



Service You Trust
SINGAPORE

PROPNE X LIMITED

Company Registration Number: 201801373N

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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PROPnex LIMITED

Company Registration Number: 201801373N

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

The Board of Directors (the “**Board**”) of PropNex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following unaudited results of the Group for the first quarter ended 31 March 2021.

1(a)(i) Consolidated Statement of Profit or Loss

	Group		
	1Q2021 S\$'000	1Q2020 S\$'000	Change (%)
Continuing operations			
Revenue	220,578	135,066	63.3
Cost of services rendered	(197,301)	(120,231)	64.1
Gross profit	23,277	14,835	56.9
Finance income	94	301	(68.8)
Finance costs	(15)	(27)	(44.4)
Other income	2,163	1,541	40.4
Staff costs	(3,776)	(3,566)	5.9
Depreciation of plant and equipment	(253)	(296)	(14.5)
Depreciation of right-of-use assets	(555)	(660)	(15.9)
Amortisation of trademark	(7)	(7)	–
Other expenses	(2,190)	(2,246)	(2.5)
Gain on disposal of discontinued operation	637	–	NM
Profit before tax	19,375	9,875	96.2
Tax expense	(3,214)	(1,712)	87.7
Profit from continuing operations	16,161	8,163	98.0
Discontinuing operations			
Profit from discontinued operation (net of tax)	19	61	(68.9)
Profit for the period	16,180	8,224	96.7
Profit attributable to:			
Owners of the Company	14,825	7,576	95.7
Non-controlling interests	1,355	648	109.1
Profit for the period	16,180	8,224	96.7

NM – Not meaningful

1(a)(ii) Consolidated Statement of Comprehensive Income

	Group		
	1Q2021	1Q2020	Change
	S\$'000	S\$'000	(%)
Profit for the period	16,180	8,224	96.7
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences			
- foreign operation	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	16,180	8,224	96.7
Total comprehensive income attributable to:			
Owners of the Company	14,825	7,576	95.7
Non-controlling interests	1,355	648	109.1
Total comprehensive income for the period	16,180	8,224	96.7

1(a)(iii) Notes to Consolidated Statement of Profit or Loss

Profit from discontinued operations for the period is derived after charging/(crediting) the followings:

	Group	
	1Q2021 S\$'000	1Q2020 S\$'000
Amortisation of trademark	7	7
Bad debts written off	69	84
Depreciation of plant and equipment	253	296
Depreciation of right-of-use assets	555	660
Foreign exchange loss/(gain)	3	(2)
Gain on disposal of plant and equipment	–	(1)
Impairment losses/(reversal of impairment losses) on trade and other receivables	43	(72)
Interest expense	15	27
Interest income	(94)	(301)
(Over)/under provision of prior years' tax	(9)	2

Profit from discontinuing operation

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

The statement of profit or loss of PPMC for the period from 1 January 2020 to 31 March 2020 was not previously presented as a discontinued operation. Thus, the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

	Group	
	1Q2021 S\$'000	1Q2020 S\$'000
Discontinued operation		
Revenue	177	550
Cost of services rendered	(102)	(318)
Other income	1	32
Staff costs	(43)	(151)
Depreciation of plant and equipment	(1)	(2)
Depreciation of right-of-use assets	(3)	–
Other expenses	(10)	(43)
Profit before tax	19	68
Tax expense	–	(7)
Profit from discontinued operation (net of tax)	19	61

1(b)(i) Statements of Financial Position

	Group		Company	
	31 Mar 21	31 Dec 20	31 Mar 21	31 Dec 20
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Plant and equipment	2,281	2,593	6	4
Trademark	121	128	113	120
Right-of-use assets	2,480	3,156	–	–
Subsidiaries	–	–	17,548	18,098
Associates	47	47	–	–
Other investment	391	391	–	–
Non-current assets	5,320	6,315	17,667	18,222
Trade and other receivables	135,536	80,591	3,762	4,965
Cash and cash equivalents	118,870	105,802	55,224	52,731
Total current assets	254,406	186,393	58,986	57,696
Total assets	259,726	192,708	76,653	75,918
Equity				
Share capital	57,491	57,491	57,491	57,491
Merger reserve	(17,663)	(17,663)	–	–
Translation reserve	(1)	(1)	–	–
Capital reserve	607	607	–	–
Retained earnings	58,947	44,122	15,906	15,743
Equity attributable to owners of the Company	99,381	84,556	73,397	73,234
Non-controlling interests	4,345	3,032	–	–
Total equity	103,726	87,588	73,397	73,234
Liabilities				
Deferred tax liabilities	177	179	–	–
Lease liabilities	584	1,046	–	–
Non-current liabilities	761	1,225	–	–
Trade and other payables	143,523	94,265	3,144	2,567
Current tax liabilities	9,224	7,020	112	117
Deferred income	557	462	–	–
Lease liabilities	1,935	2,148	–	–
Current liabilities	155,239	103,895	3,256	2,684
Total liabilities	156,000	105,120	3,256	2,684
Total equity and liabilities	259,726	192,708	76,653	75,918

1(b)(ii) Group's Borrowings and Debt Securities

(a) The amount repayable in one year or less, or on demand

Nil

(b) The amount repayable after one year

Nil

(c) Whether the amounts are secured or unsecured

Not applicable

(d) Details of any collaterals

Not applicable

1(c) Consolidated Statements of Cash Flows

	Group	
	1Q2021	1Q2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	16,180	8,224
Adjustments for:		
Amortisation of trademark	7	7
Bad debts written off	69	84
Depreciation of plant and equipment	254	298
Depreciation of right-of-use assets	558	660
Gain on disposal of discontinued operation	(637)	–
Gain on disposal of plant and equipment	–	(1)
Impairment losses/(reversal of impairment losses) on trade and other receivables	43	(72)
Interest expense	15	27
Interest income	(94)	(301)
Tax expense	3,214	1,719
	19,609	10,645
Changes in:		
- trade and other receivables	(55,284)	(20,267)
- trade and other payables	49,538	18,422
- deferred income	95	(79)
Cash generated from operations	13,958	8,721
Tax paid	(992)	(30)
Net cash from operating activities	12,966	8,691
Cash flows from investing activities		
Acquisition of plant and equipment	(3)	(66)
Disposal of discontinued operation, net of cash disposed (Note)	585	–
Interest received	94	301
Addition in other investment	–	(14)
Proceeds from sale of plant and equipment	–	1
Net cash from investing activities	676	222
Cash flows from financing activities		
Interest paid	(15)	(27)
Repayment of lease liabilities	(559)	(651)
Net cash used in financing activities	(574)	(678)
Net increase in cash and cash equivalents	13,068	8,235
Cash and cash equivalents at beginning of the financial period	105,741	81,546
Cash and cash equivalents at end of the financial period	118,809	89,781
<u>Additional information:</u>		
Cash at bank and on hand	118,870	89,842
Less: bank deposits pledged	(61)	(61)
Total cash and cash equivalents	118,809	89,781

Note:

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

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

1(d)(i) Consolidated Statement of Changes in Equity

Group	Attributable to owners of the Company							Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000			
As at 1 January 2021	57,491	(17,663)	607	(1)	44,122	84,556	3,032	87,588	
Profit for the period	–	–	–	–	14,825	14,825	1,355	16,180	
Other comprehensive income									
– Foreign currency translation	–	–	–	–	–	–	–	–	
Total comprehensive income	–	–	–	–	14,825	14,825	1,355	16,180	
Transaction with owners, recognised directly in equity									
Disposal of discontinued operation with non-controlling interest	–	–	–	–	–	–	(42)	(42)	
Total transaction with owners	–	–	–	–	–	–	(42)	(42)	
As at 31 March 2021	57,491	(17,663)	607	(1)	58,947	99,381	4,345	103,726	
As at 1 January 2020	57,491	(17,663)	607	(1)	28,908	69,342	2,553	71,895	
Profit for the period	–	–	–	–	7,576	7,576	648	8,224	
Other comprehensive income									
- Foreign currency translation	–	–	–	–	–	–	–	–	
Total comprehensive income	–	–	–	–	7,576	7,576	648	8,224	
As at 31 March 2020	57,491	(17,663)	607	(1)	36,484	76,918	3,201	80,119	

1(d)(i) Consolidated Statement of Changes in Equity (Cont'd)

COMPANY - 2021	Attributable to owners of the Company		
	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
As at 1 January 2021	57,491	15,743	73,234
Profit for the period	–	163	163
Total comprehensive income	–	163	163
As at 31 March 2021	57,491	15,906	73,397

COMPANY - 2020	Attributable to owners of the Company		
	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
As at 1 January 2020	57,491	8,844	66,335
Profit for the period	–	107	107
Total comprehensive income	–	107	107
As at 31 March 2020	57,491	8,951	66,442

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

There were no changes in the share capital of the Company in 1Q2021. There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 March 2021 and 31 December 2020.

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

As at 31 March 2021 and 31 December 2020, the Company's issued ordinary shares were 370,000,000. The Company did not have any treasury shares as at 31 March 2021 and 31 December 2020.

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

Not applicable.

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

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

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 3(a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

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

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

The Group had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2020 except for the changes in accounting policies as disclosed in Item 5 below.

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

There are no new standards and amendments that are effective for the annual period beginning 1 January 2021 nor any changes in the Group’s accounting policies and methods of computation.

6 Earnings Per Ordinary Share

	Group		
	1Q2021	1Q2020	Change (%)
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:			
(i) Based on the weighted average number of shares (cents)	4.01	2.05	95.6
- Weighted average number of shares ('000)	370,000	370,000	
(ii) On a fully diluted basis (cents)	4.01	2.05	95.6
- Weighted average number of shares ('000)	370,000	370,000	
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Continuing operations):			
(j) Based on the weighted average number of shares (cents)	4.00	2.04	96.1
- Weighted average number of shares ('000)	370,000	370,000	
(ii) On a fully diluted basis (cents)	4.00	2.04	96.1
- Weighted average number of shares ('000)	370,000	370,000	
-			
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Discontinuing operations):			
(k) Based on the weighted average number of shares (cents)	0.004	0.01	(100.0)
- Weighted average number of shares ('000)	370,000	370,000	
(ii) On a fully diluted basis (cents)	0.004	0.01	(100.0)
- Weighted average number of shares ('000)	370,000	370,000	

7 Net Asset Value Per Share

	Group			Company		
	31 Mar 21	31 Dec 20	Change (%)	31 Mar 21	31 Dec 20	Change (%)
Net asset value per ordinary share based on issued share capital, excluding treasury shares, at the end of the financial period/year (cents)	26.86	22.85	17.5	19.84	19.79	0.3

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

Review of Group Performance

1Q2021 vs 1Q2020

Revenue

Revenue increased by approximately S\$85.5 million or 63.3%, from S\$135.1 million in 1Q2020 to S\$220.6 million in 1Q2021, was mainly due to higher commission income from agency services of approximately S\$47.5 million and from project marketing services of approximately S\$38.0 million. This was a result of higher number of transactions completed in 1Q2021 following improvements in both the Covid19 situation and the economy.

Cost of services

Cost of services increased by approximately S\$77.1 million or 64.1%, from S\$120.2 million in 1Q2020 to S\$197.3 million in 1Q2021. This was mainly due to the increase in commission cost to salespersons which was in tandem with the increase in revenue.

Gross profit

Gross profit increased by approximately S\$8.5 million or 56.9%, from S\$14.8 million in 1Q2020 to S\$23.3 million in 1Q2021. This increase was in tandem with the increase in revenue.

Finance income

Finance income decreased by approximately S\$0.2 million or 68.8%, from S\$0.3 million in 1Q2020 to S\$0.1 million in 1Q2021. This was mainly due to low rates of interest received from placement of fixed deposits.

Other income

Other income increased by approximately S\$0.6 million or 40.4%, from S\$1.6 million in 1Q2020 to S\$2.2 million in 1Q2021. This was mainly due to an increase in referral fee income of approximately S\$0.4 million, an increase in government grants amounting to approximately S\$0.2 million and an increase in sale of merchandise of approximately S\$0.2 million partially offset by a decrease in marketing and advertising fee income of approximately S\$0.2 million due to restrictions on use of sales gallery.

Other expenses

Staff costs are linked to performance of the Group. In line with better results, it increased by approximately S\$0.2 million or 5.9%, from S\$3.6 million in 1Q2020 to S\$3.8 million in 1Q2021.

Depreciation of ROU assets decreased by approximately S\$0.1 million or 15.9%, from S\$0.7 million in 1Q2020 to S\$0.6 million in 1Q2021. This was mainly due to the expiry of lease for branch office.

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

Gain on disposal of discontinued operation

Refer to paragraph 1(a)(iii) for explanation.

Profit before tax

As a result of the foregoing, profit before tax increased by approximately S\$9.5 million or 96.2%, from S\$9.9 million in 1Q2020 to S\$19.4 million in 1Q2021.

Tax expense

Tax expense increased by approximately S\$1.5 million or 87.7%, from S\$1.7 million in 1Q2020 to S\$3.2 million in 1Q2021 in line with the higher profits.

Statements of Financial Position Review (as at 31 March 2021 compared to 31 December 2020)

Non-current assets

Non-current assets decreased by approximately S\$1.0 million or 15.8%, from S\$6.3 million as at 31 December 2020 to S\$5.3 million as at 31 March 2021. This was mainly due to the depreciation of both ROU assets as well as plant and equipment of approximately S\$0.6 million and S\$0.2 million respectively and disposal of non-current assets of approximately S\$0.2 million arising from disposal of a subsidiary, PPMC in 1Q2021.

Current assets

Trade and other receivables increased by approximately S\$54.9 million or 68.2%, from S\$80.6 million as at 31 December 2020 to S\$135.5 million as at 31 March 2021. The increase was in tandem with higher revenue recognised in 1Q2021.

Cash and cash equivalents increased by approximately S\$13.1 million or 12.4%, from S\$105.8 million as at 31 December 2020 to S\$118.9 million as at 31 March 2021. The increase was mainly due to net cash generated from operating activities.

As a result, total current assets increased by approximately S\$68.0 million or 36.5%, from S\$186.4 million as at 31 December 2020 to S\$254.4 million as at 31 March 2021.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.5 million from S\$1.2 million as at 31 December 2020 to S\$0.7 million as at 31 March 2021 due to reclassification of non-current lease liabilities to current lease liabilities.

Current liabilities

Trade and other payables increased by approximately S\$49.2 million or 52.3%, from S\$94.3 million as at 31 December 2020 to S\$143.5 million as at 31 March 2021. This was mainly due to the increase in trade payables by approximately S\$45.8 million in line with the increase in revenue as at 31 March 2021 and the increase in GST payable by approximately S\$3.2 million.

Current tax liabilities increased by approximately S\$2.2 million or 31.4%, from S\$7.0 million as at 31 December 2020 to S\$9.2 million as at 31 March 2021. This was mainly due to the provision of tax expense for 1Q2020.

As a result, total current liabilities increased by approximately S\$51.3 million or 49.4%, from S\$103.9 million as at 31 December 2020 to S\$155.2 million as at 31 March 2021.

Equity

The equity attributable to the owners of the Company increased by approximately S\$14.8 million or 17.5%, from S\$84.6 million as at 31 December 2020 to S\$99.4 million as at 31 March 2021 due to profit attributable to owners of the Company for 1Q2021.

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

Statement of Cash Flow Review

1Q2021 vs 1Q2020

The operating activities generated net cash of approximately S\$13.0 million in 1Q2021 as compared to approximately S\$8.7 million in 1Q2020. The increase was mainly due to higher cash generated from operations of approximately S\$5.3 million partially offset by tax paid of approximately S\$1.0 million.

Net cash from investing activities was approximately S\$0.7 million in 1Q2021 as compared to approximately S\$0.2 million in 1Q2020. The increase was mainly due to the net receipt from the disposal of subsidiary of approximately S\$0.6 million.

Net cash used in financing activities was approximately S\$0.6 million in 1Q2021 as compared to approximately S\$0.7 million in 1Q2020. This was mainly due to the decrease in repayment of lease liabilities of approximately S\$0.1 million.

As a result, there was a net increase in cash and cash equivalents of approximately S\$13.1 million for 1Q2021 as compared to net increase of approximately S\$8.2 million for 1Q2020.

9 **Use of Proceeds Raised From IPO**

Pursuant to the Company’s IPO, the Company received net proceeds of approximately S\$38.3 million (“**Net Proceeds**”). The Board wishes to provide an update on the use of Net Proceeds as at 31 March 2021.

Use of Net Proceeds	Allocation of Net Proceeds as disclosed in the Prospectus (S\$’000)	Net Proceeds utilized as at the date of this announcement (S\$’000)	Balance of Net Proceeds as at the date of this announcement (S\$’000)
Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy	12,000	567 ⁽¹⁾	11,433
Enhancement of real estate brokerage business	8,000	4,890 ⁽²⁾	3,110
Expansion in range of business services	7,000	3,441 ⁽³⁾	3,559
Enhancement of technological capabilities	6,000	2,404 ⁽⁴⁾	3,596
Working capital purposes	5,280	-	5,280
	38,280	11,302	26,978

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 and Valuation 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.

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

The Company did not make any prospect statement.

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

Based on URA data, 3,493 new private homes were sold in 1Q2021, which was 62.5% higher than 1Q2020's 2,149 units. Partly driven by the price difference between new homes and the resale properties as well as smaller inventory, demand for resale private homes increased by 117.3% with 4,519 units transacted in 1Q2021 as compared to 2,080 units in 1Q2020.

The vaccine roll-out in Singapore and the improving economy generated optimism in the market. That is expected to support the sales volume and the prices for the rest of the year. Furthermore, the unsold inventory declined 25.9% to 21,602 units as at end of 1Q2021 from 29,149 units as at end of 1Q2020. The Group does not expect prices for private homes to soften.

Singapore's strict measures and administration of vaccination programme for Covid19 elevated the country to the top of Bloomberg's Covid Resilience Ranking. The ranking was an indication of the best places to be in a pandemic era. That boosted the Republic's reputation as a safe haven for investment. Barring implementation of new cooling measures by the government, the Group expects over 10,000 new private homes and more than 12,000 resale units to be transacted in 2021.

HDB resale flats demand is expected to stay relatively healthy, as the rising supply of newer resale flats entering the market will help to stimulate demand and support prices. An estimated 25,530 HDB flats will reach the 5-year Minimum Occupation Period in 2021 - higher than the 24,163 flats in 2020 – making them eligible to be resold.

PropNex expects HDB resale prices to rise by 6% to 7% in 2021 and the volume to hit 26,000 units, on keen buying interests.

12 Dividend

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

No.

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

No.

(c) Date payable for interim dividend

Not applicable.

(d) Books closure date for interim dividend

Not applicable.

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

No dividend has been declared for the period ended 31 March 2021. As per the Company's dividend policy, the Company intends to recommend and distribute dividends of at least 50% of the Group's announced profit attributable to the owners of the Company semi-annually. The dividend policy may be subject to modification (including reduction or non-declaration thereof) at the Board's sole discretion taking into account appropriate factors.

14 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

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

The Board of Directors hereby confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the third quarter ended 31 March 2021 unaudited financial results to be false or misleading in any material respect.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Mohamed Ismail s/o Abdul Gafoore
Executive Chairman and CEO

PROPnex LIMITED

11 May 2021