



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

Condensed Interim Financial Statements
For the six months ended 30 June 2023

Table of Contents		Page
A.	Condensed Interim Consolidated Statement of Profit or Loss	1
B.	Condensed Interim Consolidated Statement of Comprehensive Income	2
C.	Condensed Interim Statements of Financial Position	3
D.	Condensed Interim Statements of Changes in Equity	4
E.	Condensed Interim Consolidated Statement of Cash Flows	7
F.	Notes to the Condensed Interim Financial Statements	8
G.	Other Information Required by Listing Rule Appendix 7.2	23

PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Profit or Loss
For the six months ended 30 June 2023**

	Note	Group		Change %
		Six months ended 30 June		
		2023 \$'000	2022 \$'000	
Revenue	5	364,283	472,334	(22.9)
Cost of services rendered		(328,505)	(424,557)	(22.6)
Finance income		1,958	253	N.M.
Other income		4,660	4,779	(2.5)
Staff costs		(8,004)	(9,138)	(12.4)
Depreciation of plant and equipment		(471)	(508)	(7.3)
Depreciation of right-of-use assets		(1,153)	(1,141)	1.1
Amortisation of intangible assets		(149)	(149)	–
Finance costs		(18)	(24)	(25.0)
Other expenses		(12,438)	(5,974)	N.M.
Reversal of impairment losses/ (impairment losses) recognised on trade and other receivables		7,312	(1,714)	N.M.
Profit before tax	6	27,475	34,161	(19.6)
Tax expense	7	(4,527)	(5,886)	(23.1)
Profit for the period		22,948	28,275	(18.8)
Profit attributable to:				
Owners of the Company		22,054	27,021	(18.4)
Non-controlling interests		894	1,254	(28.7)
Profit for the period		22,948	28,275	(18.8)
Earnings per share				
Basic earnings per share (cents)	8	2.98	3.65	(18.4)
Diluted earnings per share (cents)	8	2.98	3.65	(18.4)

N.M. – Not meaningful

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

PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2023**

	Group		
	Six months ended 30 June		
	2023	2022	Change
	\$'000	\$'000	%
Profit for the period	22,948	28,275	(18.8)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences - foreign operations	3	2	50.0
Other comprehensive income for the period, net of tax	3	2	50.0
Total comprehensive income for the period	<u>22,951</u>	<u>28,277</u>	<u>(18.8)</u>
Total comprehensive income attributable to:			
Owners of the Company	22,057	27,023	(18.4)
Non-controlling interests	894	1,254	(28.7)
Total comprehensive income for the period	<u>22,951</u>	<u>28,277</u>	<u>(18.8)</u>

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

PropNex Limited and its Subsidiaries

Condensed Interim Statements of Financial Position
As at 30 June 2023

	Note	Group		Company	
		30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Assets					
Plant and equipment	9	1,463	1,384	1	2
Right-of-use assets		3,854	5,007	–	–
Intangible assets		454	603	45	60
Subsidiaries		–	–	17,548	17,548
Other investments		362	362	–	–
Deferred tax assets		–	*	–	–
Non-current assets		6,133	7,356	17,594	17,610
Other investments		5,638	5,690	5,638	5,690
Trade and other receivables	10	153,111	223,413	3,443	2,185
Cash and cash equivalents	11	139,627	138,891	100,377	81,484
Current assets		298,376	367,994	109,458	89,359
Total assets		304,509	375,350	127,052	106,969
Equity					
Share capital	12	57,491	57,491	57,491	57,491
Merger reserve		(17,663)	(17,663)	–	–
Capital reserve		607	607	–	–
Foreign currency translation reserve		7	4	–	–
Retained earnings		77,457	85,110	34,696	38,730
Equity attributable to owners of the Company		117,899	125,549	92,187	96,221
Non-controlling interests		1,855	944	–	–
Total equity		119,754	126,493	92,187	96,221
Liabilities					
Deferred tax liabilities		177	177	–	–
Lease liabilities		1,707	2,757	–	–
Non-current liabilities		1,884	2,934	–	–
Trade and other payables		167,546	228,320	34,526	10,575
Deferred income		1,676	1,541	339	–
Lease liabilities		2,159	2,257	–	–
Current tax liabilities		11,490	13,805	–	173
Current liabilities		182,871	245,923	34,865	10,748
Total liabilities		184,755	248,857	34,865	10,748
Total equity and liabilities		304,509	375,350	127,052	106,969

* Less than \$1,000

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

PropNex Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2023

<u>Group</u>	Attributable to owners of the Company								
	Note	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2023		57,491	(17,663)	607	4	85,110	125,549	944	126,493
Profit for the period		–	–	–	–	22,054	22,054	894	22,948
Other comprehensive income									
Foreign currency translation differences		–	–	–	3	–	3	–	3
Total comprehensive income for the period		–	–	–	3	22,054	22,057	894	22,951
Transactions with owners, recognised directly in equity									
<i>Distributions to owners</i>									
Dividends paid	13	–	–	–	–	(29,600)	(29,600)	–	(29,600)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control		–	–	–	–	(107)	(107)	17	(90)
Total transactions with owners		–	–	–	–	(29,707)	(29,707)	17	(29,690)
At 30 June 2023		57,491	(17,663)	607	7	77,457	117,899	1,855	119,754

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

PropNex Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2023

<u>Group</u>	Attributable to owners of the Company								
	Note	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2022		57,491	(17,663)	607	–	69,000	109,435	3,143	112,578
Profit for the period		–	–	–	–	27,021	27,021	1,254	28,275
Other comprehensive income									
Foreign currency translation differences		–	–	–	2	–	2	–	2
Total comprehensive income for the period		–	–	–	2	27,021	27,023	1,254	28,277
Transactions with owners, recognised directly in equity									
<i>Distributions to owners</i>									
Dividends paid	13	–	–	–	–	(25,900)	(25,900)	(3,099)	(28,999)
Total transactions with owners		–	–	–	–	(25,900)	(25,900)	(3,099)	(28,999)
At 30 June 2022		57,491	(17,663)	607	2	70,121	110,558	1,298	111,856

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

PropNex Limited and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2023**

<u>Company</u>	Note	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2023		57,491	38,730	96,221
Profit for the period		–	25,566	25,566
Total comprehensive income for the period		–	25,566	25,566
Transactions with owners, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	13	–	(29,600)	(29,600)
Total transactions with owners		–	(29,600)	(29,600)
At 30 June 2023		57,491	34,696	92,187
At 1 January 2022		57,491	38,987	96,478
Profit for the period		–	18,555	18,555
Total comprehensive income for the period		–	18,555	18,555
Transactions with owner, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	13	–	(25,900)	(25,900)
Total transactions with owners		–	(25,900)	(25,900)
At 30 June 2022		57,491	31,642	89,133

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

PropNex Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2023**

	Note	Group	
		Six months ended 30 June	
		2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Profit for the period		22,948	28,275
Adjustments for:			
Amortisation of intangible assets	6	149	149
Bad debts written off	6	25	257
Depreciation of plant and equipment	6	471	508
Depreciation of right-of-use assets	6	1,153	1,141
Fair value loss on other investments	6	37	–
Reversal of derecognition of trade payables	6	5,814	–
(Reversal of impairment losses)/impairment losses recognised on trade and other receivables	6	(7,312)	1,714
Interest expense	6	18	24
Interest income	6	(1,958)	(253)
Tax expense	7	4,527	5,886
		<u>25,872</u>	<u>37,701</u>
Changes in:			
- trade and other receivables		79,147	(20,331)
- trade and other payables		(66,586)	13,052
- deferred income		135	620
Cash generated from operations		<u>38,568</u>	<u>31,042</u>
Tax paid		<u>(6,842)</u>	<u>(6,716)</u>
Net cash from operating activities		<u>31,726</u>	<u>24,326</u>
Cash flows from investing activities			
Acquisition of plant and equipment	9	(550)	(166)
Interest received		416	253
Acquisition of other investments		–	(5,988)
Proceeds from sale of plant and equipment		–	1
Net cash used in investing activities		<u>(134)</u>	<u>(5,900)</u>
Cash flows from financing activities			
Acquisition of non-controlling interests		(90)	–
Dividends paid to owners of the Company	13	(29,600)	(25,900)
Dividends paid to non-controlling interests	13	–	(3,099)
Interest paid		(18)	(24)
Payment of lease liabilities		(1,148)	(1,156)
Net cash used in financing activities		<u>(30,856)</u>	<u>(30,179)</u>
Net increase/(decrease) in cash and cash equivalents		736	(11,753)
Cash and cash equivalents at beginning of the period		<u>138,829</u>	<u>145,584</u>
Cash and cash equivalents at end of the period		<u>139,565</u>	<u>133,831</u>

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

1. Corporate information

PropNex Limited (the “Company”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

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

The condensed interim financial statements are presented in Singapore Dollar (“\$”) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group adopted various new accounting standards, amendments to and interpretations of standards that are effective for annual periods beginning on or after 1 January 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2 Use of estimates and judgements

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

2.2 Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period is included in the followings notes:

- Note 14 – Measurement of expected credit loss (“ECL”) allowance for trade receivables, specifically the key assumptions in determining the weighted-average loss rate and forward-looking overlay adjustment; and
- Note 5 – Revenue recognition on commission income from the resale of Housing Development Board (“HDB”) properties which is included in real estate agency services, where management’s judgement is applied in determining when HDB’s approval is granted, thereby representing legal completion has taken place and determining the point of revenue recognition. The Group has used its past experience as well as other publicly available information to estimate the expected legal completion date.

3. Seasonal operations

The Group’s businesses are not significantly affected by seasonal or cyclical factors during the financial period.

4. Segment information

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

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

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

PropNex Limited and its Subsidiaries

Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Six months ended 30 June 2023						
Revenue	352,177	113,473	2,194	969	28,449	497,262
Inter-segment revenue	(103,504)	–	(1,033)	–	(28,442)	(132,979)
External revenue	<u>248,673</u>	<u>113,473</u>	<u>1,161</u>	<u>969</u>	<u>7</u>	<u>364,283</u>
Finance income	150	29	–	–	1,779	1,958
Depreciation expense	(441)	(106)	(1,020)	(56)	(1)	(1,624)
Amortisation expense	–	–	–	–	(149)	(149)
Finance costs	–	(1)	(17)	–	–	(18)
Segment profit before tax	<u>21,283</u>	<u>3,935</u>	<u>487</u>	<u>454</u>	<u>1,316</u>	<u>27,475</u>
Other material non-cash items:						
- Bad debts written off	25	–	–	–	–	25
- Reversal of impairment losses recognised on trade and other receivables	(891)	(6,415)	–	(2)	(4)	(7,312)
- Reversal of derecognition of trade payables	5,814	–	–	–	–	5,814
- Net foreign exchange loss	–	13	–	–	–	13
- Fair value loss on other investments	–	–	–	–	37	37
As at 30 June 2023						
Reportable segment assets	116,799	73,723	4,259	1,013	108,715	304,509
Additions to non-current assets	541	4	–	5	–	550
Reportable segment liabilities	<u>173,578</u>	<u>3,047</u>	<u>5,387</u>	<u>698</u>	<u>2,045</u>	<u>184,755</u>

PropNex Limited and its Subsidiaries

Notes to the Condensed Interim Financial Statements

4. Segment information (continued)

Group	Agency services \$'000	Project marketing services \$'000	Administrative support services \$'000	Training services \$'000	Others \$'000	Total \$'000
Six months ended 30 June 2022						
Revenue	454,720	183,422	1,885	1,048	23,414	664,489
Inter-segment revenue	(167,814)	–	(946)	–	(23,395)	(192,155)
External revenue	<u>286,906</u>	<u>183,422</u>	<u>939</u>	<u>1,048</u>	<u>19</u>	<u>472,334</u>
Finance income	33	6	–	–	214	253
Depreciation expense	(472)	(77)	(1,038)	(61)	(1)	(1,649)
Amortisation expense	–	–	–	–	(149)	(149)
Finance costs	–	(1)	(13)	–	(10)	(24)
Segment profit/(loss) before tax	<u>27,953</u>	<u>5,515</u>	<u>242</u>	<u>674</u>	<u>(223)</u>	<u>34,161</u>
Other material non-cash items:						
- Bad debts written off	123	–	–	–	134	257
- Impairment losses recognised on trade and other receivables	924	785	3	2	–	1,714
- Net foreign exchange loss	–	7	–	–	–	7
As at 31 December 2022						
Reportable segment assets	163,063	117,877	5,064	1,213	88,133	375,350
Additions to non-current assets	318	42	–	8	–	368
Reportable segment liabilities	<u>234,877</u>	<u>3,715</u>	<u>6,257</u>	<u>681</u>	<u>3,327</u>	<u>248,857</u>

5. Revenue

	Group	
	Six months ended 30 June	
	2023	2022
	\$'000	\$'000
Commission income from real estate agency services	248,673	286,906
Commission income from real estate project marketing services	113,473	183,422
Administrative support fee income	1,161	939
Courses and related fee income from training services	969	1,048
Technology platform income from services providers	7	12
Dividend income	–	7
	<u>364,283</u>	<u>472,334</u>
Timing of revenue recognition:		
Services transferred at a point in time	363,686	471,672
Services transferred over time	597	662
	<u>364,283</u>	<u>472,334</u>

6. Profit before tax

	Group	
	Six months ended 30 June	
	2023	2022
	\$'000	\$'000
Income		
Interest income	(1,958)	(253)
Expenses		
Amortisation of intangible assets	149	149
Depreciation of plant and equipment	471	508
Depreciation of right-of-use assets	1,153	1,141
Net foreign exchange loss	13	7
Bad debts written off	25	257
(Reversal of impairment losses)/impairment losses recognised on trade and other receivables	(7,312)	1,714
Interest expense on lease liabilities	18	24
Reversal of derecognition of trade payables ^(a)	5,814	–
Fair value loss on other investments	37	–
	<u>37</u>	<u>–</u>

^(a) In prior year, the Group had derecognised commission payables for impaired receivables as the Group does not have the obligation to pay its salespersons when the receivables were impaired. During the six months ended 30 June 2023, the Group had recovered the previously impaired receivables. As such, the Group had reversed the previously derecognised commission payables in the consolidated statement of profit or loss.

7. Tax expense

	Group	
	Six months ended 30 June	
	2023	2022
	\$'000	\$'000
<i>Current tax expense</i>		
Current period	4,676	5,953
Over provision in prior years	(149)	(67)
	4,527	5,886
	4,527	5,886

8. Earnings per share

Basic earnings per share

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

	Group	
	Six months ended 30 June	
	2023	2022
	\$'000	\$'000
Profit for the period attributable to owners of the Company	22,054	27,021

	Group	
	Six months ended 30 June	
	2023	2022
	'000	'000
		(Restated)
Weighted average number of ordinary shares	740,000	740,000

The weighted average number of ordinary shares outstanding during the six months ended 30 June 2023 and 30 June 2022 were adjusted for the issuance of bonus shares on 5 May 2023 (Note 12). In accordance with SFRS(I) 1-33 *Earning per Share*, the weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. As the bonus shares were issued to existing shareholders for no additional consideration, the Group had accounted for the issuance of bonus shares as if it had occurred on 1 January 2022 which is the beginning of the earliest period presented.

Diluted earnings per share

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

9. Plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to \$550,000 (30 June 2022: \$166,000) and disposed assets amounting to \$Nil (30 June 2022: \$1,000).

Notes to the Condensed Interim Financial Statements

10. Trade and other receivables

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Trade receivables				
- third parties	151,149	230,766	-	-
Impairment losses	(2,416)	(9,819)	-	-
	<u>148,733</u>	<u>220,947</u>	-	-
Other receivables:				
- third parties	321	472	-	-
- subsidiaries (non-trade)	-	-	1,493	1,890
Deposits	428	412	245	244
Accrued interest receivable	1,543	-	1,543	-
	<u>2,292</u>	<u>884</u>	<u>3,281</u>	<u>2,134</u>
Impairment losses	(13)	(20)	-	(4)
	<u>2,279</u>	<u>864</u>	<u>3,281</u>	<u>2,130</u>
	<u>151,012</u>	<u>221,811</u>	<u>3,281</u>	<u>2,130</u>
Prepayments	2,099	1,602	162	55
	<u>153,111</u>	<u>223,413</u>	<u>3,443</u>	<u>2,185</u>

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

Other receivables comprised mainly advance payments to salespersons.

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

11. Cash and cash equivalents

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Cash at banks and on hand	39,176	58,560	2,962	4,178
Brokerage accounts	530	454	530	454
Fixed deposits	99,921	79,877	96,885	76,852
Cash and cash equivalents in the statements of financial position	<u>139,627</u>	<u>138,891</u>	<u>100,377</u>	<u>81,484</u>
Deposits pledged	(62)	(62)		
Cash and cash equivalents in the consolidated statement of cash flows	<u>139,565</u>	<u>138,829</u>		

12. Share capital

	Number of shares		Amount	
	30 June 2023 '000	31 December 2022 '000	30 June 2023 \$'000	31 December 2022 \$'000
Group and Company				
Fully paid ordinary shares, with no par value:				
At beginning of the period/year	370,000	370,000	57,491	57,491
Issuance of ordinary shares by virtue of bonus issue	370,000	–	–	–
At end of the period/year	<u>740,000</u>	<u>370,000</u>	<u>57,491</u>	<u>57,491</u>

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

There were no outstanding share options, treasury shares and subsidiary holdings as at 30 June 2023 and 31 December 2022.

13. Dividends

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

	Group and Company Six months ended 30 June	
	2023 \$'000	2022 \$'000
Paid by the Company to owners of the Company		
Final dividends for financial year ended 31 December 2022 of \$0.08 per ordinary share	29,600	–
Final dividends for financial year ended 31 December 2021 of \$0.07 per ordinary share	–	25,900
	<u>29,600</u>	<u>25,900</u>
Group		
Six months ended 30 June		
	2023 \$'000	2022 \$'000
Paid by a subsidiary to non-controlling interests <u>PropNex International Pte. Ltd.</u>		
Final dividends for financial year ended 31 December 2021 of \$110 per ordinary share	–	3,099
	<u>–</u>	<u>3,099</u>

Notes to the Condensed Interim Financial Statements

14. Financial instruments

14.1 Accounting classifications

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

Group	Carrying amount				Total \$'000
	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	
30 June 2023					
Financial assets					
Other investments	362	5,638	–	–	6,000
Trade and other receivables ⁽¹⁾	–	–	151,012	–	151,012
Cash and cash equivalents	–	–	139,627	–	139,627
	<u>362</u>	<u>5,638</u>	<u>290,639</u>	<u>–</u>	<u>296,639</u>
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(167,039)	(167,039)
Lease liabilities	–	–	–	(3,866)	(3,866)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(170,905)</u>	<u>(170,905)</u>
31 December 2022					
Financial assets					
Other investments	362	5,690	–	–	6,052
Trade and other receivables ⁽¹⁾	–	–	221,811	–	221,811
Cash and cash equivalents	–	–	138,891	–	138,891
	<u>362</u>	<u>5,690</u>	<u>360,702</u>	<u>–</u>	<u>366,754</u>
Financial liabilities					
Trade and other payables ⁽²⁾	–	–	–	(227,935)	(227,935)
Lease liabilities	–	–	–	(5,014)	(5,014)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(232,949)</u>	<u>(232,949)</u>

⁽¹⁾ Exclude prepayments

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

14.1 Accounting classifications (continued)

Company	Carrying amount			Total \$'000
	Fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	
30 June 2023				
Financial assets				
Other investments	5,638	–	–	5,638
Trade and other receivables ⁽¹⁾	–	3,281	–	3,281
Cash and cash equivalents	–	100,377	–	100,377
	<u>5,638</u>	<u>103,658</u>	<u>–</u>	<u>109,296</u>
Financial liabilities				
Trade and other payables ⁽²⁾	–	–	(34,240)	(34,240)
31 December 2022				
Financial assets				
Other investments	5,690	–	–	5,690
Trade and other receivables ⁽¹⁾	–	2,130	–	2,130
Cash and cash equivalents	–	81,484	–	81,484
	<u>5,690</u>	<u>83,614</u>	<u>–</u>	<u>89,304</u>
Financial liabilities				
Trade and other payables ⁽²⁾	–	–	(10,377)	(10,377)

⁽¹⁾ Exclude prepayments

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

14.2 Fair values

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

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

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

14.2 Fair values (continued)

The financial assets carried at fair values are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group			
30 June 2023			
Financial assets			
Other investments – at fair value through other comprehensive income	–	–	362
Other investments – mandatorily at fair value through profit or loss	5,638	–	–
	5,638	–	362
31 December 2022			
Financial assets			
Other investments – at fair value through other comprehensive income	–	–	362
Other investments – mandatorily at fair value through profit or loss	5,690	–	–
	5,690	–	362
Company			
30 June 2023			
Financial assets			
Other investments – mandatorily at fair value through profit or loss	5,638	–	–
	5,638	–	–
31 December 2022			
Financial assets			
Other investments – mandatorily at fair value through profit or loss	5,690	–	–
	5,690	–	–

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
30 June 2023			
Other investments – at fair value through other comprehensive income	The fair value is calculated using the net asset value of the investee entity adjusted for the fair value of the underlying assets, where applicable.	Net asset value of the investee entity.	The higher/(lower) of the net asset value of the investee entity, the higher/(lower) of the fair value.

Notes to the Condensed Interim Financial Statements

14.2 Fair values (continued)

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

14.3 Credit risk

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

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

Trade and other receivables

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

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Trade receivables				
- real estate agency services	87,293	111,857	–	–
- real estate project marketing services	63,844	118,896	–	–
- administrative support services	12	13	–	–
Other receivables and deposits	2,292	884	3,281	2,134
Total gross carrying amount	153,441	231,650	3,281	2,134
Less: Impairment losses	(2,429)	(9,839)	–	(4)
Net carrying amount	151,012	221,811	3,281	2,130

ECL assessment for trade receivables of real estate agency services

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

14.3 Credit risk (continued)

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

<u>Group</u>	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance		
			Credit- impaired \$'000	Not credit- impaired \$'000	Total \$'000
30 June 2023					
Past due					
- Past due 1 to 30 days	0.00	49,339	–	(3)	(3)
- Past due 31 to 90 days	0.04	20,447	–	(10)	(10)
- Past due 91 to 180 days	0.05	5,569	–	(4)	(4)
- Past due 181 to 270 days	0.59	4,510	–	(15)	(15)
- Past due more than 270 days	1.17	7,428	(2,242)	(24)	(2,266)
		<u>87,293</u>	<u>(2,242)</u>	<u>(56)</u>	<u>(2,298)</u>
31 December 2022					
Past due					
- Past due 1 to 30 days	0.00	73,025	–	(3)	(3)
- Past due 31 to 90 days	0.04	22,460	–	(10)	(10)
- Past due 91 to 180 days	0.05	8,570	–	(4)	(4)
- Past due 181 to 270 days	0.59	2,532	–	(15)	(15)
- Past due more than 270 days	1.17	5,270	(3,231)	(24)	(3,255)
		<u>111,857</u>	<u>(3,231)</u>	<u>(56)</u>	<u>(3,287)</u>

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

Scalar factors are based on actual and forecast gross domestic products at 1.35 (31 December 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 expected credit loss 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.

Notes to the Condensed Interim Financial Statements

14.3 Credit risk (continued)

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:

<u>Group</u>	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance		
			Credit- impaired \$'000	Not credit- impaired \$'000	Total \$'000
30 June 2023					
Past due					
- Past due 1 to 30 days	0.11 - 1.36	29,989	–	(33)	(33)
- Past due 31 to 90 days	0.11 - 1.36	9,727	–	(11)	(11)
- Past due 91 to 180 days	0.11 - 1.36	12,907	–	(14)	(14)
- Past due 181 to 270 days	0.11 - 1.36	5,115	–	(5)	(5)
- Past due more than 270 days	0.11 - 1.36	6,118	(48)	(7)	(55)
		<u>63,856</u>	<u>(48)</u>	<u>(70)</u>	<u>(118)</u>
31 December 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)
		<u>118,909</u>	<u>(6,368)</u>	<u>(164)</u>	<u>(6,532)</u>

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

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
At beginning of the period/year	9,839	1,850	4	4
(Reversal of impairment losses)/ impairment losses recognised	(7,312)	8,312	(4)	–
Amounts written off	(98)	(323)	–	–
At end of the period/year	<u>2,429</u>	<u>9,839</u>	<u>–</u>	<u>4</u>

15. Net asset value

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share (cents)	15.93	33.93	12.46	26.01

As at 30 June 2023, net asset value per ordinary share of the Group and the Company was 15.93 cents and 12.46 cents respectively. The decrease in net asset value per ordinary share as at 30 June 2023 as compared to 31 December 2022 was due to the increase in ordinary shares arising from the issuance of 370,000,000 bonus shares on 5 May 2023 (Note 12).

16. Subsequent events

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

1. Review

The condensed interim financial statements which comprise the condensed interim statements of financial position of the Group and the Company as at 30 June 2023, the condensed interim statements of changes in equity of the Group and the Company and the condensed interim consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows for the six months then ended, and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Condensed Interim Consolidated Statement of Profit or Loss

Revenue

Revenue decreased by \$108.1 million or 22.9% from \$472.3 million in the six months ended 30 June 2022 (“1H2022”) to \$364.3 million in the six months ended 30 June 2023 (“1H2023”) mainly due to decrease in commission income from agency services of \$38.2 million and from project marketing services of \$69.9 million. This was a result of lower number of transactions completed for agency services and project marketing in 1H2023.

Cost of services rendered

Cost of services decreased by \$96.1 million or 22.6% from \$424.6 million in 1H2022 to \$328.5 million in 1H2023. This was mainly due to the decrease in commission cost to salespersons which was in tandem with the decrease in revenue.

Gross profit

Gross profit decreased by \$12.0 million or 25.1% from \$47.8 million in 1H2022 to \$35.8 million in 1H2023 which was in tandem with the decrease in revenue.

Finance income

Finance income increased by \$1.7 million from \$0.3 million in 1H2022 to \$2.0 million in 1H2023 mainly due to the increase in interest income from higher fixed deposit interest rates and higher fixed deposit placements in 1H2023.

Staff costs

Staff costs decreased by \$1.1 million or 12.4% from \$9.1 million in 1H2022 to \$8.0 million in 1H2023 mainly due to the reversal of over accrual for staff bonus for FY2022 in 1H2023.

Other expenses

Other expenses increased by \$6.5 million from \$6.0 million in 1H2022 to \$12.4 million in 1H2023. This was mainly due to the reversal of derecognition of trade payables arising from impaired receivables collected in 1H2023 of \$5.8 million.

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

The Group reversed impairment losses on trade and other receivables of \$7.3 million upon collection in 1H2023.

Profit before tax

As a result of the foregoing, profit before tax decreased by \$6.7 million or 19.6% from \$34.2 million in 1H2022 to \$27.5 million in 1H2023.

Tax expense

Tax expense decreased by \$1.4 million or 23.1%, from \$5.9 million in 1H2022 to \$4.5 million in 1H2023 in line with lower profits.

2. Review of performance of the Group (continued)

Condensed Interim Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased by \$1.2 million or 16.6% from \$7.4 million as at 31 December 2022 to \$6.1 million as at 30 June 2023. This was due to the depreciation of right-of-use assets and plant and equipment of \$1.2 million and \$0.5 million respectively and amortisation of intangible assets of \$0.1 million, partially offset by additions of plant and equipment of \$0.6 million.

Current assets

Trade and other receivables decreased by \$70.3 million or 31.5% from \$223.4 million as at 31 December 2022 to \$153.1 million as at 30 June 2023. The decrease was in tandem with lower revenue recognised.

Cash and cash equivalents increased by \$0.7 million or 0.5% from \$138.9 million as at 31 December 2022 to \$139.6 million as at 30 June 2023. The increase was mainly due to net cash from operating activities of \$31.7 million, partially offset by dividends paid of \$29.6 million and repayment of lease liabilities of \$1.2 million in 1H2023.

Other investments decreased by \$0.1 million or 0.9% from \$5.7 million as at 31 December 2022 to \$5.6 million as at 30 June 2023. This was mainly due to fair value loss recognised in 1H2023.

As a result, total current assets decreased by \$69.6 million or 18.9% from \$368.0 million as at 31 December 2022 to \$298.4 million as at 30 June 2023.

Non-current liabilities

Non-current liabilities decreased by \$1.1 million or 35.8% from \$2.9 million as at 31 December 2022 to \$1.9 million as at 30 June 2023. This was mainly due to payment of lease liabilities in 1H2023.

Current liabilities

Trade and other payables decreased by \$60.8 million or 26.6% from \$228.3 million as at 31 December 2022 to \$167.5 million as at 30 June 2023. This was mainly due to the decrease in trade payables of \$58.1 million and GST payable of \$2.9 million which was in tandem with lower commission payable to salespersons and revenue.

Current tax liabilities decreased by \$2.3 million or 16.8% from \$13.8 million as at 31 December 2022 to \$11.5 million as at 30 June 2023. This was mainly due to the payment of tax for year ended 31 December 2022 of \$6.8 million, offset by the provision of tax expense for 1H2023 of \$4.5 million.

As a result, total current liabilities decreased by \$63.1 million or 25.6% from \$245.9 million as at 31 December 2022 to \$182.9 million as at 30 June 2023.

Equity

Equity attributable to owners of the Company decreased by \$7.7 million or 6.1% from \$125.5 million as at 31 December 2022 to \$117.9 million as at 30 June 2023. This was mainly due to dividends paid of \$29.6 million, offset by net profit of \$22.1 million in 1H2023.

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

Condensed Interim Consolidated Statement of Cash Flows

Net cash from operating activities was \$31.7 million in 1H2023 as compared to \$24.3 million in 1H2022. The increase was mainly due to higher cash generated from operations of \$7.5 million.

Net cash used in investing activities was \$0.1 million in 1H2023 as compared to \$5.9 million in 1H2022. The decrease was mainly due to the decrease in acquisition of other investments of \$6.0 million.

Net cash used in financing activities was \$30.9 million in 1H2023 as compared to \$30.2 million in 1H2022. The increase was mainly due to the increase in dividends paid to owners of the Company of \$3.7 million, partially offset by the absence of dividends paid to non-controlling interests of \$3.1 million in 1H2023.

As a result, there was a net increase in cash and cash equivalents of \$0.7 million in 1H2023 as compared to a net decrease of \$11.8 million in 1H2022.

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

Pursuant to the Company’s IPO, the Company received net proceeds of approximately \$38.3 million (“Net Proceeds”). The Board of Directors wishes to provide an update on the use of Net Proceeds as at 30 June 2023 as follows.

Use of Net Proceeds	Allocation of Net Proceeds \$’000	Net Proceeds utilised \$’000	Balance of Net Proceeds \$’000
Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy	1,000	635 ⁽¹⁾	365
Enhancement of real estate brokerage business	18,000	10,958 ⁽²⁾	7,042
Expansion in range of business services	11,280	8,925 ⁽³⁾	2,355
Enhancement of technological capabilities	8,000	5,791 ⁽⁴⁾	2,209
	38,280	26,309	11,971

Notes:

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

Other Information Required by Listing Rule Appendix 7.2

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company did not disclose any forecast or prospect statement previously.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Trends of residential property prices in Singapore are generally signalling a slowing growth momentum, and on a path towards more sustainable pricing in the residential market. Private home prices slipped for the first time in three years in the second quarter of 2023 (“2Q2023”), as three rounds of cooling measures since December 2021, including the tightening of the Additional Buyer’s Stamp Duty on 27 April 2023 and high interest rates, put a dampener on prices. Meanwhile Housing & Development Board (“HDB”) resale flat prices continued to rise at a more moderate pace while the growth in private home rentals slowed considerably in 2Q2023.

In 2Q2023, overall private home prices declined by 0.2% quarter-on-quarter (“QOQ”), reversing the 3.3% QOQ growth in the first quarter of 2023 (“1Q2023”), and marking the first quarterly contraction in the Urban Redevelopment Authority (“URA”) Property Price Index since the first quarter of 2020, where prices fell 1% QOQ. Prices of landed properties posted a 1.1% QOQ growth following a healthy gain of 5.9% QOQ in 1Q2023, marking its 8th straight quarterly increase. Meanwhile, prices in the non-landed segment slipped 0.6% QOQ compared to the 2.6% QOQ growth in the previous quarter as home prices eased in the city and city fringe. The decline was led largely by properties in the Rest of Central Region (“RCR”), where prices fell by 2.5% in 2Q2023 despite four new launches, a reflection that developers are pricing projects more sensitively amidst more muted market sentiments.

Overall, developers sold 2,127 units of new private homes (excluding Executive Condominiums (“EC”)) in 2Q2023, taking the half year total to 3,383 units, which was lower than the 4,222 units moved in 1H2022. In 2Q2023, developers launched 2,374 units (excluding EC) of new homes for sale, rising by 81% from 1,312 units placed on the market in the previous quarter.

On a half year basis, private home prices climbed by a cumulative 3.1% in 2023 compared to the 4.2% cumulative increase in 2022, while non-landed private home prices grew by 2.0% in 1H2023, slower than the 3.3% cumulative increase in 1H2022.

Looking ahead, the Group is optimistic that the private homes market will pick up given the strong pipeline of new launches lined up in the RCR and Outside Central Region in the second half of 2023 (“2H2023”). Projects include The Myst, Lentor Hills Residences, Grand Dunman, and Pinetree Hill which hit the market in July 2023 as well as upcoming launches such as Lake Garden Residences, Altura EC, TMW Maxwell, Orchard Sophia, and The Arden in 2H2023. For full year 2023, the Group estimates overall private home prices to grow by 4.0% to 5.0% and developers’ sales to range from 7,000 to 7,500 units (excluding EC). The Group estimates private resale volume to be in the region of 12,000 to 13,000 units (compared to 14,026 units in 2022) as the high interest rates and tight resale stock continue to weigh on sales.

Under private home rentals, the URA rental index showed that rentals continued to rise for the 11th consecutive quarter in 2Q2023, albeit at a much slower pace. Rentals climbed by 2.8% QOQ, compared to the 7.2% QOQ growth in the previous quarter. On a year-on-year basis, private home rentals in 2Q2023 were up by 28.5% from 2Q2022. Cumulatively, private home rentals have increased by 10.2% in 1H2023.

Other Information Required by Listing Rule Appendix 7.2

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months. (continued)

As the third quarter tends to be a peak period for the home rental market, the Group estimates that rentals could remain firm in view of the healthy demands. As more projects are completed, it could bump up the rental stock and help to ease the upward pressure on rentals slightly. The URA indicated that 7,366 private homes (excluding EC) were completed in 1H2023, with another 11,810 units due to be completed in 2H2023.

Meanwhile, HDB resale flat prices grew for the 13th straight quarter, climbing 1.5% QOQ in 2Q2023, following the 1% QOQ increase in 1Q2023. There were 6,514 HDB resale flats transacted in 2Q2023, a 6.7% decline from the 6,979 HDB flats resold in the previous quarter, and marked the lowest quarterly sales tally in the past three years.

The slower sales in 2Q2023 could be due to a combination of factors, including a mismatch in price expectations between buyers and sellers, the 15-month wait-out period for private property downgraders to purchase a HDB resale flat, the ramped-up supply of new build-to-order flats possibly siphoning some prospective buyers from the resale market, as well as possibly, a delay in HDB Flat Eligibility approval letter.

For the full year 2023, the Group maintains its projection for HDB resale flat volume to range between 27,000 to 28,000 units, with demand for smaller flats likely to remain strong. The Group estimates that HDB resale prices could grow between 5.0% to 6.0% in 2023, slowing substantially from the double-digit growth booked in the past two years.

With a salesforce of over 12,000, the largest network in Singapore, the Group is well-positioned to grow its market share in the various revenue segments. The Group continues to scale up its sales force and focuses on information technology development and training programmes to enhance productivity levels across its business operations. Barring any unforeseen circumstances, the Group expects its performance in 2H2023 to be better than 1H2023.

6. Dividend

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	2.5 cents per ordinary share
Dividend Amount	\$18,500,000
Tax Rate	Tax exempt

Other Information Required by Listing Rule Appendix 7.2

6. Dividend (continued)

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	5.5 cents per ordinary share*
Dividend Amount	\$20,350,000
Tax Rate	Tax exempt

* Equivalent to 2.75 cents per ordinary share based on the enlarged share capital of 740,000,000 ordinary shares after the bonus issue on 5 May 2023.

- c. Date payable**

4 September 2023

- d. Books closure date**

24 August 2023 at 5.00 p.m.

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

Not applicable.

8. Interested Person Transactions

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

- 9. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirmed that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

10. Confirmation pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the condensed interim financial statements for the six months ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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

Kelvin Fong Keng Seong
Director

BY ORDER OF THE BOARD

Lee Li Huang
Chief Financial Officer and Company Secretary

10 August 2023