

---

## RESPONSES TO QUESTIONS FROM SHAREHOLDER

---

The Board of Directors (the “**Board**”) of PropNex Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) would like to thank shareholder of the Company (“**Shareholder**”) for submitting questions in advance of the Annual General Meeting to be held at 480 Lorong 6 Toa Payoh, #18-01 HDB Hub, Singapore 310480 on Wednesday, 23 April 2025 at 10.00 a.m. (Singapore time).

The following are the Company’s responses to the Shareholder’s questions:

### **Question 1**

- (a) With the government beginning to crack down on money laundering and setting multiple ABSDs to control the price growth, do you see a decline of people buying property? It seems to also suggest from your flattened results over the past few years that cost of living concerns are a real drag on property as an asset class, and people are holding off upgrades (reducing property transaction volumes). Can you comment briefly on the trends you see in the market about property declining in its attractiveness as an investment class, and what you’re doing to combat this? For example might you be focusing more on HDB resales, MOP flats, rather than private properties?
- (b) I noted that you have now focused on the commercial property market. With big players there, what is your strategy to get a foothold?
- (c) Can you comment on what are your most profitable property segments, by profit margins? I’m struggling to understand why your gross margin has been declining over the years too. Could you explain more? Is it just because transaction volumes have dropped?

### ***Company’s response***

- (a) Property remains an attractive and reliable asset class in Singapore, with long-term appreciation potential. While demand from foreign buyers has eased due to regulatory measures, local demand remains resilient, as seen in the healthy transaction volumes at new launches since 4Q 2024 which was supported by improved affordability, changing buyer demographics, and the appeal of well-positioned projects.

The majority of buyers continue to be HDB upgraders and owner-occupiers, typically purchasing larger units. However, investment demand is also evident, particularly in the sale of smaller units. A new growing trend of parents buying properties for their children has further contributed to demand. Several factors are driving this momentum:

- Lower interest rates have made financing more manageable;
- Rise in HDB resale prices outpaced that of private home prices in 2024, boosting upgrader confidence; and
- Intergenerational wealth transfer is enabling younger buyers to enter the private market earlier.

Looking ahead, with approximately 10,000 new units expected to launch in 2025, we see strong opportunities, especially for well-located, appropriately priced projects. For PropNex, our diversified presence across residential, commercial, industrial, and HDB segments, covering new launches, resale, and rentals, remains a core strength. This strategy mitigates concentration risk and supports business resilience. In FY2024, project marketing contributed 24% of our revenue, while the remaining 76% came from other property segments, highlighting the strength and balance of our business model.

- (b) PropNex has made significant strides in the Commercial and Industrial segment, a space traditionally dominated by large consultancies. A key advantage is our extensive network and customer database, built on our position as Singapore's largest listed real estate agency. Leveraging this strength, we adopt an agent-led strategy with dedicated specialists focused exclusively on commercial properties. This approach has not only strengthened our market presence but also positions us to unlock cross-selling opportunities and deliver greater value to both developers and customers.
- (c) We do not disclose gross profit margin by property segments, except to say that the gross profit margin for Project Marketing (ie new launches) is generally higher than the other property segments. The decrease in gross profit margin from 9.7% in FY2023 to 9.1% in FY2024 was mainly attributed to the decrease in revenue contribution from Project Marketing. Project Marketing accounted for 24% and 29% of the Group's total revenue in FY2024 and FY2023 respectively.

By Order of the Board

Lee Li Huang  
Chief Financial Officer and Company Secretary  
17 April 2025