PropNex®
Service You Trust
SINGAPORE

PROPNEX LIMITED

Years since IPO
5

23

Years since **Inception**

Experienced Leadership Team with more than
200

Years of Real Estate Knowledge

Over
12,000

Salespersons
As at 15 March 2024

ANNUAL REPORT 2023

CONTENTS

CORPORATE PROFILE

VISION

To become the leader in any market we serve and revolutionise this organisation to have the strength of a big company, combined with the leanness and agility of a small firm

MISSION

To enhance customers' quality of life through value-added professional service

CORE VALUES

Continuous Self-Improvement
Autonomy and Entrepreneurship
Respect and Concern for individuals
Ethics, Honesty, and Integrity in all aspects of our business

PropNex Limited ("**PropNex**") is Singapore's largest listed real estate agency with over 12,000 salespersons in Singapore and over 15,000 salespersons across Singapore and 23 regional offices in Indonesia, Malaysia, Vietnam, Cambodia and Australia. As an integrated real estate services provider, PropNex's key business segments are in real estate brokerage, real estate consultancy and training.

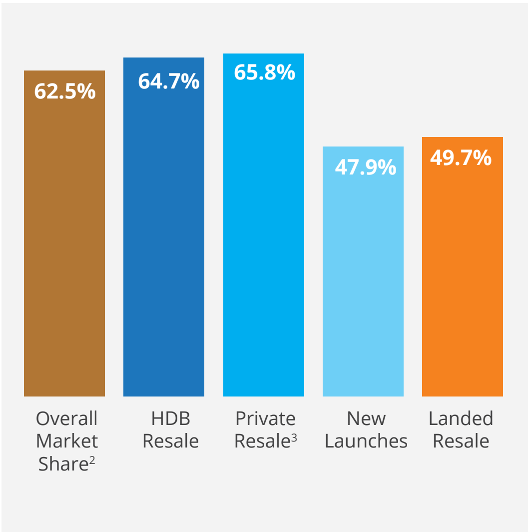
Since its inception in 2000, PropNex has built a significant and growing presence in Singapore's real estate market. Today, PropNex has leading market shares in private residential (new launches and resale), landed residential (resale) and HDB (resale) segments. Guided by its strong commitment to service excellence and quality, PropNex is the proud recipient of numerous industry accolades and is the recognised leader in real estate agency services.

PropNex is headquartered in Singapore and was listed on the Singapore Exchange Mainboard on 2 July 2018 (OYY:SI). For more information, please visit www.propnex.com.

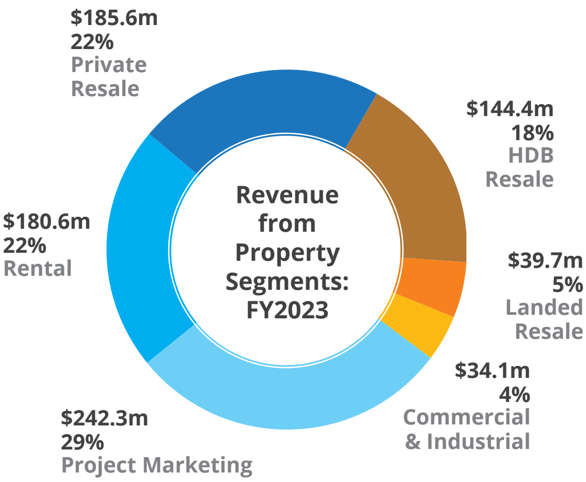
PROPNEX
DIFFERENTIATORS

DIVERSIFIED REVENUE SEGMENTS WITH LEADING MARKET SHARES

Capturing Dominant Market Share in Various Property Segments[1]



6 Property Segments
broaden revenue base and mitigate risks

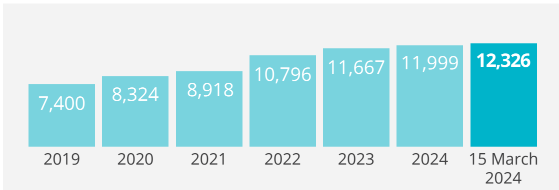


LARGEST SALES FORCE IN SINGAPORE AND STILL GROWING

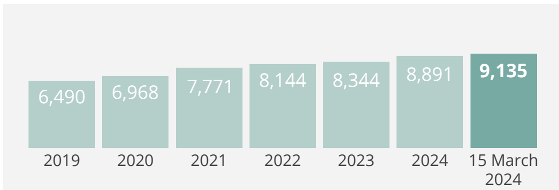
~12,000 salespersons locally, 35% more than closest peer

Scale up to **15,000** salespersons by 2026

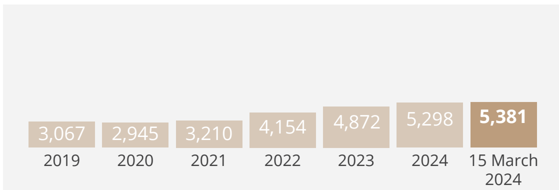
Top 4 Property Agencies in Singapore by Number of Salespersons[4]
(as at 1 January of each year)



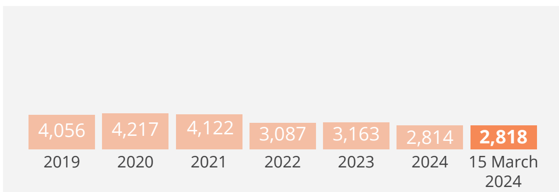
PropNex



ERA



Huttons



OrangeTee

1. *The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. The industry data was retrieved from URA REALIS, HDB and Singapore's Open Data on 2 February 2024. Source: Frost & Sullivan.*
2. *This includes HDB Resale, Private Resale and New Launches.*
3. *This includes Executive Condominiums, landed and non-landed property transactions.*
4. *The Council for Estate Agencies.*

ASSET LIGHT CASH GENERATOR

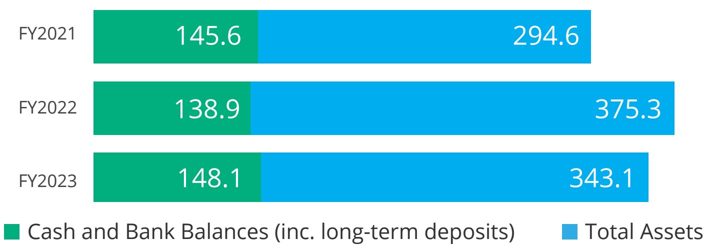
A services-based business that is:

Asset light

Strong cash generator

Debt free

Cash vs Total Assets ($'m)



STRONG MANAGEMENT AND POSITIVE WORKPLACE CULTURE

Leadership Team

200+ years

of combined experience

2023 Leadership Masterplan

Long-term leadership **continuity**

Enhanced organisational **structure**

Strengthen **agility** and market **relevance**

Industry 'Firsts'

- Dual Career Path (2000)
- Pension Plan for Team Leaders (2006)
- Spouse Protection Scheme (2013)
- PropNex Associate Healthcare Benefits Programme (2018)
- PropNex Real Estate Salespersons' Chapter (2021)

TRAINING AND TECHNOLOGY EDGE

Upholding professionalism and knowledge:

PropNex Bootcamps

~2,000

salespersons

annually

Monthly Trainings

- PNG Sales Mastermind: Client Connection Mastery
- PNG Expert Masterclass: EC Infinite Programme
- PNG Masterclass: Digital Marketing Programme
- Effective Leadership Workshop

... and more

Proprietary Mobile Apps

PropNex Investment Suite

Market trends analysis

PropNex Business Suite

Sales Tool that incorporates "Templates.AI" and serves as a Virtual Personal Assistant

BUSINESS SEGMENTS

REAL ESTATE BROKERAGE

We offer a full suite of real estate brokerage services where revenue is derived through commission-based fees from the sales and rental of residential, commercial and industrial properties.

Residential property segments

- HDB resale properties
- Private resale properties
- Luxury properties
- Project marketing for new launches (local and overseas properties)

Commercial and industrial property segments

- Retail shops
- Offices
- Factories

TRAINING

Through Life Mastery Academy, a Council of Estate Agencies (“**CEA**”)-accredited provider of Continuing Professional Development (“**CPD**”) courses, we provide training and courses to empower real estate salespersons, including:

- Training for individuals embarking on careers as real estate salespersons to meet CEA’s licensing and registration framework; and
- Courses for practising real estate salespersons as it is mandatory for practising salespersons in Singapore to achieve a minimum of six CPD credits for each annual CPD cycle.

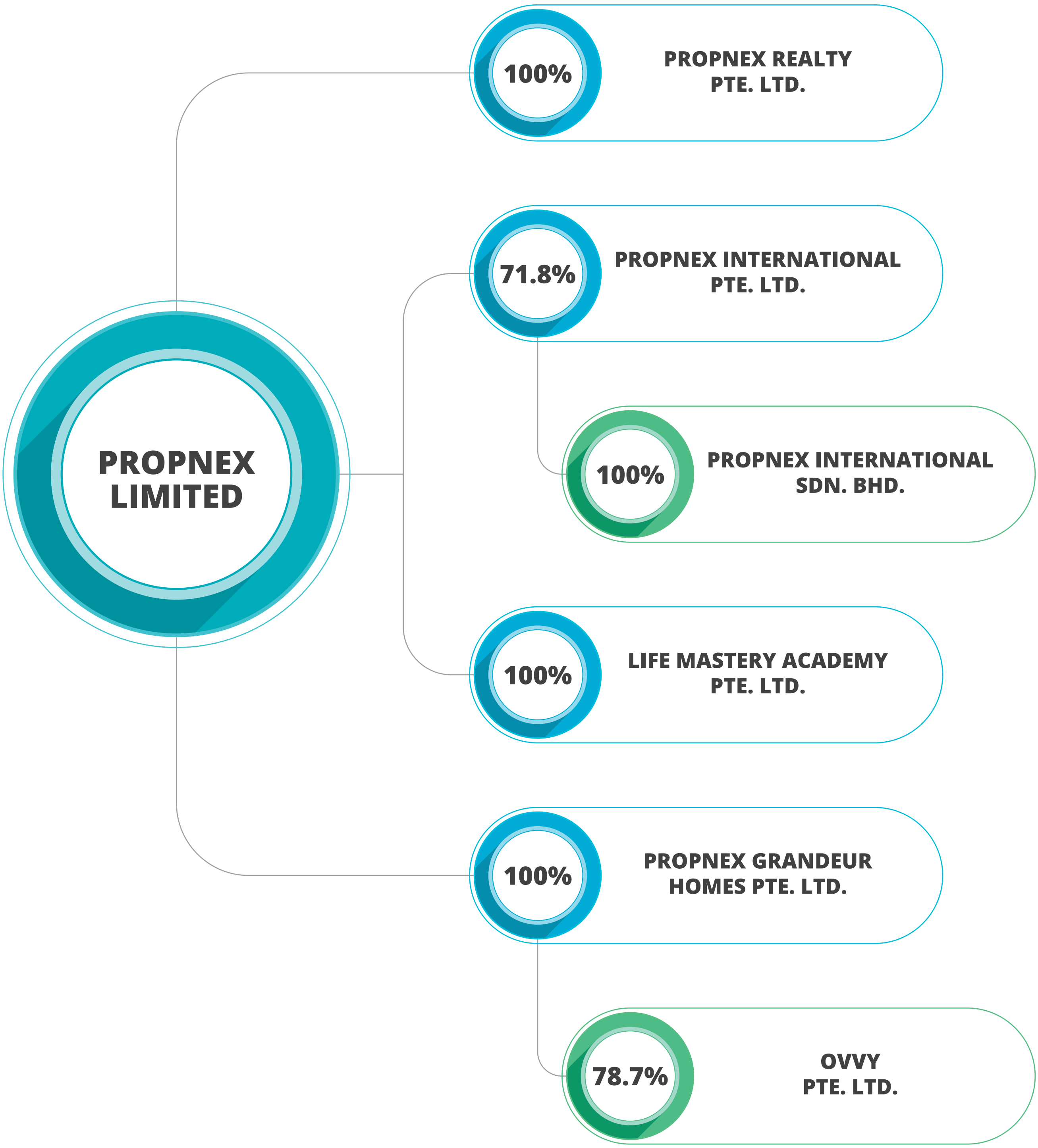
REAL ESTATE CONSULTANCY

We provide services in property valuation, corporate leasing, investment and collective sales and good class bungalows (“**GCB**”) and prestige landed. Specifically:

- **Property Valuation:** Professional valuation for all property types including advisory for mortgage valuation, corporate acquisition via asset or share transfers, initial public offerings, and special audit reviews.
- **Corporate Leasing:** Full suite of professional leasing solutions for corporate clients from marketing, managing and leasing of vacant properties for corporate landlords to sourcing of properties and managing tenancy for corporate tenants.
- **Investment and Collective Sales:** Consultancy for collective sale offerings in residential landed and non-landed properties, office buildings and industrial properties.
- **GCB and Prestige Landed:** A division formed in 2022 to look into new opportunities and expansion of market share in the ultra-exclusive landed homes segment in Singapore.

CORPORATE STRUCTURE

As at 31 December 2023



BREAKING NEW GROUNDS

Connecting with Consumers
Full attendance with over 2,000 participants at the PropNex Property Wealth System Masterclass organised by PropNex in April and September 2023.

PropNex Tree Planting Day 2023
Together with our salespersons, we planted 200 trees in 2023 as we commit to creating a more liveable environment.

PropNex Monopoly Championship 2023
Since 2022, over 10,000 registrants had taken part in our Monopoly Championships. In 2023, 37-year old project engineer, San Thit Aung, beat 109 other finalists to become the Grand Champion, bringing home the $108,000 prize money.

PropNex Management Team together with its salespersons, employees and guests, totalling 3,268 persons, broke the GUINNESS WORLD RECORDS title for the Most People Participating in a Lo Hei Salad Toss Simultaneously (in a single venue) at Marina Bay Sands in Singapore on 15 February 2024.

OUR MILESTONES

1996

- Incorporated **Nooris Consultants** Pte. Ltd. ("**Nooris**") and **Prulink Realty** Pte. Ltd. ("**Prulink**")

1999

- Founded First Class Consultants Pte. Ltd. with the **merger of Nooris and Prulink**

2000

- **PropNex officially incepted** with 3,000 salespersons
- First to introduce the **Dual Career Path**, a commission scheme model that was subsequently adopted by industry peers

2004

- Moved headquarters to **Toa Payoh HDB Hub** with an office space of 24,000 sq ft

2005

- A **presidential visit** to the headquarters by the late Singapore President SR Nathan and the First Lady on 20 July 2005

2006

- **Incorporated Life Mastery Academy** to provide training and courses for salespersons and the general public
- First and only real estate agency to form a **marching contingent**, representing Singapore's economic growth pillar, at the 41st National Day Parade

2008

- First in the industry to introduce **compulsory professional indemnity** insurance for all our salespersons to champion consumers' protection

2013

- Started the tradition of **contributing at least $500,000 annually** to the less fortunate and underprivileged children by PropNex and our salespersons
- **Introduced consumer seminars** to educate and empower home buyers and investors in Singapore

2016

- **First overseas expansion to Indonesia**

2017

- **Second overseas expansion to Malaysia**
- **Became Singapore's largest real estate agency** post-merger with Dennis Wee Group

2018

- **Listed on the Singapore Exchange Mainboard on 2 July 2018**
- **Third overseas expansion to Vietnam**
- Launched **PropNex Associate Healthcare Benefits Programme**, which provides medical benefits for all our salespersons and their dependants

2019

- Expanded into Consultancy Services by offering **Property Valuation, Corporate Leasing and Auction services**
- **First real estate agency to cross 8,000 salespersons,** solidifying our position as Singapore's largest real estate agency
- **Expanded headquarters** in Toa Payoh HDB Hub with additional office space of 12,800 sq ft

2020

- Further expanded Consultancy Services by adding **Research, Investment and Collective Sales**
- **Contributed $750,000** to charity, of which $250,000 was to help the needy who were affected by COVID-19 and frontline heroes

2021

- Formed the industry's first union for real estate salespersons, **PropNex Real Estate Salespersons' Chapter (Agents' Voice Matters)**
- First real estate agency to **cross 10,000 salespersons** in Singapore
- **Contributed more than $1 million to charity**
- **Fourth overseas expansion to Cambodia**

2022

- First real estate agency to cross **12,000 salespersons in Singapore**
- **Fifth overseas expansion to Australia**
- Contributed $1.34 million to Community Chest, totalling to a **cumulative amount of $5 million** raised by PropNex and our salespersons for charity, a year ahead of the initial schedule (2013 – 2023)

2023

- Completed a **one-for-one bonus issue that doubled** PropNex's share capital to 740 million shares
- Launched the **PropNex Leadership Masterplan**
- First in the real estate industry to hold a nationwide **PropNex Monopoly Championship** with over $300,000 in prizes

5-YEAR IPO ANNIVERSARY

OUR GROWTH JOURNEY 2019 TO 2023

01 Singapore's Largest Real Estate Agency
7,400 salespersons to **12,326**[1] salespersons

02 Leading Market Share[2]
- HDB Resale ↑ to 64.7% from 51.2%
- Private Resale ↑ to 65.8% from 45.0%
- New Launches ↓ to 47.9% from 48.0%
- Landed Resale ↑ to 49.7% from 35.7%
- Private Leasing ↑ to 35.9% from 28.5%

03 Rapid Regional Expansion
3 overseas offices to **23** offices across Asia Pacific

04 Yearly Record Performance
- Revenue CAGR **18.9%** to $838.1m from $419.8m
- Gross profit CAGR **16.3%** to $81.0m from $44.3m
- Profit attributable to owners CAGR **24.3%** to $47.8m from $20.0m

173.8% share price appreciation from IPO to $0.89 at 15 March 2024[3]

173.8% market capitalisation growth from $240.5m at IPO to $658.6m at 15 March 2024

12.9% average dividend yield per annum based on IPO price[3]

77.7% of IPO price paid out as accumulated dividends since IPO[3]

1. *The Council for Estate Agencies as at 15 March 2024.*
2. *The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. Source: Frost & Sullivan.*
3. *Adjusted for one-for-one bonus issue completed on 5 May 2023.*

AWARDS AND ACCOLADES

GROWTH

2023 Centurion Club Awards (The Edge Singapore)

- Overall Sector Winner – Real Estate
- Highest Returns to Shareholders over three years
- Highest Growth in Profit after Tax over three years
- Highest Weighted Return on Equity over three years

2023 Singapore's Fastest Growing Companies: #62 (The Straits Times and Statista)

2022 Centurion Club Awards (The Edge Singapore)

- Overall Centurion
- Overall Sector Winner – Real Estate
- Highest Returns to Shareholders over three years
- Highest Growth in Profit after Tax over three years
- Highest Weighted Return on Equity over three years

2020 Singapore's Fastest Growing Companies: #57 (The Straits Times and Statista)

2011 Enterprise 50 Awards: #2 (The Business Times and KPMG)

GOVERNANCE

2022 SIAS Investors' Choice Awards: Singapore Corporate Governance Award Winner, Mid Cap (SIAS)

2021 SIAS Investors' Choice Awards: Singapore Corporate Governance Award Runner-up, Small Cap (SIAS)

2020/21 Singapore Corporate Awards (Special Edition): Corporate Excellence and Resilience Award

2013 Asia Responsible Corporate Awards: People-Centric Award

BRAND EXCELLENCE

2023 Singapore's Best Employers: #38 (The Straits Times and Statista)

2023 Expat Living Readers' Choice Awards: Best Property Agency / Website (Silver winner)

2020 and 2019 Expat Living Readers' Choice Awards

2018 EdgeProp Singapore Excellence Awards: Marketing Agency Excellence Award

2017 ASEAN Real Estate Network Alliance: Best Real Estate Marketing Idea Award

2016 Top Business Space Leasing (Far East Organisation)

2016 Most Active Agency (Lease) of the Year (Ascendas-Singbridge)

2015 Asia Enterprise Brand Awards: Top Noveteur Award

2015 Influential Brand Winner: Top Real Estate Agency

2011 Asia Pacific Property Awards: Highly Commended Real Estate Agency

2008 to 2011 Reader's Digest Trusted Brand Gold Award

ACCREDITATIONS

2015 Singapore Service Class Certified

2015 Singapore Quality Class Certified

NEW LEADERSHIP

Unveiling the New Leadership Masterplan at the Mid-Year 2023 PropNex Convention

Kelvin Fong
Executive Director and Deputy Chief Executive Officer

Eddie Lim
Chief Agency Officer

Lee Li Huang
Chief Financial Officer

***Standing (L-R): Carolyn Goh** (Senior Director, Corporate Communications and Business Development), **Michael Koh** (Chief Technology Officer), **Josephine Chow** (Chief Operating Officer), **Alan Lim** (Co-founder), **Kenny Tan** (Senior Director, Branding and Marketing), **Lim Yong Hock** (Key Executive Officer), **Lee Li Huang** (Chief Financial Officer), **Alvin Tan** (Executive Director, PropNex International)*

***Seated (L- R): Benjamin Tan** (Agency Vice President, Business Strategy), **Ken Ng** (Agency Vice President, Business Development), **Marcus Luah** (Agency Vice President, Business Growth), **Ismail Gafoor** (Executive Chairman and CEO), **Kelvin Fong** (Deputy CEO), **Eddie Lim** (Chief Agency Officer), **Cijay Tew** (Agency Vice President, Training & Development), **Bobby Sng** (Agency Vice President, Leadership Development)*

Michael Koh
Chief Technology Officer

CHAIRMAN'S MESSAGE

Dear Shareholders,

It has been a fabulous five years since PropNex Limited ("**PropNex**", and together with its subsidiaries, the "**Group**") embarked on a momentous initial public offering ("**IPO**") on the Mainboard of the Singapore Exchange in 2018. From a smaller, privately held real estate agency, the Group has grown by leaps and bounds to become Singapore's largest listed real estate agency.

From just under 7,000 salespersons prior to listing, PropNex's team of 12,326[1] salespersons today makes up over 30% of all property agents in Singapore and captures an overall 62.5%[2] market share of the Private New Launches, Private Resale and HDB Resale residential segments. Moreover, PropNex is now present in five overseas markets – Indonesia, Malaysia, Vietnam, Cambodia and Australia – compared to three in 2018, with a sales force of 15,000 regionally including Singapore.

Between 2019 and 2023, our revenue and profit attributable to owners have grown at a compounded annual rate of 18.9% and 24.3% respectively. Our market capitalisation has grown 173.8%, from $240.5 million at listing to $658.6 million at 15 March 2024. On a total returns basis, PropNex has delivered 85.75[3] cents a share to shareholders since our IPO to 2023, reflecting total cumulative returns of 263.8% and annualised returns of 29.5%.

In recognition of our achievements, we were lauded among Singapore's top corporates in 2023. At The Edge Singapore's 2023 Centurion Club Awards, we bagged the Overall Sector Winner – Real Estate. We also won awards for the Highest Returns to Shareholders over three years, Highest Growth in Profit after Tax over three years and Highest Weighted Return on Equity over three years. Furthermore, we were ranked 62nd among Singapore's 100 Fastest Growing Companies and 38th among Singapore's 250 Best Employers in 2023, according to Statista and The Straits Times.

"We remain committed to returning value to our shareholders. On a total returns basis, PropNex has delivered 85.75 cents to shareholders since our IPO to 2023, reflecting total cumulative returns of 263.8% and annualised returns of 29.5%."

Changing Operating Landscape

But as we celebrate these milestones – and deservingly so – much has changed over the last five years. The world has since entered and exited COVID-19, the first pandemic of truly global proportions with far reaching consequences. Inflation has skyrocketed and remained heightened in many parts of the world, prompting central banks to keep monetary policy hawkish. Technological advancement has led to the advent of generative Artificial Intelligence ("**AI**"), which is revolutionising everything from generating content to producing works of art.

On the geopolitical front, the rivalry between the US and China has extended to include technology, apart from trade, disrupting global supply chains. Meanwhile, armed conflict has continued to flare up in Eastern Europe, and more recently, in the Middle East.

Despite this changing operating landscape, what is unlikely to change is the enduring demand for property. People still need homes to live in. People still invest in properties to safeguard and/or grow their wealth. We recognise these needs.

More importantly, property continues to be an attractive and reliable asset class given its propensities to appreciate over the long-term. According to statistics from relevant government bodies, the property price index of residential properties has hit 201.5 in 2023 from 40.3 in 1990[4]. On the other hand, the HDB resale price index has climbed to 180.4 in 2023 (Quarter 4) from 24.3 in 1990 (Quarter 1)[5]. These long-term trends emphasise the value of holding properties.

Empowered Leadership

To that end, during the financial year ended 31 December 2023 ("**FY2023**"), we proudly unveiled a slew of promotions from within to strengthen the Group's leadership team. These appointments reflect our long-term vision and foresight to future-proof PropNex in an evolving landscape. The team will work closely alongside myself to drive business growth for PropNex.

On 23 August 2023, Kelvin Fong, who has been and continues to be Executive Director, stepped up as Deputy Chief Executive Officer ("**Deputy CEO**"), while Eddie Lim was promoted to Chief Agency Officer from Senior Vice President.

Five outstanding team leaders, who stood out in their contributions to PropNex, also rose up the ranks. Bobby Sng assumed the role of Agency Vice President (Leadership Development), Cijay Tew was appointed as the Agency Vice President (Training & Development) and Marcus Luah took on the role of Agency Vice President (Business Growth). The three leaders were previously Senior Group Advisory Associate Directors. Also, Benjamin Tan was appointed as Agency Vice President (Business Strategy) while Ken Ng as Agency Vice President (Business Development). The two leaders were previously Senior Advisory Associate Branch Directors.

These promotions aside, the Group also onboarded new talent. On 3 April 2023, PropNex welcomed Lee Li Huang as the Group's Chief Financial Officer ("**CFO**") and Company Secretary. Li Huang was previously the CFO for two locally listed companies that operate in the hospitality and shipping industries.

1. *The Council for Estate Agencies as at 15 March 2024.*
2. *The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. This includes HDB Resale, Private Resale and New Launches. The industry data was retrieved from URA REALIS, HDB and Singapore's Open Data on 2 February 2024. Source: Frost & Sullivan.*
3. *Adjusted for one-for-one bonus issue completed on 5 May 2023.*
4. *https://www.ura.gov.sg/property-market-information/pmiResidentialTimeseries.*
5. *https://www.hdb.gov.sg/residential/selling-a-flat/overview/resale-statistics.*

The team's collective experience, coupled with a synergistic mindset, especially one cultivated with PropNex through the years, has given us the added wisdom, flexibility and nimbleness to stay ahead of the curve.

As Deputy CEO, Kelvin is leading PropNex's Singapore agency, operations and strategies alongside me, and overseeing the Group's training development curriculum. He is also working closely with Michael Koh, our Chief Technology Officer, to administer the development of IT strategies and technology innovations with the objective to improve the Group's competitive edge in the industry.

On the other hand, Eddie is working closely with Kelvin and the leaders of the sales teams to set out strategic plans to improve the scale, productivity and efficiency of the sales teams at PropNex. He is also overseeing capabilities building and career development of the team leaders. The five Agency Vice Presidents, meanwhile, are supporting Kelvin and Eddie through their respective portfolios.

Innovating to Stay Relevant

Under the enhanced leadership team, PropNex aims to further leverage technology to our advantage. We recognise that technology – when used effectively and efficiently – can derive significant benefits for the Group.

Through the PropNex Investment Suite and PropNex Business Suite apps, our salespersons can generate prospects, streamline tasks and run market trends analysis on the go using real-time data, enabling us to enhance the unique value proposition we offer to prospective homebuyers and rental seekers.

At the same time, the focus on technology does not relegate the importance of continuously developing our salespersons. The ongoing improvement in the professionalism and knowledge of our salespersons is equally important, if not more so. In that regard, PropNex will continue to train and equip salespersons at our annual large-scale Conventions, PropNex Bootcamps and monthly training sessions to ensure our salespersons are on top of the latest market trends.

In addition to knowledge, we also nurture a healthy, positive mental attitude and fortitude through our *'I Am Good Enough'* and *'I Can'* campaigns, which serve to motivate and inspire our salespersons, employees and even our clients. Through these programmes, we affirm one's self-worth that you are good enough no matter how you feel and that you can breakthrough in your performance if you believe you can. I am very happy to note that we have received good traction in these campaigns since we rolled them out.

A Resilient Performance

Buying sentiment in the local property market cooled substantially in 2023 from property curbs since December 2021, lingering macroeconomic uncertainties and high interest rates. This was reflected by new private homes sales falling to a 15-year low in 2023 even though substantially more units were launched.

While PropNex achieved a stronger performance in the second half of 2023, it was not enough to compensate for the subdued demand. On a full year basis, our revenue fell 18.6% year-on-year ("**YoY**") to $838.1 million due to fewer number of transactions completed for both agency and project marketing services, while profit attributable to owners declined 23.3% YoY to $47.8 million in FY2023.

Nevertheless, our FY2023 performance was resilient as our market share for the residential segment remained strong at 62.5% despite challenges, thanks to the hard work of our management and sales teams to deliver results.

"With the newly bolstered leadership team, PropNex has been working hard to level up ahead. Their collective experience, coupled with a synergistic mindset, especially one cultivated with PropNex through the years, has given us the added wisdom, flexibility and nimbleness to stay ahead of the curve."

To thank shareholders and as a signal of our confidence in our business, the Board of Directors proposed a final cash dividend of 3.5 cents a share, bringing total dividend to 6.0 cents a share in FY2023. This reflects a payout ratio of 92.9% of our FY2023 profit attributable to owners and a dividend yield of 6.5% (based on share price at 31 December 2023).

With signs of the housing market gaining stability, we may see a return in buying sentiment in 2024, supported by the projected growth in Singapore's economy, the potential moderation of interest rates and new launches coming to the market.

Based on our 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. We anticipate new private home sales to range between 7,000 to 7,500 units (excluding Executive Condominiums), while private resale volume may come in at around 13,000 to 14,000 units. Meanwhile, we expect market uncertainties and increasing price resistance among buyers to keep the HDB resale price movements measured with a projected price increase between 4% to 5%. HDB resale volume should remain stable at around 26,000 to 27,000 units in 2024 as this segment caters to the masses.

To better position PropNex for opportunities, we plan to expand our current sales force - which accounts for a third of all real estate agents in Singapore and is the largest in the local market - to 15,000 by 2026.

PropNex has consistently been the foremost choice in project marketing for property developers given our stronger network and higher productivity which allowed us to close 47.9% of New Launches in 2023. To strengthen our market position, we will step up our information technology development and training programmes to further enhance organisation-wide productivity.

Appreciation

In closing, I want to thank the management team and all our salespersons for continuing to represent our brand, our commitment to provide homeowners and owners-to-be with service that they trust, as well as our corporate and sustainability values with pride and conviction. Let us continue to fly the PropNex flag high as we journey on as Singapore's largest listed real estate agency.

I also want to express my appreciation to my fellow Directors of the Board for their wise guidance and counsel during the year.

Lastly, I want to thank our shareholders for continuing to believe and to trust in us. We look forward to having you onboard in this next chapter of our growth journey.

Mr Ismail Gafoor
Executive Chairman and Chief Executive Officer

DEEP DIVE WITH DEPUTY CEO

1 What are your plans to lead PropNex closer to Vision 2026?

It has been over eight months since I took on the role of Deputy CEO. The journey thus far has been daunting yet fulfilling. Weak home buying sentiment last year was a challenge and yet we were able to grow our overall market share from 60.2% in FY2022 to 62.5%[1] in FY2023. But we aspire to be better.

As PropNex charts its course towards Vision 2026, my primary objective is to upsize our team to 15,000 salespersons and with it, level up our sales productivity and market share meaningfully.

With this in mind, our three strategic growth pillars center on cultivating the next-generation leaders, empowering a more tech-savvy and high-performing salesforce, and enriching our professionalism through bespoke trainings.

There is a huge talent pool and strong leadership calibre within our organisation, many of whom have accumulated extensive and valuable hands-on experience in the property market like me. For PropNex to be truly future-ready, I see the importance of providing opportunities for such talents to step up as new leaders and inspire the next-gen of PropNexians. By nurturing such leaders, I believe we can better position ourselves to meet the challenges of an evolving business landscape to ensure the continuity and sustained success of PropNex.

2 Why do you place such a strong emphasis on technology?

The property industry is transforming due to the proptech revolution, which has led to innovative solutions while disrupting traditional practices. From virtual property tours to blockchain-enabled transactions to the use of Artificial Intelligence ("**AI**") for market analysis, proptech is providing data-driven insights and revolutionising operational efficiency for industry players.

As technology advances, property agents must adapt and leverage these trends to thrive in an increasingly digital landscape. As a trail-blazer in the property space, PropNex is whole-heartedly embracing technology-driven strategies and staying abreast of emerging trends to maintain our market relevance and competitiveness in this rapidly evolving sector.

To this end, our IT team had successfully developed two cutting-edge apps, PropNex Investment Suite and PropNex Business Suite, that have allowed our salespersons to transact deals efficiently on digital platforms for years. These apps include features such as collaborative listing generation, administrative and compliance matters, as well as financial and analytical tools.

In 2023, we made a game-changing move to integrate AI and ChatGPT into the PropNex Business Suite, giving it advanced functionalities that include AI-powered unique descriptions and the capability to create bite-sized factsheets for enhanced social media outreach and customer re-engagement. With the AI upgrade, PropNex Business Suite is now an even faster and more powerful tool for us to advise and connect with our customers. It also improves synergy within our large sales network, thus shortening the time taken for us to close transactions.

Looking ahead, PropNex will continue to keep a strong emphasis on technology to ensure that our salespersons are future-ready and armed with tools to provide fast, accurate and real-time data for our customers to make informed property investment decisions.

1. *The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. This includes HDB Resale, Private Resale and New Launches. The industry data was retrieved from URA REALIS, HDB and Singapore's Open Data on 2 February 2024. Source: Frost & Sullivan.*

3 PropNex invests significant time and effort in developing training resources. Why is there so much focus on it?

Give a man a fish, and you feed him for a day. But teach a man to fish and you feed him for a lifetime - I have always believed in this maxim. This is why we invest significant resources to continually develop the knowledge and skills of our salespersons as well as the support systems by PropNex, so that they can confidently put their best foot forward when serving our customers.

PropNex's training programmes, which are meant only for our salespersons, are highly-regarded by the market as they are specially developed by the Group's top-performers in each property segment. Our training roadmaps cover beginners' 101 guides and workshops to masterclasses and bootcamps. But what cuts through them all is the sharing of invaluable case studies and hands-on experiences gleaned from the trainers' decades as elite sales veterans in PropNex. In 2023, we held 12 Bootcamps and 33 exclusive-to-PropNex training courses.

In addition, we invest considerable resources in consumer seminars to empower the public with knowledge on property ownership and investment. Often these platforms are conducted personally by Ismail or me, and serve as a boost to our salespersons since additional consumer touchpoints and/or leads are established at these events. In 2023, we had 93 consumer seminars that included ever-popular workshops such as the Property Wealth System Masterclass, SG Property XPO, and the New Homeowners XPO that were attended by thousands of homeowners and homeowners-to-be.

When I see our top-performing salespersons dedicate their time, often during the weekends, to conduct sales training and classes for their teammates, it clearly brings home our strong culture of sharing and giving, where everyone is offered the guidance to thrive and flourish in their roles.

4 What makes PropNex stand out?

I believe our corporate culture of sharing and giving is unique to PropNex, and our values **C.A.R.E.** encapsulate this.

Age, gender, ethnicity and school grades does not matter in our Company. Everyone is on a level playing field with ample and equal opportunities for career progression. We provide the foundation to develop each individual's professional and personal growth. Through our training and mentorship programmes, along with our technology tools, we equip them with the necessary skills and build their competencies throughout their careers. This is aligned to our values where we strongly encourage **C**ontinuous self-improvement and **A**utonomy and entrepreneurship among our people.

Respect and concern for individuals is another core value, and this culture is apparent among our team of over 12,000 salespersons. We are a close-knit and fun-loving group despite our size, and there is always a sense of camaraderie, team energy and mutual support among PropNexians, from the C-suites down to our most junior salespersons.

Our culture is one where **E**thics, honesty, and integrity leads in all aspects of our business as trust is the bedrock of PropNex. We understand that, while it is difficult to win, trust is all too easy to lose. Hence, in dealing with our customers and other stakeholders, we make sure that we provide them with service they trust.

Kelvin Fong
Executive Director and Deputy Chief Executive Officer

BOARD OF DIRECTORS

MR MOHAMED ISMAIL S/O ABDUL GAFOORE

Co-founder, Executive Chairman and Chief Executive Officer

First Appointed: 10 January 2018
Last Re-elected: 25 April 2022

Mr Ismail has a deep understanding of the real estate industry gained through close to 30 years of ground experience. He steers the Group's strategic direction and oversees its business operations, including compliance, finance, human resources, marketing and operations.

Prior to joining the real estate industry and founding Nooris Consultants Pte. Ltd. in 1996, Mr Ismail served as an officer in the Singapore Armed Forces and continued service to the nation as part of the military reserve force before retiring as a Colonel in 2019 with his last appointment as the Chief of Staff for the 9th Infantry Division.

Currently, Mr Ismail is the President of the Spirit of Enterprise and a Member of the MENDAKI Education Trust Fund Committee. He had previously served as the President of the Institute of Estate Agents from 2010 to 2012, and a Member of the Lifelong Learning Council and the Advisory Council on Community Relations in Defence. He was conferred the Entrepreneur of the Year 2004 by the Singapore Malay Chamber of Commerce & Industry, Overall Indian Entrepreneur of the Year 2008 by the Singapore Indian Chamber of Commerce and Industry and Entrepreneur of the Year 2015 by the Spirit of Enterprise.

Mr Ismail holds a Bachelor of Land Economics (Honours) and an IBMEC Higher Diploma in Real Estate & Property Management from University of Technology Sydney, Australia.

MR KELVIN FONG KENG SEONG

Executive Director and Deputy Chief Executive Officer

First Appointed: 13 June 2018
Last Re-elected: 25 April 2023

Mr Fong, who joined the Group in 2002, brings with him over 20 years of real estate experience. He has been an Executive Director of the Company since June 2018 and was appointed as the Deputy Chief Executive Officer in August 2023.

As Deputy Chief Executive Officer, Mr Fong assists the Chief Executive Officer in strategic planning and managing all aspect of the Group's business. He administers the development of information technology strategies and technology innovations to improve the Group's competitive edge in the real estate industry. He also oversees the Group's training and development curriculum and spearheads the sales and leadership training programmes. He is the curator of the signature bootcamps that empower close to 2,000 salespersons annually together with other team leaders.

Prior to joining the management team, Mr Fong was one of the Group's top team leaders and his team of salespersons had a strong track record for outstanding sales performance and excellent customer service.

Mr Fong holds a Bachelor of Business Administration from La Trobe University, Australia and a Diploma in Electronics Engineering from Singapore Polytechnic.

DR AHMAD BIN MOHAMED MAGAD

Lead Independent Director

First Appointed: 13 June 2018
Last Re-elected: 25 April 2022

Committees:
Remuneration Committee (Chairman), Audit Committee and Nominating Committee

Dr Magad is currently Principal Consultant of Dynavision Advisory and the Independent Non-Executive Chairman of Second Chance Properties Ltd.

He was formerly Executive Director of Management Development Institute of Singapore, Secretary General of Singapore Manufacturing Federation and Group Managing Director of II-VI Infrared (IR) Optics Manufacturing Operations in Asia, with facilities in Singapore, China, Vietnam and the Philippines. He was a Member of Parliament for 15 years and had extensive experience serving as Chairman of several Government Parliamentary Committees and as Board Member in a number of Statutory Boards.

Dr Magad holds a Doctorate in Business Administration from Brunel University, United Kingdom, and a Master of Business Administration and an Advanced Post-Graduate Diploma in Management Consultancy from Henley Business School, United Kingdom. He is also a Fellow of the Certified Practising Accountants (Australia) and a Fellow of the Chartered Institute of Marketing (United Kingdom). He is also a Distinguished Fellow of the Management Development Institute of Singapore and a Fellow Member of the Singapore Institute of Directors.

MR KAN YUT KEONG

Independent Director

First Appointed: 13 June 2018
Last Re-elected: 28 April 2021

Committees:
Audit Committee (Chairman), Remuneration Committee and Nominating Committee

Mr Kan is currently an Independent Director of Nam Cheong Limited.

He has over 35 years of experience in professional accounting, corporate finance and consulting in Asia and the United Kingdom. He joined PricewaterhouseCoopers Singapore after qualifying as a Chartered Accountant in the United Kingdom. He was instrumental in the formation of the corporate advisory practice and the incorporation of PricewaterhouseCoopers Corporate Finance Pte. Ltd. which holds a Capital Market Services Licence from the Monetary Authority of Singapore. He was the Managing Director of PricewaterhouseCoopers Corporate Finance Pte. Ltd. until his retirement in June 2014. He previously served as Member of the Competition and Consumer Commission of Singapore and of the Securities Industry Council.

Mr Kan holds a Bachelor of Economics from University of Hull, United Kingdom. He is also a Member of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants.

BOARD OF DIRECTORS

MR LOW WEE SIONG

Independent Director

First Appointed: 13 June 2018
Last Re-elected: 25 April 2023

Committees:
Nominating Committee (Chairman), Audit Committee and Remuneration Committee

Mr Low is currently in legal practice as a Partner with Wong Partnership LLP. His main areas of practice are mergers and acquisitions and corporate finance.

Mr Low has been regularly recognised as a recommended lawyer in The Legal 500: *Asia Pacific – The Client's Guide to the Asia Pacific Legal Profession* rankings for Capital Markets and Banking and Finance.

He holds a Master of Laws from King's College London, a Bachelor of Laws from National University of Singapore and a Bachelor of Accountancy from Nanyang Technological University. He is an advocate and solicitor of the Supreme Court of Singapore, a solicitor on the Roll of Solicitors of England and Wales and a Chartered Accountant of Singapore. He is also accredited as a Senior Accredited Director by the Singapore Institute of Directors.

MANAGEMENT TEAM

MR ALAN LIM TOW HUAT

Co-founder

Mr Lim has accumulated a wealth of real estate experience after spending over 33 years of his career in the industry. As a Co-founder of the Group, he is responsible for formulating the Group's corporate strategies, evaluating potential business development opportunities and growing the business portfolio. He also oversees the recruitment of salespersons and conducts regular trainings in the overseas franchise offices.

Over the years, Mr Lim's expertise in assisting salespersons and team leaders in improving their sales performance had contributed to the rapid growth of the Group. Notably, Mr Lim had developed the Group's "Dual Career Path" scheme together with the other Co-founders. Prior to co-founding the Group, he was the founder of Prulink Realty Pte Ltd and Linkvest Realty Pte Ltd.

Mr Lim holds a Diploma in Electrical Engineering from Singapore Polytechnic.

MR LIM YONG HOCK

Key Executive Officer, PropNex Realty Pte Ltd

Mr Lim is in charge of the agency operations' compliance and governance in Singapore and he oversees the real estate franchise business in the region. As part of his role, he conducts trainings for all the salespersons, including those in the overseas franchise offices.

He joined the Group in April 2006 as a Marketing, Recruitment and Training Manager and rose through the ranks to his current position as the Key Executive Officer of PropNex Realty Pte Ltd. Prior to joining the Group, he was a team leader heading a team of real estate salespersons in other agencies from 1994 to 2006.

Mr Lim holds a Diploma in Business Administration from Thames School of Commerce, Singapore and a Diploma in Electronic Engineering from Ngee Ann Polytechnic.

MANAGEMENT TEAM

MS JOSEPHINE CHOW

Chief Operating Officer

Ms Chow oversees the Group's operations comprising, among others, Human Resource, Associate Affairs, Information Technology and Internal Controls. As part of her responsibilities, she also formulates the Group's corporate direction, policy and strategy as well as leads, directs and oversees the implementation of its human resource and service operations best practices and franchise operations.

She began her career with the Group in 2004 as a fresh university graduate and moved up the ranks over the years to her current role.

Ms Chow holds a Bachelor of Business Administration (Merit) from National University of Singapore.

MS LEE LI HUANG

Chief Financial Officer

Ms Lee, who joined the Group in April 2023, is responsible for the financial accounting and reporting of the Group's business. She also oversees the Group's treasury functions and compliance with regulatory bodies as well as the day-to-day functioning of the finance and accounting operations, internal controls, taxation, corporate secretarial and financial reporting matters.

She has more than 25 years of diversified financial experience in locally-listed companies in various industries such as real estate, shipping and construction. Prior to joining the Group, she was the Chief Financial Officer of Stamford Land Corporation Ltd, Singapore Shipping Corporation Limited and GDS Global Limited.

Ms Lee holds a Bachelor of Accountancy (Honours) from Nanyang Technological University and is a Member of the Institute of Singapore Chartered Accountants.

MR EDDIE LIM

Chief Agency Officer

Mr Lim, who joined the Group in 2013, was promoted to Chief Agency Officer in August 2023. He oversees the Group's real estate agency business covering Training and Recruitment and Associate Affairs Departments. Working closely with the Deputy Chief Executive Officer, he formulates strategic plans to improve the scale, productivity and efficiency of the Group's teams of salespersons. He also manages the capabilities building and career development of the team leaders. This includes developing the comprehensive PropNex Training Roadmap to enable salespersons to develop a more in-depth and holistic core expertise so as to remain relevant and value-add to the consumers in the marketplace.

Mr Lim is a certified salesperson with 13 years of real estate experience. He is an Executive Council Member and Treasurer of the Singapore Estate Agents Association. Mr Lim has an Advanced Certificate in Training Assessment.

MR MICHAEL KOH

Chief Technology Officer

Mr Koh, who joined the Group in 2018, was promoted to Chief Technology Officer in July 2023. He is responsible for developing digital marketing solutions and enhanced business tools for salespersons to improve their productivity and efficiency. He is also in charge of enhancing and strengthening the Group's information technology capabilities to be at the forefront in the real estate industry.

He has over 15 years of information technology expertise geared at the real estate industry as he had worked with a large number of real estate salespersons in Singapore and Malaysia. Prior to joining the Group, he was an entrepreneur working mainly on developing real estate digital solutions for realtors since 2009.

Mr Koh holds a Diploma in Business Studies from Ngee Ann Polytechnic.

MANAGEMENT TEAM

MR ALVIN TAN

Executive Director, PropNex International Pte Ltd

Mr Tan has over 22 years of working experience in the real estate industry. As part of his responsibilities, he oversees the entire project marketing division and is responsible for all local and overseas residential and commercial and industrial projects, including a track record of numerous luxury and mass market condominiums marketed by the Group.

Prior to joining the Group in 2016, he was a Senior Director with Savills (Singapore) Pte Ltd for 14 years where he marketed both local and overseas properties around the region.

Mr Tan holds a Master of Science (Real Estate) from National University of Singapore and a Bachelor of Science (Construction Management) from The University of Manchester, United Kingdom.

MR KENNY TAN

Senior Director, Branding and Marketing

Mr Tan, who joined the Group in September 2021, leads the Group's Branding and Marketing Department where he drives marketing campaigns and initiatives aimed at enhancing the Group's brand presence and market position. He is responsible for formulating the Group's marketing strategies and leading his team of diverse professionals in the successful execution of the marketing strategies.

He brings with him close to 20 years of experience in the real estate sector and is a certified salesperson. Before joining the Group, he held several senior management roles at ERA Realty Network Pte Ltd (a subsidiary of APAC Realty Limited) that included the role of Senior Director (Sales and Recruitment) and Senior Vice President (Digital Marketing & Training).

Mr Tan holds a Master of Business Administration from Murdoch University, Australia, and a Diploma in Electrical Engineering from Ngee Ann Polytechnic.

MS CAROLYN GOH

Senior Director, Corporate Communications and Business Development

Ms Goh, who joined the Group in 2011, manages the Group's corporate communications. She is also responsible for media relations, partnerships, corporate social responsibility and franchise business development.

She brings with her over 20 years of experience and expertise in marketing and corporate communications gleaned from award-winning hotels in Singapore and a short stint in real estate sales.

Ms Goh holds a Bachelor of Arts from National University of Singapore and a Postgraduate Diploma in Marketing and Communications from Marketing Institute of Singapore.

ACCOLADES

2023 Centurion Club Awards
(The Edge Singapore)

THE EDGE SINGAPORE
BILLION DOLLAR CLUB 2023
CENTURION CLUB

Highest Returns to Shareholders Over Three (3) Years
Real Estate Companies

Highest Growth in PAT Over Three (3) Years
Real Estate Companies

Highest Weighted ROE Over Three (3) Years
Real Estate Companies

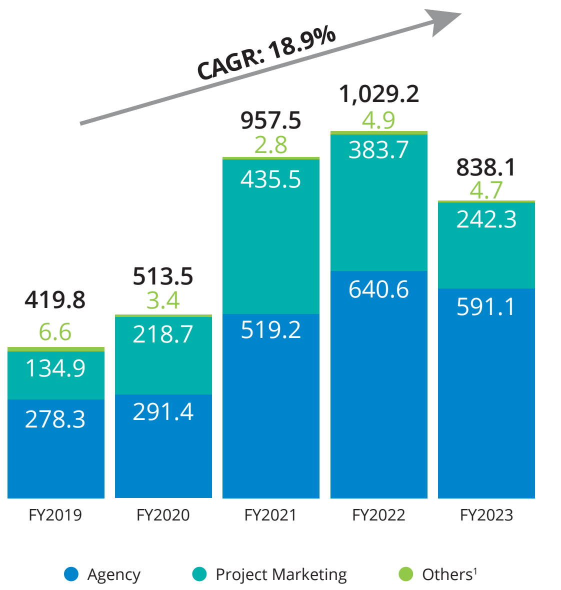
Overall Sector Winner
Real Estate Companies

2022 SIAS Investors' Choice Awards

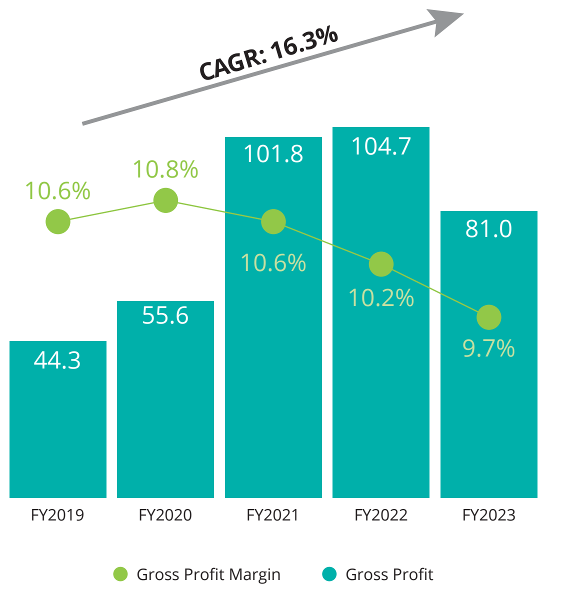
2023 Centurion Club Awards
(The Edge Singapore)

FINANCIAL HIGHLIGHTS

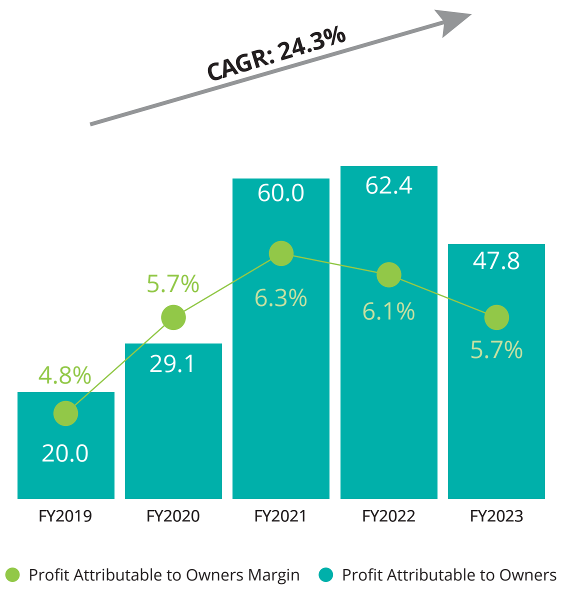
REVENUE ($'m)



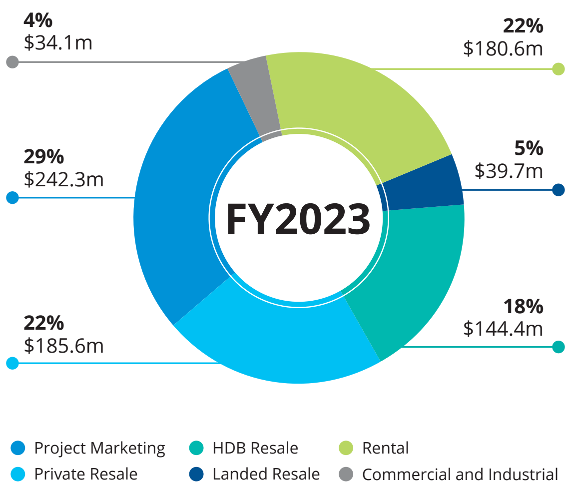
GROSS PROFIT ($'m)



PROFIT ATTRIBUTABLE TO OWNERS ($'m)

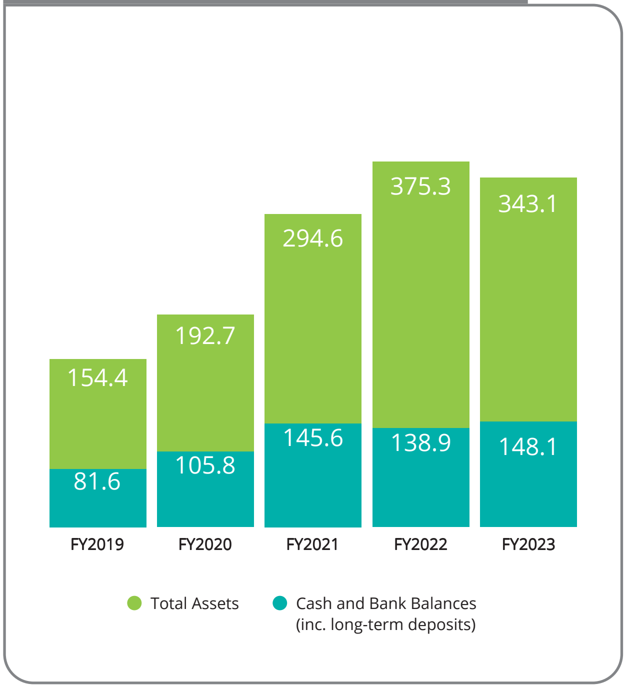


CONTRIBUTION BY PROPERTY SEGMENTS (%)

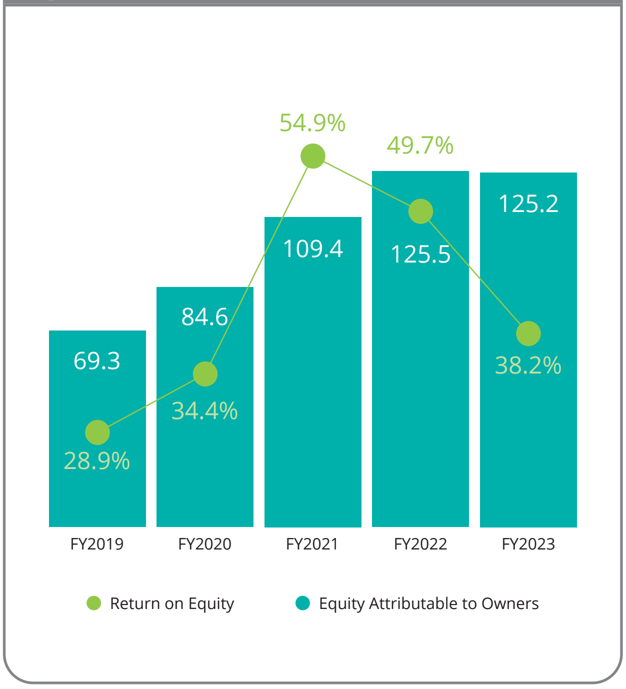


1. *Others consists of administrative support fee income, courses and related fee income from training services, technology platform income from services providers and dividend income.*

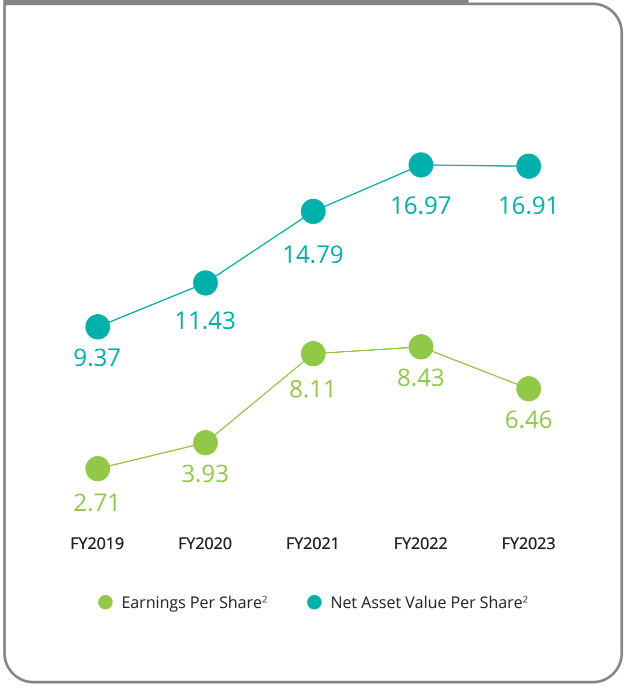
CASH AND BANK BALANCES ($'m)



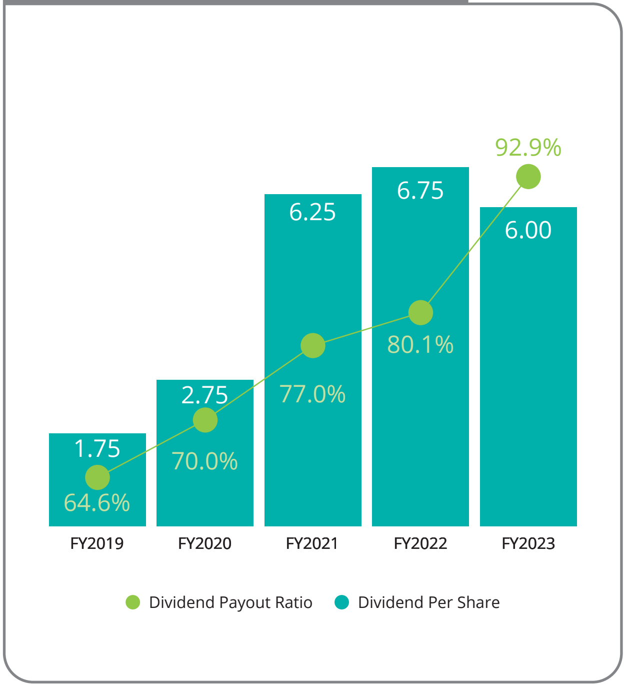
EQUITY ATTRIBUTABLE TO OWNERS ($'m)



PER SHARE DATA (¢)



DIVIDEND PER SHARE[2] (¢)



2. *Adjusted for one-for-one bonus issue completed on 5 May 2023.*

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL REVIEW

PropNex Limited ("**PropNex**", or the "**Company**", and together with its subsidiaries, the "**Group**") reported a modest set of results for the financial year ended 31 December 2023 ("**FY2023**") as buying sentiment and transaction volumes cooled amid rounds of property curbs since December 2021, higher interest rates and macroeconomic uncertainties.

Against this landscape, the Group's revenue fell by 18.6% from $1,029.2 million in the financial year ended 31 December 2022 ("**FY2022**") to $838.1 million in FY2023 due to fewer number of transactions completed for both agency and project marketing services. In FY2023, commission income from agency services declined 7.7% to $591.1 million while commission income from project marketing services fell 36.9% to $242.3 million. This compared to $640.6 million and $383.7 million respectively a year ago.

The Group's cost of services decreased by 18.1% from $924.5 million in FY2022 to $757.1 million in FY2023, as commission cost to salespersons decreased in line with the lower revenue. Gross profit decreased by 22.6% from $104.7 million in FY2022 to $81.0 million in FY2023 for the same reason.

In FY2023, finance income more than tripled to $4.5 million from $1.2 million a year ago mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placements. Meanwhile, other income decreased by 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.

The Group made a reversal of derecognition of trade payables arising from impaired trade receivables collected in FY2023 of $5.9 million. As a result, other expenses increased 48.4% to $19.4 million in FY2023 compared to $13.1 million a year ago. Upon collection, the Group also reversed impairment losses on trade and other receivables of $6.8 million in FY2023 against impairment losses of $8.3 million in FY2022.

As a result of the abovementioned factors, profit attributable to owners declined by 23.3% to $47.8 million in FY2023.

Financial Position and Cash Flows

The Group remained in a healthy financial position supported by its asset light and strong cash-generating business model. It was debt-free with cash and bank balances (including long-term deposits) of $148.1 million as at 31 December 2023. Meanwhile, net cash from operating activities improved to $58.3 million in FY2023 from $51.4 million a year ago.

Capital Returns to Shareholders

PropNex delivered capital returns to shareholders at a steady pace over the course of FY2023. The Board of Directors had proposed a final cash dividend of 3.5 cents a share payable on 10 May 2024. Along with the interim cash dividend of 2.5 cents a share paid on 4 September 2023, total dividend was 6.0 cents a share in FY2023, reflecting a yield of 6.5%[1] and payout ratio of 92.9% of the Group's profit attributable to owners.

In May 2023, the Company completed a one-for-one bonus issue, which doubled its issued share capital to 740 million ordinary shares. The bonus shares were listed and quoted on the Singapore Exchange Securities Trading Limited on 9 May 2023. With this, the Group's trading liquidity improved substantially with average daily trading volume more than doubling against 2022.

At the same time, the Group's share value has grown by 186.2% to 93.0 cents as at 31 December 2023 over its initial public offering ("**IPO**") price of 32.5[2] cents. On a total returns basis, the Group has paid/declared total dividends of 85.75[2] cents a share to shareholders since its IPO to 2023, reflecting total cumulative returns of 263.8% and annualised returns of 29.5%.

1. *Based on share price as at 31 December 2023.*
2. *Adjusted for one-for-one bonus issue completed on 5 May 2023.*

FINANCIAL AND OPERATIONS REVIEW

OPERATIONS REVIEW

Management and Sales Team

PropNex's salesforce increased from 11,667 salespersons as at 1 January 2023 to 12,326[3] salespersons as at 15 March 2024, maintaining its status as Singapore's largest listed real estate agency with over 30% of all real estate salespersons under its brand.

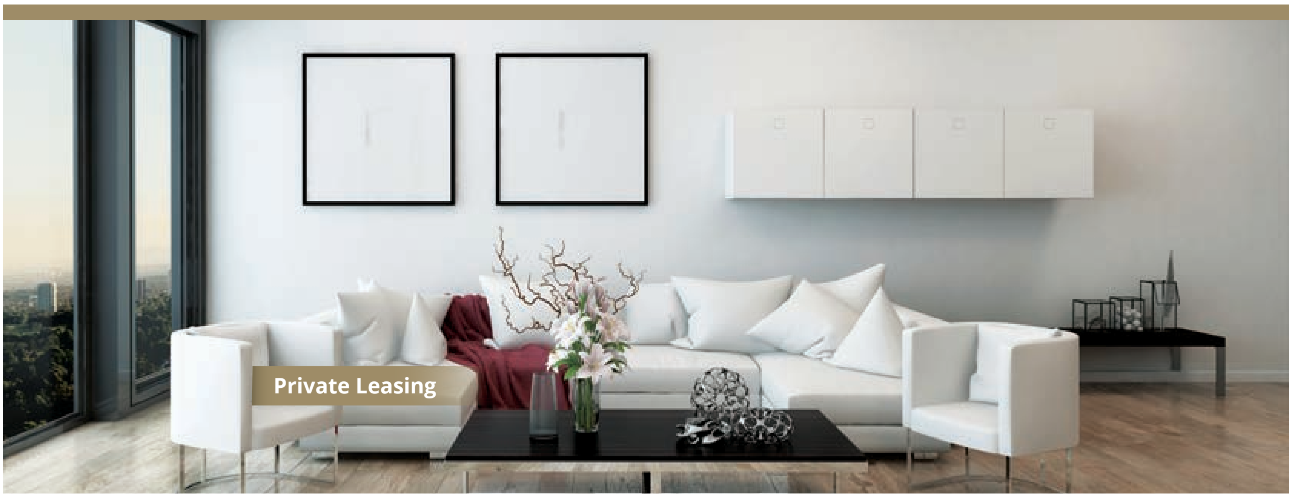
In August 2023, the Group positioned itself to better capture business opportunities with a fortified leadership team who will work closely alongside Executive Chairman and Chief Executive Officer, Ismail Gafoor.

Property Market Overview

Since late 2021, there had been several property cooling measures implemented in quick succession by the Singapore government to foster a stable and sustainable property market. These curbs, along with elevated interest rates and a fragile macroeconomy, have resulted in increased caution among potential home buyers, and lower property sales volumes in 2023.

Singapore's muted property market was reflected by new private homes sales falling to a 15-year low in 2023 even though more units were launched. Excluding Executive Condominiums ("**EC**"), developers sold 6,421 new private homes in 2023, down 9.6% from 7,099 units sold in 2022, marking the lowest annual take-up rate since 2008 when 4,264 units were sold. This was despite developers launching about 66.8% more stock in 2023 with 7,551 uncompleted new units, compared with 4,528 units in 2022.[4]

Under the resale market, transactions for private homes declined 19.2% to 11,329 units in 2023 from the 14,026 units resold in 2022[4] while volumes for Housing and Development Board ("**HDB**") flats tapered off by 4.2% to 26,735 units from the 27,896 units transacted in 2022[5].



Private Leasing

Singapore Property Xpo 2023

Overall private home prices increased by 6.8% in 2023 but the pace of price growth has moderated from 8.6% in 2022. Likewise, prices of landed properties rose 8.0% year-on-year ("**YoY**") while prices of non-landed properties were up 6.6% YoY, moderating from the respective increases of 9.6% and 8.1% in 2022.[4] In the public housing market, HDB resale prices rose by 4.9% in 2023, slowing from the 10.4% growth in 2022.[5]

Meanwhile, the rise in private home rentals also slowed significantly to 8.7% YoY in 2023 compared to the 29.7% increase in 2022.[4] 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.

Despite such conditions, PropNex still retained its leading market share[6] in key property segments with the Group capturing 62.5%[7] of the residential market in FY2023, compared to 60.2% in FY2022.

PropNex Market Share (%)	FY2023	FY2022
HDB Resale	64.7%	65.1%
Private Resale[8]	65.8%	59.0%
New Launches	47.9%	47.4%
Landed Resale	49.7%	47.1%
Private Leasing	35.9%	37.3%

Training and Technology

Training continued to be a focal area for PropNex. To hone professionalism and knowledge, the Group conducted 33 curated training courses along with 12 signature PropNex Bootcamps and two large-scale PropNex Conventions in 2023 - all exclusive only to PropNex salespersons.

Separately, training and courses for aspiring and practising real estate salespersons were conducted through the Group's CEA-accredited training academy unit. Meanwhile, the Group continued to lead the market in consumer education with 93 seminars conducted in FY2023 that empowered the public with knowledge on real estate ownership and investment.

The use of technology was stepped up to enhance data speed and accuracy, sales productivity and service quality enterprise-wide. In FY2023, the Group incorporated Artificial Intelligence into its proprietary PropNex Business Suite App, allowing its salespersons to create marketing tools with a few taps on their phones. The time saved in such tasks were re-channelled toward client engagement and servicing.

3. The Council of Estate Agencies as at 15 March 2024.
4. Urban Renewal Authority and PropNex as at 26 January 2024.
5. Housing and Development Board and PropNex as at 26 January 2024.
6. The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. The industry data for 2023 was retrieved from URA REALIS, HDB and Singapore's Open Data on 2 February 2024, while the industry data for 2022 was retrieved in February-March 2023. Source: Frost & Sullivan.
7. This includes HDB Resale, Private Resale and New Launches.
8. This includes EC, landed and non-landed property transactions.

SUSTAINABILITY REPORT
ABOUT THIS REPORT

This is PropNex Limited's ("**PropNex**" or the "**Company**") sixth annual Sustainability Report (the "**Report**"), summarising our policies, practices, targets and performance on material environmental, social and governance ("**ESG**") factors for the financial year ended 31 December 2023 ("**FY2023**"). The scope of the Report encompasses the real estate brokerage business in Singapore, covering the operations through PropNex Limited, PropNex Realty Pte. Ltd. ("**PropNex Realty**") and PropNex International Pte. Ltd. ("**PropNex International**").

The Report has been prepared in line with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Mainboard Listing Rules 711A and 711B and with reference to the Global Reporting Initiative ("**GRI**") Standards (2021). The GRI Standards were selected as the reporting framework as it is an internationally recognised reporting framework containing widely accepted guidelines and principles for companies to report on corporate responsibility and sustainability performance recommended by the SGX-ST. The GRI Standards are also the most applicable to facilitate our sustainability reporting goals.

Assurance

Internal controls and verification mechanisms have been established by the management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external ESG consultant for the selection of material topics, as well as compliance with GRI Standards and SGX-ST Listing Rules. The Board of Directors (the "**Board**") has assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of the Report through internal review or external assurance.

Availability and Feedback

All monetary and financial figures stated are in Singapore Dollars. All information is disclosed in good faith and to the best of our knowledge. Your feedback is important to us in our sustainability journey and we look forward to receiving comments on our sustainability practices and reporting at: investor_relations@propnex.com and our website at: https://www.propnex.com/.

SUSTAINABILITY REPORT
BOARD STATEMENT

The Board is pleased to present PropNex's Sustainability Report for FY2023.

The Company and its subsidiaries (the "**Group**") are committed to developing the four main pillars, Economic, Environmental, Social and Governance, practices in the business operations of the Group to benefit our stakeholders.

Our focus on sustainability is a cornerstone of our success, which is fundamental to achieving our long-term vision of success. Therefore, we have incorporated considerations for ESG factors in the way we grow our business, cultivate our people and serve our communities. Our actions are based on our values and understanding that the Group will thrive when our people are motivated, committed and empowered to improve themselves and continuously give back to the society.

The Group's sustainability efforts are driven by our robust governance practices and strong economic performance. With the support of our Sustainability Steering Committee ("**SSC**"), which comprises our management team, we have included sustainability issues in our strategic formulation and determination of the material ESG factors. The SSC continues to assist the Board in integrating ESG considerations into our strategic formulation and monitor, manage and report on our ESG performance in line with these identified material factors. Moving forward, we aim to link our economic performance with sustainability milestones that will drive our growth as a sustainable business.

We strive to be an organisation that takes ownership on our environmental impacts. To understand and take appropriate action to reduce our environmental footprint, we have aligned the Report with reference to the GRI Standards. In addition, we are committed to adopt the Task Force on Climate-related Financial Disclosures ("**TCFD**") that meets the requirements of SGX-ST. To this end, we are compliant with the environmental regulations and have taken notable measures to calculate, monitor and better manage our energy use and Scope 2 emissions to operate more sustainably.

We understand how important our employees are and we create opportunities for human capital development by providing training and skill development regardless of age and gender. We promote an inclusive work culture that nurtures talent for all and creates a safe working space for our employees in terms of health, safety and diversity.

The quality of services we provide our clients is the distinguishing factor amongst our competitors in the real estate market. Hence, we create opportunities for customer empowerment and digital innovation to improve productivity and customer experiences as these are integral to improving the Group's efficiency of operations and service quality.

Community engagement is also a priority for us as we aspire to positively impact the communities that we interact with. In FY2023, we focused more on volunteer hours and had helped families in their home refurbishments and decluttering.

We will provide more details of our approach to sustainability and efforts taken to be a sustainable business in the Report.

Sincerely,
BOARD OF DIRECTORS
PropNex Limited

SUSTAINABILITY REPORT
SCORECARD

5.2%
Staff Count Year-on-Year ("Y-o-Y") Percentage Change

11,999
Number of Salespersons (as at 1 January 2024)

2.8%
Salespersons Count Y-o-Y Percentage Change

93
Number of Consumer Webinars

$1,032,000
Charitable Contributions

488,473kWh
Electricity Consumption

0.051tCO_2e/m^2
Emission Intensity

198.17 tCO_2e
Greenhouse Gas Emissions (Scope 2)

$838.1m
Revenue

$47.8m
Profit Attributable to Owners

SUSTAINABILITY REPORT

SUSTAINABILITY AT PROPNEX

We believe in helping our various stakeholders make a difference in their lives and the lives of their loved ones.

Empowering Our People

Our people represent our culture, reputation, and achievements. To attract and retain the right talents, we provide comprehensive benefits, training and development programmes as well as innovative technological solutions.

Empowering Our Customers

We strive to enhance our customers' quality of life and build long-lasting customer relationships by sharing our knowledge with them.

Empowering The Society

We work to be a positive influence for our society and future generations by instilling a culture of accountability and giving back. We uphold the highest standards for corporate integrity and serve the communities we operate in.

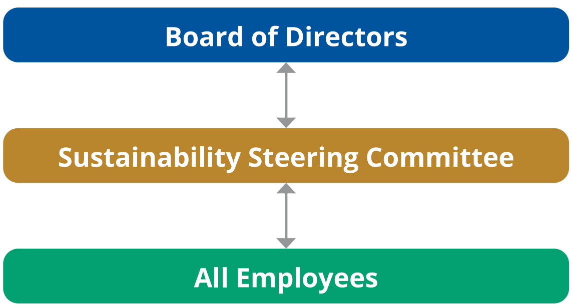
Sustainability Governance Structure

We adopt a top-down approach to manage sustainability issues that are material to our business and our stakeholders. The Board spearheads our sustainability agenda, including determining the material ESG factors that we focus on.

The Board is supported by the SSC, which consists of the Chief Executive Officer, Key Executive Officer, Chief Financial Officer, Chief Operating Officer and Senior Director of Corporate Communications and Business Development. The SSC is responsible for developing the sustainability strategy and targets in the strategic formulation of the Group, implementing action plans, and monitoring and managing our sustainability performance.

The Board approves the material ESG factors identified and ensures that the factors are well-managed and monitored. Our sustainability governance structure is illustrated as follows:

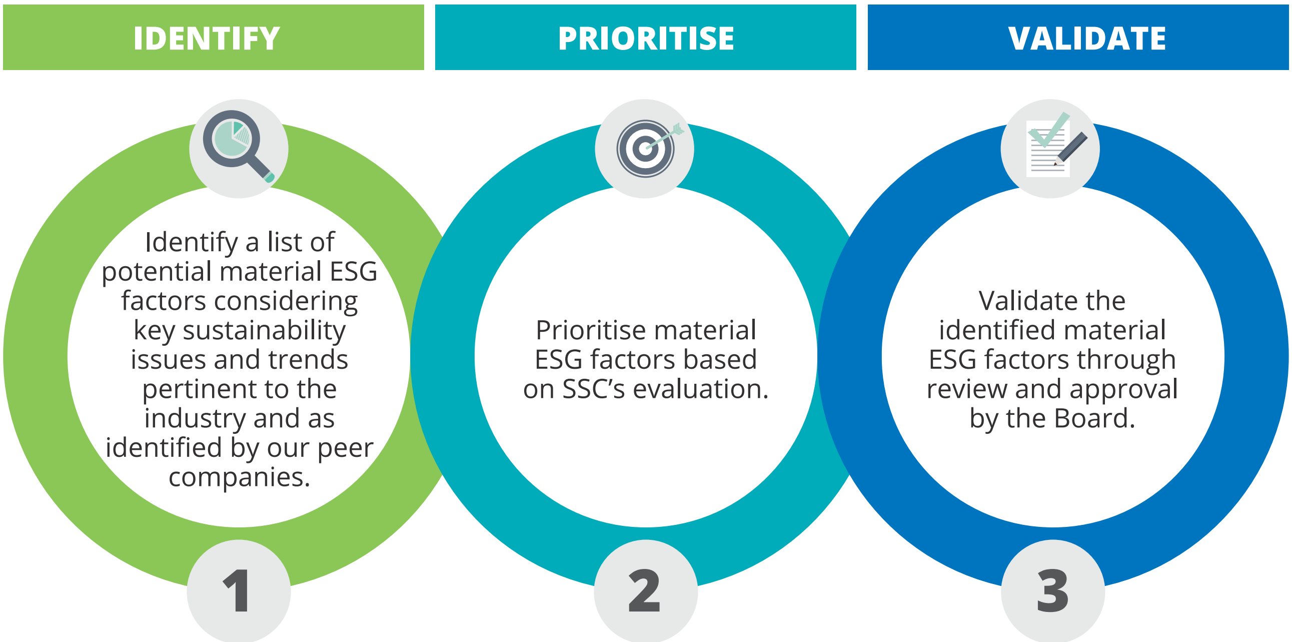
PropNex's Sustainability Governance Structure



SUSTAINABILITY REPORT
ASSESSING OUR MATERIALITY

To identify and prioritise material ESG factors that are important to our business and key stakeholders, we have implemented a three-step materiality assessment process that aligns with the GRI Standards' Materiality Principle as follows:

Materiality Assessment Process



For FY2023, we have identified eight material ESG factors from the assessment and we shall continue to review the list of material ESG factors annually to ensure their relevance. The table below discloses the material ESG factors we have identified, their relevance to our business and the GRI corresponding topic-specific:

Material ESG Factors for FY2023

Material ESG Factors	Relevance to PropNex	Corresponding GRI Standard Topic
Environment	Our business relies on the physical environment and geography of Singapore. A clean, healthy and conducive living environment is therefore crucial for the success and sustainability of the Group.	• GRI 302: Energy • GRI 305: Emissions
Employment	Our people are the cornerstone of the Group. We are committed to attracting, motivating and retaining dedicated individuals that will inspire others so as to ensure the smooth running of our business.	• GRI 401: Employment • GRI 403: Occupational Health and Safety • GRI 405: Diversity and Equal Opportunity • GRI 406: Non-Discrimination
Training and Education	Our people's capabilities to deliver relevant information and excellent customer service determine our reputation in the market and the success of our business. We carry out numerous training programmes to help our people excel professionally and individually.	• GRI 404: Training and Education

Material ESG Factors	Relevance to PropNex	Corresponding GRI Standard Topic
Technological and Digital Innovation	We support our salespersons with technological solutions that help enhance their productivity, maintain service excellence and meet evolving clients' needs in a competitive business landscape.	• Not applicable (non-GRI topic)
Consumer Empowerment	Customer trust and loyalty are paramount to our business sustainability. We cultivate customer rapport by educating and empowering our customers to recognise and leverage on property opportunities.	• Not applicable (non-GRI topic)
Local Communities	Serving the communities around us is a core belief that contributes to our success. We strive to empower both our people and the less fortunate through our Corporate Social Responsibility ("**CSR**") initiatives.	• GRI 413: Local Communities
Compliance with Laws and Regulations	To maintain our stakeholders' trust in us, we uphold high standards of integrity and conduct business in full compliance with all applicable laws and regulations.	• GRI 205: Anti-corruption • GRI 206: Anti-competitive Behaviour • GRI 418: Customer Privacy
Economic Performance	As a listed company, driving the growth and economic performance is the first and foremost step in ensuring the sustainability of our business.	• GRI 201: Economic Performance

SUSTAINABILITY REPORT
ENGAGING OUR STAKEHOLDERS

Our core values **C.A.R.E.** are ingrained in the way we interact with our key stakeholders. We ensure regular and transparent communications with them to address any of their concerns with respect. The table below provides a summary of the stakeholders that are key to our business, the methods of engagement and the frequency of engagement with each stakeholder:

Summary of Stakeholder Engagement

Stakeholders	Engagement	Methods/Frequency
Customers	• Customer feedback channel • Research reports • Consumer empowerment seminars • Property Shows/XPO/ Webinars/ Property Wealth System Masterclass • PropNex Friends Newsletters	• Throughout the year • Throughout the year • Throughout the year • Throughout the year • Fortnightly
Employees/Salespersons	• Employee performance reviews • Employee satisfaction survey • Employee suggestion form • Training and development programmes for employees and salespersons, including orientation • PropNex Annual/Mid-Year Conventions • Team Leaders' and Team Managers' meetings • Strategic/Department meetings • Morning Parades • Salespersons' recognition platforms • Jumpstart trainings • Employee service awards • Employee retreat and Christmas party • PropNex Real Estate Salespersons Chapter	• Annually • Annually • Throughout the year • Throughout the year • Bi-annually • Monthly • Weekly • Monthly • Monthly • Annually • Annually • Annually • Monthly
Investors/Shareholders	• Financial results briefings • Annual General Meeting • Timely updates, announcements and press releases on key business developments via SGXNet and corporate website	• Bi-annually • Annually • Throughout the year
Government/Regulators	• Meetings, discussions and consultations • Compliance with reporting requirements	• Throughout the year • Throughout the year
Industry peers	• Co-broking transactions • Cross-agency collaboration	• Throughout the year • Throughout the year
Media	• Media releases and interviews on property updates	• Throughout the year
Local communities/ Non-governmental organisations	• Volunteer Programme • Division charity initiatives • SHARE Programme • Sponsor-A-Child Programme	• Throughout the year • Throughout the year • Throughout the year • Throughout the year

SUSTAINABILITY REPORT
ENVIRONMENT

Climate change will threaten our access to water and food. As a low-lying city state, we are vulnerable to rising sea levels and extreme weather events. Even as we reduce our carbon emissions, we must also adapt to the impacts of climate change and invest in resilient infrastructure to safeguard our future and the Group's main business.

TCFD CLIMATE ANALYSIS

Scenario Analysis

The Singapore Government has committed to the Paris Agreement on climate change, which aims to hold the temperature increase to well below 2°C and pursue efforts to limit the temperature increase to 1.5°C. Although climate scenario analysis does not predict future events, it can be a tool for exploring a variety of possible futures, with every scenario incorporating different assumptions, drivers and levels of detail.

In our initial assessment, we identified two scenarios based on the Intergovernmental Panel on Climate Change ("**IPCC**"). The models we focused on were: (i) a best-case scenario where the global average temperature increases by less than 2°C; and (ii) a business as usual with no mitigation scenario where temperature increases more than 4°C by the end of the century. Against these models, we identified seven top climate-related risks and opportunities and used inputs from industry reports to assess how they may impact upon our business, strategy and financial planning. The key characteristics of our scenarios are outlined below:

Scenario	Paris-aligned Scenario (Below 2°C)	No Mitigation Scenario (4°C)
Rationale	In this scenario, the world manages to reduce carbon dioxide equivalent ("**CO_2e**") CO_2e emissions through several measures, such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles. This scenario is selected to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming to under 2°C.	In this scenario, the world fails to curb rising CO_2e emissions by Year 2100. Legislation and carbon taxes are expected to play a less significant role in this scenario, whereas impacts from extreme weather events are assumed to grow in magnitude. This scenario is selected to assess the physical risks under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying Model	This model considers factors such as greenhouse gas ("**GHG**") emissions, energy transition scenarios, technological advancements, and policy developments. It serves as a foundation for the Group to analyse how different climate scenarios may impact its business operations and financial performance over the short-, medium-, and long-term time horizon.	IPCC Representative Concentration Pathway 8.5, mostly long-term. This model considers factors such as increased frequency of extreme weather events, rising sea levels, impacts on ecosystems and disruptions to global supply chains. Climate models and scientific assessments play a key role in shaping the narrative of such scenarios.
Assumption	Global adoption of renewable energy, advancements in technology, regulatory frameworks and changes in consumer behaviour. Additionally, assumptions related to the physical impacts of climate change, such as sea-level rises and extreme weather events, are considered. This scenario assumes a collective global effort to mitigate climate change and transition towards a low-carbon economy.	The continuation of high GHG emissions limited global efforts to reduce carbon emissions, and a lack of significant policy measures to address climate change. It may also assume limited technological advancements in clean energy and low levels of international cooperation to achieve climate goals.

SUSTAINABILITY REPORT
ENVIRONMENT

Climate-Related Risks and Opportunities

Considering the two scenarios outlined, we have identified the climate-related risks and opportunities relevant to our business operations. Scenario analysis allows us to proactively address the factors that may impact our operations in the realm of climate considerations.

Clear communication of the Group's sustainability strategy allows our stakeholders to better understand how climate-related issues may affect our future performance. This section discloses the actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning where such information is material.

The rising global mean temperature poses a significant threat in Singapore, potentially leading to extreme weather events like flash floods, heatwaves and rising sea levels. These occurrences can directly and indirectly impact the safety of our office premises, as well as the overall well-being of our employees.

With the goal of keeping the global temperature rise below 1.5°C, as stipulated in the Paris Agreement, we have made it a top priority to tackle climate change across our business practices. A critical first step involves understanding the impact of climate change on the Group's operations and the potential risks and opportunities associated with climate change.

In FY2023, we reviewed our approach to climate-related risk management and held several physical and virtual meetings with the SSC and an external consultant to progress our understanding of climate-related risks and opportunities. The meetings resulted in a deeper understanding of how different climate-related scenarios will impact upon the business, and how the risks and opportunities interact and interplay with each other, and with our wider corporate risk management system.

The climate-related risks and opportunities identified as part of our climate-related risk and opportunity meetings were assessed using an impact/likelihood assessment. A material risk is one that could have a financial and/or operational impact and which is likely to occur. A material opportunity is one that is feasible, or likely to occur, and which could have long-term benefits for the Group and a positive impact with a range of our stakeholders. Therefore, we explored climate-related risks and opportunities across three timeframes, short-term (one to three years), medium-term (four to five years) and long-term (five years and beyond).

Overall, an increase in heatwaves and rainfall in Singapore is expected to persist. Both days and nights are expected to be increasingly hotter, placing increased stress on the electricity grid to cope with increased demand of energy for cooling. Monsoon rains are expected to be more intense, leading to a heightened risk of flash floods. However, the associated expenses are less than 1% of our operating costs, and thus we view the risk of such disruptions as having low/minimal impact to our operations as we do not hold significant real estate assets. Nonetheless, we recognise that climate risks such as heatwaves and flash floods have wider geographical impact that may potentially directly disrupt our operations.

Transition Risks and Opportunities

We have evaluated the likelihood and magnitude of every identified transition risk and opportunity. This assessment is accompanied by the underlying assumptions used to determine potential financial impact figures and the details of risks and opportunities identified are explained below.

Transition Risk 1	
Risk	Risk of regulatory changes towards enhanced emission-reporting obligations such as GRI, TCFD, etc.
Risk Driver	• Nationwide drive to decarbonisation • Increased focus on sustainability
Company-Specific Description	As a real estate agency in Singapore, the evolving emission-reporting regulations and obligations will increase the indirect operating costs of the Group, for instance, increase our professional and consultancy fees to meet reporting requirements.
Time Horizon	Medium to long term
Potential Financial Figure[1]	Medium term: $36,000 Long term: $37,000
Explanation of Financial Impact Figure	According to the industry norm, it is estimated that the professional and consultancy fees to support Sustainability/TCFD reporting in Singapore will increase by 5% to 10% in the medium to long term. To combat this risk, we have been constantly monitoring regulatory requirements and identifying our capacity in meeting them. Moreover, we have developed action plans and a roadmap to comply with emission-reporting obligations progressively.

1. *The potential financial figures were computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figures are the estimated absolute figures.*

SUSTAINABILITY REPORT
ENVIRONMENT

Transition Risk 2	
Risk	Energy costs may fluctuate and a carbon tax is applied to the carbon emissions of the Group.
Risk Driver	Carbon tax could flow through in the form of higher electricity tariffs as power companies pass on the carbon tax to end users.
Company-Specific Description	Although the Group is not currently subject to any carbon pricing schemes, it considers increasing carbon policy and pricing of GHG emissions to be a climate change risk as regulatory requirements could pose a significant business cost if we do not make efforts to reduce emissions. According to National Climate Change Secretariat Singapore, the carbon tax will be raised to \$25/tCO_2e in 2024 and 2025, and \$45/tCO_2e in 2026 and 2027, with a view to reaching \$50-\$80/tCO_2e by 2030. On average, with every \$5/tCO_2e increase in carbon tax, electricity tariffs could rise by 1%. Thus, the electricity tariffs could rise by 5%, 9% and 16% respectively in the short, medium and long term.
Time Horizon	Short, medium to long term
Potential Financial Figure[2]	Short term: \$200,000 Medium term: \$207,000 Long term: \$221,000
Explanation of Financial Impact Figure	Climate change regulation may result in small energy price increases. We estimated that electricity spend represents less than 1% of the Group's annual operating costs, which was \$190,000 in FY2023. Applying the increasing of carbon tax prices in Singapore, it could increase the Group's energy spend to \$221,000 in the long term. While this would have minimal effect on the Group's overall financial performance, it is part of our business strategy to manage this exposure through adopting the use of energy efficient appliances such as LED lightings.

2. *The potential financial figures were computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figures are the estimated absolute figures.*

Transition Risk 3	
Risk	Exposure to risk of fines and penalties resulting from the Group's failure to meet climate-related practices and disclosures.
Risk Driver	• Changing investors' expectations • Evolving and more stringent rules and regulations
Company-Specific Description	While there were no expenses or legal and professional costs incurred on climate change in FY2023, we acknowledge this emerging risk and commit to disclosing potential financial impact figures if the risk materialises in future years. As per industry norms, it is anticipated that legal fees to engage a lawyer for environmental compliance cases may increase by an estimated 5% to 10% in the medium to long term. However, we have mitigation methods in place to minimise the risk, including the active involvement of the Board and senior management in overseeing and addressing climate-related risks. We also regularly monitor changes in regulations and adjust the Group's practices accordingly. Moreover, we will engage external legal counsel to update the Group on any regulatory changes when needed.

Opportunity 1	
Opportunity	Use of recycling and digitalisation.
Opportunity Driver	Initiatives and efforts in corporate events and business practices to support sustainability.
Company-Specific Description	We have adopted resource-efficient practices in our office spaces by implementing recycling initiatives and embracing digitalisation. We aim to capitalise on this opportunity by minimising paper usage in the office and we have introduced digital name cards for our staff and salespersons. These sustainable practices are expected to lead to a reduction in advertising and marketing expenses, as well as decreased costs associated with printing, stationery, and courier services within our Group.
Time Horizon	Short to medium term
Potential Cost Savings[3]	Short term cost savings: $77,000 Medium term cost savings: $129,000
Explanation of Financial Impact Figure	By embracing digitalisation and sustainable practices, it is estimated that the cost reductions within our Group will range from 3% to 5% in the short to medium term.

3. *The potential cost savings refer to cost reductions based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions.*

SUSTAINABILITY REPORT
ENVIRONMENT

Physical Risks and Opportunities

Whilst not assessed as significant, there is the potential for climate-related physical risks to significantly increase over time. We recognise that the future is uncertain, and as such have incorporated physical risk assessment into our climate-related risk assessment to ensure that we are aware of how the future may impact upon our practices. The key risks and their related impacts are explained below.

Acute Physical Risk 1	
Risk	Risk of extreme weather events such as flash flood, intense rainfall and heat waves impacting properties that the Group leases and occupies.
Risk Driver	Increased intense rainfall and flash flood leading to urban flooding, potentially causing damage to buildings and transportation networks.
Company-Specific Description	More frequent extreme weather events, such as flash flood and intense rainfall, could disrupt the transportation networks used by our employees commuting to our offices. At the same time, extreme weather events could lead to an increase in various expenses, including repair and maintenance costs, insurance premiums, refurbishment and renovation expenses, as well as expenditures on electrical fittings within the Group.
Time Horizon	Long term
Potential Financial Figure[4]	$152,000
Explanation of Financial Impact Figure	According to analytical studies[5] done by Asia-based climate-tech company, Intensel Limited, it is estimated that climate change poses serious risks for real estate in Singapore, potentially causing a 46% rise in physical damage losses by 2030 due to flooding. It is estimated that all the associated costs are assumed to increase by 5% in the long term. However, we plan to conduct regular assessment on the adequacy of our insurance.

4. *The potential financial figure was computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figure is the estimated absolute figure.*
5. *Intensel Limited conducted an analysis of 25 assets spread across Singapore, and the scenario assumes no mitigation or resilience measures are taken. The study was retrieved from: https://sg.finance.yahoo.com/news/singapore-real-estate-face-46-182456213.html.*

Chronic Physical Risk 2	
Risk	Risk of sea level rise, changes in temperature and precipitation impacting properties that the Group leases and occupies.
Risk Driver	Increased daily mean temperature and mean sea level rise leading to changes in weather patterns.
Company-Specific Description	Rising global average temperatures could result in increased water and electricity costs in our offices.
Time Horizon	Long term
Potential Financial Figure[6]	$224,000
Explanation of Financial Impact Figure	According to Ministry of Sustainability and the Environment, we could experience an increase in daily mean temperatures as high as 4.6°C by 2100. As per research paper[7] published on ScienceDirect titled: Impact of climate change and socioeconomic factors on domestic energy consumption: The case of Hong Kong and Singapore (Lam et al., 2022), every 1°C rise in air temperature, electricity consumption in Singapore may increase by 3% to 4%. This suggests a long-term projection of an 18% rise in electricity tariffs. To address this risk, we will constantly monitor our water and electricity bills in our offices as well as practise sustainability habits to reduce our electricity consumption.

Performance Metrics and Targets

We are moving towards making sustainability an integral part of our business processes, and one of our key initiatives is through enhancing our technological capabilities. Our IT Roadmap has seen the development of technological solutions, which have helped to digitise manual procedures, reduce redundancies in the processes, and facilitate collaboration and sharing of resources amongst our salespersons online. These solutions have reduced the use of paper documents and the need to travel to the PropNex office to carry out administrative tasks, which are environmentally friendly outcomes.

Moreover, the Go Green commitment highlights PropNex's existing and ongoing efforts to move towards zero waste in our business operations. In FY2023, we have successfully implemented a zero-tolerance policy on single-use plastic water bottles, introduced digital name cards for staff and salespersons and full e-invoicing for all of our customers. Moving forward, all our corporate events will have zero single-use plastics in favour of reusable and sustainable options. We also advocate our staff and salespersons to participate in activities such as green movements and tree-planting initiatives to drive awareness of reducing our carbon footprint. In FY2023, we had planted 200 trees with National Parks.

Additionally, the HDB Hub, where our office is situated, had undergone various green building initiatives and enhancements to promote sustainability and environmental consciousness. These initiatives include the installation of energy-efficient systems, green features, and sustainable building practices. Notably, HDB Hub was awarded the BCA Green Mark (Platinum - Re-certification) in 2020 under the category of existing non-residential building with LED lightings for common areas, solar photovoltaic system at rooftop and extensive greenery supplemented by vertical green walls.

6. *The potential financial figure was computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figure is the estimated absolute figure.*
7. *The research paper was retrieved from: https://www.sciencedirect.com/science/article/pii/S2352484722017838*

SUSTAINABILITY REPORT
ENVIRONMENT

Within the Group, our GHG emissions primarily stem from the utilisation of purchased energy in the form of electricity consumption (Scope 2 Emissions), which is produced as a by-product of fossil fuel combustion. Electricity plays a vital role in supporting our business operations and powering various electrical devices and appliances. As a result, we report Scope 2 indirect emissions in a quantitive way in accordance with the GHG protocol and the GRI Standards. Subsequently, we plan to progressively disclose Scope 3 GHG emissions, such as category of Business Travel.

The Group is dedicated to reduce our electricity consumption through the implementation of sustainable practices, including:

- Turning off lights, computers, and other electrical devices when they are not in use;
- Regularly maintaining equipment to ensure optimal energy efficiency; and
- Installing energy-efficient fixtures and fittings, such as LED lightings.

These measures are aimed at minimising our environmental footprint and lowering GHG emissions associated with our electricity consumption.

FY2023 Performance and Future Targets

Energy Consumption and GHG Emissions Performance
(GRI 302: Energy, GRI 305: Emissions)

Pollutant	CO_2
Operating Margin Grid Emission Factor[8] (kg CO_2/kWh)	0.4168

We have recorded our electrical consumption captured at various office premises, including HDB Hub Levels 10, 11 and 18 and General Magnetic Building. The tabulations were based on utility bills from the electricity supplier.

Financial Year	FY2023	FY2022
Gross Floor Area (m^2)	3,893.1	3,893.1
Total Electricity Consumed (MWh)	488.47	501.94
Energy-use Intensity (MWh/m^2)	0.1255	0.1289
Total Emissions (Scope 2; tCO_2e)	198.17	203.64
Emission Intensity (tCO_2e/m^2)	0.051	0.052

We are actively seeking solutions to enhance the energy efficiency of our office premises. This involves the adoption of various technologies and best practices that serve to reduce our environmental footprint, enhance operational efficiency, and yield cost savings. One noteworthy aspect is our SSC, which has instilled a sense of environmental responsibility among our employees. This is achieved by encouraging them to turn off lights when not in use and promoting the use of digital documentation whenever feasible. Additionally, we have implemented a paper recycling program across all our offices.

8. *Operating Margin Grid Emission Factor in 2022 was retrieved from Singapore Energy Market Authority.*

The Board and management set goals and targets to measure progress for material factors under environment. The table below summarises our performance in FY2023:

FY2023 Performance against Targets Set in the Financial Year Ended 31 December 2022 ("FY2022")

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Energy Consumption and GHG Emissions	Undertake further initiatives to promote environmental sustainability	The Group explored and considered various initiatives such as effectively using energy efficient appliances.

Looking ahead, as part of our ongoing commitment to environmental stewardship, we aim to take progressive climate actions and set the following targets:

Performance Metrics	Short-Term Target (One to Three Years)	Medium-Term Target (Four to Five Years)	Long-Term Target (Five Years and Beyond)
Energy Consumption and GHG Emissions	• Ensure sustainable practices adopted by all employees in office spaces • Disclose Scope 3 emissions under category of Business Travel	• Reduce energy use intensity by 10% • Reduce Scope 2 emission intensity by 5% • Achieve 50% of office spaces with energy efficient fixtures and fittings, such as LED lightings	• Reduce energy use intensity by 15% • Reduce Scope 2 emission intensity by 10% • Engage in carbon market participation

No incidents of non-compliance with environmental laws and regulations were identified within the reporting year.

SUSTAINABILITY REPORT
SOCIAL (OUR HUMAN CAPITAL)

Our commitment to sustainability extends beyond environmental concerns and encompasses our responsibility to our community. We recognise the importance of operating in a way that supports and uplifts the community we serve, as well as our employees, salespersons, customers, and stakeholders. In this section of the Report, we delve into the various initiatives and programmes we have implemented throughout the year to promote social responsibility. Through these efforts, we aim to foster a culture of social responsibility and contribute to a more equitable and sustainable future.

EMPLOYMENT

(GRI 401: Employment; GRI 403: Occupational Health and Safety; GRI 405: Diversity and Equal Opportunity; GRI 406: Non-Discrimination)

We have full-time employees and salespersons. We help our people establish a fulfilling career at PropNex by offering them the care, guidance and resources they need to continuously improve themselves, exercise entrepreneurship and achieve autonomy.

Joining Our PropNex Family

The collective sum of our people, including their life experiences, knowledge, creativity, and talent, represents the PropNex culture, reputation and achievements. We are committed to recruiting, cultivating and retaining employees and salespersons that believe in and practise our core values, and who consistently strive to provide service that our customers trust.

Recruitment of Employees

Our Recruitment and Selection Policy and Diversity Policy guide our recruitment process. We embrace and encourage diversity in age, colour, ethnicity, marital status, gender, national origin, political affiliation, race, religion, sexual orientation, and other unique characteristics that our employees bring to the table.

At PropNex, we take cultivating a culture of diversity and inclusion seriously. Employees who believe they have been subjected to discrimination in conflict with our Diversity Policy are encouraged to seek assistance from their immediate superior or the Human Resources Department. Any employee found to have exhibited any inappropriate conduct or behaviour against others may be subject to disciplinary action.

Additionally, our referral programme incentivises our staff to refer suitable candidates for job openings at PropNex. Referees who refer successful candidates will receive a referral fee upon the candidate's appointment and confirmation in the position.

Recruitment of Salespersons

Our cultivation of salespersons begins even before they become a PropNexian and extends to helping new real estate salespersons ("**RES**") candidates. Any person interested in becoming a RES is welcome to participate in our Real Estate Programme in RES study groups where we train and guide new RES candidates in preparation for the RES exam. Once they pass the RES exam, they will be eligible to participate in our recruitment programme.

All conditions, including responsibilities and the split of commission, are stated in the Associate Agreements that our salespersons sign with us. We require our salespersons to review their contracts with us regularly to ensure that they are reminded of and fully understand the terms and conditions. For our Team Leaders, we request that they sign an additional contract when they become Team Leaders to ensure they understand their role and responsibilities.

BENEFITS

Employees

PropNex provides a suite of benefits to ensure that our employees are well taken care of, including:

- Festive advance for salaries and festive leave for employee's choice of festive period;
- Birthday vouchers and birthday leaves;
- Discounted medical consultation and health screenings for employees and their families through Make Health Connect Corporate Programme;
- Discounts and promotion schemes for telecommunication services; and
- Provide comprehensive insurance coverage for all employees in the form of group term life, group hospitalisation and surgical and personal accident insurance.

Salespersons

There are also various benefits which PropNex salespersons enjoy, including:

- Discounted premium rates for term life and personal accident insurance;
- 10-year pension scheme programme for performing Team Leaders;
- Legacy Planning Programme for Team Leaders to receive passive income after retirement;
- Spouse protection scheme for deceased Team Leaders;
- Discounted medical consultation fees for our salespersons and dependents at over 500 participating clinics;
- PX MediCare app, developed exclusively for PropNexians, to access medical services with ease;
- Professional indemnity insurance that includes individual coverage;
- Discounts and promotion schemes for telecommunication services; portals and group discounts for digital onboarding; and
- Special advertising rates in the classified sections of local publications.

PropNex Real Estate Salespersons Chapter was set up in 2021, first real estate agency to have a formalised framework supported by Singapore Industrial and Services Employees' Union ("**SISEU**"), which looks into the welfare, promotes professionalism in enhancing the business and industry practices and provides a platform for raising issues and protecting real estate salespersons. This collaboration will allow PropNex salespersons to take the lead in playing a more active and vital role in voicing their concerns and educating fellow PropNex salespersons of fair practices in the industry. The internal representative committee of the PropNex Real Estate Salespersons Chapter, which comprises of salespersons, serve as the voice for our salespersons. They will work closely with the guidance of SISEU to improve the competencies of the salespersons under their guidance and also serve as a platform for bi-partite deliberation with SISEU to provide workplace advice. PropNex will also adopt applicable Tripartite Guidelines issued by the Tripartite Partners, National Trades Union Congress, the Ministry of Manpower (Singapore) and the Singapore National Employers Federation.

RECOGNITION

We believe in recognising and rewarding the contributions and achievements of our employees and salespersons. We have put in place the following schemes to showcase our gratitude towards employees and salespersons who exhibit excellence and dedication. We also have monthly, quarterly and yearly performance recognition for our salespersons. The following table discloses the schemes we have to recognise and reward the contributions and achievements of our employees and salespersons:

SUSTAINABILITY REPORT
SOCIAL (OUR HUMAN CAPITAL)

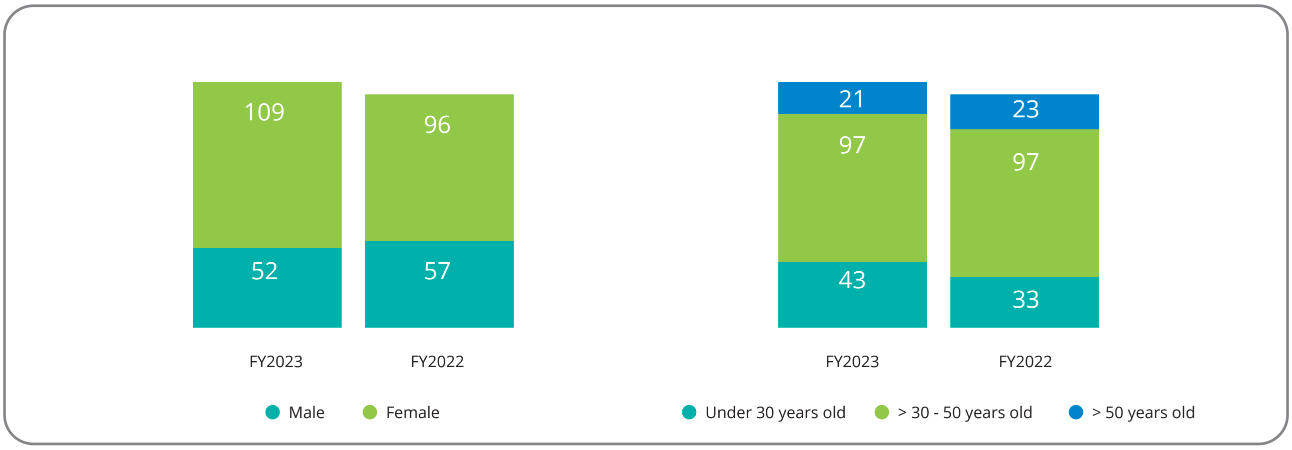
Performance Recognition Schemes for Employees and Salespersons

Service Awards for Employees	PropNex Ambassadors for Salespersons
• Employees who have served the Group for at least 4.5 years are awarded the 5-year Service Award trophy and monetary token of $500. • Employees who have served the Group for at least 9.5 years are awarded the 10-year Service Award trophy and monetary token of $1,000. • Employees who have served the Group for at least 14.5 years are awarded the 15-year Service Award trophy and monetary token of $1,500.	PropNex Ambassadors are salespersons who have: • Been with PropNex for 5, 10, 15 or 20 years; • Established a niche for themselves in the real estate industry; • Contributed to business continuity and client engagement; and • Actively participated in PropNex's CSR initiatives. PropNex Ambassadors are recognised and presented with their charity plaques and a prestigious Ambassador badge at specially held dedicated events.

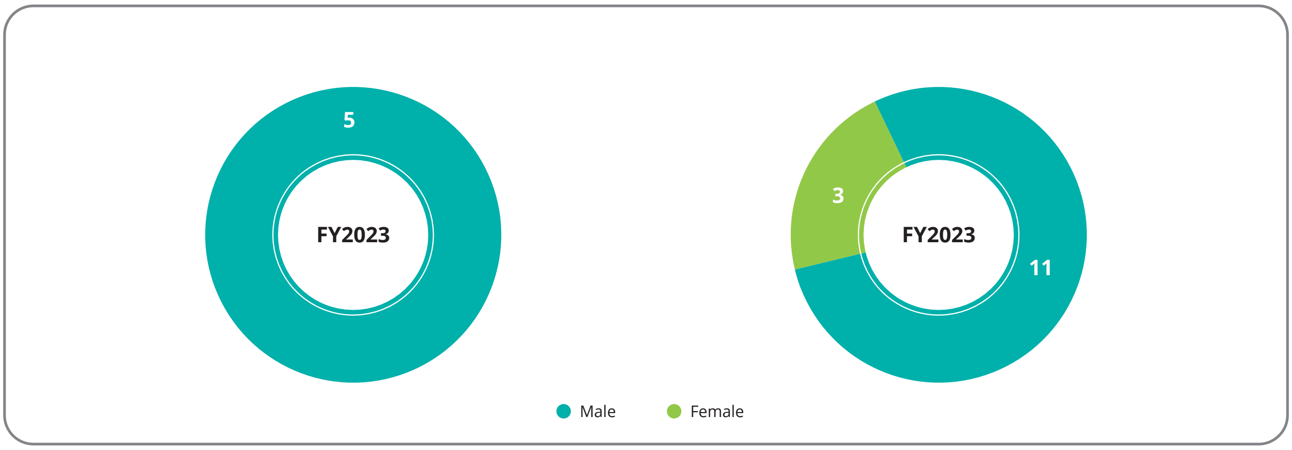
FY2023 Performance and Future Targets

At PropNex, we encourage a workforce that is diverse in gender and age. The following illustrations disclose the age and gender diversity of the Group's employees, including PropNex Realty and PropNex International:

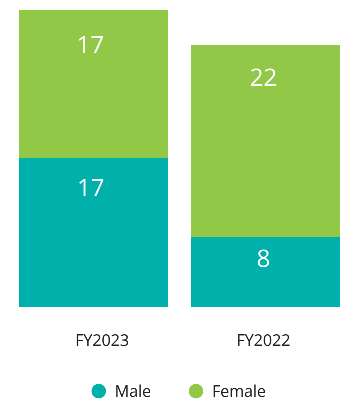
Employment (by Gender) as at 31 December ***Employment (by Age Group) as at 31 December***



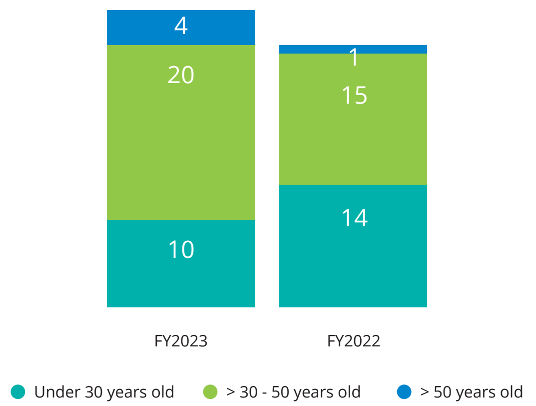
Diversity within the Company's Board ***Diversity within the Group's Management***



Employee Turnover (by Gender)



Employee Turnover (by Age Group)



Our employees-related data is updated on a monthly basis using internal reports and data collection processes to monitor and track our performance.

The tables below disclose the absolute and annual rate of new employee hired and employee turnover as well as the number of salespersons recruited for FY2023:

Employment Statistics[9]

Category	FY2023	FY2022
Number of new employees hired	39	33
Annual rate of new employees hired[10]	24.2%	21.6%
Number of employee turnover	34	30
Annual rate of employee turnover[11]	21.1%	19.6%

Salespersons Statistics

Category	FY2023	FY2022
Number of salespersons recruited	331	871

9. Employment statistics are based on full-time permanent staff only and independent of gender and age group.
10. This is computed based on number of new employees hired divided by the total number of employees as at 31 December.
11. This is computed based on number of employee turnover divided by the total number of employees as at 31 December.

SUSTAINABILITY REPORT
SOCIAL (OUR HUMAN CAPITAL)

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Annual rate of employee turnover	Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	The Group achieved a similar level of staff retention in FY2023 compared to FY2022.
Number of salespersons recruited	Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	In FY2023, the Group recruited 331 new and experienced salespersons, working towards the vision of having 15,000 salespersons by 2026.

Targets and Action Plan for Financial Year Ending 31 December 2024 ("FY2024")

Employment/Recruitment Targets for FY2024	
FY2024 Targets	**Action Plan**
Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	Continue to provide benefits, recognition, and incentives to attract and retain employees and salespersons.

No incidents of discrimination, no fatalities, and no work-related injuries were recorded in FY2023.

SUSTAINABILITY REPORT
TRAINING AND EDUCATION

(GRI 404: Training and Education)

Continuous self-improvement is a core value at PropNex as regular trainings and education for our employees and salespersons are critical to the growth and sustainability of our business. We offer customised and comprehensive training programmes to help our people to reach their full potential, both professionally and individually.

UPSKILLING OUR EMPLOYEES AND SALESPERSONS

Employees

We provide various training programmes for our employees to ensure they have the necessary skills to perform their job to the best of their abilities. We discuss their projected career path with them, identify any challenges they may face and monitor their training progress during the annual performance review. The Human Resources Department consolidates the training needs of our employees for discussion and coordinates the relevant trainings. The table below discloses the training programmes provided to our employees in FY2023:

Training Programmes for Employees

Training Programme	Description of Programme
Orientation Programme	Introduction to PropNex's core values, organisational structure, welfare and benefits, Code of Conduct, Staff Handbook and internal systems and platforms.
Built to Last Programme	A customised six session training programme personally facilitated by our Chief Executive Officer to align our employees with PropNex's core values and to equip them with the mindset for continuous improvement and innovation.
Establish Relationships for Customer Confidence	This programme covers knowledge and application skills to build customer confidence in the organisation and to develop customer relationships for customer loyalty. It also involves the know-how of handling service opportunities and escalated service challenges.
Supervisory Training Programme	Heads of Department/Supervisors are trained on effective communication, coaching, supervisory and delegation skills to enable them to be effective supervisors.
Data Protection Policies, Obligations and Risks Workshop	A programme which lays the practical foundation of compliance in personal data protection. It covers the 11 obligations and Do Not Call Registry of Personal Data Protection Act from an operational and information life cycle perspective.
Information Security Training Workshop	Real-world threats and scenarios as well as best practices in cybersecurity to equip trainees with the skills to protect themselves in the cyberworld. It also shows the relationship between cybersecurity and data protection and common issues for data breaches. The different types of threats/attacks covered include identity theft, mobile security, social engineering, ransomware and hardware exploits.
Personal Enrichment Programme	This is a series of personal development programmes that emphasise the use of positive psychology to realise an individual's natural potential to achieve their career, family and life goals. The Human Resources Department identifies key management and supervisory employees to attend such trainings annually.

SUSTAINABILITY REPORT
TRAINING AND EDUCATION

(GRI 404: Training and Education)

Salespersons

We have developed a comprehensive world-class training roadmap for our salespersons, providing a clear path for professional progression. Each roadmap can be customised based on the salesperson needs, level of experience, and career aspirations. Our impressive training program focuses on three main aspects, market segment and specialised skills, policies and regulations, and mindset training. For experienced salespersons or those who have chosen to become a Team Leader through the Dual Career Path Scheme, advanced training programs are also available. The table below discloses the training programmes provided for our salespersons in FY2023:

Training Programmes for Salespersons

Training Programme	Description of Programme
Masterclass	Trainings in advanced concepts such as asset progression and wealth management including hands-on workshops.
Continuous Trainings	Seminars that provide updates on latest policies such as Legal Insider or the Key Executive Officer Tuition. Monthly Tech Insider or Sales Insider programmes to sharpen the skills of our experienced salespersons.
Market Segment and Specialised Skills Trainings	Courses on project presentation, closing techniques, digital prospecting and more. Quarterly updates on market outlook, including development in specific regions and specific projects.
Dual Career Path Scheme	Salespersons who have completed specific training courses and achieved certain commission targets may be elected to become a Team Manager and be subsequently promoted to a Team Leader. Team Managers and Team Leaders are responsible for recruiting, supervising and mentoring a team of salespersons.
Continuing Professional Development ("CPD") Courses	All salespersons are required to attend CPD courses under Professional Competencies and Generic Competencies (previously referred to as non-core course). Professional Competencies courses provide salespersons with opportunities to develop and deepen their knowledge in real estate agency work covering laws and regulations, property markets, and other real estate knowledge. Generic Competencies courses contribute to salespersons' overall personal development, sharpening their soft skills in critical core areas such as digital fluency, communication and people development. These skills are grouped into three clusters, Thinking Critically, Interacting with Others and Staying Relevant. Under the current framework, salespersons must achieve a minimum of six CPD credits per cycle, with four CPD credits from Professional Competencies courses and two CPD credits from Generic Competencies courses.

FY2023 PERFORMANCE AND FUTURE TARGETS

The table below discloses the average training hours completed by our employees in FY2023:

Average Training Hours Per Employee

Training and Development		
Category	**FY2023**	**FY2022**
Average training hours	17.1	8.2

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Average training hours	Continue to develop our employees and salespersons in setting world class service standards.	Average training hours for our employees had increased in FY2023.

Targets and Action Plan for FY2024

Training and Development Targets for FY2024	
FY2024 Targets	**Action Plan**
Continue to develop our employees and salespersons in setting world class service standards.	Revamp our trainings for all employees in better serving our internal stakeholders as well as clients. Also, review and update our salespersons' training roadmaps and provide comprehensive training programmes in adapting to the current market sentiments.

SUSTAINABILITY REPORT
TECHNOLOGICAL AND DIGITAL INNOVATION

Technology in the real estate realm has disrupted and transformed how business is conducted and will continue to play a pivotal role in the way corporations conduct their business. One of our key strategies is the empowerment of our people by enhancing our technological capabilities. We are committed to improving our salespersons' productivity by providing relevant and reliable technological support. This in turn helps them to provide better customer service for their clients.

Our Tech Development Working Committee has developed the PropNex IT Roadmap to guide our future investments in technological and digital innovation. In consultation with our salespersons, we identified their needs and challenges.

PropNex's utmost priority is to ensure all our salespersons have access to powerful digital tools as well as the tech literacy to fully make use of these tools, allowing them to efficiently access mass amounts of information at their fingertips to obtain useful insights. We have a team of 40 app developers who developed several technological solutions and tools including our two signature apps, PropNex Business Suite and PropNex Investment Suite.

The table below provides an elaboration on the technological solutions and tools that we developed:

Technological Solutions and Tools Developed

PROPNEX INVESTMENT SUITE (LAUNCHED IN APRIL 2022)

Geared towards helping salespersons identify market trends across various property segments. The app was created to provide in-depth analysis of historical data detailing the price trends, rental yields, recent transactions, comparisons with nearby properties, and more with a click of a button.

PROPNEX BUSINESS SUITE (LAUNCHED IN MAY 2023)

The PropNex Business Suite was launched for salespersons usage and it integrates advanced functionalities that redefine the marketing and sale of resale properties. The new app will foster greater collaboration amongst salespersons and substantially reduce the time taken to close transactions.

Key features include:

- Collaborative listing generation: Salespersons can effortlessly generate listings for new launches, resale and auction properties. A listing entry made by a salesperson will immediately be accessible to all other PropNex salespersons, maximising exposure for the listing efficiently.
- AI-powered unique descriptions: The app utilises artificial intelligence ("**AI**") technology to automatically rewrite property descriptions, ensuring each salesperson has a unique listing.
- One-click portal posting: Salespersons can quickly post listings to major property portals with a single click, streamlining the marketing process.
- Versatile fact sheets: The generated listings can be converted into fact sheets, serving as versatile collateral for salespersons. Such fact sheets are ideal for client re-engagement and social media outreach, enhancing the overall marketing strategy.

Targets and Action Plan for FY2024

Technological and Digital Innovation Targets for FY2024	
FY2024 Targets	**Action Plan**
Increase productivity for the sales force	More trainings and adoption of the apps for salespersons to close transactions faster.

SUSTAINABILITY REPORT
CONSUMER EMPOWERMENT

Our mission is to enhance customers' quality of life through value-added professional service. Property purchases are important life decisions and we are committed to sharing our knowledge with our customers and consumers at large to help them make the right choices.

EMPOWERING OUR CONSUMERS

As Singapore's largest listed home-grown real estate agency, we pride ourselves on being in the best position to give consumers relevant and timely advice on all aspects of property investments. We have been empowering homebuyers and investors since 2013 by giving advice on the latest property trends, outlook of the real estate market, and sharing knowledge and strategies to navigate the dynamic real estate landscape.

We regularly monitor and review our consumer empowerment roadmap to develop consumer empowerment initiatives for the year, including topics of focus and channels of engagement with the consumers. We also actively engage and empower consumers, as well as prospective and existing customers, through the following existing and new channels in FY2023:

Consumer Empowerment Initiatives

CONSUMER EMPOWERMENT SEMINARS/WEBINARS

Keynote speakers from our management team including our Executive Chairman and Chief Executive Office, Mr. Ismail Gafoor, and Executive Director and Deputy Chief Executive Officer, Mr. Kelvin Fong, share valuable tips, insights to market sentiments, risks and investment opportunities in the current property market, and knowledge on specific property segments such as Core Central Regions with consumers.

PROPERTY WEALTH SYSTEM MASTERCLASS

Taking the consumer seminars to the next level, PropNex designed a more intensive programme that provides consumers with greater in depth look into the market and property investment strategies in 2023. The Property Wealth System Masterclass, a full two-day programme, covers essential property investment strategies, tips for asset progression, including how to identify opportunities, exit strategies and more.

SG PROPERTY XPO 2023

Since 2019, PropNex started the property XPO which offers a platform and venue for homebuyers to learn of the different choices in the market and hear of our speakers' analysis of the various developments. In FY2023, we conducted a two-weekend XPO and held 16 workshops.

PROPNEX FRIENDS MEMBERSHIP PROGRAMME

We provide insights and updates from our property experts and analysts to our members on property related news, policies and market outlook. Special deals and property related news are also included in the fortnightly newsletter.

PROPNEX MONOPOLY CHAMPIONSHIP 2023

For the second year running, this exciting four-month intensive competition where participants could use their real estate skills to outbid and outplay others to emerge as the overall champion with the highest asset value. This aims to introduce insights of the Singapore residential market and financial literacy in a fun and gamified manner. The Grand Champion Winner brought home the coveted $108,000 prize money, beating 109 other finalists from the 10,000 registrants in the Championship.

FY2023 Performance and Future Targets

Consumer Empowerment Statistics

Category	FY2023	FY2022
Number of Consumer Empowerment Seminars/ Webinars held	93	99

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Number of Consumer Empowerment Seminars/ Webinars held	Continue to hold engagement sessions for existing and potential clients	The Group maintained the number of Consumer Empowerment Seminars/ Webinars conducted in FY2023.

Targets and Action Plan for FY2024

Consumer Empowerment Targets for FY2024	
FY2024 Targets	**Action Plan**
Continue to hold engagement sessions for existing and potential clients	Conduct consumer empowerment seminars to continue empowering home investors.

SUSTAINABILITY REPORT
LOCAL COMMUNITIES

(GRI 413: Local Communities)

PropNex strives to be a positive corporate citizen and influence, both for our society today as well as future generations. We do this by championing our core values of respect and concern for others, in reaching out and helping less privileged communities.

GIVING BACK TO OUR COMMUNITIES

Since 2000, we have been involved in various charitable events and championed numerous meaningful causes in Singapore and overseas. Our CSR Philosophy "Empowering Future Generations through Education" guides our CSR initiatives. We review current initiatives and plan for future CSR direction and initiatives during our strategic meetings.

PropNex firmly believes in contributing back to the communities around us and in which we operate, at the Company, team and individual levels. We can only truly help our communities when a culture of giving is instilled in each and every one of our employees and salespersons. PropNex has established programmes and initiatives to enable everyone within the PropNex family to easily be involved with and contribute to our CSR initiatives.

The table below discloses the CSR initiatives that we carried out in FY2023:

CSR Initiatives in FY2023

SHARE Programme	Sponsor-A-Child Programme
Monthly deduction of commission or salaries from salespersons or employees who opted in for this programme.	Paired contributing and participating employees and salespersons with a child whom they have sponsored, to spend time and enjoy a day of engagement together.
Division Charity Initiatives	**Volunteer Programme**
Different teams within PropNex took the lead to organise charity initiatives of their own on a regular basis.	Employees and salespersons were roped in to engage and volunteer their hours.

PropNex has adopted Community Chest as its main charity beneficiary since 2013. Through Community Chest, we support a myriad of social service programmes that assist over 300,000 people in need in Singapore. We have also expressed a preference for adopting schools and centres that cater to children with special needs and disabilities as beneficiaries to further align our contribution with our CSR philosophy.

Continuing our commitment of an annual $500,000 in donations since 2015, we together with our salespersons contributed $1,032,000 in FY2023 through our monthly SHARE and Sponsor-A-Child programmes for beneficiaries of Community Chest, namely Ministry of Social & Family Development, Autism Resource Centre (Singapore), Life Community Services Society, AWWA Ltd, Care Corner Student Care Centres, Montfort Care, Chen Su Lan Methodist Children's Home, Association of Persons with Special Needs (APSN) and Singapore Cancer Society.

For the Group's philanthropic efforts, PropNex was recognised as the Community Chest Platinum Award in 2023.

FY2023 PERFORMANCE AND FUTURE TARGETS

PropNex focused more on engagement with our beneficiaries in FY2023. We enlarged our pool of volunteers and had doubled our volunteer hours.

Monetary Contributions and Voluntary Hours for Local Community Initiatives

Category	FY2023	FY2022
Monetary contribution to local community initiatives	$1,032,000	$1,340,000
Number of volunteer hours	2,763 hrs	1,560 hrs

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Monetary contributions and number of volunteer hours	Contribute to Community Chest adopted charity beneficiaries of at least $1 million and a target of a minimum of 1,000 volunteer hours in FY2023.	The Group together with its salespersons contributed more than $1 million and volunteered more than 1,000 hours in FY2023.

Targets and Action Plan for FY2024

Local Communities Targets for FY2024	
FY2024 Targets	**Action Plan**
Contribute to Community Chest adopted charity beneficiaries of at least $1 million and a target of a minimum of 1,200 volunteer hours in FY2024.	Continue to raise funds for the unprivileged and plan for volunteer activities.

SUSTAINABILITY REPORT
GOVERNANCE

At PropNex, we prioritise transparency, accountability, and good corporate governance in pursuit of our sustainability goals as it helps to ensure that our business practices align with our values and priorities. In this section of the Report, we highlight key initiatives that we have undertaken to promote ethical and responsible behaviour throughout our organisation. We recognise that governance is an ongoing process and we remain committed to continually enhance our policies and practices to uphold the highest standards of corporate responsibility.

COMPLIANCE WITH LAWS AND REGULATIONS

(GRI 205: Anti-corruption, GRI 206: Anti-competitive Behaviour, GRI 418: Customer Privacy)

We believe the key to achieving this is to conduct our business ethically, honestly and with integrity, thereby serving as a role model for others. PropNex does not tolerate any acts of fraud and corruption and follows all laws and regulations relevant to our business.

Laws Abided and Policies at PropNex

Like other real estate practitioners, PropNex adheres to the regulatory framework of the Estate Agents Act, guided by the Council for Estate Agencies ("**CEA**"), a government agency under the Ministry of National Development, and is committed to raise the professionalism of the real estate agency industry. PropNex regularly collaborates with CEA on industry development programmes and supports them in protecting the interests of the consumers through targeted public education schemes.

The Group holds a firm stance against corruption and does not tolerate any malpractice, impropriety or statutory non-compliance in the course of its business. The Group has a set of rules and regulations which all employees are required to act in accordance with the highest standards of personal and professional integrity. All Group's employees are required to read, understand and comply with the purposes and provisions of the rules and regulations when they are onboarded.

To avoid any conflicts of interest, we have a Conflict of Interest Policy in place that must be adhered to by all employees. For FY2023, there were no incidents of conflict of interest reported.

The Group has implemented an internal complaint handling process for complaints received against our salespersons on the possible breach of the Estate Agents Act (including the Code of Ethics and Professional Client Care). The process is overseen by the Key Executive Office and includes investigation, counselling and coaching by our compliance officers. A formal report detailing the investigation will be submitted to the CEA within 2 weeks from the date the complaint is received. In cases where the respondent salesperson is found to have fallen short of the expected professional, a Letter of Advice will be served as warning.

All salespersons have access to the Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 as well as the Guide on Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021. Briefings are conducted by the Key Executive Officer and Assistant Director and updates are communicated via physical and virtual trainings, and via emails to all salespersons. Training materials and resources on anti-money laundering and countering the financing of terrorism are also available to all salespersons via the Virtual Office.

Being a service-oriented company working closely with customers, PropNex also closely abides by the Personal Data Protection Act, ensuring the security of our customers' personal data.

At PropNex, we hold our employees and salespersons to the highest ethical standards. To ensure this, we require them to comply with the PropNex Code of Conduct, Staff Handbook, Associate Agreements and various corporate policies, including the Conflict of Interest Policy. We take this responsibility seriously and have implemented several measures to enforce these policies. All new employees must read, acknowledge and sign the PropNex Code of Conduct before commencement of their employment. Additionally, all employees and salespersons are expected to maintain a professional and ethical demeanour at all times. These anti-corruption policies have been communicated to both staff and salespersons to ensure that everyone is aware of their responsibilities and our commitment to ethical practices.

All departments have also put in place policies and processes to ensure that our operations comply with applicable laws and regulations. Our Compliance Department is responsible for monitoring our performance on regulatory compliance. Internal audits are conducted annually to evaluate the effectiveness of compliance controls in place. For FY2023, there have been no legal actions regarding anti-competitive behaviour and no violations of anti-trust and monopoly legislations.

Our Whistleblowing Policy, for both employees and salespersons, details the proper channels and procedures by which they can raise their concerns about possible improprieties and misconduct. We regularly provide relevant briefings and training to update our employees and salespersons on changes in laws and regulations. Employees and salespersons are also educated via compulsory monthly Morning Parade briefings, circulars, e-mail broadcasts, and announcements in our Virtual Office. We have also reviewed it to keep it updated and relevant from time to time.

FY2023 PERFORMANCE AND FUTURE TARGETS

FY2023 Performance against Targets Set in FY2022

Achieved. In FY2023, there was no non-compliant incident with relevant laws and regulations that resulted in significant fines or legal actions against the Group, and there was also no letter of complaints against the Group from the Personal Data Protection Commission ("**PDPC**") concerning breaches of customer's personal data and losses of customer data. The Group also did not have any incidents of corruption in FY2023.

In FY2023, the Group conducted 16 compliance trainings and legal clinics with professionals and lawyers as speakers for our salespersons. Also, the Group updated existing videos which to explain various transaction documents and these are accessible to our salespersons, consumers and the public.

Targets and Action Plan for FY2024

Compliance with Laws and Regulations Targets for FY2024	
FY2024 Targets	**Action Plan**
Maintain zero non-compliant incidents with relevant laws and regulations that could result in significant fines or legal actions against the Group. Maintain zero letter of complaints against the Group from authorities like PDPC concerning breaches of customer's personal data and losses of customer data. Maintain zero incidents of fraud or corruption.	Continue to conduct various programmes in raising the professionalism standards of our sales force and using cases studies to educate our salespersons.

SUSTAINABILITY REPORT
ECONOMIC

As Singapore's largest real estate agency, PropNex fulfils an important role within the real estate sector by facilitating the buying, selling, renting and leasing of properties in Singapore. In line with our vision of having the strength of a big company and our status as a listed entity on the SGX-ST, PropNex also contributes to the economy by providing gainful employment to thousands of employees and salespersons.

ECONOMIC PERFORMANCE

(GRI 201: Economic Performance)

The Group's revenue decreased by 18.6% from $1,029.2 million in FY2022 to $838.1 million in FY2023. The Group's salesforce grew from 11,667 as at 1 January 2023 to 11,999 as at 1 January 2024.

For more information on the financial performance of the Group, you may refer to the "Financial and Operations Review" Section in the Annual Report.

No incident of non-compliance with socio-economic laws and regulations was identified in FY2023.

SUSTAINABILITY REPORT
APPENDIX A: GRI CONTENT INDEX

Statement of use	PropNex Limited has reported the information cited in this GRI Content Index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 1
	2-2	Entities included in the organisation's sustainability reporting	Page 36
	2-3	Reporting period, frequency and contact point	Page 36
	2-4	Restatements of information	No restatements of information were made in the FY2023 Report
	2-5	External assurance	Page 36
	2-6	Activities, value chain and other business relationships	Page 4
	2-7	Employees	Page 52 to 56
	2-8	Workers who are not employees	Page 52 to 56
	2-9	Governance structure and composition	Page 20 to 27 and 39
	2-10	Nomination and selection of the highest governance body	Page 20 to 27, 39 and 82 to 87
	2-11	Chair of the highest governance body	Page 20 to 27 and 39
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 39
	2-13	Delegation of responsibility for managing impacts	Page 39
	2-14	Role of the highest governance body in sustainability reporting	Page 39
	2-15	Conflicts of interest	Page 77
	2-16	Communication of critical concerns	Page 98. There were no critital concerns raised in FY2023.
	2-17	Collective knowledge of the highest governance body	Page 78. The Board had attended the sustainability training courses prescribed by SGX.
	2-18	Evaluation of the performance of the highest governance body	Page 86 to 87
	2-19	Remuneration policies	Page 87 to 92
	2-20	Process to determine remuneration	Page 88 to 90
	2-21	Annual total compensation ratio	Not disclosed.
	2-22	Statement on sustainable development strategy	Page 37

SUSTAINABILITY REPORT
APPENDIX A: GRI CONTENT INDEX

GRI Standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-23	Policy commitments	Page 52 and 66 to 67
	2-24	Embedding policy commitments	Page 52 and 66 to 67
	2-25	Processes to remediate negative impacts	Page 67
	2-26	Mechanisms for seeking advice and raising concerns	Page 67
	2-27	Compliance with laws and regulations	Page 66 to 67
	2-28	Membership associations	Page 66 to 67
	2-29	Approach to stakeholder engagement	Page 42
	2-30	Collective bargaining agreements	We do not have any collective bargaining agreements in place.
GRI 3: Material Topics	3-1	Process to determine material topics	Page 40
	3-2	List of material topics	Page 40 to 41
GHG Emissions and Energy Consumption			
GRI 3: Material Topics	3-3	Management of material topics	Page 43 to 51
GRI 302: Energy	302-1	Energy consumption within the organisation	Page 50
	302-3	Energy intensity	Page 50
	302-4	Reduction of energy consumption	Page 49 to 51
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Page 50
	305-4	GHG emission intensity	Page 50
	305-5	Reduction of GHG emission	Page 49 to 51
Economic Performance			
GRI 3: Material Topics	3-3	Management of material topics	Page 68
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Page 68
Compliance with Laws and Regulations			
GRI 3: Material Topics	3-3	Management of material topics	Page 66 to 67
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies	Page 66 to 67
	205-3	Confirmed incidents of corruption and actions taken	Page 67
GRI 206: Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 67
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 67

GRI Standard	Disclosure		Location
Employment			
GRI 3: Material Topics	3-3	Management of material topics	Page 52 to 56
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 54 to 55
GRI 403: Occupational Health and Safety	403-9	Work-related injuries	Page 56
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 54 to 55
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	Page 56
Local Communities			
GRI 3: Material Topics	3-3	Management of material topics	Page 64 to 65
GRI 413: Local Communities	413-1	Operations with implemented local community engagement, impact assessments, and/or development programs	Page 64 to 65
Training and Development			
GRI 3: Material Topics	3-3	Management of material topics	Page 57 to 59
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Page 59
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 57 to 58
Consumer Empowerment (Non-GRI Topic)			
GRI 3: Material Topics	3-3	Management of material topics	Page 62 to 63
Technological and Digital Innovation (Non-GRI Topic)			
GRI 3: Material Topics	3-3	Management of material topics	Page 60 to 61

SUSTAINABILITY REPORT
APPENDIX B: TCFD DISCLOSURES

TCFD Recommended disclosures	PropNex's approach	Reference
Governance		
Describe the PropNex Board's oversight of climate-related risks and opportunities.	• PropNex Board has oversight of PropNex's sustainability approach and the integration of sustainability-related matters, including climate-related issues, in the formulation of PropNex's strategy. • PropNex Board monitors and oversees progress on sustainability and climate-related risks and opportunities that meet shareholders' expectations, and reviews significant issues raised. • PropNex Board approves the Sustainability Report, which provides comprehensive sustainability disclosures.	• Sustainability Governance Structure
Describe PropNex management's role in assessing and managing climate-related risks and opportunities.	• The SSC consists of the Chief Executive Officer, Key Executive Officer, Chief Financial Officer, Chief Operating Officer and the Senior Director of Corporate Communications and Business Development. • The SSC is responsible for developing the sustainability strategy and targets in the strategic formulation of the Group, implementing action plans, and monitoring and managing sustainability performance.	
Strategy		
Describe the climate-related risks and opportunities PropNex has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities PropNex's businesses, strategy, and financial planning.	• In FY2023, we have strengthened our understanding of how climate-related risks and opportunities could potentially affect our respective business lines and operational activities. • Going forward, we will continue to monitor sustainability developments and review our risks and opportunities. • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• Climate-Related Risks and Opportunities
Describe the resilience of PropNex's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• In FY2023, we have explored the use of climate scenario analysis to enhance our assessment and quantification of the impacts of our risks and opportunities to support PropNex's strategic decision-making.	• Scenario analysis

TCFD Recommended disclosures	PropNex's approach	Reference
Risk Management		
Describe PropNex's processes for identifying and assessing climate-related risks.	• The SSC was formed to drive the implementation of PropNex's sustainability strategy, including our climate agenda and climate risk management.	• Climate-Related Risks and Opportunities
Describe PropNex's processes for managing climate-related risks.	• Some climate-related risks have been categorised as emerging risks and PropNex recognises that climate-related risks are inherently linked to other strategic, financial and operational risks. • In FY2023, key business and support units were individually engaged by the SSC in a series of physical and virtual meetings to identify and assess climate-related risks across three-time horizons (short-term: 1 to 3 years, medium-term: 4 to 5 years, long-term: 5 years and beyond), and discuss the potential actions in response to those risks.	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the PropNex's overall risk management.	• PropNex began the journey to adopt the recommendations of the TCFD in FY2022, and we have a roadmap for adopting the recommendations. • We recognise that climate-related risks affect our businesses as do other strategic, financial and operational risks. Such risks are embedded in our enterprise risk management framework with the business and support units owning and managing the risks.	
Metrics and Targets		
Disclose the metrics used by PropNex to assess climate-related risks and opportunities in line with its strategy and risk management process.	• PropNex has prepared the TCFD report in accordance with Task Force on Climate-Related Financial Disclosures. • PropNex has reported on our Energy Consumption and GHG emissions in the TCFD report.	• Performance Metrics and Targets
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	• PropNex has measured and disclosed our Scope 2 GHG emissions in this TCFD report, including the related risks. • PropNex will progressively disclosure our Scope 3 GHG emissions in our subsequent TCFD reports.	
Describe the targets used by PropNex to manage climate-related risks and opportunities and performance against targets.	• PropNex has committed to reduction targets to ensure our emission reduction targets align with the need to keep global warming below 1.5°C compared with preindustrial levels. • All data included in the sustainability report has been submitted for an internal review and was approved by the PropNex Board in December 2023.	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Mohamed Ismail S/O Abdul Gafoore
(Executive Chairman and Chief Executive Officer)

Mr Kelvin Fong Keng Seong
(Executive Director and Deputy Chief Executive Officer)

Dr Ahmad Bin Mohamed Magad
(Lead Independent Director)

Mr Kan Yut Keong
(Independent Director)

Mr Low Wee Siong
(Independent Director)

AUDIT COMMITTEE

Mr Kan Yut Keong
(Chairman)
Dr Ahmad Bin Mohamed Magad
Mr Low Wee Siong

NOMINATING COMMITTEE

Mr Low Wee Siong
(Chairman)
Dr Ahmad Bin Mohamed Magad
Mr Kan Yut Keong

REMUNERATION COMMITTEE

Dr Ahmad Bin Mohamed Magad
(Chairman)
Mr Kan Yut Keong
Mr Low Wee Siong

COMPANY SECRETARIES

Lee Li Huang
Kong Wei Fung
Lotus Isabella Lim Mei Hua

REGISTERED OFFICE

480 Lorong 6 Toa Payoh
#10-01 HDB Hub
Singapore 310480
Tel: (65) 6820 8000
Fax: (65) 6829 6600

SHARE REGISTRAR

Tricor Barbinder Share Registration
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

INDEPENDENT AUDITORS

KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

Partner-in-charge: Shelley Chan Hoi Yi
Appointed since 2019

STOCK CODE

SGX: OYY
Bloomberg: PROP:SP

COMPANY WEBSITE

www.propnex.com

INVESTOR RELATIONS ADVISOR

Silvia Heng
August Consulting
101 Thomson Road
#29-05 United Square
Singapore 307591

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed in ensuring that the highest standards of corporate governance are practised throughout PropNex Limited (the "Company") and its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2023 ("FY2023"), with specific reference to the principles and provisions of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (last amended on 11 January 2023) (the "Code"), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Listing Manual") and the Singapore Companies Act.

The Board has taken steps to align the corporate governance framework with the provisions of the Code. Where the Group's practices vary from any provisions of the Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is responsible for and works with the management to ensure the overall success of the Group. The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board also reviews strategies, policies and financial performance and assesses key risks identified by the management of the Group as well as the adequacy of internal controls and risk management system. Day-to-day management and implementation of business strategies are delegated to the Executive Directors.

The Directors of the Company are required to act in good faith and to make decisions objectively at all times, as fiduciaries in the best interests of the Company. The Board has implemented policies that established appropriate cultural values and ethical standards of conduct at all levels of the Group. The Board's principal functions include:

- review and advise on the Group's policies and procedures;
- review and approve financial results and announcements;
- review and approve significant acquisitions and disposals;
- approve material borrowings and fund-raising exercises;
- establish and maintain a sound risk management framework;
- review performance and succession planning of the key management personnel; and
- monitor and ensure compliance with the Listing Manual, and laws and regulations relevant to the Group.

CORPORATE GOVERNANCE

Matters and transactions that require the Board's approval include the following:

- significant acquisitions and disposals of assets;
- major investments, divestments or capital expenditure;
- material borrowings and fund-raising exercises;
- share issuance;
- declaration of interim dividends and proposal of final dividends;
- financial results and press releases, annual reports and audited financial statements;
- annual budgets and financial plans of the Group;
- convening of shareholders' meetings;
- appointment of Directors and key management personnel, including the review of their performance and remuneration packages; and
- material interested person transactions.

Clear written instructions have been imposed on and communicated to the management that the above matters must be approved by the Board.

As at the date of this Annual Report, the members of the Board and their membership on the Board Committees of the Company are as follows:

Table 1.1 – Composition of the Board and Board Committees

Name of Director	Board Appointments	Audit Committee ("AC")	Nominating Committee ("NC")	Remuneration Committee ("RC")
Mr. Mohamed Ismail S/O Abdul Gafoore	Executive Chairman and Chief Executive Officer	–	–	–
Mr. Kelvin Fong Keng Seong	Executive Director and Deputy Chief Executive Officer	–	–	–
Dr. Ahmad Bin Mohamed Magad	Lead Independent and Non-Executive Director	Member	Member	Chairman
Mr. Kan Yut Keong	Independent and Non-Executive Director	Chairman	Member	Member
Mr. Low Wee Siong	Independent and Non-Executive Director	Member	Chairman	Member

CORPORATE GOVERNANCE

Conflict of Interest

The Company has in place a policy that where a Director's personal or business interest interferes, or even appears to interfere, in any way with the interests of the Company, the Director must promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Company Secretaries containing details of the interest and the nature of the conflict and recuse himself from participating in any discussion and decision on the transaction or proposed transaction.

Board Committees

The Board has delegated certain responsibilities to the AC, the RC and the NC (collectively, the "Board Committees") with clearly defined terms of reference. The terms of reference of each Board Committee set out the composition, authorities, duties and responsibilities of the Board Committee, and the conduct of meetings including quorum and voting requirements. The terms of reference are reviewed by each Board Committee from time to time to ensure relevance.

The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board Attendance

The Board meets at least twice a year, and when necessary to address any specific significant matters that may arise, following the adoption of the risk-based approach to quarterly reporting by SGX-ST. The dates of the Board and Board Committee meetings as well as the annual general meeting are scheduled in advance in consultation with every Director.

To ensure the Board and Board Committee meetings are held with maximum Directors' participation, the Company's Constitution allows for telephone and video-conference meetings. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board and Board Committee members together with all relevant information regarding the proposed resolutions/transactions.

The details of the number of Board and Board Committee meetings, and general meetings held in FY2023 as well as the attendance of each Director at those meetings are disclosed below.

Table 1.2 – Number of Meetings Attended by the Directors

	Board	**AC**	**NC**	**RC**	**AGM**	**EGM**
No of meetings held	2	2	1	1	1	1
Directors	**Number of meetings attended**					
Mr. Mohamed Ismail S/O Abdul Gafoore	2	2*	1*	1*	1	1
Mr. Kelvin Fong Keng Seong	2	2*	1*	1*	1	1
Dr. Ahmad Bin Mohamed Magad	2	2	1	1	1	1
Mr. Kan Yut Keong	2	2	1	1	1	1
Mr. Low Wee Siong	2	2	1	1	1	1

* Attendance at meetings on a "By Invitation" basis.

CORPORATE GOVERNANCE

Training for Directors

The Company conducts an orientation programme for new Directors to familiarise them with the Group's strategic direction, corporate governance practices, business activities and organisation structure. To obtain a better understanding of the Group's business, the new Directors will also be given the opportunity to visit the Group's operational offices and meet with key management personnel. The Company also ensures that for any new Director appointed by the Board, who had no prior experience as a director of a listed company, to undergo training in the roles and responsibilities of a listed company director as prescribed by the SGX-ST.

The Directors are updated, from time to time, when new or revised laws or regulations relevant to the Group's business are introduced. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts on a timely basis. Where necessary, the Company arranges for presentations by external professionals, consultants and advisers on topics that would have an impact on the relevant regulations, accounting standards and responsibilities of the Directors.

The Directors are encouraged to attend seminars, conference and training courses at the Company's expenses that will assist them in developing their skills and knowledge, executing their obligations to the Company and effectively discharging their duties as Directors. In FY2023, trainings and conferences attended by the Directors included those provided by Singapore Institute of Directors, Securities Investors Association (Singapore) and SGX-ST.

In addition, the Executive Directors update the Board at each meeting on the business and strategic developments of the Group.

Access to Complete, Adequate and Timely Information

The Directors have separate, independent and unrestricted access to the management, Company Secretaries, and external advisers (where necessary) at the Company's expense. To facilitate direct access to the management, the names and contact details of the management team are provided to the Directors.

To enable the Directors to make informed decisions to discharge their duties and responsibilities, management provides complete, adequate and timely information to the Directors prior to meetings and on a regular basis. All Board and Board Committee papers are distributed to the Directors no less than one week in advance of the meetings to allow the Directors sufficient time to prepare for the meetings. Any additional material or information requested by the Directors is promptly furnished.

Management's proposals to the Board for approval contain background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who are able to provide additional insight into matters to be discussed will be present at the relevant Board and Board Committee meetings. Directors are also updated on initiatives and developments as soon as practicable so that the Directors are kept abreast of the Group's business and operations.

The Company Secretaries are responsible for, amongst other things, ensuring that the Board's procedures are followed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001, Singapore Companies Act and the Listing Manual, are complied with. The Company Secretaries also assist the Chairman and the Board in ensuring information flows within the Board and its Board Committees and between management and the Non-Executive Directors.

CORPORATE GOVERNANCE

The Company Secretaries support the Chairman and the Board in enforcing and strengthening corporate governance practices and processes. The Company Secretaries assist the Chairman of the Board, the Chairman of Board Committees and management in the development of the agendas for the various Board and Board Committee meetings, attend and prepare minutes for all Board and Board Committee meetings, and assist in ensuring coordination and liaison between the Board, Board Committees and management.

The appointment and the removal of the Company Secretaries are subject to the Board's approval.

Principle 2: Board Composition and Guidance

The Board comprises two Executive Directors and three Independent Non-Executive Directors. There is therefore a strong and independent element on the Board, with Independent Non-Executive Directors making up a majority of the Board.

The Company complies with provision 2.2 of the Code which recommends that independent directors make up a majority of the Board where the Chairman of the Board is not independent and provision 2.3 of the Code which recommends that non-executive directors make up a majority of the Board. The Board has noted that no individual or small group of individuals are able to dominate the Board's decision making and that there is a strong and independent element in the Board.

Board Diversity Policy

The Company has adopted a formal Board Diversity Policy, where the size of the Board should be appropriate with no individual or group dominating the Board's decision making process. In addition, the Board should comprise Directors who can provide the appropriate range, balance and mix of skills, knowledge, experience, and other aspects of diversity relevant to the industry. No appointment to the Board shall be based on race, language, religion or gender, but will be based on the merits of the selected candidate, the requirements of the Board and the potential contributions that the selected candidate will bring to the Board.

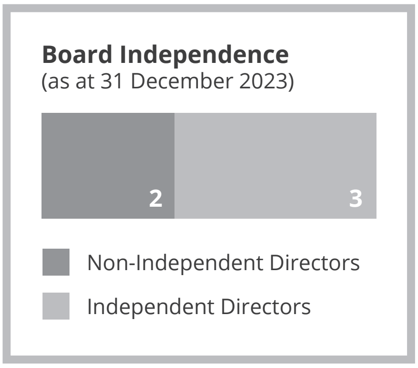
The NC is responsible for examining the size and composition of the Board and Board Committees. The compositions of the Board and Board Committees are reviewed on an annual basis by the NC and the Board, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, and professional experience in order to provide the Board's access to an appropriate range and balance of skills, experience and backgrounds. The NC reviews the Board Diversity Policy annually or from time to time as appropriate to ensure the effectiveness of the policy. Any revisions, as required, would be recommended to the Board for consideration and approval. The NC also reviews the targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity.

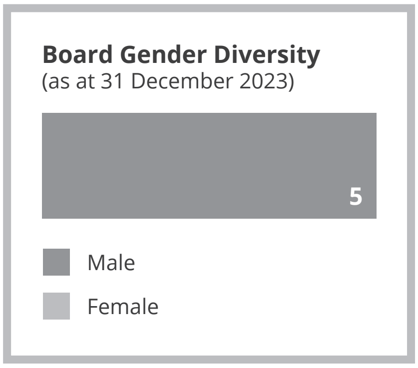
CORPORATE GOVERNANCE

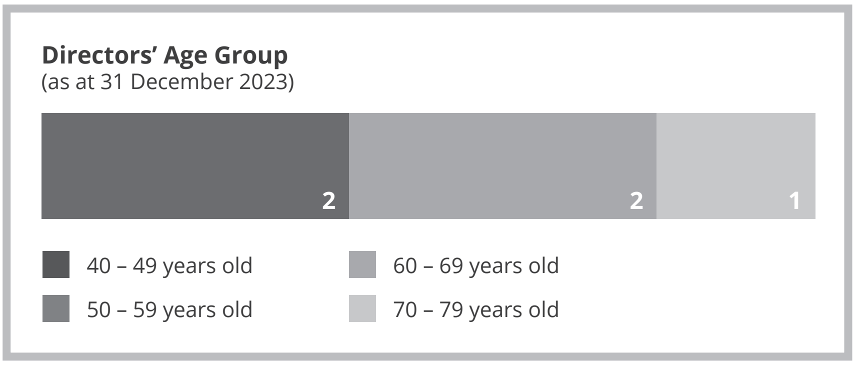
Board Skill Sets

- Accounting and financial management
- Business entrepreneurship and management
- Strategic planning
- Legal
- Human resource
- Risk management
- Relevant real estate industry knowledge and experience

Details of the Board composition are as follows:







To ensure the composition of the Board remains appropriately diverse, the Board has set targets to maintain a majority of Independent Directors on the Board and overall balance in competencies at all times. This is beneficial to the Company and its management as discussions with, and decisions by, the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors. The current composition of the Board meets the independence and competency targets. The NC and the Board have taken the following steps to maintain or enhance its balance and diversity:

(a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board;

(b) annual evaluation by the Directors of the skill sets the other Directors possessed, with a view to understanding the expertise which is lacking in the Board; and

(c) annual review of the size and composition of the Board and Board Committees taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity based on the Board Diversity Policy, including but not limited to gender, age, and professional experience in order to provide the Board's access to an appropriate range and balance of skills, experience and backgrounds.

The Board will continue to review opportunities to refresh the Board with a view to expanding the skills, experience, and diversity of the Board as a whole. As part of the Board renewal process, the tenure of each Independent Director serving on the Board is monitored. The current Independent Directors of the Company have been on the Board for more than five years. None of them has served on the Board for an aggregate period of nine years. The Board renewal process will be implemented progressively by April 2027 to ensure stability and continuity. The NC and the Board aim to have at least one female representation on the Board and will strive to appoint one female candidate for any proposed appointment.

CORPORATE GOVERNANCE

Having considered the scope and nature of the Group's businesses and the requirements of the business, the Board concurred with the NC that the current size and the existing compositions of the Board and Board Committees effectively serve the Group. The present Directors on the Board provide sufficient diversity with appropriate balance and mix of experience, skills, competencies and knowledge such as financial and accounting, business or management experience, sustainability, legal and industry background, and they are able to contribute their area of expertise in leading the Group, regardless of gender, ethnicity or race.

The Independent Non-Executive Directors contribute accounting and financial knowledge, legal expertise and management experience to the Group, and provide the Executive Directors and the management with diverse and objective perspectives on issues considered by the Board. Accordingly, the NC and Board are of the view that the Board has the appropriate level of independence and mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making even though the Board lacks a female director at the moment. Please refer to their profiles under the "Board of Directors" Section in this Annual Report.

Independence of Directors

A director will not be independent if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years as stated in Rule 210(5)(d)(i) of the Listing Manual. A Director who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company ("Associated Relationships"), is considered to be independent under the Code.

As part of the annual process, the NC requires each Independent Directors, Dr. Ahmad Bin Mohamed Magad, Mr. Kan Yut Keong and Mr. Low Wee Siong to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the provision of the Code and Practice Guidance to the Code. The NC has reviewed the declaration forms and confirmed their independence in accordance with the Code. Taking into account the views of the NC, the Board determined that the said Directors are independent in conduct, character and judgement and there are no relationships or circumstances with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, the said Directors' exercise of independent business judgement in the best interests of the Company.

There is no Director who is deemed independent by the Board notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent. There is also no Independent Director who has served beyond nine years since the date of his first appointment. Each member of the NC and of the Board recused himself from deliberations on his independence.

The Independent Directors discuss and/or meet on a need basis without the presence of the management on matters such as the Group's financial performance, corporate governance initiatives, Board's processes, succession planning as well as leadership development and remuneration of the Executive Directors. The chairman of such meetings provides feedback to the Board where necessary. Notably, the Independent Directors had met and discussed with the external and internal auditors in the absence of the Executive Directors and management in FY2023.

CORPORATE GOVERNANCE

Principle 3: Chairman and Chief Executive Officer ("CEO")

The Board recognises the Code's recommendation that the Chairman and the CEO should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr. Mohamed Ismail S/O Abdul Gafoore is the Executive Chairman and CEO of the Company. While the Company has not adopted Provision 3.1 of the Code which requires the Chairman and the CEO to be separate persons, the Board is of the opinion that accountability and independence have not been compromised despite the Chairman and CEO being the same person and the present Group's structure and business scope do not warrant a meaningful split of the roles of the Chairman and the CEO. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising considerable concentration of power or influence, which is consistent with the intent of Principle 3 of the Code.

As Executive Chairman, Mr. Mohamed Ismail S/O Abdul Gafoore (a) leads the Board to ensure the effectiveness on all aspects of its role; (b) sets the agenda and ensure that adequate time is available for discussion on all agenda items, in particular strategic issues; (c) ensures effective communication with shareholders; (d) exercises control over the quality, quantity and timeliness of information flow between the management and the Board; and (e) promotes high standards of corporate governance.

As the CEO, Mr. Mohamed Ismail S/O Abdul Gafoore is responsible for (a) running the day-to-day business of the Group within the authorities delegated to him by the Board; (b) ensuring implementation of policies and strategies across the Group as set by the Board; and (c) leading the development of the Group's future strategies including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

Since the roles of Chairman and CEO are combined, the division of responsibilities has not been set in writing. All major decisions made by the Executive Chairman and CEO are reviewed by the Board and his remuneration package is reviewed periodically by the RC.

Dr. Ahmad Bin Mohamed Magad as the Lead Independent Director, co-ordinates and leads the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on issues between the Independent Directors and the Chairman. His responsibilities include carrying out the functions of the Chairman in relation to any matters where it would be inappropriate for the Chairman to serve in such a capacity, or if he is unable to do so. He is available to shareholders and other stakeholders of the Company where they have concerns, when contact through the normal channels of communication with the Chairman has failed to provide satisfactory resolution, or when such contact is inappropriate or inadequate.

Principle 4: Board Membership

The NC consists of three Independent Non-Executive Directors as follows:

Mr. Low Wee Siong	Chairman
Dr. Ahmad Bin Mohamed Magad	Member
Mr. Kan Yut Keong	Member

CORPORATE GOVERNANCE

The NC meets at least once a year to discuss and carry out its duties. The terms of reference of the NC include the following:

- review the composition, structure and size of the Board and Board Committees annually to ensure that they provide an appropriate balance and diversity of skills, expertise and knowledge, and core competencies such as accounting and finance, business or management experience, industry knowledge, sustainability, legal and industry background;

- determine the process and criteria for evaluating the performance of the Board, Board Committees and Directors;

- review and recommend the nomination or re-nomination of Directors;

- determine the independence of a Director annually;

- determine if a Director with board representations on various companies has been adequately carrying out his duties to the Group;

- review and approve employment of related persons and the proposed terms of their employment; and

- review succession plans for Directors, in particular, the Chairman, CEO and key management personnel as well as the training and professional development programs for the Board.

Process for Selection, Appointment and Re-appointment

Table 4.1 - Process for the Selection and Appointment of New Directors		
1.	Determine selection criteria	● The NC, in consultation with the Board, identifies the current requirements of the Board in terms of skills, experience and knowledge to complement and strengthen the Board.
2.	Search for suitable candidates	● The NC considers candidates proposed by the Directors, key management personnel or substantial shareholders, and engages external search consultants to contribute to discussions and deliberations where necessary. ● The NC assesses the candidates' ability to contribute to discussions, deliberations and activities of the Board and Board Committees, with consideration of the diversity aspects under the Board Diversity Policy, the existing composition of the Board, progressive renewal of the Board and Board Committees, and strives to ensure that the Board has an appropriate balance of Independent Directors as well as qualification and experience.
3.	Assess shortlisted candidates	● The NC meets, interviews and assesses the suitability and potential contributions of the shortlisted candidates to the effectiveness of the Board.
4.	Recommend candidate	● The NC recommends the selected candidate to the Board for consideration and approval.

CORPORATE GOVERNANCE

Table 4.2 - Process for the Re-Appointment of Incumbent Directors		
1.	Assessment of Director	• The NC assesses the performance of the Director in accordance with the performance criteria set by the Board. • The NC also takes into account the need for progressive renewal of the Board and considers the current requirements of the Board.
2.	Re-appointment of Director	• Subject to satisfactory assessment, the NC recommends the re-appointment of the Director to the Board for consideration and approval.

Pursuant to Regulation 117 of the Company's Constitution, at each Annual General Meeting ("AGM"), at least one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one) shall retire from office by rotation and stand for re-election at the Company's AGM. All Directors are required to retire from office at least once every three years and submit themselves for re-election by the shareholders at the AGM pursuant to Rule 720(5) of the Listing Manual. The Directors to retire each year shall be those that have been longest in office since their last re-election or appointment. A retiring Director shall be eligible for re-election.

Pursuant to Regulation 122 of the Company's Constitution, the Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Additional Directors appointed by the Board after the AGM but during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM, which shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Mr. Mohamed Ismail S/O Abdul Gafoore and Mr. Kan Yut Keong will be retiring by rotation and eligible for re-election at the forthcoming AGM pursuant to Regulation 117 of the Company's Constitution. They have consented to stand for re-election at the forthcoming AGM. The NC has assessed their contributions and performance, independence status (for Independent Director only), appropriate mix of core competencies and diversity for the Board to fulfill its roles and responsibilities, and recommended their re-appointment to the Board for consideration. The Board has accepted the recommendations to put forth these Directors for re-election at the forthcoming AGM.

Further information on the retiring Directors seeking re-election as set out in Appendix 7.4.1 of the Listing Manual can be found in the "Additional Information on Directors Seeking Re-election" Section in this Annual Report.

The retiring Directors have abstained from the discussion and participation in the NC's and Board's decision in respect of their re-election as a Director.

Review of Independence

The NC determines the independence of the Independent Directors annually. Please refer to Principle 2 for details. None of the Independent Directors or their immediate family members is or had been employed by the Group in the current or any of the past three financial years.

CORPORATE GOVERNANCE

Directors' Commitment to Discharge Duties

The NC has determined that the maximum number of listed company board representations which any Director of the Company may hold is five and all Directors have complied. A Director who holds more than five listed company board representations (including the appointment with the Company) shall consult the Chairman of the NC before accepting any new appointments as a director of the other listed company. All Directors declare their board memberships and/or principal commitments as and when practicable.

The listed company directorships and principal commitments of each Director are set out below.

Table 4.3 – Listed Company Representations and Principal Commitments of Directors

Director	Position	Present directorship in other listed companies	Present directorship and other principal commitments
Mr. Mohamed Ismail S/O Abdul Gafoore	Executive Chairman and CEO	Nil	• PropNex Limited and its group of companies • P & N Holdings Pte. Ltd. and its group of companies
Mr. Kelvin Fong Keng Seong	Executive Director and Deputy CEO	Nil	• KJ MGT Pte. Ltd. • TREK01 Pte. Ltd. • YKC Group Pte. Ltd. • Champ Invest Pte. Ltd. • ISolution Investment Pte. Ltd. • Ovvy Pte. Ltd.
Dr. Ahmad Bin Mohamed Magad	Lead Independent and Non-Executive Director	Second Chance Properties Ltd	• Dynavision Advisory • Singapore Environment Council • Stroke Support Station (S3) • Salleh Marican Foundation • Sri Narayana Mission (Singapore) • The Arab Association
Mr. Kan Yut Keong	Independent and Non-Executive Director	Nam Cheong Limited	• Cornerstone Advisors Pte. Ltd. • Yick Cheong Kedai Emas Sdn. Bhd. • Yee Cheong Kedai Emas Sdn. Bhd.
Mr. Low Wee Siong	Independent and Non-Executive Director	Beng Kuang Marine Limited	• WongPartnership LLP

CORPORATE GOVERNANCE

During the year, the NC has considered each Director's other board representations and principal commitments and is satisfied that each Director is able to carry out and has been adequately carrying out his duties as a Director of the Company. In addition, the NC is satisfied that each Director has given sufficient time and attention to the affairs of the Company to adequately discharge his duties.

The Company does not have alternate directors. In the event an alternate director is appointed, the alternate director should be appropriately qualified and familiar with the Group's business. The NC will review and confirm the independence of that person before approving his appointment as an alternate director to an Independent Director.

Principle 5: Board Performance

The NC reviews the performance of the Board, Board Committees and individual Directors on an annual basis. The Board has a process and the criteria to assess the effectiveness of the Board as a whole and to assess the contribution of each Director to the effectiveness of the Board.

Evaluation Process

The annual assessment is conducted by the NC where the Directors will complete the Board Performance Evaluation Questionnaire (the "Questionnaire") to seek their views on various aspects of the Board performance, such as the Board composition, information and process. The NC and the Board are of the view that a separate assessment on the effectiveness of the Board Committees is not necessary as the Board Committees have common members and a section on each Board Committees' performance is included in the Questionnaire. Each member of the NC shall abstain from voting on any resolutions in respect of his own assessment of performance or re-nomination as a Director. The Board acts on the results of the performance evaluation, and in consultation with the NC, proposes, where appropriate, that new members be appointed to the Board or seeks the resignation of Directors.

To assess the effectiveness of the Board as a whole, the criteria evaluated by the NC include but not limited to:

- Board structure;
- Information to the Board;
- Board processes;
- Governance (ie. Board risk management and internal controls);
- Board accountability;
- Access to management;
- Standards of conduct; and
- Board Committees' performance.

To assess the contribution of each Directors, the Directors are required to complete the Individual Director Assessment Checklist (the "Checklist"). The factors assessed by the NC include but not limited to:

- Attendance in meetings;

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- Adequacy of preparation for meetings;
- Participation in discussions;
- Contribution in own specialist relevant area; and
- Area of expertise.

The performance criteria do not change from year to year. Directors also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required.

For FY2023, all the Directors had completed and submitted the Questionnaires and Checklists to the Company Secretaries. The Company Secretaries summarised and circulated the responses to the NC for review before submitting to the Board for discussion and to determine areas for improving and enhancing the effectiveness of the Board and Board Committees.

Having reviewed each of the Director's attendance and contribution to the Board in FY2023, the NC is of the view that the performance of the Board and the Board Committees had been satisfactory. The NC is also satisfied that the Directors had each contributed to the effectiveness of the Board and the respective Board Committees, and had been able to devote adequate time and attention to the Company's affairs and to discharge their duties as Directors of the Company.

The Board has not engaged any external consultant to conduct an assessment on the effectiveness of the Board and the contribution by each individual Director. Where relevant, the NC would consider such an engagement.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The RC consists of three Independent Non-Executive Directors as follows:

Dr. Ahmad Bin Mohamed Magad	Chairman
Mr. Kan Yut Keong	Member
Mr. Low Wee Siong	Member

The RC meets at least once a year to discuss and carry out its duties. The terms of reference of the RC include the following:

- recommending to the Board a comprehensive remuneration policy framework and guidelines for the remuneration of the Directors and key management personnel, and determining specific remuneration packages for each of them. The recommendations of the RC shall be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, termination terms and benefits-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package;

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- performing an annual review of the remuneration of employees who are substantial shareholders or related to a Director, CEO and a substantial shareholder to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, that member shall abstain from participating in the review;

- reviewing and approving the design of all share option plans, performance share plans and/or other equity-based plans;

- in the case of Service Contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance; and

- approving performance targets for assessing the performance of each of the Executive Directors and key management personnel and recommending such targets as well as specific remuneration packages for each of them for endorsement by the Board.

The principal activities of the RC during FY2023 are summarised below:

- reviewed the remuneration of the Executive Directors and key management personnel of the Company;

- reviewed the remuneration package of employees who are substantial shareholders or immediate family members of a Director, CEO and a substantial shareholder of the Company; and

- reviewed and recommended to the Board the Directors' fees for FY2024.

The RC may from time to time, where necessary or required, seek expert advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and key management personnel, so that the Group remains competitive. During FY2023, no external remuneration consultant has been engaged.

None of the members of the RC or any Director is involved in deliberation and voting in respect of any remuneration, compensation or any form of benefits to be granted to him or someone related to him.

Principle 7: Level and Mix of Remuneration

The RC and the Board ensure that the level and structure of remuneration for the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives, long-term interests and risk management. The RC has structured remuneration packages for key management personnel on measured performance indicators, taking into account both quantitative and non-quantitative factors. The Company adopts a remuneration system that is responsive to the market elements and to the performance of the Company and business divisions respectively.

The remuneration system is structured to link a significant and appropriate proportion of rewards to the Company's and the individual's performance. The remuneration framework for Executive Directors and key management personnel is aligned with the interest of the shareholders and relevant stakeholders and is appropriate to attract, retain and motivate them for the long-term success of the Group.

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Remuneration of Executive Directors and Key Management Personnel

The remuneration structure for the Executive Directors and key management personnel consists of the following components:

1. Fixed remuneration comprises basic salary, fixed allowances and statutory employer contributions to the employee's Central Provident Fund and Skills Development Levy. In determining the remuneration packages, the Group considers the employment and pay conditions in the same industry and comparable companies, as well as the Group's relative performance and the individual performance of the Executive Directors and key management personnel.

2. Variable compensation comprises performance bonus and performance incentives which are remuneration components that vary according to the Group's and the individual's performance objectives. The annual performance bonus and performance incentives are calculated based on the Group's audited consolidated net profit before tax (which excludes non-controlling interests) as the RC believes that this best reflects the financial health and performance of the Group's business.

3. Other benefits which mainly include medical benefits.

Executive Directors are not entitled to Directors' fees.

The Executive Directors of the Company, Mr. Mohamed Ismail S/O Abdul Gafoore and Mr. Kelvin Fong Keng Seong, have each entered into a Service Agreement with the Company on 13 June 2018 for a period till the fifth AGM of the Company after its initial public offering ("IPO"), renewable automatically thereafter for periods of one year each, unless otherwise terminated. The Service Agreement provides for termination by either the Executive Directors or the Company upon giving no less than six months' notice.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual results of the Group and/or the Company (and not on forward-looking results) as well as the actual performance of the Executive Directors and key management personnel, "claw-back" provisions may not be relevant or appropriate. Additionally, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of any breach of such fiduciary duties.

Remuneration of Non-Executive Directors

The Independent Non-Executive Directors are paid Directors' fees, subject to the approval of shareholders at the AGM. Directors' fees comprise a basic retainer fee, fees in respect of service on Board Committees, attendance fees, and, where appropriate, fees for participation in special projects and ad hoc committees. The Chairman of each Board Committee is compensated for additional responsibilities. The Directors' fees commensurate with the level of contribution, taking into account factors such as effort and time spent, and the associated responsibilities, and that the independence of the Non-Executive Directors is not compromised by their compensation.

The AC, with the concurrence of the Board, is of the view that the current remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities. The RC has recommended Directors' fees for FY2024 for the Board's endorsement. The Directors' fees are subject to shareholders' approval at the forthcoming AGM. No Director is involved in deciding his own remuneration.

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The Independent Directors' fee structure for FY2023 for service on the Board and Board Committees is as follows:

Table 7.1 – Fee Structure for Independent Directors' Fees	
	$
Lead Independent Director	8,000
Chairman of AC	34,000
Chairman of RC	6,000
Chairman of NC	6,000
Member of AC	23,000
Member of RC	5,000
Member of NC	5,000
Basic annual fee as Independent Director	32,000
Attendance fee per meeting	1,000

For attendance fee at meetings, meetings occurring on the same day will be counted as one meeting.

Principle 8: Disclosure on Remuneration

Remuneration of Directors and CEO

For FY2023, the breakdown for the remuneration of the Directors and CEO is as follows:

Table 8.1 – Remuneration of Directors						
	Salary ($)	**Bonus ($)**	**Provident Fund ($)**	**Benefits ($)**	**Directors' Fees ($)**	**Total ($)**
Executive Directors						
Mr. Mohamed Ismail S/O Abdul Gafoore	898,241	216,630	13,912	800	–	1,129,583
Mr. Kelvin Fong Keng Seong	874,731	1,808,055	17,544	800	–	2,701,130
Independent Directors						
Dr. Ahmad Bin Mohamed Magad	–	–	–	–	76,000	76,000
Mr. Kan Yut Keong	–	–	–	–	78,000	78,000
Mr. Low Wee Siong	–	–	–	–	68,000	68,000

There was no termination, retirement and post-employment benefits paid to Directors during FY2023. No performance shares was granted to Directors.

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Remuneration of Key Management Personnel

After much deliberation, the Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Group on a long-term basis, it is in the best interests of the Group and its shareholders not to disclose the remuneration of the Group's key management personnel (who are not Directors or the CEO) in remuneration bands of $250,000 on a named basis. The remuneration of the CEO has been set out above.

Notwithstanding its deviation from Provision 8.1(b) of the Code, the Company has set out information regarding its remuneration policies, procedures for setting remuneration and relationships between remuneration, performance and value creation under Principle 7 in this report. The Company, however, has disclosed (i) the aggregate remuneration paid to the Group's key management personnel (who are not Directors or the CEO) during FY2023; (ii) remuneration of a key management personnel who is a substantial shareholder of the Company in the remuneration band of $100,000; and (iii) annual aggregate remuneration of Executive Directors and key management personnel is disclosed under Note 24 to the Financial Statements. The non-disclosure does not compromise the ability of the Company to meet the Code on good corporate governance as the RC (consists of all Independent Directors) reviews the remuneration packages of the key management personnel who are remunerated based on the remuneration framework and performance of the Group to ensure that they are fairly remunerated and strongly linked to the achievement of the Group's and individual's performance targets. The Company therefore believes that, taken as a whole, the disclosures provided are meaningful and sufficiently transparent in giving an understanding of the remuneration of the key management personnel. Accordingly, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code, taking into account the strategic objectives of the Company pursuant to Principle 7 of the Code.

During FY2023, the Company had five key management personnel (who are not Directors or the CEO) and the breakdown for their remuneration is as follows:

Table 8.2 – Remuneration of Key Management Personnel

Remuneration Band	Number of Key Management Personnel	Salary (%)	Bonus (%)	Provident Fund (%)	Benefits (%)	Total (%)
$500,000 to $749,999	3	63.5	33.5	2.8	0.2	100.0
$250,000 to $499,999	1	59.5	35.9	4.4	0.2	100.0
Below $250,000	1	95.2	–	4.5	0.3	100.0
Total Aggregate Remuneration				$2,358,587		

There was no termination, retirement and post-employment benefits paid to the key management personnel during FY2023. None of the key management personnel was granted performance shares or options nor were they involved in deliberating or deciding own remuneration.

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During FY2023, Mr. Mohamed Ismail S/O Abdul Gafoore, Mr. Kelvin Fong Keng Seong and Mr. Lim Tow Huat are substantial shareholders of the Company. The remuneration of Mr. Mohamed Ismail S/O Abdul Gafoore and Mr. Kelvin Fong Keng Seong were disclosed in Table 8.1 above. Save as disclosed in Table 8.3 below, there was no other employee who is a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during FY2023:

Table 8.3 – Remuneration of Substantial Shareholder	
Name of Substantial Shareholder	**Remuneration Band**
Mr. Lim Tow Huat	$600,000 to $699,000

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the overall internal control framework and maintaining a sound system of internal controls to safeguard the interests of the Company and its shareholders. The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It sets the tone of the organisation from the top and influences the control consciousness of its employees. A weak foundation on the control environment reduces the effectiveness of even the best designed internal control procedures.

While the Company does not have a risk management committee, management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC. The AC, together with the assistance of the internal and external auditors and through an integrated approach of enterprise risk management, reviews the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by the management on an annual basis.

The internal and external auditors have, during the course of their audits, carried out a review of the adequacy and effectiveness of key internal controls within the scope of their audits. Material non-compliance and internal control weaknesses noted, if any, during their respective audits and their recommendations are reported to the AC. The AC reviews the internal auditors' comments and findings, ensures that there are adequate and effective internal controls in the Group and follow up on actions implemented.

The Board has obtained a written confirmation from the CEO and the Chief Financial Officer ("CFO") that to the best of their knowledge, the financial records of the Company and its subsidiaries had been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances.

The CEO, CFO and key management personnel responsible for risk management and internal control systems had also provided their confirmation that, as at 31 December 2023, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considered relevant and material to its operations.

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Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by management and various Board Committees as well as the said assurances received, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2023 to address financial, operational, compliance risks and information technology risks which the Group considered relevant and material to its operations. Pursuant to Rule 1207(10) of the Listing Manual, the Board is of the opinion that there were no material weaknesses identified in the Group's internal controls or risk management systems in FY2023.

The Board recognises that the internal control system cannot preclude all errors and irregularities, it is a system designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The review of the Group's internal control systems is a concerted and continuing process.

Principle 10: Audit Committee

The AC consists of three Independent Non-Executive Directors as follows:

Mr. Kan Yut Keong	Chairman
Dr. Ahmad Bin Mohamed Magad	Member
Mr. Low Wee Siong	Member

All AC members are Independent Directors and have sufficient accounting and/or related financial management expertise and experience. None of AC members had been a former partner or director of the Company's existing auditing firm or corporation within the previous two years nor had held financial interest in that auditing firm or corporation. For further details on the profiles of the AC members, please refer to the "Board of Directors" Section in this Annual Report.

The AC meets at least twice a year, and as and when deemed appropriate to carry out its functions. The terms of reference of the AC include the following:

(a) review the scope of the plans of the internal and external auditors, the results of the internal and external auditors' examination and their evaluation of internal control systems, their letters to management and the management's responses to ensure that appropriate follow-up measures are taken to satisfactorily address internal control weaknesses, if any;

(b) review the semi-annual and annual financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audits, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(c) review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(d) review the risk profile of the Group, its internal control and risk management procedures, including financial, operational, compliance and information technology controls and the appropriate steps to be taken to mitigate and manage risks at levels determined by the Board;

(e) ensure co-ordination between the internal and external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);

(f) commission and review the findings of investigations by internal or external auditors into matters where there is any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's responses;

(g) consider the appointment, remuneration, terms of engagement or re-appointment of the internal and external auditors and matters relating to the resignation or dismissal of the auditors;

(h) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(i) review and recommend to the Board any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(j) review any potential conflict of interests that may arise in respect of any Director(s) of the Company;

(k) review the scope and results of the external audits, and the independence and objectivity of the external auditors;

(l) review at least annually, the adequacy and effectiveness of the Group's risk management and internal audit function and ensure that a clear reporting structure is in place between the AC and the internal auditors;

(m) review arrangements by which staff of the Group may, in confidence, raise concerns about possible impropriety in matters of financial reporting and other matters and the adequacy of procedures for independent investigation and appropriate follow-up action in response to such complaints;

(n) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(o) undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time;

(p) assess the performance of the CFO on an annual basis and determine continued suitability for that position;

(q) on an annual basis or any other period that the AC deems fit, ensure that trade receivables are stated at fair value, accurately recorded in the financial statements and that credit policies are adhered to;

(r) monitor the cash flows of the Group;

(s) monitor and report on the use of proceeds raised from the IPO;

(t) review and establish procedures for receipt, retention and treatment of complaints received in relation to the Group, including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that may impact negatively on the Group and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

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(u) review the assurance from the CEO and CFO on the financial records and financial statements; and

(v) oversee the measures put in place to monitor the obligations of P & N Holdings Pte. Ltd. in relation to the Shareholders' Agreement for PropNex International Pte. Ltd. (the "PropNex International Shareholders' Agreement").

The external auditors and the CFO also keeps the AC abreast of changes in accounting standards and issues, if any, which have a direct impact on the financial statements through updates and/or reports from time to time, where applicable and relevant. In addition, the AC is entitled to seek clarification from the management, the external auditors and/or independent professional advice, or attend relevant seminars and/or informative talks at the Company's expense from time to time to apprise themselves of relevant accounting standards updates.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the management and full discretion to invite any Executive Directors or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

Summary of AC's Activities

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2023 in the discharge of its functions and duties including the deliberation and review of:

- the unaudited interim and full year financial results of the Group, and press release prior to submission to the Board for approval and releasing via SGXNET;
- the assurance from the CEO and CFO on the financial records and financial statements;
- the assurance from the CEO and key management personnel in respect of the adequacy and effectiveness of the internal controls and risk management systems;
- the internal and external auditors' plans and reports in relation to auditing and accounting issues arising from the audits and meeting with the auditors without the presence of the Executive Directors and the management;
- cooperation given by the management to the internal and external auditors;
- the internal audit findings report including internal control processes and procedures;
- the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management systems and reporting the findings to the Board;
- the external audit fees for FY2023;
- the recommendation to the Board on (i) the adequacy, effectiveness, independence, remuneration and terms of engagement of the external auditors for FY2023, and (ii) the proposal to shareholders on the change of external auditors;
- interested person transactions;
- reports on complaints received;

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- compliance of P & N Holdings Pte. Ltd.'s obligations under the PropNex International Shareholders' Agreement; and

- CEO's expenses and claims.

External Audit Process

On behalf of the Board, the AC manages the relationship with the Group's external auditors.

The current auditors of the Company is KPMG LLP ("KPMG") and the AC is satisfied with the adequacy of the scope and quality of the external audits being conducted by KPMG for FY2023.

As part of ongoing good corporate governance initiatives, the Board, with the recommendation of the AC, is of the view that it would be timely to effect a change of auditors with effect from the financial year ending 31 December 2024 to further strengthen the corporate governance processes of the Company. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, and thus, enhance the value of the audits of the Group. Accordingly, KPMG will not be invited to seek re-appointment at the forthcoming AGM to be held on 23 April 2024.

Following an evaluation of the available proposals from various audit firms with audit engagement partners which have experience in auditing public listed companies in Singapore, the Board, in consultation with the AC, has determined that Ernst & Young LLP ("Ernst & Young") is best suited to meet the existing needs and audit requirements of the Group. The Board and the AC, in their deliberation on the proposed appointment of Ernst & Young, had considered various factors, including the adequacy of the resources and experience of Ernst & Young and the audit engagement partner assigned to the audit, other audit engagements of Ernst & Young, the size and complexity of the Group's business and operations, and the number and experience of supervisory and professional staff assigned to the audit of the Group.

Following their deliberation, the Board and the AC are of the opinion that Ernst & Young will be able to meet the audit requirements of the Group and that with respect to the proposed appointment of Ernst & Young, Rules 712 and 715 of the Listing Manual has been complied with.

For further details, please refer to Appendix B to the Notice of AGM dated 5 April 2024.

Auditors' Independence

In order to maintain the independence of the external auditors, the Group has a specific policy which governs the conduct of non-audit work performed by the external auditors. This policy prohibits the external auditors from:

(a) Performing services which would result in the auditing of their own work;

(b) Participating in activities normally undertaken by the management;

(c) Acting as advocate for the Group; or

(d) Creating a mutuality of interest between the external auditors and the Group, for example being remunerated through a success fee structure.

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The AC undertook a review of the scope and results of the audit by KPMG, adequacy of the resources, experience and competence of the engagement partner and key team members in handling the audit and their cost effectiveness. The AC also reviewed the independence and objectivity of the external auditors through discussions with the external auditors and reviewed the non-audit fees awarded to them. The AC received a yearly report setting out the non-audit services provided by KPMG and the fees charged. An analysis of fees paid in respect of audit and non-audit services provided by breakdown for the past two financial years is disclosed in Note 21 to the financial statements. After reviewing the services provided during the financial year, the AC is satisfied that the objectivity and independence of the external auditors are not in any way impaired.

Key Audit Matters

In the review of the Group's financial statements for FY2023, the AC considered a number of significant matters and discussed with the management the accounting principles that were applied and their judgement on items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC also met with the external auditors to discuss their audit findings.

During the audit of the financial statements for FY2023, the following key audit matter ("KAM") was reported by the external auditors and the AC's comments on the KAM are set out below.

KAM	The AC's Comments
Revenue recognition on commission income from resale of Housing and Development Board ("HDB") properties	The AC is satisfied that the management's judgement is appropriate in determining when HDB approval is granted in determining the point of revenue recognition where performance obligation is satisfied by transferring control of a promised service to the customer. Commission income is success-based arrangement where the amount of consideration is contingent on the achievement of specific outcome.

The above KAM had been included in the Independent Auditors' Report for FY2023, which is included in this Annual Report.

Internal Audit

The AC's responsibility in overseeing the Group's risk management system and internal controls is complemented by its outsourced internal auditors, PricewaterhouseCoopers. The internal auditors report directly to the Chairman of the AC. The internal auditors plan its audit work in consultation with, but independently of, the management, and its yearly plan is submitted to the AC for review and approval prior to the beginning of the financial year.

The internal auditors have full and unfettered access to the Group's documents, records, properties and personnel including access to the AC. The AC is satisfied that the internal audit function of the Group is independent, effective and the internal auditors are adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively. The AC reviews, at least annually, the adequacy and effectiveness of the internal audit function. In FY2023, the AC also met with the internal auditors without the presence of the Executive Directors and the management.

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Whistle-Blowing Policy

The Company has put in place a Whistle-Blowing Policy (the "Policy") which is endorsed by the AC. The Policy provides well-defined and accessible channels in the Company where the employees of the Company may, raise concerns on any possible improprieties, misconduct or wrongdoing relating to the Company in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues, in confidence and good faith, without fear nor reprisal to the management and/or the AC. All information received will be treated confidentially and the identity of whistle-blowers will be protected.

The Policy is communicated to all our employees and available in the PropNex Policy Portal. The Company has also publicly disclosed the purpose, scope, reporting and communication channels of the Policy on its website www.propnex.com/whistlepolicy. On an ongoing basis, the Policy is covered during staff training and periodical communications to all staff as part of the Group's efforts to promote strong ethical values and fraud and control awareness.

Whistle-blowing complaints or reports can be lodged via email to whistleblowing@propnex.com or via hotline at 6829 6610. Complaints or reports raised will be directed to the Receiving Officer (Compliance Department). Where the complaints relate to a senior executive and/or the CEO, the Receiving Officer will escalate these to the AC. The reports on all complaints received including outcome of investigations and actions are submitted to the AC for information. The AC oversees the administration of the Policy and ensures that all concerns or complaints raised are independently investigated and appropriate follow-up actions are carried out and provides assurance that the whistle-blowers will be protected from reprisal within the limits of the law or victimisation for whistle-blowing in good faith. Anonymous reporting will also be attended to and anonymity will be honoured. The Policy is reviewed by the AC from time to time to ensure that it remains relevant.

The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Engagement

Participation at General Meetings

The Board supports and encourages shareholders' participation at general meetings of the Company. It believes that general meetings serve as an opportune forum for shareholders to meet the Board and the management, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to shareholders. The notices are also released via SGXNet and published on local newspapers, as well as posted on the Company's website.

The notice of general meetings with explanatory notes or circulars on items of special business, are despatched to shareholders, at least 14 days or 21 days if any special resolutions are included, before the scheduled date of the general meetings depending on the types of business to be transacted. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

CORPORATE GOVERNANCE

Each item of special business included in the notice of general meetings will be accompanied by an explanation of the effects of the proposed resolution. Separate resolutions are set out on distinct issues for approval by shareholders unless the issues are interdependent and linked so as to form one significant proposal. If there are any "bundled" resolutions, explanations and material implications will be given in the notice of meeting.

General meetings, unless otherwise stated, are held at the Company's corporate office located at 480 Lorong 6 Toa Payoh, #18-01 HDB Hub, Singapore 310480, which is easily accessible by shareholders. The Directors ensure that the shareholders have the opportunity to participate effectively in and vote at general meetings and shareholders are well informed of the meeting and voting procedures. All Directors and the external auditors will attend the general meetings of shareholders to address shareholders' queries about the conduct of the audits and the preparation and contents of the Independent Auditors' Report. Directors' attendance at these meetings held during the financial year will also be disclosed in the annual report, pursuant to which, the last AGM was held on 25 April 2023. All Directors that were in appointment at that time attended the last AGM.

Conduct of General Meetings

The Company will conduct its voting by poll at the general meetings in the presence of independent scrutineer. Explanation on polling procedures will be provided to shareholders before the poll voting is conducted. The total numbers and percentage of valid votes cast for or against each resolution will be announced at the general meetings and also on SGXNET after such meetings. Electronic polling may be considered taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors.

After a general meeting, the Company Secretaries will prepare the minutes of the general meeting that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the management. These minutes, subsequent to approval by the Chairman, will be made available to shareholders on the Company's website.

Absentia Voting

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. The Company's Constitution does not permit voting in absentia by mail, facsimile or e-mail due to the difficulty in verifying and ensuring authenticity of the votes. The Company's Constitution allows (i) a member who is not a relevant intermediary (as defined in the Singapore Companies Act) to appoint not more than two proxies; and (ii) a member who is a relevant intermediary to appoint more than two proxies, to attend, speak and vote on their behalf at the same general meeting.

Dividend Policy

The Company wishes to reward shareholders for participating in the growth of the Group and, accordingly, the Board intends to recommend and distribute dividends of 75% to 80% of the Group's announced profit attributable to the owners of the Company. The Dividend Policy may be subject to modification (including reduction or non-declaration thereof) at the Board's sole discretion.

CORPORATE GOVERNANCE

In considering the form, frequency and amount of future dividends in respect of any particular financial year or period, the Board will take into account the following factors:

(a) the financial position, results of operations and cash flows of the Group;

(b) the ability of the subsidiaries to make dividend payments to the Company;

(c) the expected working capital requirements and general financing condition of the Group;

(d) the actual and projected financial performance of the Group; and

(e) any other factors deemed relevant by the Directors.

Principles 12 and 13: Engagement with Shareholders and Stakeholders

Investor Relations Policy

The Company is committed to corporate governance by making information available to its stakeholders in a timely and transparent manner.

The Company currently does not have an Investor Relations Policy. It has engaged an external investor relations adviser, August Consulting Pte Ltd, to assist in investor relations activities in tandem with its in-house Corporate Communications Team. All material information on the performance and development of the Group and the Company is disclosed in an accurate and comprehensive manner through SGXNET. Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various communication such as:

(a) Announcements, including half-year and full-year financial results, press release, analysts briefing, via SGXNET;

(b) Annual reports and notices of general meetings;

(c) Company's general meetings;

(d) Investors/analysts briefings; and

(e) Corporate website of the Company at www.propnex.com.

The Company also solicits feedback from and addresses the concerns of shareholders through the Company's corporate website at www.propnex.com. For investor and media enquiries, the Group's Senior Director, Corporate Communications and Business Development, Ms. Carolyn Goh, can be contacted through email at carolyn@propnex.com. The Company's investor relations advisor, Ms Silvia Heng from August Consulting Pte Ltd is also contactable through email at silviaheng@august.com.sg.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectations and goals. The Group engages the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholders, including frequency of engagement by type and by stakeholder group, key feedback or issues that have been raised though stakeholder engagement can be found in the Sustainability Report Section in this Annual Report.

CORPORATE GOVERNANCE

DEALING IN THE COMPANY'S SECURITIES

The Company has adopted an internal policy to provide guidance to Directors and key management personnel of the Group with regard to dealings in the Company's securities. The policy prohibits dealing in the Company's securities by the Company, Directors and key management personnel of the Group while in possession of unpublished price sensitive information.

The Company, Directors and key management personnel of the Group are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Company, Directors and key management personnel of the Group are expected not to deal in the Company's securities on short-term considerations and they are also prohibited from dealing in the Company's securities during the one month before the release of the Company's half-year and full-year financial results.

MATERIAL CONTRACTS

Save for the service agreements between the Company and the Executive Directors, the PropNex International Shareholders' Agreement and the business takeover agreement entered into with Dennis Wee Realty Pte Ltd, there were no other material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director, CEO or controlling shareholders of the Company which are still subsisting as at 31 December 2023.

For details of the material contracts, please refer to the sections in the Prospectus entitled "General Information – Material Contracts" and "Directors, Management and Staff – Service Agreement".

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that IPTs are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and on terms which are generally no more favourable to those extended to unrelated third parties.

During the financial year, there was no IPT (within the meaning of the Listing Manual) of $100,000 or more in value entered.

The Company does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Listing Manual.

CORPORATE GOVERNANCE

USE OF PROCEEDS

Pursuant to the Company's IPO, the Company received net proceeds of approximately $38.3 million ("Net Proceeds"). The Board wishes to provide an update on the use of Net Proceeds as at 29 February 2024 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	680[1]	320
Enhancement of real estate brokerage business	18,000	12,292[2]	5,708
Expansion in range of business services	11,280	10,165[3]	1,115
Enhancement of technological capabilities	8,000	7,142[4]	858
	38,280	30,279	8,001

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.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

Financial year ended 31 December 2023

We are pleased to submit this annual report to the members of PropNex Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 114 to 177 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Mohamed Ismail S/O Abdul Gafoore
Kelvin Fong Keng Seong
Ahmad Bin Mohamed Magad
Kan Yut Keong
Low Wee Siong

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

DIRECTORS' STATEMENT

Financial year ended 31 December 2023

Directors' interests (continued)

(a) The Company

Name of director	Holdings at beginning of the year	Holdings at end of the year	Holdings at 21 January 2024
PropNex Limited			
Ordinary shares			
Mohamed Ismail S/O Abdul Gafoore			
- deemed interests	240,220,779	480,441,558	480,441,558
Kelvin Fong Keng Seong			
- deemed interests	32,384,600	65,743,000	65,743,000
Ahmad Bin Mohamed Magad			
- interests held	60,000	120,000	120,000

(b) Ultimate holding company

Name of director	Holdings at beginning of the year	Holdings at end of the year
P & N Holdings Pte. Ltd. ("P&N")		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore		
- interests held	364,261	364,261

As at the date of this statement, P&N holds 411,688,258 ordinary shares in the Company, and P&N is 62% owned by Mohamed Ismail S/O Abdul Gafoore. Accordingly, he is deemed interested in 411,688,258 ordinary shares held by P&N in the Company.

(c) Subsidiaries of PropNex Limited and P&N

By virtue of Section 7 of the Act, Mohamed Ismail S/O Abdul Gafoore is deemed to have interests in the whole of the issued share capital of the subsidiaries that are wholly-owned by P&N and the Company, and the shares held by P&N and the Company in the following subsidiaries that are not wholly-owned:

DIRECTORS' STATEMENT

Financial year ended 31 December 2023

Directors' interests (continued)

(c) Subsidiaries of PropNex Limited and P&N (continued)

Name of director	Holdings at beginning of the year	Holdings at end of the year
PropNex International Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	71,830	71,830
PropNex International Sdn. Bhd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	68,336	68,336
Ovvy Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	231,250	271,638
Preference shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	92,500	92,500
SingCapital Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	300,000	634,000
SingCapital Holdings Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	82	82
SC Power Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore - deemed interests	100	100

DIRECTORS' STATEMENT
Financial year ended 31 December 2023

Directors' interests (continued)

(c) Subsidiaries of PropNex Limited and P&N (continued)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PropNex Performance Share Plan and Restricted Share Plan

The Company has in place the PropNex Performance Share Plan 2023 ("PropNex PSP") and the PropNex Restricted Share Plan 2023 ("PropNex RSP").

The PropNex PSP and the PropNex RSP were approved by the shareholders of the Company at the Extraordinary General Meeting held on 25 April 2023. The PropNex PSP and the PropNex RSP are administered by the Remuneration Committee ("RC") which comprises the following three independent and non-executive directors who do not participate in either the PropNex PSP or the PropNex RSP:

Ahmad Bin Mohamed Magad	(Chairman)
Kan Yut Keong	(Member)
Low Wee Siong	(Member)

<u>PropNex PSP</u>

- The persons eligible to participate in the PropNex PSP are selected executive employees of the Group who hold such rank as may be designated by the RC, and other employees of the Group who, in the opinion of the RC, have contributed or have the potential to contribute to the success of the Group, or whom the RC deems appropriate in its sole and absolute discretion, but shall exclude non-executive directors of the Company.

- PropNex PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing from 25 April 2023.

- Awards granted under the PropNex PSP represent the right to receive fully-paid shares (or their equivalent cash value or combination thereof) free of charge, provided that there is satisfactory completion of time-based service conditions (time-based awards) and certain prescribed performance targets are met prior to the expiry of the performance period (performance-based awards).

- During the financial year, no awards under the PropNex PSP have been granted to controlling shareholders or their associates, and directors, and no employee has received 5% or more of the total number of shares available under the PropNex PSP.

- At the end of the financial year, there were no awards granted under the PropNex PSP.

DIRECTORS' STATEMENT

Financial year ended 31 December 2023

PropNex Performance Share Plan and Restricted Share Plan (continued)

<u>PropNex RSP</u>

- The persons eligible to participate in the PropNex RSP are selected executives or senior management of the Group who hold such rank as may be designated by the RC, and other employees of the Group who, in the opinion of the RC, have contributed or have the potential to contribute to the success of the Group, or whom the RC deems appropriate in its sole and absolute discretion, but shall exclude non-executive directors of the Company.

- PropNex RSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing from 25 April 2023.

- Awards granted under the PropNex RSP represent the right to receive fully-paid shares (or their equivalent cash value or combination thereof) free of charge, provided that there is satisfactory completion of time-based service conditions.

- During the financial year, no awards under the PropNex RSP have been granted to controlling shareholders or their associates, and directors, and no employee has received 5% or more of the total number of shares available under the PropNex RSP.

- At the end of the financial year, there were no awards granted under the PropNex RSP.

<u>Size of the PropNex PSP and the PropNex RSP</u>

The aggregate number of shares which may be issued pursuant to all awards granted under the PropNex PSP and the PropNex RSP shall not exceed 5% of the total issued shares of the Company, excluding treasury shares and subsidiary holdings.

Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement are:

Kan Yut Keong	Chairman
Ahmad Bin Mohamed Magad	Member
Low Wee Siong	Member

The Audit Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scopes of their work, the results of their examination and evaluation of the Group's internal accounting control system.

DIRECTORS' STATEMENT

Financial year ended 31 December 2023

Audit Committee (continued)

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;
- the unaudited semi-annual and annual financial statements of the Group and the Company prior to submission to the Board of Directors for approval; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

Further details on the Audit Committee are disclosed in the Corporate Governance Report.

For good corporate governance, the Audit Committee has recommended the appointment of Ernst & Young LLP as the new external auditors of the Company for the financial year ending 31 December 2024.

On behalf of the Board of Directors

Mohamed Ismail S/O Abdul Gafoore
Director

Kelvin Fong Keng Seong
Director

27 March 2024

INDEPENDENT AUDITORS' REPORT

Financial year ended 31 December 2023

Members of the Company
PropNex Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PropNex Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 114 to 177.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Financial year ended 31 December 2023

Revenue recognition on commission income from resale of Housing and Development Board ("HDB") properties
Refer to Note 2.4 and Note 16.

The key audit matter

For the year ended 31 December 2023, the Group recognised commission income from real estate agency services of $591.1 million (2022: $640.6 million). Included within this is revenue relating to commission income from resale of HDB properties.

Commission revenue from resale of HDB properties are arrangement where the amount of consideration is contingent on the achievement of specific outcome, i.e. upon transferring control of a promised service to the customer such as the legal completion of the home sale supported by a legally binding agreement and relevant approvals. Management judgement is applied in determining when HDB approval is granted and estimating legal completion in determining the point of revenue recognition.

The completion process of HDB properties is estimated to be 8 weeks on the HDB official website. The approval of HDB is a critical factor that marks the legal completion of the HDB resale process, which is normally communicated directly to both the seller and the buyer. There is a risk that management's estimate on the timing on when revenue is recognised may not be accurate, in particular cut off error around the year end. As such, we considered this to be a key audit matter.

How the matter was addressed in our audit

We have assessed the reasonableness of the key assumptions used in the Group's accounting policy for revenue recognition on commission income from resale of HDB properties. We have also reviewed the issuance of credit notes during the year as well as after the year end for cancellation patterns, if any.

We have performed sensitivity analysis on the outstanding trade receivables arising from the resale of HDB properties as at 31 December 2023 to determine the impact of potential cut off error, if any. The sensitivity analysis has considered the Group's actual collection pattern during the year and our inquiries of management on trends and other market information on credit terms for the industry.

Our findings

We found management's estimated revenue recognition point on commission income from resale of HDB properties to be within a reasonable range of our expectations.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

Financial year ended 31 December 2023

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

Financial year ended 31 December 2023

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Shelley Chan Hoi Yi.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2024

STATEMENTS OF FINANCIAL POSITION

As as 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Assets					
Plant and equipment	4	1,214	1,384	–	2
Right-of-use assets	5	2,952	5,007	–	–
Intangible assets	6	305	603	30	60
Subsidiaries	7	–	–	17,548	17,548
Other investments	8	362	362	–	–
Deferred tax assets	9	29	*	–	–
Long-term deposits	11	14,710	–	14,710	–
Non-current assets		19,572	7,356	32,288	17,610
Other investments	8	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	12	(17,663)	(17,663)	–	–
Capital reserve	12	607	607	–	–
Foreign currency translation reserve	12	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	13	1,075	944	–	–
Total equity		126,226	126,493	116,030	96,221
Liabilities					
Deferred tax liabilities	9	179	177	170	–
Lease liabilities	5	924	2,757	–	–
Non-current liabilities		1,103	2,934	170	–
Trade and other payables	14	200,667	228,320	8,615	10,575
Deferred income	15	2,884	1,541	622	–
Lease liabilities	5	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 financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	16	838,100	1,029,193
Cost of services rendered		(757,116)	(924,510)
Finance income	17	4,486	1,184
Other income	18	7,879	16,107
Staff costs	19	(17,719)	(18,355)
Depreciation of plant and equipment	4	(888)	(1,015)
Depreciation of right-of-use assets	5	(2,305)	(2,297)
Amortisation of intangible assets	6	(298)	(297)
Finance costs	20	(36)	(32)
Other expenses	21	(19,436)	(13,097)
Gain on disposal of associate		–	516
Reversal of impairment losses/(impairment losses) recognised on trade and other receivables	26	6,815	(8,312)
Profit before tax		59,482	79,085
Tax expense	22	(9,872)	(13,713)
Profit for the year		49,610	65,372
Profit attributable to:			
Owners of the Company		47,807	62,360
Non-controlling interests	13	1,803	3,012
Profit for the year		49,610	65,372
Earnings per share			
Basic earnings per share (cents)	23	6.46	8.43
Diluted earnings per share (cents)	23	6.46	8.43

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Profit for the year		49,610	65,372
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		3	4
Other comprehensive income for the year, net of tax		3	4
Total comprehensive income for the year		49,613	65,376
Total comprehensive income attributable to:			
Owners of the Company		47,809	62,364
Non-controlling interests	13	1,804	3,012
Total comprehensive income for the year		49,613	65,376

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

STATEMENTS OF
CHANGES IN EQUITY
Financial year ended 31 December 2023

		Attributable to owners of the Company							
Group	**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
Transaction with owners, recognised directly in equity									
Distributions to owners									
Dividends paid	12	–	–	–	–	(48,100)	(48,100)	(1,690)	(49,790)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	7	–	–	–	–	(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
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
Transaction with owners, recognised directly in equity									
Distributions to owners									
Dividends paid	12	–	–	–	–	(46,250)	(46,250)	(5,211)	(51,461)
Total transactions 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 financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 December 2023

Company	**Note**	**Share capital $'000**	**Retained earnings $'000**	**Total $'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
Transaction with owners, recognised directly in equity				
Distributions to owners				
Dividends paid	12	–	(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
Transaction with owners, recognised directly in equity				
Distributions to owners				
Dividends paid	12	–	(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 financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 December 2023

	Note	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	21	284	331
Depreciation of plant and equipment	4	888	1,015
Depreciation of right-of-use assets	5	2,305	2,297
Fair value (gain)/loss on other investments	21	(62)	182
Gain on disposal of associate		–	(516)
Loss/(gain) on disposal of plant and equipment	21	4	(3)
Reversal of derecognition/(derecognition) of trade payables		5,893	(7,806)
(Reversal of impairment losses)/impairment losses recognised on trade and other receivables	26	(6,815)	8,312
Interest expense	20	36	32
Interest income	17	(4,486)	(1,184)
Tax expense	22	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	4	(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)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from financing activities			
Acquisition of non-controlling interests	7	(90)	–
Dividends paid to owners of the Company	12	(48,100)	(46,250)
Dividends paid to non-controlling interests	12	(1,690)	(5,211)
Interest paid		(36)	(32)
Payment of lease liabilities	5	(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 financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 March 2024.

1 Domicile and activities

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 ("SGX-ST"). The registered office and principal place of business of the Company is located at 480 Lorong 6 Toa Payoh, HDB Hub, #10-01, Singapore 310480.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company are those of an investment holding. 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.

The ultimate holding company is P & N Holdings Pte. Ltd., a company incorporated and domiciled in Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars ("$"), which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand ("$'000"), unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) 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 financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Revenue recognition on commission income from the resale of Housing and Development Board ("HDB") properties which is included in real estate agency services.

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.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised 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 Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 26.

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

2 Basis of preparation (continued)

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Other than the below, the application of these amendments to accounting standards and interpretation did not have a material effect on the financial statements.

Material accounting policy information

The Group adopted Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

In addition, the Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 3 in certain instances.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3.1(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests ("NCI") are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.1 Basis of consolidation (continued)

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vi) Subsidiaries in the separate financial statements

Investment in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss, except for equity investment designated as at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.2 Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financials assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group has made an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

The business models of the Group as follows:

Held to collect and sell

The Group holds a portfolio of corporate debt securities for liquidity management purposes.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Business model assessment (continued)

Held for trading

The Group holds a portfolio of listed equity securities for the purposes of trading.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessment whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses (continued)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In this case, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.3 Financial instruments (continued)

(iii) Derecognition (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12 *Income Taxes.*

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.4 Plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

Office equipment	5 years
Computers	3 years
Furniture and fittings	5 years
Renovations	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The trademark registered in Indonesia where the right to use the trademark is indefinite is assessed to have infinite useful life. Such trademark is stated at cost and not amortised. Any conclusion that the useful life is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and is charged to profit or loss on a straight-line basis over the asset's estimated useful life.

Amortisation is calculated based on the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives for trademarks and technology is 20 years and 4 years respectively.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.6 Impairment (continued)

(i) Non-derivative financial assets (continued)

General approach (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of loss allowances for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.6 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.8 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.9 Revenue

Information about the Group's accounting policies relating to revenue is provided in Note 16.

3.10 Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.11 Finance income and finance costs

The Group's finance income and finance costs includes:

- interest income;
- interest expense; and
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3 Material accounting policies (continued)

3.12 Leases (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate. Generally, the Group uses the lessee’s incremental borrowing rate as the discount rate.

The Group determines the lessee’s incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.12 Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.13 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes; if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that:
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.13 Income tax (continued)

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.14 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

3 Material accounting policies (continued)

3.16 New accounting standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- Amendments to SFRS(I) 1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

4 Plant and equipment

Group	Office equipment $'000	Computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
Cost					
At 1 January 2022	905	2,076	366	3,350	6,697
Additions	69	46	43	210	368
Disposals	(16)	–	–	–	(16)
Written off	(4)	(10)	(5)	(43)	(62)
At 31 December 2022	954	2,112	404	3,517	6,987
Additions	386	162	58	116	722
Disposals	(72)	(141)	(11)	(47)	(271)
At 31 December 2023	1,268	2,133	451	3,586	7,438
Accumulated depreciation					
At 1 January 2022	580	1,772	253	2,060	4,665
Depreciation for the year	171	163	69	612	1,015
Disposals	(15)	–	–	–	(15)
Written off	(4)	(10)	(6)	(42)	(62)
At 31 December 2022	732	1,925	316	2,630	5,603
Depreciation for the year	175	168	59	486	888
Disposals	(68)	(141)	(11)	(47)	(267)
At 31 December 2023	839	1,952	364	3,069	6,224
Carrying amounts					
At 1 January 2022	325	304	113	1,290	2,032
At 31 December 2022	222	187	88	887	1,384
At 31 December 2023	429	181	87	517	1,214

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

4 Plant and equipment (continued)

Company	Office equipment $'000	Computers $'000	Total $'000
Cost			
At 1 January 2022, 31 December 2022 and 31 December 2023	2	7	9
Accumulated depreciation			
At 1 January 2022	1	4	5
Depreciation for the year	–	2	2
At 31 December 2022	1	6	7
Depreciation for the year	1	1	2
At 31 December 2023	2	7	9
Carrying amounts			
At 1 January 2022	1	3	4
At 31 December 2022	1	1	2
At 31 December 2023	–	–	–

5 Right-of-use assets and lease liabilities

Leases as lessee

The Group leases office premises. The leases typically run for a period of 2 to 3 years, with an option to renew the lease after that date. Lease payments are renegotiated at renewal to reflect market rentals.

The Group also leases certain office premises and equipment, which are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

5 Right-of-use assets and lease liabilities (continued)

Right-of-use assets

Group	Office premises $'000
At 1 January 2022	2,888
Additions	4,416
Depreciation for the year	(2,297)
At 31 December 2022	5,007
Additions	250
Depreciation for the year	(2,305)
At 31 December 2023	2,952

Lease liabilities

	Group	
	2023 $'000	2022 $'000
At beginning of the year	5,014	2,908
Additions	250	4,416
Payments	(2,298)	(2,310)
At end of the year	2,966	5,014
Presented as:		
Non-current liabilities	924	2,757
Current liabilities	2,042	2,257
	2,966	5,014

The maturity analysis of lease liabilities is disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

5 Right-of-use assets and lease liabilities (continued)

Amounts recognised in consolidated statement of profit or loss

	Group	
	2023	**2022**
	$'000	**$'000**
Interest on lease liabilities	36	32
Expenses relating to short-term leases	5	5
Expenses relating to leases of low-value assets	13	14

Amounts recognised in consolidated statement of cash flows

	Group	
	2023	**2022**
	$'000	**$'000**
Total cash outflow for leases	2,298	2,310

Extension options

Some property leases contain extension options exercisable by the Group up to 3 months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. These extension options are subject to the approval by the lessors upon the request of the Group, which is not within the control of the Group.

6 Intangible assets

Group	Trademarks $'000	Technology $'000	Total $'000
Cost			
At 1 January 2022, 31 December 2022 and 31 December 2023	608	1,070	1,678
Accumulated amortisation			
At 1 January 2022	510	268	778
Amortisation for the year	30	267	297
At 31 December 2022	540	535	1,075
Amortisation for the year	30	268	298
At 31 December 2023	570	803	1,373
Carrying amounts			
At 1 January 2022	98	802	900
At 31 December 2022	68	535	603
At 31 December 2023	38	267	305

The remaining amortisation period is 1 to 2 years (2022: 2 to 3 years).

6 Intangible assets (continued)

Company	Trademark $'000
Cost	
At 1 January 2022, 31 December 2022 and 31 December 2023	600
Accumulated amortisation	
At 1 January 2022	510
Amortisation for the year	30
At 31 December 2022	540
Amortisation for the year	30
At 31 December 2023	570
Carrying amounts	
At 1 January 2022	90
At 31 December 2022	60
At 31 December 2023	30

The remaining amortisation period of the trademark is 1 year (2022: 2 years).

7 Subsidiaries

	Company	
	2023 $'000	2022 $'000
Equity investments at cost	17,548	17,548

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

7 Subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ country of incorporation	Operating segment	Ownership interest 2023 %	Ownership interest 2022 %
PropNex Realty Pte. Ltd.	Singapore	Real estate agency services	100.00	100.00
PropNex International Pte. Ltd.	Singapore	Real estate project marketing services	71.83	71.83
PropNex Grandeur Homes Pte. Ltd.	Singapore	Administrative support services	100.00	100.00
Life Mastery Academy Pte. Ltd.	Singapore	Training	100.00	100.00
Subsidiary of PropNex International Pte. Ltd.				
PropNex International Sdn. Bhd.	Malaysia	Real estate project marketing services	100.00	100.00
Subsidiary of PropNex Grandeur Homes Pte. Ltd.				
Ovvy Pte. Ltd.	Singapore	Web portals	78.70	70.00

KPMG LLP is the auditor of all Singapore-incorporated subsidiaries.

Acquisition of non-controlling interests

On 2 May 2023, the Group acquired an additional 8.70% interest in Ovvy Pte. Ltd. (“Ovvy”), increasing its ownership from 70.00% to 78.70%. The carrying amount of Ovvy’s net liabilities in the Group’s consolidated financial statements on the date of acquisition was $199,000.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

7 Subsidiaries (continued)

Acquisition of non-controlling interests (continued)

	Group 2023 $'000
Carrying amount of non-controlling interests acquired	17
Cash consideration paid	90
Decrease in equity attributable to owners of the Company	107

The decrease in equity attributable to owners of the Company comprised of a decrease in retained earnings of $107,000.

8 Other investments

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current				
Equity investments – at FVOCI	362	362	–	–
Current				
Other investments – mandatorily at FVTPL	5,443	5,690	5,443	5,690

Equity investments designated as at FVOCI

The Group designated the below equity investment as other investments at fair value through other comprehensive income because the equity investment represents the Group's intention to hold for long-term strategic purposes.

	Group Fair value	
	2023 $'000	2022 $'000
Investment in PropNex Realty Sdn. Bhd. ("PropNex Malaysia")	362	362

Notwithstanding the Group holds 20% equity interest in PropNex Malaysia, the Group assessed that it does not have significant influence in PropNex Malaysia as the Group does not have any representative on its board of directors.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

8 Other investments (continued)

Other investments designated as mandatorily at FVTPL

Other investments are mandatorily measured at FVTPL because the investments are held for trading.

	Group and Company Fair value	
	2023	2022
	$'000	$'000
Quoted debt investments	3,340	3,212
Quoted equity investments	2,103	2,413
Forward exchange contracts	–	65
	5,443	5,690

Quoted debt investments have stated interest rates of 3.1% to 8.3% (2022: 3.1% to 8.3%) and are held for trading. Quoted debt investments and equity investments are stated based on the quoted closing market prices on the last day of the financial year.

Information about the Group's and the Company's fair value measurement is included in Note 26.

9 Deferred tax assets/(liabilities)

Group	At 1 January 2023	Recognised in profit or loss (Note 22)	At 31 December 2023
	$'000	$'000	$'000
Plant and equipment	(216)	61	(155)
Trade receivables	39	12	51
Accrued interest receivable	–	(315)	(315)
Provisions	–	57	57
Deferred income	–	212	212
	(177)	27	(150)

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

9 Deferred tax assets/(liabilities) (continued)

Group	At 1 January 2022 $'000	Recognised in profit or loss (Note 22) $'000	At 31 December 2022 $'000
Plant and equipment	(201)	(15)	(216)
Trade receivables	24	15	39
	(177)	–	(177)

Company	At 1 January 2023 $'000	Recognised in profit or loss (Note 22) $'000	At 31 December 2023 $'000
Accrued interest receivables	–	(315)	(315)
Provisions	–	39	39
Deferred income	–	106	106
	–	(170)	(170)

Company	At 1 January 2022 $'000	Recognised in profit or loss (Note 22) $'000	At 31 December 2022 $'000
Accrued interest receivables	–	–	–
Provisions	–	–	–
	–	–	–

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off deferred tax assets against deferred tax liabilities and when the deferred taxes relate to the same tax authority on the same taxable entity. The following amounts, determined after appropriate offsetting are as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	29	*	–	–
Deferred tax liabilities	(179)	(177)	(170)	–
	(150)	(177)	(170)	–

* *Less than $1,000*

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

10 Trade and other receivables

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

Other receivables comprised mainly advanced payments to the Group's salespersons.

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

The Group's and the Company's exposure to credit risk and impairment losses for trade and other receivables are disclosed in Note 26.

11 Cash and cash equivalents and long-term deposits

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 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	133,417	138,891	84,424	81,484
Deposits pledged	(62)	(62)		
Cash and cash equivalents in the consolidated statement of cash flows	133,355	138,829		
Long-term deposits	14,710	–	14,710	–

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

11 Cash and cash equivalents and long-term deposits (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. The effective interest rates for the deposits range between 3.7% to 4.6% (2022: 0.8% to 4.6%) per annum.

Deposits pledged represent bank balances of a subsidiary pledged as security to obtain credit facilities.

12 Capital and reserves

Share capital

	Group and Company			
	Number of shares		Amount	
	2023	2022	2023	2022
	'000	'000	$'000	$'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	740,000	370,000	57,491	57,491

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company.

Issue of ordinary shares

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.

Merger reserve

Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of shares of subsidiaries acquired during the restructuring exercise, which was accounted for as a business combination under common control.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

12 Capital and reserves (continued)

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

Capital reserve

	Group	
	2023	**2022**
	$'000	**$'000**
Gain arising from the debt waived by a related corporation	207	207
Gain on acquisition of non-controlling interests	400	400
	607	607

Dividends

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

	Group and Company	
	2023	**2022**
	$'000	**$'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
	48,100	46,250

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

12 Capital and reserves (continued)

Dividends (continued)

	Group 2023 $'000	Group 2022 $'000
Paid by a subsidiary to non-controlling interests		
PropNex International Pte. Ltd.		
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

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for in the financial statements.

	Group and Company 2023 $'000	Group and Company 2022 $'000
Final dividends of $0.035 (2022: $0.080) per ordinary share	25,900	29,600

13 Non-controlling interests

The following subsidiaries have non-controlling interests ("NCI"):

Name of subsidiaries	Principal place of business/ country of incorporation	Operating segment	Ownership interests held by NCI 2023 %	Ownership interests held by NCI 2022 %
PropNex International Pte. Ltd.	Singapore	Real estate project marketing services	28.17	28.17
Ovvy Pte. Ltd.	Singapore	Web portals	21.30	30.00

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

13 Non-controlling interests (continued)

The below summarised financial information are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Group	PropNex International Pte. Ltd. $'000	Ovvy Pte. Ltd. $'000	Total $'000
2023			
Revenue	242,320	12	242,332
Profit/(loss)	6,579	(237)	6,342
Other comprehensive income	2	–	2
Total comprehensive income	6,581	(237)	6,344
Attributable to NCI:			
- Profit/(loss)	1,853	(50)	1,803
- Other comprehensive income	1	–	1
- Total comprehensive income	1,854	(50)	1,804
Non-current assets	92	79	171
Current assets	63,463	264	63,727
Non-current liabilities	(8)	–	(8)
Current liabilities	(59,403)	(779)	(60,182)
Net assets/(liabilities)	4,144	(436)	3,708
Net assets/(liabilities) attributable to NCI	1,168	(93)	1,075
Cash flows from operating activities	9,224	–	9,224
Cash flows from investing activities	73	–	73
Cash flows (used in)/from financing activities	(4,491)	196	(4,295)
- Dividends paid to NCI	(1,690)	–	(1,690)
Net increase in cash and cash equivalents	3,116	196	3,312

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

13 Non-controlling interests (continued)

Group	PropNex International Pte. Ltd. $'000	Ovvy Pte. Ltd. $'000	Total $'000
2022			
Revenue	383,744	23	383,767
Profit/(loss)	10,992	(281)	10,711
Other comprehensive income	2	–	2
Total comprehensive income	10,994	(281)	10,713
Attributable to NCI:			
- Profit/(loss)	3,096	(84)	3,012
- Other comprehensive income	–	–	–
- Total comprehensive income	3,096	(84)	3,012
Non-current assets	271	161	432
Current assets	123,449	68	123,517
Non-current liabilities	(36)	–	(36)
Current liabilities	(120,121)	(428)	(120,549)
Net assets/(liabilities)	3,563	(199)	3,364
Net assets/(liabilities) attributable to NCI	1,004	(60)	944
Cash flows from/(used in) operating activities	5,001	(2)	4,999
Cash flows used in investing activities	(20)	–	(20)
Cash flows used in financing activities	(13,443)	–	(13,443)
- Dividends paid to NCI	(5,211)	–	(5,211)
Net decrease in cash and cash equivalents	(13,673)	(2)	(13,675)

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

14 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables				
- third parties	168,267	194,669	47	47
Other payables				
- third parties	3,562	2,909	–	1
- subsidiaries	–	–	6,411	7,524
- shareholder	180	90	–	–
GST payables	19,108	19,104	185	146
Performance commission payables	5,367	5,909	–	–
Performance bonus payables	2,509	4,138	1,410	2,406
Accrued expenses	1,066	885	333	253
Refundable deposits	218	231	–	–
Liability for short-term accumulating compensated absences	390	385	229	198
	200,667	228,320	8,615	10,575

Refundable deposits are paid by salespersons to the Group for the rental of office spaces and are refunded upon termination.

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

The Group's and the Company's exposure to liquidity risk for trade and other payables are disclosed in Note 26.

15 Deferred income

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred income:				
Advanced sale of convention tickets and real estate related courses and training programmes	1,639	1,541	–	–
Advanced receipt of interest income on fixed deposits	1,245	–	622	–
	2,884	1,541	622	–

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

16 Revenue

	Group	
	2023	2022
	$'000	$'000
Commission income from real estate agency services	591,120	640,621
Commission income from real estate project marketing services	242,320	383,744
Administrative support fee income	2,290	1,827
Courses and related fee income from training services	2,358	2,942
Technology platform income from services providers	12	23
Dividend income	–	36
	838,100	1,029,193

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Commission income from real estate agency services and real estate project marketing services

Nature of services	The Group provides real estate agency services and real estate project marketing services to its customers.
When revenue is recognised	The services are success-based fee arrangement where the amount of consideration is contingent on the achievement of specific outcome, i.e. upon transferring control of a promised service to the customers. Management judgement is applied in estimating when legal completion has taken place thereby determining the point of revenue recognition. The Group also enters into certain co-broking arrangements with third party co-brokers in the provision of real estate agency services and real estate project marketing services. The Group recognises the commission income with co-broking arrangements on a net basis as the Group is unable to entirely control or satisfy the performance obligation performed by the third party co-brokers.
Significant payment terms	Payment is due when services are delivered to the customers.

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

16 Revenue (continued)

Administrative support fee income

Nature of services	The Group provides administrative support services to its customers.
When revenue is recognised	Revenue is recognised upon transferring control of a promised service to the customers.
Significant payment terms	Invoices are issued on a monthly basis and are payable within the credit terms granted for administrative support services.

Courses and related fee income from training services

Nature of services	The Group provides real estate related courses and training programmes to its customers.
When revenue is recognised	Revenue is recognised upon transferring control of a promised service to the customers.
Significant payment terms	Payments are collected in advance and prior to the services rendered to the customers.

Disaggregation of revenue from contracts with customers

In the following table, the Group's revenue from contracts with customers is disaggregated by the timing of revenue recognition.

	Group	
	2023	**2022**
	$'000	**$'000**
Timing of revenue recognition		
Services transferred at a point in time	836,914	1,027,919
Services transferred over time	1,186	1,274
	838,100	1,029,193

17 Finance income

	Group	
	2023	**2022**
	$'000	**$'000**
Interest income	4,486	1,184

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

18 Other income

	Group	
	2023	2022
	$'000	$'000
Derecognition of trade payables*	–	7,806
Government grants	215	432
Management fee income	266	164
Marketing fee income	2,213	2,720
Merchandise income	387	212
Referral fee income	2,430	2,419
Sponsorship income	367	379
Valuation income	645	548
Others	1,356	1,427
	7,879	16,107

* 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.

19 Staff costs

	Group	
	2023	2022
	$'000	$'000
Salaries, wages and related costs	16,269	16,998
Contributions to defined contribution plan	1,445	1,319
Increase in liability for short-term accumulating compensated absences	5	38
	17,719	18,355

20 Finance costs

	Group	
	2023	2022
	$'000	$'000
Interest expense on lease liabilities	36	32

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

21 Other expenses

	Group 2023 $'000	Group 2022 $'000
Audit fees paid to:		
- auditors of the Company	232	264
- other auditors	–	1
Non-audit fees paid to auditors of the Company	37	32
Bad debts written off	284	331
Corporate events	1,722	1,461
Directors' fees	222	228
Fair value (gain)/loss on other investments	(62)	182
Loss/(gain) on disposal of plant and equipment	4	(3)
General office expenses	584	427
Marketing expenses	2,446	2,470
Net foreign exchange loss	26	21
Operating lease expenses	18	19
Recruitment expenses	1,958	2,577
Referral fee expenses	1,280	1,301
Reversal of derecognition of trade payables*	5,893	–
Others	4,792	3,786
	19,436	13,097

* 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.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

22 Tax expense

	Group	
	2023	2022
	$'000	$'000
Current tax expense		
Current year	10,141	13,790
Over provision in prior years	(254)	(87)
Withholding tax	12	10
	9,899	13,713
Deferred tax expense		
Origination and reversal of temporary differences	9	(53)
(Over)/under provision in prior years	(36)	53
	(27)	–
Total tax expense	9,872	13,713

Reconciliation of effective tax rate

	Group	
	2023	2022
	$'000	$'000
Profit before tax	59,482	79,085
Tax using the Singapore tax rate of 17% (2022: 17%)	10,112	13,444
Non-deductible expenses	104	361
Non-taxable income	–	(8)
Tax-exempt income	(87)	(89)
Tax incentives	(6)	(5)
(Over)/under provision in prior years		
- current tax	(254)	(87)
- deferred tax	(36)	53
Withholding tax	12	10
Current year losses for which no deferred tax asset was recognised	27	34
	9,872	13,713

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

22 Tax expense (continued)

Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following items:

	Group	
	2023	2022
	$'000	$'000
Tax losses	241	214

Deferred tax asset has not been recognised in respect of the above item specific to a certain subsidiary because it is not certain that future taxable profits will be available against which the Group can utilise the benefits. The tax losses are subject to agreement by the tax authority and compliance with the tax regulations.

23 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	
	2023	2022
	$'000	$'000
Profit for the year attributable to owners of the Company	47,807	62,360

	Group	
	2023	2022
	Number of shares	Number of shares
	'000	'000
		(Restated)
Weighted average number of ordinary shares	740,000	740,000

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

23 Earnings per share (continued)

Basic earnings per share (continued)

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 dilutive ordinary shares during the financial year.

24 Related parties

Transactions with related parties

Other than disclosed elsewhere in the financial statements, the transactions with related parties based on terms agreed between the parties during the financial year are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Related corporations		
Administrative support fee income	–	(101)
Rental fee income	(1)	(1)
Trainer fee expense	5	6

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

24 Related parties (continued)

Transactions with key management personnel

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	Group 2023 $'000	Group 2022 $'000
Key management personnel (including directors)		
Administrative support income	(5)	(5)
Commission fee income	(32)	(15)

Key management personnel compensation comprised:

	Group 2023 $'000	Group 2022 $'000
Director's fees	222	228
Salaries and other short-term employee benefits	6,082	5,978
Contributions to defined contribution plan	107	95
	6,411	6,301

25 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 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 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 HDB 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.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

25 Segment information (continued)

- 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.

Group	Agency services $'000	Project marketing services $'000	Administrative support services $'000	Training services $'000	Others $'000	Total $'000
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)
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

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

25 Segment information (continued)

Group	Agency services $'000	Project marketing services $'000	Administrative support services $'000	Training services $'000	Others $'000	Total $'000
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	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) 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
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	234,877	3,715	6,257	681	3,327	248,857

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

25 Segment information (continued)

Geographic information

As the Group's revenue is substantially derived from Singapore, geographic segment information in relation to revenue of the Group is not presented.

Based on the geographical location of the assets, the Group's non-current assets (excluding financial assets and deferred tax assets) are all located in Singapore.

Major customer

There is no single customer who contributed more than 5% of the Group's total revenue.

26 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives and policies for measuring and managing risks, and the Group's management of capital.

Risk management framework

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

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.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2023	2022
	$'000	$'000
(Reversal of impairment losses)/impairment losses recognised on trade receivables	(6,795)	8,393
Reversal of impairment losses recognised on other receivables	(20)	(81)
	(6,815)	8,312

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 25.

The Group limits its exposure to credit risk from trade receivables by establishing certain credit terms for its customers of administrative support services, while no credit term is granted to customers of real estate agency services and real estate project marketing services.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a non-recurring individual or recurring individual/corporate customer, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk

The exposure to credit risk for trade receivables is as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'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	–	–
Total gross carrying amount	183,172	230,766	–	–
Less: Impairment losses	(2,220)	(9,819)	–	–
Net carrying amount	180,952	220,947	–	–

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	Impairment loss allowance		
			Credit-impaired	Not credit-impaired	Total
	%	$'000	$'000	$'000	$'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)

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk (continued)

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

Group	Weighted average loss rate	Gross carrying amount	Impairment loss allowance		
			Credit-impaired	Not credit-impaired	Total
	%	$'000	$'000	$'000	$'000
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)

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:

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Financial year ended 31 December 2023

26 Financial instruments (continued)

Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk (continued)

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

Group	Weighted average loss rate	Gross carrying amount	Impairment loss allowance Credit-impaired	Impairment loss allowance Not credit-impaired	Impairment loss allowance Total
	%	$'000	$'000	$'000	$'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)

26 Financial instruments (continued)

Credit risk (continued)

Trade receivables (continued)

<u>Exposure to credit risk</u> (continued)

Movements in allowance for impairment in respect of trade receivables:

	Group	
	2023	**2022**
	$'000	**$'000**
At beginning of the year	9,819	1,749
(Reversal of impairment losses)/impairment losses recognised	(6,795)	8,393
Amounts written off	(804)	(323)
At end of the year	2,220	9,819

Cash and cash equivalents and long-term deposits

The Group held cash and cash equivalents of $133,417,000 (2022: $138,891,000) and long-term deposits of $14,710,000 (2022: Nil) as at 31 December 2023. The cash and cash equivalents and long-term deposits are placed with reputable banks.

Impairment on cash and cash equivalents and long-term deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and long-term deposits have low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Liquidity risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted and exclude the impact of netting agreements:

		Contractual cash flows		
Group	**Carrying amount $'000**	**Total $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**
2023				
Trade and other payables*	200,277	(200,277)	(200,277)	–
Lease liabilities	2,966	(2,992)	(2,063)	(929)
	203,243	(203,269)	(202,340)	(929)
2022				
Trade and other payables*	227,935	(227,935)	(227,935)	–
Lease liabilities	5,014	(5,063)	(2,289)	(2,774)
	232,949	(232,998)	(230,224)	(2,774)

		Contractual cash flows		
Company	**Carrying amount $'000**	**Total $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**
2023				
Trade and other payables*	8,386	(8,386)	(8,386)	–
2022				
Trade and other payables*	10,377	(10,377)	(10,377)	–

* *Excludes liability for short-term accumulating compensated absences*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. At the reporting date, the Group is not exposed to any significant foreign currency risk as its transactions are primarily denominated in Singapore Dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the Group is not exposed to any significant interest rate risk.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Board monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a net debt to equity ratio, which is "net debt" divided by "equity". For this purpose, net debt is defined as total liabilities (as shown in the statements of financial position) less cash and cash equivalents and long-term deposits. Equity comprises all components of equity.

The Group's net debt to equity ratio at the reporting date is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Total liabilities	216,837	248,857	9,844	10,748
Less: Cash and cash equivalents	(133,417)	(138,891)	(84,424)	(81,484)
Less: Long-term deposits	(14,710)	–	(14,710)	–
Net debt/(cash)	68,710	109,966	(89,290)	(70,736)
Total equity	126,226	126,493	116,030	96,221
Net debt to equity ratio	0.54	0.87	N/A	N/A

There were no changes in the Group's approach to capital management during the financial year.

Neither the Company nor any of its subsidiaries was subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Accounting classifications

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

	Carrying amount				
Group	**FVOCI**	**Mandatorily at FVTPL**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total**
	$'000	**$'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)
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
	362	5,690	360,702	–	366,754
Financial liabilities					
Trade and other payables [(2)]	–	–	–	(227,935)	(227,935)
Lease liabilities	–	–	–	(5,014)	(5,014)
	–	–	–	(232,949)	(232,949)

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

NOTES TO THE FINANCIAL STATEMENTS
Financial year ended 31 December 2023

26 Financial instruments (continued)

Accounting classifications (continued)

Company	Carrying amount			
	Mandatorily at FVTPL $'000	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'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
	5,443	102,814	–	108,257
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
	5,690	83,614	–	89,304
Financial liabilities				
Trade and other payables [2]	–	–	(10,377)	(10,377)

[1] *Exclude prepayments*
[2] *Exclude liability for short-term accumulating compensated absences*

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:

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

Fair values (continued)

- 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 FVOCI	–	–	362
Other investments – mandatorily at FVTPL	5,443	–	–
	5,443	–	362
2022			
Financial assets			
Other investments – at FVOCI	–	–	362
Other investments – mandatorily at FVTPL	5,690	–	–
	5,690	–	362
Company			
2023			
Financial assets			
Other investments – mandatorily at FVTPL	5,443	–	–
2022			
Financial assets			
Other investments – mandatorily at FVTPL	5,690	–	–

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

26 Financial instruments (continued)

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 FVOCI	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 FVOCI	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.

SHAREHOLDING STATISTICS

As as 12 March 2024

Issued and paid-up share capital	:	$58,983,167
Number of issued and paid-up shares excluding treasury shares and subsidiary holdings	:	740,000,000
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote for each ordinary share
Number and percentage of treasury shares and subsidiary holdings held	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	–	–	–	–
100 - 1,000	258	8.40	156,137	0.02
1,001 - 10,000	1,708	55.58	9,000,480	1.22
10,001 - 1,000,000	1,088	35.40	55,503,373	7.50
1,000,001 and above	19	0.62	675,340,010	91.26
Total	**3,073**	**100.00**	**740,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	UOB Kay Hian Pte Ltd	493,459,558	66.68
2	Raffles Nominees (Pte.) Limited	59,153,470	7.99
3	DBS Nominees Pte Ltd	41,414,400	5.60
4	OCBC Securities Private Ltd	33,874,342	4.58
5	Citibank Nominees Singapore Pte Ltd	17,903,997	2.42
6	Phillip Securities Pte Ltd	5,014,245	0.68
7	Moomoo Financial Singapore Pte. Ltd.	3,083,812	0.42
8	Tiger Brokers (Singapore) Pte. Ltd.	2,871,800	0.39
9	iFAST Financial Pte Ltd	2,664,100	0.36
10	BPSS Nominees Singapore (Pte.) Ltd.	2,020,172	0.27
11	Ong Wai Meng	1,794,600	0.24
12	Liau Kon San	1,759,000	0.24
13	OCBC Nominees Singapore Pte Ltd	1,645,400	0.22
14	Chia Chiow Kuan	1,617,600	0.22
15	Sri Pte Ltd	1,588,700	0.21
16	HSBC (Singapore) Nominees Pte Ltd	1,573,714	0.21
17	United Overseas Bank Nominees Pte Ltd	1,399,600	0.19
18	ABN Amro Clearing Bank N.V.	1,324,400	0.18
19	Wang Tong Peng @ Wang Tong Pang	1,177,100	0.16
20	Nishalani Wong Hui	1,000,000	0.14
	Total	**676,340,010**	**91.40**

SHAREHOLDING STATISTICS

As as 12 March 2024

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 12 March 2024)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
P & N Holdings Pte. Ltd.	–	–	411,688,258[1]	55.63
Mohamed Ismail S/O Abdul Gafoore	–	–	480,441,558[2]	64.92
Lim Tow Huat	–	–	445,240,700[3]	60.17
Kelvin Fong Keng Seong	–	–	65,843,000[4]	8.90

Notes:

1. The shares are held by P & N Holdings Pte. Ltd. ("**P&N**") through its nominee account maintained with UOB Kay Hian Private Limited ("**UOB Kay Hian**").

2. The deemed interest in 480,441,558 shares includes:

   (a) 411,688,258 shares held by P&N (62% owned by Mr. Mohamed Ismail S/O Abdul Gafoore); and

   (b) 68,753,300 shares held by him through the nominee account maintained with UOB Kay Hian.

3. The deemed interest in 445,240,700 shares includes:

   (a) 411,688,258 shares held by P&N (38% owned by Mr. Lim Tow Huat); and

   (b) 33,552,442 shares held by him through the nominee account maintained with OCBC Securities Private Ltd.

4. The deemed interest in 65,843,000 shares includes:

   (a) 65,643,000 shares held by him through the nominee accounts maintained with Citibank Nominees Singapore Pte Ltd, DBS Nominees Pte Ltd, Raffles Nominees (Pte.) Limited and OCBC Nominees Singapore Private Limited; and

   (b) 200,000 shares held by his spouse, Madam Lim Bee Hua Janet.

SHARES HELD BY PUBLIC

To the best knowledge of the Company and based on the Shareholders' Information provided to the Company as at 12 March 2024, approximately 19.95% of the issued and paid-up ordinary shares of the Company (excluding treasury shares and subsidiary holdings) are held in the hands of the public as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). Accordingly, the Company has complied with Rule 723 of the Listing Manual.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of PropNex Limited (the "**Company**") will be held at 480 Lorong 6 Toa Payoh, #18-01 HDB Hub, Singapore 310480 on Tuesday, 23 April 2024, at 10.00 a.m.to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2023 and the Directors' Statement and Auditor's Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 3.5 Singapore cents per ordinary share for the year ended 31 December 2023. **(Resolution 2)**

3. To approve the Directors' Fees of up to $228,000 for the financial year ending 31 December 2024, payable half-yearly in arrears (2023: $228,000). **(Resolution 3)**

4. To re-elect the following Directors who are retiring by rotation pursuant to Regulation 117 of the Company's Constitution, and being eligible, offer themselves for re-election:

   (a) Mr. Mohamed Ismail S/O Abdul Gafoore **(Resolution 4)**

   (b) Mr. Kan Yut Keong **(Resolution 5)**

5. To appoint Messrs Ernst & Young LLP as the Company's Auditors to hold office until the conclusion of the next AGM of the Company in place of the retiring Auditors, Messrs KPMG LLP, and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following as ordinary resolutions, with or without modifications:

6. **Authority to Allot and Issue Shares** **(Resolution 7)**

   That authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF
ANNUAL GENERAL MEETING

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with subparagraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards, provided the share options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue or consolidation or sub-division of Shares,

provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options and share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

(3) in this Resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual of the SGX-ST;

(4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable requirements under the Companies Act 1967 and the Constitution of the Company for the time being; and

(5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

7. **Authority to allot and issue shares under the PropNex Performance Share Plan 2023 ("PropNex PSP")** **(Resolution 8)**

That the Directors of the Company be authorised to grant awards in accordance with the provisions of the PropNex PSP, and to allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be issued pursuant to the vesting of the awards under the PropNex PSP, provided always that the aggregate number of new ordinary shares to be allotted and issued pursuant to the PropNex PSP, the PropNex Restricted Share Plan 2023 and any other share based schemes (if applicable) shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

8. **Authority to allot and issue shares under the PropNex Restricted Share Plan 2023 ("PropNex RSP")** **(Resolution 9)**

That the Directors of the Company be authorised to grant awards in accordance with the provisions of the PropNex RSP, and to allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be issued pursuant to the vesting of the awards granted under the PropNex RSP, provided always that the aggregate number of new ordinary shares to be allotted and issued pursuant to the PropNex RSP, the PropNex PSP and any other share based schemes (if applicable) shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

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9. **Renewal of Share Buy-Back Mandate** **(Resolution 10)**

That:

(a) Authority be and is hereby given to the Directors, in accordance with Sections 76C and 76E of the Companies Act 1967 of Singapore (the "**Companies Act**") and Part XIII of Chapter 8 of the Listing Manual of the SGX-ST, to purchase or otherwise acquire issued ordinary shares in the share capital of the Company not exceeding in aggregate the Maximum Limit (as defined below), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(i) on-market purchases of Shares transacted on the SGX-ST through the SGX-ST ready market trading system through one (1) or more duly licensed stockbrokers appointed by the Company for such purpose ("**Market Purchases**"); and/or

(ii) off-market purchases of Shares effected pursuant to an equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST ("**Off-Market Purchases**");

and in accordance with all applicable laws, regulations and rules ("**Share Buy-Back Mandate**");

(b) any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act;

(c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the shareholders in a general meeting; or

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; and

NOTICE OF
ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

In this Resolution:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchase was made.

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

"Maximum Limit" means the total number of Shares representing ten per cent. (10%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) ascertained as at the date of the passing of this Resolution unless the Company has effected a reduction in the share capital of the Company in accordance with the applicable provisions of the Companies Act.

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares.

BY ORDER OF THE BOARD

Lee Li Huang
Company Secretary
Singapore, 5 April 2024

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory notes:

Resolution 2 – This proposed Resolution is to approve the final dividend. The Share Transfer Books and Register of Members of the Company will be closed on 2 May 2024 at 5.00 p.m. for the purpose of determining the entitlement of shareholders of the Company to the final dividend. Duly completed registrable transfers of ordinary shares of the Company received up to 5.00 p.m. on 2 May 2024 will be entitled to the final dividend. If approved at the AGM, the final dividend will be paid on 10 May 2024.

Resolution 3 - The proposed Resolution if passed, will facilitate the payment of Directors' fees during the financial year ending 31 December 2024, in which the fees are incurred. The Directors' fees are calculated based on the assumption that the existing non-executive Directors will hold office until the end of the financial year and the anticipated number of Board and Board Committee meetings.

Resolution 4 – Mr. Mohamed Ismail S/O Abdul Gafoore will, upon re-election, continue his office as Executive Chairman and Chief Executive Officer of the Company.

Resolution 5 – Mr. Kan Yut Keong will, upon re-election, remain as Chairman of the Audit Committee and member of the Remuneration and Nominating Committees. The Board considers him to be independent for the purpose of Rule 704(8) of the Listing Rules.

Further information of the retiring directors can be found under "Board of Directors", "Corporate Governance" and "Additional Information on Directors Seeking Re-election" sections of the Company's Annual Report.

Resolution 6 – This proposed Resolution in item 5 above is to approve the appointment of Ernst & Young LLP ("**Ernst &Young**") as the Auditors of the Company for the financial year ending 31 December 2024 in place of KPMG LLP ("**KPMG**") (the "**Proposed Change of Auditors**") and to authorise the Directors to fix their remuneration. Please refer to Appendix B to this Notice which sets out, among others, information on and the specific reasons for the Proposed Change of Auditors ("**Appendix B**").

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

a) the outgoing Auditors, KPMG, has confirmed in its professional clearance letter that it is not aware of any professional reasons why Ernst & Young should not accept appointment as Auditors of the Company;

b) the Company confirms that there were no disagreements with KPMG on accounting treatments within the last twelve (12) months;

c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;

d) the Company confirms that the specific reasons for the Proposed Change of Auditors are set out in Section 2.1 of Appendix B. The Proposed Change of Auditors is neither due to any disagreement with KPMG nor the dismissal of KPMG; and

e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of Ernst & Young as Auditors of the Company.

Resolution 7 – The proposed Resolution 7 in item 6 above, if passed, will authorise and empower the Directors of the Company from the date of the AGM to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, of which the total number of Shares that may be issued other than on a pro-rata basis to shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the Resolution is passed. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

Resolution 8 – The proposed Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the vesting of the awards under the PropNex PSP provided that the aggregate number of ordinary shares which may be allotted and issued pursuant to the PropNex PSP, PropNex RSP and any other share based schemes (if applicable) is limited to 5% of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

NOTICE OF
ANNUAL GENERAL MEETING

Resolution 9 – The proposed Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the vesting of the awards under the PropNex RSP provided that the aggregate number of ordinary shares which may be allotted and issued pursuant to the PropNex RSP, PropNex PSP and any other share based schemes (if applicable) is limited to 5% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

Resolution 10 – The proposed Resolution 10 in item 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM to repurchase Shares in the Company by way of Market Purchase or Off-Market Purchase of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company at the Maximum Price. Information relating to this proposed Resolution is set out in Appendix A to this Notice in relation to the Proposed Renewal of the Share Buy-Back Mandate ("**Appendix A**").

*(Appendix A and Appendix B collectively referred as "**Appendices**")*

Notes:

1. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting of the Company. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than two (2) proxies are appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. A proxy needs not be a member of the Company.

4. CPF and SRS investors (a) may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have queries regarding their appointment as proxies; or (b) may appoint Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5 p.m. on 12 April 2024.

5. The instrument appointing a proxy or proxies, duly executed, must be submitted in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, **no later than 10 a.m. on 20 April 2024** (being not less than seventy-two (72) hours before the time appointed for holding the AGM). Completion and return of the form of proxy by a member will not prevent him from attending, speaking and voting at the AGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

6. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument.

7. A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

8. Members (including CPF/SRS investors) may submit questions related to the Resolutions to be tabled for approval at the AGM in advance of the AGM by email to the Company's investor relation at investor_relations@propnex.com by 14 April 2024.

   When submitting questions, members should also provide the following details:

   (i) full name (as per CDP, CPF or SRS);
   (ii) address;
   (iii) number of Shares held; and
   (iv) the manner in which the shareholder holds Shares (e.g. via CDP, CPF or SRS).

   Investors holding Shares through Relevant Intermediaries (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

9. The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's website and on SGX website by 17 April 2024. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

10. The Annual Report, Notice of AGM, Appendices and the accompanying proxy form and form to request for a physical copy of the Annual Report and Appendices ("**Request Form**") have been published on the Company's website at the URL https://investor.propnex.com/ and SGX website at the URL https://www.sgx.com/securities/company-announcements. In line with the Company's sustainability strategy, the Company will not be despatching printed copies of the Annual Report and the Appendices. Members may request for printed copies of these documents by completing and submitting the Request Form sent to them by post together with the printed copy of the Notice of AGM and the accompanying proxy form, or otherwise made available on the Company's website and the SGX website.

Personal data privacy

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (b) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), addressing substantial and relevant questions from members received prior to, or at, the AGM, preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the additional information as set out in Appendix 7.4.1 to the SGX-ST Listing Manual relating to the retiring Directors who are submitting themselves for re-election, is disclosed below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in the Annual Report:

	Mr. Mohamed Ismail S/O Abdul Gafoore ("Mr. Ismail Gafoor")	**Mr. Kan Yut Keong ("Mr. Kan")**
Date of appointment	10 January 2018	13 June 2018
Date of last re-appointment	25 April 2022	28 April 2021
Age	60	67
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment	The re-election of Mr. Ismail Gafoor was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his overall contribution and performance.	The re-election of Mr. Kan was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance.
Whether appointment is executive, and if so, the area of responsibility	Executive. As the Chairman of the Board and Chief Executive Officer ("**CEO**"), he is responsible for the Group's strategic direction and oversees its business operations, including compliance, finance, human resources, legal, marketing and operations.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and CEO	Independent Director, Chairman of Audit Committee, Member of Nominating and Remuneration Committees.
Professional qualifications	Bachelor of Land Economics (Honours) and IBMEC Higher Diploma in Real Estate & Property Management from University of Technology Sydney, Australia	● Bachelor of Economics from University of Hull, United Kingdom ● Member of the Institute of Chartered Accountants in England & Wales, the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	**Mr. Kan**
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None, except that he is the Executive Chairman and CEO of the Company and a substantial shareholder with a total interest of 64.92% in the Company.	None
Conflict of interests (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Mr. Ismail Gafoor is the co-founder of the Group, Executive Chairman and CEO of the Company. He has more than 20 years of experience in the real estate industry and an extensive understanding of the industry.	Mr. Kan has over 35 years of experience in professional accounting, corporate finance and consulting in Asia and the United Kingdom. He joined PricewaterhouseCoopers Singapore after qualifying as a Chartered Accountant in the United Kingdom. He was instrumental in the formation of the corporate advisory practice and the incorporation of PricewaterhouseCoopers Corporate Finance Pte. Ltd. which holds a Capital Market Services Licence from the Monetary Authority of Singapore. He was the Managing Director of PricewaterhouseCoopers Corporate Finance Pte. Ltd. until his retirement in June 2014.
Undertaking has been submitted to the listed issuer in the form of Appendix 7.7 under Rule 720(1)	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 480,441,558 ordinary shares representing 64.92% interest in PropNex Limited	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	**Mr. Kan**
Other principal commitments including directorships: Past (for the last 5 years)	Directorships: ● PN Realty Pte. Ltd. ● Singbuilders Development Pte. Ltd. ● Singbuilders Pte. Ltd. ● P & N Development Private Limited ● PPMC Pte. Ltd. ● Soreal Prop Pte. Ltd. Other Principal Commitments: Nil	Directorships: Nil Other Principal Commitments: ● Competition & Consumer Commission of Singapore ● Securities Industry Council of Singapore
Present	Directorships: ● PropNex Realty Pte. Ltd. ● PropNex International Pte. Ltd. ● PropNex Grandeur Homes Pte. Ltd. ● Life Mastery Academy Pte. Ltd. ● PropNex International Sdn. Bhd. ● P & N Holdings Pte. Ltd. ● P & N Property Investment Pte. Ltd. ● SingCapital Pte. Ltd. ● PT Ventures Pte. Ltd. ● SingCapital Holdings Pte. Ltd. ● Spirit of Enterprise Other Principal Commitments: Nil	Directorships: ● Nam Cheong Limited ● Cornerstone Advisors Pte. Ltd. ● Yick Cheong Kedai Emas Sdn. Bhd. ● Yee Cheong Kedai Emas Sdn. Bhd. Other Principal Commitments: Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	Mr. Kan
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	Mr. Kan
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	Mr. Kan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr. Ismail Gafoor	Mr. Kan
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No However, for completeness, Mr. Ismail Gafoor was asked by the Criminal Investigation Department ("**CID**") to assist in its investigation in relation to the suspected leakage of official secrets in 2017. He was not a subject of the investigation. Since then, Mr. Ismail Gafoor was not contacted by CID to provide any further assistance on this matter.	No

PROPNEX LIMITED
Company Registration No. 201801373N
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. Relevant Intermediaries (as defined in Section 181 of the Companies Act 1967 (the "**Companies Act**") may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").
2. For CPF/SRS investors who have used their CPF/SRS monies to buy PropNex Limited shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2024.

PROXY FORM

*I/We, ______________________________ (Name and NRIC/Passport/Company Registration No.)

of ______________________________ (Address)

being a *member/members of **PropNex Limited** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/them, the Chairman of the AGM, as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the AGM to be held at 480 Lorong 6 Toa Payoh, #18-01 HDB Hub, Singapore 310480 on Tuesday, 23 April 2024, at 10.00 a.m. (Singapore Time) and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion.

No.	Ordinary Resolutions relating to:	For#	Against#	Abstain#
Ordinary Business				
1.	Adoption of the Audited Financial Statements and the Directors' Statement and Auditor's Report thereon			
2.	Declaration of Final Dividend			
3.	Approval of Directors' Fees for financial year ending 31 December 2024			
4.	Re-election of Mr. Mohamed Ismail S/O Abdul Gafoore as Director			
5.	Re-election of Mr. Kan Yut Keong as Director			
6.	Appointment of Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and authorisation to Directors to fix their remuneration			
Special Business				
7.	Authority to allot and issue Shares			
8.	Authority to allot and issue Shares under the PropNex Performance Share Plan 2023			
9.	Authority to allot and issue Shares under the PropNex Restricted Share Plan 2023			
10.	Renewal of Share Buy-Back Mandate			

* Delete whichever is inapplicable.

\# Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please indicate so with a "X" within the relevant box. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish your proxy or proxies to abstain from voting on a resolution, please indicate with "X" in the "Abstain" box for a particular resolution. Alternatively, please indicate the number of shares that your proxy or proxies is/are directed to abstain from voting in the "Abstain" box for a particular resolution.

Dated this ________ day of ____________________ 2024.

Total Number of Shares Held (Note 1)

____
Signature(s) of Members(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares in the share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by you.

2. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent. (100%) of the shareholdings of its/his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than two (2) proxies are appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

5. A proxy needs not be a member of the Company.

6. The instrument appointing a proxy or proxies, duly executed,must be submitted in the following manner:

   a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, **no later than 10 a.m. on 20 April 2024** (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

7. Completion and return of the proxy form shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy or proxies shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form to the AGM.

8. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.

10. For CPF/SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors (a) should contact their respective CPF Agent Banks or SRS Operators if they have queries regarding their appointment as proxies; or (b) may appoint Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5 p.m. on 12 April 2024.

General:

The Company shall be entitled to reject the instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy or proxies. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy or proxies lodged if the member is not shown to have any Shares as entered against his/her name in the Depository Register at seventy-two (72) hours before the time fixed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2024.

PropNex

Service You Trust

SINGAPORE

PROPNEX LIMITED

480 Lorong 6 Toa Payoh
#10-01 HDB Hub
Singapore 310480