(21)
- Past due more than 270 days	1.82	10,920	(6,368)	(7)	(6,375)
		<u>118,910</u>	<u>(6,368)</u>	<u>(164)</u>	<u>(6,532)</u>



	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance		
			Credit- impaired S\$'000	Not credit- impaired S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2021</b>					
<b>Not past due</b>	0.13 – 1.14	–	–	–	–
<b>Past due</b>					
- Past due 1 to 30 days	0.13 – 1.14	36,618	–	(46)	(46)
- Past due 31 to 90 days	0.13 – 1.14	25,577	–	(32)	(32)
- Past due 91 to 180 days	0.13 – 1.14	12,183	–	(16)	(16)
- Past due 181 to 270 days	0.13 – 1.14	4,027	–	(5)	(5)
- Past due more than 270 days	0.13 – 1.14	892	–	(1)	(1)
		<u>79,297</u>	<u>–</u>	<u>(100)</u>	<u>(100)</u>

*Expected credit loss assessment for other receivables and deposits*

The Group and the Company assessed the credit exposure of these receivables to be insignificant based on the historical default rates, the Group's and the Company's view of current and future conditions corresponding with default rates pertaining to group of customers. The Group and the Company apply the published independent default rate of real estate industry and monitor changes in the default rate by tracking to the published independent research report.

	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance		
			Credit- impaired S\$'000	Not credit- impaired S\$'000	Total S\$'000
<b>Group</b>					
<b>31 December 2022</b>					
<b>Not past due</b>					
Other receivables and deposits	1.82	1,093	–	(20)	(20)
		<u>1,093</u>	<u>–</u>	<u>(20)</u>	<u>(20)</u>
<b>31 December 2021</b>					
<b>Not past due</b>					
Other receivables and deposits	1.14	1,434	(85)	(15)	(100)
		<u>1,434</u>	<u>(85)</u>	<u>(15)</u>	<u>(100)</u>
<b>Company</b>					
<b>31 December 2022</b>					
<b>Not past due</b>					
Other receivables and deposits	1.82	244	–	(4)	(4)
		<u>244</u>	<u>–</u>	<u>(4)</u>	<u>(4)</u>
<b>31 December 2021</b>					
<b>Not past due</b>					
Other receivables and deposits	1.14	388	–	(4)	(4)
		<u>388</u>	<u>–</u>	<u>(4)</u>	<u>(4)</u>

Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>	<b>31 December 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>
At 1 January	1,850	1,452	4	–
Impairment losses recognised	8,312	867	–	4
Amounts written off against receivables	(323)	(469)	–	–
At 31 December	<u>9,839</u>	<u>1,850</u>	<u>4</u>	<u>4</u>

## 6 Profit before taxation

	<b>Group</b>	
	<b>FY2022 S\$'000</b>	<b>FY2021 S\$'000</b>
<b>Income</b>		
Interest income	(1,184)	(366)
<b>Expenses</b>		
Amortisation of intangible assets	297	298
Bad debts written off	331	202
Depreciation of plant and equipment	1,015	1,036
Depreciation of right-of-use assets	2,297	2,210
Foreign exchange loss	21	12
Impairment losses on trade and other receivables	8,312	867
Interest expense	32	43
Loss on disposal of other investment	–	29
Gain on disposal of plant and equipment	(3)	–

### 6.1 Related party transactions

#### *Transactions with related parties*

The transactions with related parties based on terms agreed between the parties during the financial year are as follows:

	<b>Group</b>	
	<b>FY2022 S\$'000</b>	<b>FY2021 S\$'000</b>
<b>Related corporations</b>		
Administration support income	(101)	(44)
Corporate gifts income	–	(1)
Trainer fee expense	6	6
<b>Non-controlling shareholder of a subsidiary</b>		
Commission fee expense	–	60
<b>Directors</b>		
Administrative support income	(5)	(5)
Commission fee income	(15)	(42)

### *Transactions with key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors, including the executive directors and Chief Executive Officer of the Company are considered key management personnel of the Group.

Key management personnel compensation comprised:

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Salaries and other short-term employee benefits	5,978	5,676
Post-employment benefits (including contributions to defined contribution plan)	95	92
	<u>6,073</u>	<u>5,768</u>

## **7 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 statement of profit or loss are:

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><i>Current tax expense</i></b>		
Current year	13,790	13,471
(Over)/Under provision in prior years	(57)	63
Withholding tax	(20)	11
	<u>13,713</u>	<u>13,545</u>
<b><i>Deferred tax expense</i></b>		
Origination and reversal of temporary differences	(53)	(60)
Under provision in prior years	53	60
	<u>—</u>	<u>—</u>
<b>Total tax expense</b>	<u>13,713</u>	<u>13,545</u>

## 8 Dividends

	Group and Company	
	FY2022 S\$'000	FY2021 S\$'000
<b>Declared to the owners</b>		
Ordinary dividends declared:		
Final dividends for financial year ended 31 December 2021 - \$0.07 per ordinary share	25,900	–
Final dividends for financial year ended 31 December 2020 - \$0.04 per ordinary share	–	14,800
Interim dividends for financial year ended 31 December 2022 - \$0.055 per ordinary share	20,350	–
Interim dividends for financial year ended 31 December 2021 - \$0.055 per ordinary share	–	20,350
	<u>46,250</u>	<u>35,150</u>

### Declared by the subsidiaries to non-controlling interests

#### PropNex International Pte. Ltd.

Final dividends for financial year ended 31 December 2021 - \$110 per ordinary share	3,099	–
Final dividends for financial year ended 31 December 2020 - \$180 per ordinary share	–	5,071
Interim dividends for financial year ended 31 December 2022 - \$45 per ordinary share	1,267	–
Second interim dividends for period ended 31 October 2022 - \$30 per ordinary share	845	–
	<u>5,211</u>	<u>5,071</u>

## 9 Net asset value

	Group		Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
Net asset value per ordinary share (cents)	<u>33.93</u>	<u>29.58</u>	<u>26.01</u>	<u>26.08</u>

Net asset value per ordinary share was computed based on issued ordinary share capital of 370,000,000 shares at the end of the financial period/year.

## 10 Financial assets at fair value through other comprehensive income and profit or loss

### 10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The carrying amount of financial assets and financial liabilities not measured at fair value are approximate fair value. The financial assets carried at fair value are as following:

	<b>Level 3 S\$'000</b>
<b>Group</b>	
<b>31 December 2022</b>	
<b>Financial assets</b>	
Unquoted equity investments – at FVOCI	362
Equity investments – at FVTPL	5,690
	<u>6,052</u>
<b>31 December 2021</b>	
<b>Financial assets</b>	
Unquoted equity investments – at FVOCI	<u>362</u>
<b>Company</b>	
<b>31 December 2022</b>	
<b>Financial assets</b>	
Equity investments – at FVTPL	<u>5,690</u>
<b>31 December 2021</b>	
<b>Financial assets</b>	
Equity investments – at FVTPL	<u>–</u>

The fair values were derived based on the discounted cashflow method. Significant unobservable inputs include discount rate of 10%. The estimated fair value would increase/(decrease) if the discount rate were lower/(higher).

There were no transfers between Level 1, Level 2 and Level 3 in either direction.

## 11 Plant and equipment

During the full year ended 31 December 2022, the Group acquired assets amounting to S\$368,727 (31 December 2021: S\$537,095) and disposed assets amounting to S\$1,319 (31 December 2021: S\$Nil).

## 12 Share capital

	<b>Number of shares</b>		<b>Amount</b>	
	<b>31 December 2022 '000</b>	<b>31 December 2021 '000</b>	<b>31 December 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>
<b>Group and Company</b>				
<b>Fully paid ordinary shares, with no par value:</b>				
At 1 January and 31 December	<u>370,000</u>	<u>370,000</u>	<u>57,491</u>	<u>57,491</u>

The Company did not hold any treasury shares as at 31 December 2022.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

### **13 Subsequent event**

After the reporting date, the board is proposing to undertake a bonus issue (“Proposed Bonus Issue”) on the basis of one bonus share to be credited as fully paid for every one existing PropNex share held.

The Proposed Bonus Issue is subject to the approval of shareholders of the Company at an Extraordinary General Meeting to be convened and approval by the Singapore Exchange Securities Trading Limited.

## **G. Other Information Required by Listing Rule Appendix 7.2**

- 1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the share capital of the Company in FY2022. There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 December 2022 and 31 December 2021.

- 1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2022 and 31 December 2021, the Company's issued ordinary shares were 370,000,000. The Company did not have any treasury shares as at 31 December 2022 and 31 December 2021.

- 1(iii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited, whether there are any modifications, disclaimer of opinion, adverse opinion or emphasis of a matter (including material uncertainties on going concern). Also, where the figures have been audited or reviewed, whether the auditor's report is announced using the Financial Statements and Related Announcement template with appropriate subject sub-heading.**

Not applicable.

- 3A 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 material uncertainty relating to going concern.**

The Group's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been followed.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2021 except for the changes in accounting policies as disclosed in Item 5 below.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change.**

There are new standards but none with a material impact and amendments that are effective for the annual period beginning 1 January 2022 nor any changes in the Group's accounting policies and methods of computation.

**6 Earnings Per Ordinary Share**

	Group			Group		
	4Q2022	4Q2021	Change (%)	FY2022	FY2021	Change (%)
<b>Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:</b>						
(i) Based on the weighted average number of shares (cents)	4.80	3.86	24.4	16.85	16.22	3.9
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	
(ii) On a fully diluted basis (cents)	4.80	3.86	24.4	16.85	16.22	3.9
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	
<b>Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Continuing operations):</b>						
(j) Based on the weighted average number of shares (cents)	4.80	3.86	24.4	16.85	16.22	3.9
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	
(ii) On a fully diluted basis (cents)	4.80	3.86	24.4	16.85	16.22	3.9
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	
<b>Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Discontinuing operations):</b>						
(k) Based on the weighted average number of shares (cents)	–	–	–	–	0	NM
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	
(ii) On a fully diluted basis (cents)	–	–	–	–	0	NM
- Weighted average number of shares ('000)	370,000	370,000		370,000	370,000	



- 7 **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.**

### **Review of Group Performance**

#### **4Q2022 vs 4Q2021**

##### **Revenue**

Revenue increased by approximately S\$56.4 million or 23.3%, from S\$242.0 million in 4Q2021 to S\$298.4 million in 4Q2022, was due to increase in commission income from agency services of approximately S\$53.6 million and from project marketing services of approximately S\$2.3 million. This was a result of higher number of transactions completed for agency services and project marketing in 4Q2022 following improvements in both the Covid19 situation and the economy.

##### **Cost of services rendered**

Cost of services increased by approximately S\$52.1 million or 24.1%, from S\$216.1 million in 4Q2021 to S\$268.2 million in 4Q2022. This was mainly due to the increase in commission cost to salespersons which was in tandem with the increase in revenue.

##### **Gross profit**

Gross profit increased by approximately S\$4.2 million or 16.4%, from S\$26.0 million in 4Q2021 to S\$30.2 million in 4Q2022. This increase was in tandem with the increase in revenue.

##### **Finance income**

Finance income increased by approximately S\$0.6 million or 631.5%, from S\$0.1 million in 4Q2021 to S\$0.7 million in 4Q2022. This was mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placement in 4Q22.

##### **Other income**

Other income increased by approximately S\$4.0 million or 262.3%, from S\$1.5 million in 4Q2021 to S\$5.5 million in 4Q2022. This was mainly due to the derecognition of trade payables to agents in 4Q22.

##### **Staff costs**

Staff costs decreased by approximately S\$0.3 million or 5.8%, from S\$4.7 million in 4Q2021 to S\$4.4 million in 4Q2022. The decrease was mainly due to over-provision of staff bonus in 4Q2021.

##### **Other expenses**

Other expenses increased by approximately S\$5.5 million or 168.9%, from S\$3.3 million in 4Q2021 to S\$8.8 million in 4Q2022. This was mainly due to the increase in impairment loss on trade and other receivables by approximately S\$5.2 million.

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

As a result of the foregoing, profit before tax increased by approximately S\$4.3 million or 23.0%, from S\$18.5 million in 4Q2021 to S\$22.8 million in 4Q2022.

##### **Tax expense**

Tax expense increased by approximately S\$0.7 million or 21.4%, from S\$3.2 million in 4Q2021 to S\$3.9 million in 4Q2022 in line with higher profits.

- 7 **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).**

#### **FY2022 vs FY2021**

##### **Revenue**

Revenue increased by approximately S\$71.7 million or 7.5%, from S\$957.5 million in FY2021 to S\$1,029.2 million in FY2022, was due to increase in commission income from agency services of approximately S\$121.4 million, partially offset by decrease in commission income from project marketing services of approximately S\$51.8 million. This was a result of higher number of transactions completed for agency services partially offset by fewer project marketing launch in FY2022.

##### **Cost of services rendered**

Cost of services increased by approximately S\$68.8 million or 8.0%, from S\$855.7 million in FY2021 to S\$924.5 million in FY2022. This was mainly due to the increase in commission cost to salespersons which was in tandem with the increase in revenue.

##### **Gross profit**

Gross profit increased by approximately S\$2.9 million or 2.8%, from S\$101.8 million in FY2021 to S\$104.7 million in FY2022. This increase was in tandem with the increase in revenue.

##### **Finance income**

Finance income increased by approximately S\$0.8 million or 223.5%, from S\$0.4 million in FY2021 to S\$1.2 million in FY2022. This was mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placement in FY2022.

##### **Other income**

Other income increased by approximately S\$9.1 million or 131.1%, from S\$7.0 million in FY2021 to S\$16.1 million in FY2022. This was mainly due to the derecognition of trade payables to agents of approximately S\$7.8 million, increase in advertising and marketing income by approximately S\$1.9 million, partially offset by decrease in referral fee income by approximately S\$0.7 million.

##### **Staff costs**

Staff costs increased by approximately S\$1.6 million or 9.2%, from S\$16.8 million in FY2021 to S\$18.4 million in FY2022. The increase was mainly due to increase in the average staff headcount from 137 in FY2021 to 152 in FY2022.

##### **Other expenses**

Other expenses increased by approximately S\$10.8 million or 101.0%, from S\$10.6 million in FY2021 to S\$21.4 million in FY2022. This was mainly due to increase in impairment loss on trade and other receivables by approximately S\$7.4 million, advertising and marketing expenses by approximately S\$1.3 million, corporate events by approximately S\$0.9 million, legal and professional fees by approximately S\$0.5 million, recruitment expenses by approximately S\$0.4 million, repair and IT maintenance by approximately S\$0.3 million.

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

As a result of the foregoing, profit before tax increased by approximately S\$0.4 million or 0.5%, from S\$78.7 million in FY2021 to S\$79.1 million in FY2022.

##### **Tax expense**

Tax expense increased by approximately S\$0.2 million or 1.2%, from S\$13.5 million in FY2021 to S\$13.7 million in FY2022 in line with higher profits.

- 7 **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).**

**Statements of Financial Position Review (as at 31 December 2022 compared to 31 December 2021)**

**Non-current assets**

Non-current assets increased by approximately S\$1.2 million or 19.0%, from S\$6.2 million as at 31 December 2021 to S\$7.4 million as at 31 December 2022. This was mainly due to the additions of both right-of-use assets as well as plant and equipment of approximately S\$4.4 million and S\$0.4 million respectively, partially offset by the depreciation of both right-of-use assets as well as plant and equipment of approximately S\$2.3 million and S\$1.0 million respectively and amortisation of intangible assets of approximately S\$0.3 million.

**Current assets**

Trade and other receivables increased by approximately S\$80.7 million or 56.5%, from S\$142.7 million as at 31 December 2021 to S\$223.4 million as at 31 December 2022. The increase was in tandem with higher revenue recognised and lower collection in FY2022.

Cash and cash equivalents decreased by approximately S\$6.7 million or 4.6%, from S\$145.6 million as at 31 December 2021 to S\$138.9 million as at 31 December 2022. The decrease was mainly due to other investment and dividend paid to owners and non-controlling interest of the Company, offset by net cash generated from operating activities in FY2022.

Other investment increased by approximately S\$5.7 million or 100%. This was mainly due to additions of other investment.

As a result, total current assets increased by approximately S\$79.6 million or 27.6%, from S\$288.4 million as at 31 December 2021 to S\$368.0 million as at 31 December 2022.

**Non-current liabilities**

Non-current liabilities increased by approximately S\$1.4 million or 97.3%, from S\$1.5 million as at 31 December 2021 to S\$2.9 million as at 31 December 2022. This was mainly due to an addition of lease liabilities in FY2022.

**Current liabilities**

Trade and other payables increased by approximately S\$64.0 million or 39.0%, from S\$164.3 million as at 31 December 2021 to S\$228.3 million as at 31 December 2022. This was mainly due to increase in trade payables by approximately S\$62.0 million, other payables by approximately S\$1.5 million, and GST payables by approximately S \$1.1 million, partially offset by decrease in accrued expenses by approximately S \$0.7 million.

Current tax liabilities increased by approximately S\$0.3 million or 2.4%, from S\$13.5 million as at 31 December 2021 to S\$13.8 million as at 31 December 2022. This was mainly due to the provision of tax expense of approximately S\$13.8 million for FY2022 partially offset by the payment of YA2022 tax of approximately S\$13.4 million.

As a result, total current liabilities increased by approximately S\$65.4 million or 36.2%, from S\$180.5 million as at 31 December 2021 to S\$245.9 million as at 31 December 2022.

**Equity**

The equity attributable to the owners of the Company increased by approximately S\$16.1 million or 14.7%, from S\$109.4 million as at 31 December 2021 to S\$125.5 million as at 31 December 2022. This was mainly due to profit attributable to owners of the Company for FY2022 offset by dividends paid to owners of the Company in FY2022.

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

#### **Statement of Cash Flow Review**

##### **4Q2022 vs 4Q2021**

The operating activities generated net cash of approximately S\$11.7 million in 4Q2022 as compared to approximately S\$25.9 million in 4Q2021. The decrease was mainly due to lower cash generated from operations of approximately S\$14.2 million

Net cash from investing activities was approximately S\$1.3 million in 4Q2022 as compared to net cash used in investing activities of approximately S\$0.3 million in 4Q2021. The increase was mainly due to proceeds from sale of associate of approximately S\$0.7 million, higher interest received of approximately S\$0.6 million and decrease in acquisition of plant and equipment of approximately S\$0.3 million.

Net cash used in financing activities was approximately S\$1.4 million in 4Q2022 as compared to approximately S\$3.7 million in 4Q2021. This was mainly due to net decrease in dividend paid to non-controlling interests of approximately S\$2.3 million.

As a result, there was a net increase in cash and cash equivalents of approximately S\$11.6 million for 4Q2022 as compared to net increase of approximately S\$21.9 million for 4Q2021.

##### **FY2022 vs FY2021**

The operating activities generated net cash of approximately S\$51.4 million in FY2022 as compared to approximately S\$83.1 million in FY2021. The decrease was mainly due to lower cash generated from operations of approximately S\$25.3 million and higher tax paid of approximately S\$6.4 million.

Net cash used in investing activities was approximately S\$4.4 million in FY2022 as compared to approximately S\$0.6 million in FY2021. This was mainly due to addition of other investments of approximately S\$5.9 million, offset by increase in interest received of approximately S\$0.8 million, proceeds from sale of associate of approximately S\$0.7 million, no acquisition and disposal of subsidiaries of approximately S\$0.4 million and decrease in acquisition of plant and equipment of approximately S\$0.2 million.

Net cash used in financing activities was approximately S\$53.8 million in FY2022 as compared to approximately S\$42.7 million in FY2021. This was mainly due to net increase in dividend paid to owners of the Company of approximately S\$11.1 million.

As a result, there was a net decrease in cash and cash equivalents of approximately S\$6.8 million for FY2022 as compared to net increase of approximately S\$39.8 million for FY2021.

## 8 Use of Proceeds Raised From IPO

Pursuant to the Company's IPO, the Company received net proceeds of approximately S\$38.3 million ("Net Proceeds"). The Board wishes to provide an update on the use of Net Proceeds as at 31 December 2022.

<b>Use of Net Proceeds</b>	<b>Allocation of Net Proceeds as disclosed in the Prospectus (S\$'000)</b>	<b>Net Proceeds utilized as at the date of this announcement (S\$'000)</b>	<b>Balance of Net Proceeds as at the date of this announcement (S\$'000)</b>
Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy	12,000	624 <sup>(1)</sup>	11,376
Enhancement of real estate brokerage business	11,000	10,029 <sup>(2)</sup>	971
Expansion in range of business services	9,280	7,997 <sup>(3)</sup>	1,283
Enhancement of technological capabilities	6,000	4,861 <sup>(4)</sup>	1,139
	<b>38,280</b>	<b>23,511</b>	<b>14,769</b>

### 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.

## 9 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.

**10 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.**

Figures from the Urban Redevelopment Authority (URA) showed that overall private home prices rose by 0.4% QOQ – following a 3.8% growth in the previous quarter. For the whole of 2022, private home prices increased by 8.6% from the end of 2021, marking the 6th straight annual growth in prices from 2017. New home sales volume (ex. EC) in 4Q2022 however had 690 units transacted. For the whole of 2022, 7,099 new homes (ex. EC) were sold - down by 45.5% from 2021. In 2022, we saw many of the new launches booking strong sales - indicative of the still healthy housing demand – that have helped to boost private home prices. The cooling measures introduced at the end of September 2022, probably also caused some would-be buyers to temporarily postpone their decision to buy a property as they review the changes.

Meanwhile, the private resale market activity also moderated, with transactions falling by 27.6% QOQ to 2,694 units. For the full year, 14,026 resale private homes were sold compared to 19,962 units resold in 2021, but higher than the 5-year average (2017-2021) of 13,338 units. Buyers who were unable to find a suitable unit in the primary market likely went for resale private homes, where prices have been rising a slower pace compared to new launches.

In view of the larger pipeline of launches this year, there are good opportunities for first-timer buyers and HDB upgraders to enter the market. Some of the upcoming launches in February include Gems Ville, Terra Hill, The Botany at Dairy Farm, and Blossoms by the Park, which will provide more housing options in the RCR and OCR. The Group expects some 40 projects may be launched in 2023, potentially injecting about 12,000 new units (including EC) into the market. In 2023, we expect overall private home prices may rise by 5% to 6%, easing from the 8.6% increase in 2022, in view of the pent-up demand as well as the high land cost and rising construction cost faced by developers.

For the public housing, HDB resale prices rose by 2.3% QOQ in 4Q2022, representing the slowest pace of quarterly price growth since 3Q2020, due to a combination of factors, including the fresh cooling measures introduced in September 2022 and the muted market activity due to the seasonal lull. In 2023, the Group anticipates that HDB resale prices could rise by between 7% to 9% - easing from 10.4% in 2022 - in view of the cooling measures, downbeat global economic outlook, high interest rates, and buyers resisting paying ever higher prices for resale units. Meanwhile, demand for HDB resale flats is expected to remain stable in 2023 and we project that 28,000 to 30,000 flats could be resold this year with the Budget 2023 announcement on 14 February on the additional CPF housing grants given.

**11 Dividend**

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

Yes.

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per share	8.0 cents
Tax Rate	Tax exempt

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

Yes.

**c. Date payable for interim dividend**

12 May 2023

**d. Books closure date for interim dividend**

02 May 2023

- 12 If no dividend has been declared (recommended), a statement to that effect and provide the reasons for the decision not to declare/recommend any dividend.**

Not applicable.

- 13 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.**

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

- 14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

The Board of Directors hereby confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the full year ended 31 December 2022 unaudited financial results to be false or misleading in any material respect.

- 15 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 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 Listing Manual.

- 16 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 (in the format set out in paragraph 19 of Appendix 7.2) 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.

BY ORDER OF THE BOARD

Mohamed Ismail S/O Abdul Gafoore  
Executive Chairman and CEO

PROPnex LIMITED

28 February 2023