PropNex
Service You Trust
SINGAPORE

PROPNEX LIMITED

FROM RESILIENCE TO RECOVERY

2021 ANNUAL REPORT


PropNex
SGX Mainboard Listed


$500,000 Cheque Presentation to Community Chest (Year 2021)
PROPNEX MID YEAR
Date 2 6 0 8 2 1
Charity Cheque Presentation 2021
Donation of $500,000
to Community Chest

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PROXY FORM

VISION, MISSION AND CORE VALUES

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

CORPORATE PROFILE

PropNex Limited ("**PropNex**" or the "**Company**", and together with its subsidiaries, the "**Group**") is Singapore's largest listed real estate group with 11,125 professionals as at 17 February 2022. The Group's key business segments include real estate brokerage, training, property management and real estate consultancy services.

The Group leads in real estate agency services, with substantial market share in the residential segments of new project launches, private resale, HDB resale and rental including commercial and industrial properties. Renowned and trusted for our in-depth knowledge of the real estate market, we offer a full suite of real estate brokerage services, representing clients in a broad spectrum of property segments. As an industry leader, PropNex constantly strives to be the first to introduce new initiatives especially in technological innovations with an emphasis on improving the productivity of the salespersons in order to better serve their clients.

2021 was another ground breaking year as the Group had fared well in setting new records and taking the lead in adapting and transforming its business digitally. The Group further expanded the brand to Cambodia and is penetrating into the Good Class Bungalows segment in 2022.

The Group is headquartered in Singapore and has a strong commitment to service excellence and quality. PropNex is a proud recipient of numerous accolades and is a recognised leader in real estate agency services.

MILESTONES

2021
- Formation of industry's first union for real estate salespersons – PropNex Real Estate Salespersons Chapter: Agents' Voice Matters
- First agency to cross the 10,000 salespersons mark in Singapore
- Contributed more than $1,000,000 to charity
- Fourth overseas market: Expanded into Cambodia

2020
- Enhanced the Group's consultancy services – Research, Investment and Collective Sale departments
- $750,000 contributed to charity ($250,000 went to helping the needy who were affected by the COVID-19 situation as well as the frontline heroes who were fighting the virus. Since 2013, PropNex and our salespersons have been contributing $500,000 annually to benefit the less fortunate and underprivileged children.)

2019
- Formation of PropNex consultancy services – Valuation, Corporate Leasing and Auction
- Solidified position as Singapore's largest real estate agency, first agency to cross the 8,000 salespersons mark in Singapore
- Expanded Toa Payoh headquarters ("HQ") with additional 12,800 sq ft in office space
- Launched a first in the industry – HDB Auction

2018
- Launched PropNex Associate Healthcare Benefits Programme, which provides medical benefits for all our salespersons and their dependants
- Listed on the SGX Mainboard
- Third overseas market: Expanded into Vietnam

2017
- Second overseas market presence: Malaysia
- Became Singapore's largest real estate agency with the cross-over of DWG salespersons

2016
- First overseas expansion: Indonesia

2008
- First to introduce the compulsory Professional Indemnity Insurance for all our salespersons to champion protection of consumers

2006
- Incorporated Life Mastery Academy to provide training/courses for salespersons and general public
- First and only Real Estate agency to form a marching contingent at the 41st National Day Parade, representing as the economic growth pillar for the nation

2005
- Presidential Visit to PropNex HQ by the late president SR Nathan and the First Lady on 20th July

2004
- Moved HQ to Toa Payoh HDB Hub with 24,000 sq feet in office space

2000
- Official inception of PropNex with 3,000 salespersons

1999
- First Class Consultants founded with merger of both agencies

1996
- Incorporation of Nooris Consultants and Prulink Realty

AWARDS AND **ACCOLADES**

Testament to its exceptional service, PropNex has garnered numerous awards and accolades from various government bodies and industry authorities over the years.

Singapore Corporate Awards' (SCA) Special Edition 2020/21 – Corporate Excellence and Resilience Award

The SCA winners are selected based on publicly available information on their corporate governance practices, benchmark corporate governance indices and analysis of financial performance. The award goes through a rigorous three-stage process and is based on the criteria of corporate governance, financial resilience, strategic and operational excellence, people management, sustainability and digital initiatives.

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

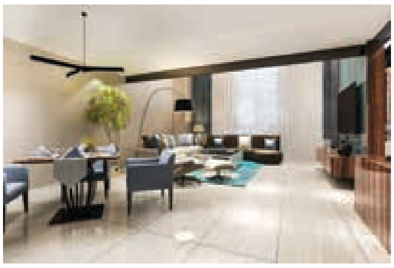
The Investors' Choice Awards (ICA) recognises excellence in companies adopting good corporate governance practices. Corporate governance plays an important role in supporting investment, specifically for retail investors in Singapore. SIAS together with its industry partners, annually rate the best performing listed companies in governance and transparency for the benefit of investors.

- Reader's Digest Trusted Brand Gold Award (2008-2011)
- Highly Commended Real Estate Agency at the Asia Pacific Property Awards (2011)
- Enterprise 50 Awards, ranked 2nd (2011)
- People-Centric Award at the inaugural Asia Responsible Corporate Awards (ARCA) (2013)
- Singapore Service Class Certified (2015)
- Singapore Quality Class Certified (2015)
- Top Real Estate Agency in Influential Brand Winner (2015)
- Top Noveteur Award at the Asia Enterprise Brand Awards (2015)
- Ascendas-Singbridge Most Active Agency (Lease) of the Year (2016)
- Top Business Space Leasing by Far East Organisation (2016)
- Best Real Estate Marketing Idea Award by ASEAN Real Estate Network Alliance (2017)
- Marketing Agency Excellence Award by EdgeProp Singapore Excellence Awards (2018)
- Expat Living Readers' Choice Awards (2019 & 2020)
- Singapore's Fastest Growing Companies (2020) by the Straits Times & Statista
- Singapore Corporate Awards 2020/21 (Special Edition) – Corporate Excellence and Resilience Award
- Singapore Corporate Governance Award (Runner-up Small Cap) at the SIAS Investors' Choice Awards (2021)

PROPNEX AT A GLANCE

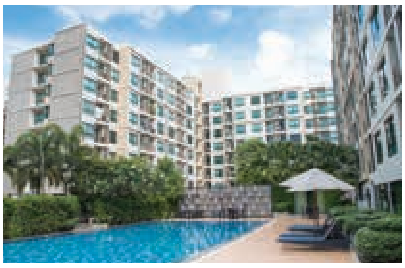
- **Asset light and resilient business model**
- **Leading market positions in Singapore**
  - o Private Residential New Launches – 43.9%[1] of total units transacted in FY2021
  - o Private Residential Resale – 51.5%[1] of total units transacted in FY2021
  - o HDB Resale – 57.9%[1] of total units transacted in FY2021
- **Strong thought leadership as pioneer of several industry "firsts" in Singapore:**
  - o Dual Career Path in 2000 – a commission scheme model that was subsequently adopted by industry peers
  - o Pension Plan for Team Leaders in 2006
  - o Spouse Protection Scheme in 2013
  - o PropNex Associate Healthcare Benefits Programme in 2018, which provides medical benefits for all our salespersons and their dependants
  - o Proprietary Signature training programmes for salespersons
  - o Empowering home buyers and investors through consumer seminars since 2013
  - o Technology platform for salespersons productivity
  - o First in the industry to cross the 10,000-mark number of salespersons in Singapore
- **Strong foothold in regional markets – Indonesia, Malaysia, Vietnam and Cambodia**

Market share in Singapore



43.9%

Private Residential (New Launches)



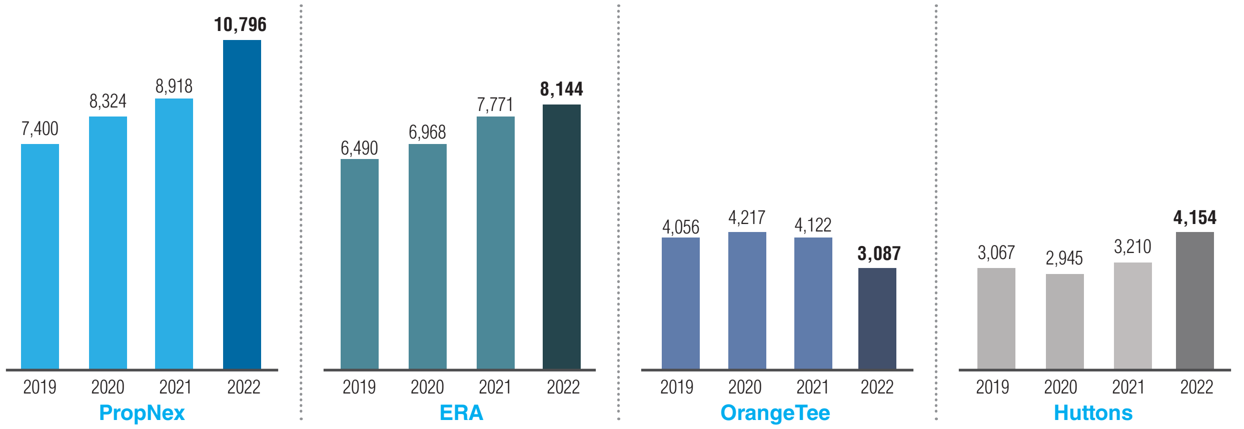
51.5%

Private Residential (Resale)

57.9%

HDB Resale

Singapore's Largest Listed Real Estate Agency with over 11,125[2] salespersons



*Source: The Council for Estate Agencies ("CEA") as at 1 January 2022

1. According to the independent market research consultant, Frost & Sullivan Pte Ltd. The market share information also includes transactions where PropNex Salespersons act on behalf of buyers and sellers in co-broking with external agencies. Primary and Resale Private Residential market share includes EC, non-landed and landed caveated transactions as at 1 March 2022.
2. The Council for Estate Agencies, as at 17 February 2022.

BUSINESS SEGMENTS

Real Estate Brokerage

The Group offers a full suite of real estate brokerage services, representing clients across a spectrum of property segments:

- Private & HDB Resale Properties
- Commercial & Industrial Properties
- Luxury Properties
- New Launches Project Marketing (Local and International)

Revenue is derived through commission-based fees from sales and rental of residential, commercial and industrial properties.

Training Services

Life Mastery Academy is the training arm of PropNex and is also a CEA-accredited provider of CPD courses. The academy provides training for salespersons to equip them with the necessary knowledge to carry out real estate agency work.

The academy primarily covers:

- Training services to individuals who intend to pursue careers as salespersons to meet the licensing and registration framework of the CEA
- Courses for existing salespersons as part of their continuing professional development. The current regulatory framework requires all practising salespersons in Singapore to undertake mandatory CPD courses for a minimum of six credits each calendar year.

BUSINESS **SEGMENTS**

Real Estate Consultancy Services

Established since 2018, the real estate consultancy arm provides Valuation, Corporate Leasing, Investment and Collective Sales and recently the GCB and Prestige Landed departments.

Apart from providing professional valuation for all types of properties, the Valuation Department also provides opinions to clients for mortgage valuation and to corporates for exercises like acquisitions of local or overseas companies via asset or share transfer, initial public offerings and special audit review. Our reports are used by local bankers, corporate finance houses, lawyers, auditors and potential investors.

The team for Corporate Leasing provides a full suite of professional leasing solutions, including tenancy matters from marketing, managing and leasing of vacant units to the follow up on renewal and rental reports. The team helps corporate landlords to market and manage the portfolio of their properties and to assist corporate tenants (Multinational Companies) with relocation services, tenancy management, account management, home and school search and even hand over services for departure.

The Group further extended its consultancy services in Research and Content as well as in Investment and Collective Sales.

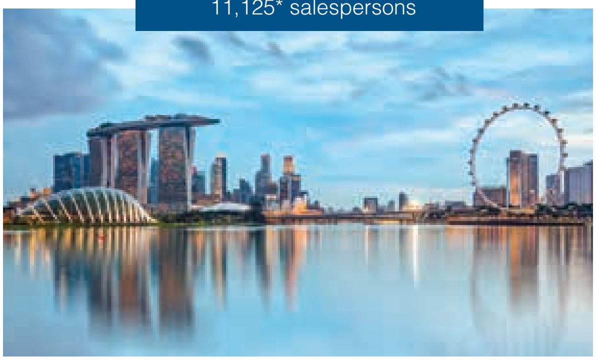
The Investment and Collective Sales Team comprises dedicated property experts who are well-versed with the market trends and skilled in matching capital to real estate opportunities across collective sale offerings, residential landed and non-landed properties, office buildings and industrial properties.

GEOGRAPHICAL **FOOTPRINT**

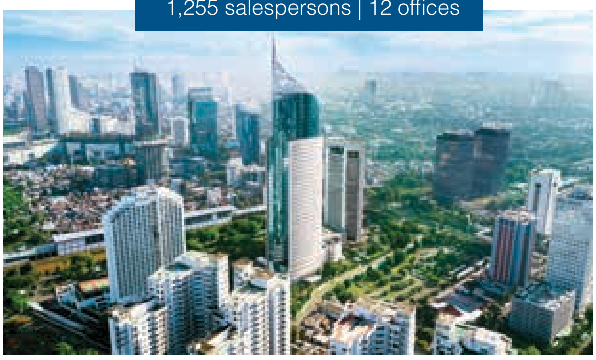
PropNex
Service You Trust
SINGAPORE
PROPNEX LIMITED

*The Council for Estate Agencies, as at 17 February 2022

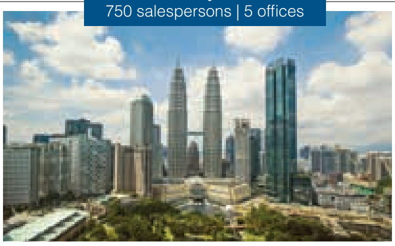
Singapore (Headquarters)
11,125* salespersons



Indonesia
1,255 salespersons | 12 offices

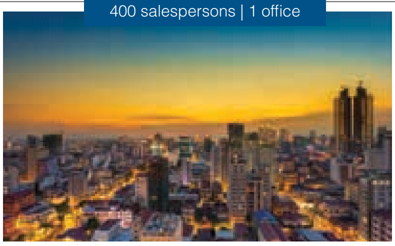


Malaysia
750 salespersons | 5 offices



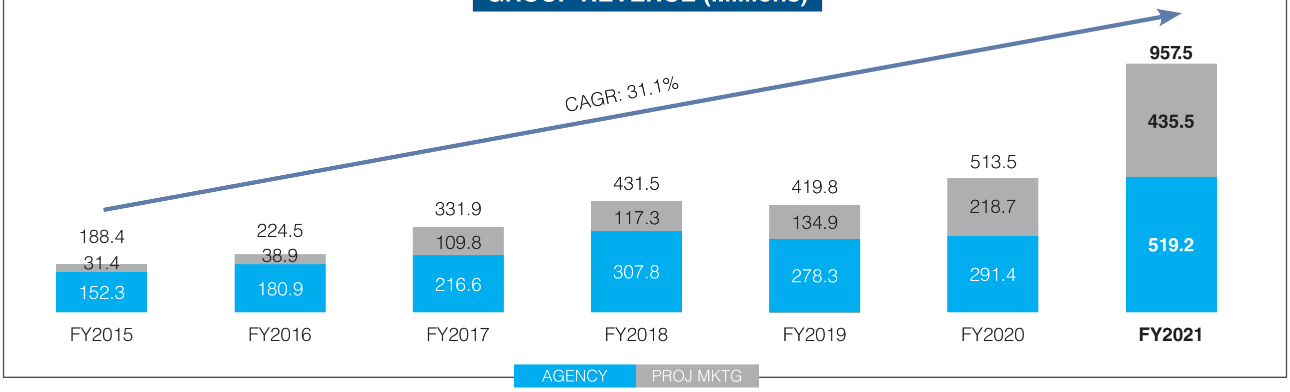
Vietnam
20 salespersons | 1 office

Cambodia
400 salespersons | 1 office

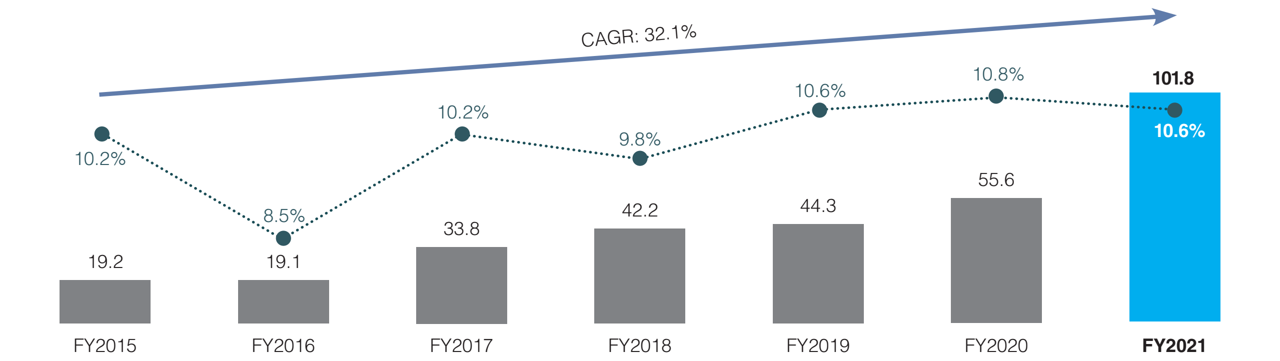


FINANCIAL HIGHLIGHTS

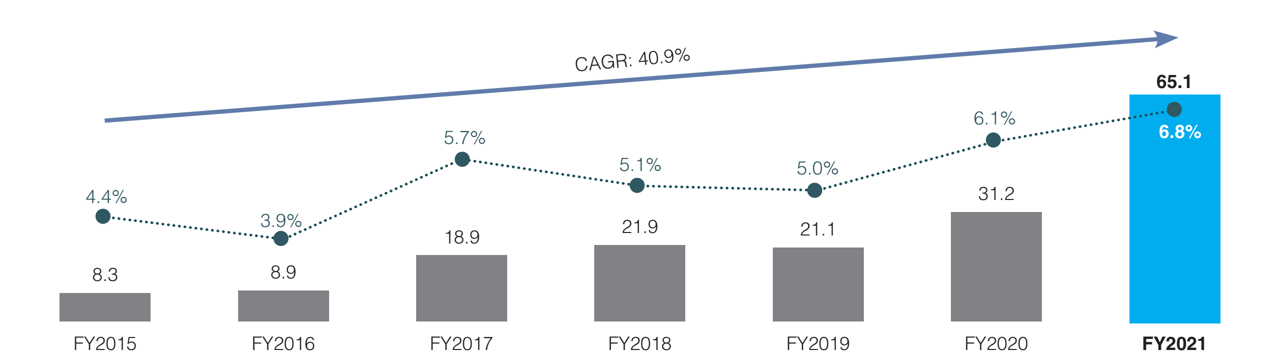
GROUP REVENUE (Millions)



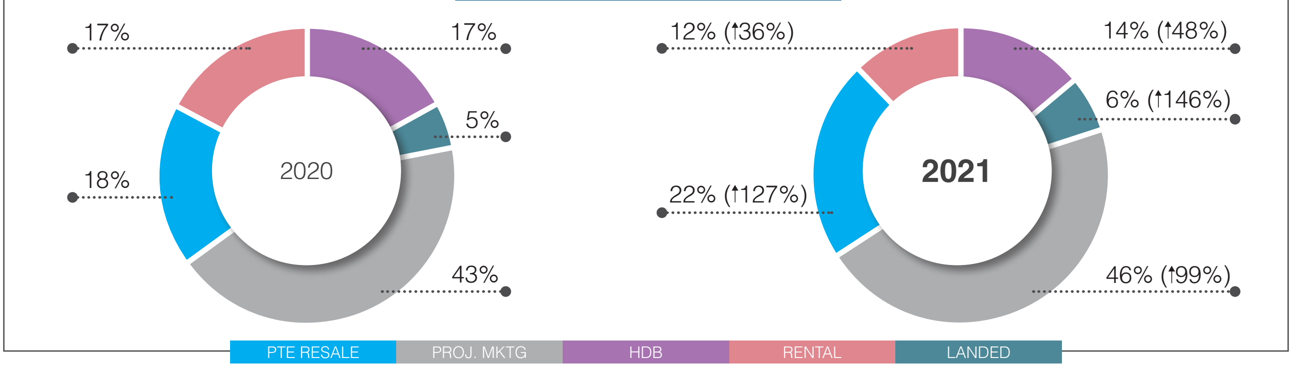
GROSS PROFIT & MARGIN (Millions)



NET PROFIT AFTER TAX & MARGIN (Millions)



BROKERAGE CONTRIBUTION



CHAIRMAN'S MESSAGE

PropNex's market leadership position today is largely made possible by our progressive corporate culture. From management's perspective, we have made it a point to never rest on our laurels and to continuously seek improvement.

2021 was another remarkable year as the Group charted an unprecedented performance, delivering stellar results. While global economies worked to manage the second year of the COVID-19 pandemic, PropNex remained resilient throughout these challenging times and emerged even stronger as seen in the Group's performance and initiatives rolled out.

In the course of the financial year 2021, I am delighted to share that PropNex has managed to establish a stronger foothold in Singapore's property market. Today, we continue to be the dominant market leader in new launches while attracting and retaining 11,125 salespersons (as at 17 February 2022). As Singapore's largest listed real estate agency, PropNex proved to be the preferred agency of choice by clients and salespersons and we remain on track in realising our vision of having 12,000 PropNex salespersons by 2023.

Given the tougher market conditions due to COVID-19 and global uncertainty, it is no mean feat that we achieved record revenues of S$957.5 million for FY2021, some 86.5% higher than a year ago. Our strong growth was buoyed by the jump in full-year commission income from agency services, which grew by S$227.9 million to S$519.2 million; as well as commission income from project marketing services which grew S$216.8 million to S$435.5 million. By the same token, net profit after tax soared 108.6% year-on-year to S$65.1 million, and we remained debt free with a strong cash standing of S$145.6 million as at 31 December 2021. This year, the Company had also produced another record number of 80 Millionaire achievers.

As such, we will be proposing for approval at the upcoming Annual General Meeting a final dividend of 7.0 Singapore cents per share for FY2021 in appreciation of your support. This brings the Group's total payout to12.5 Singapore cents per share in FY2021, amounting to S$46.3 million which represents 77% of the Group's PATMI for FY2021.

PropNex's market leadership position today is largely made possible by our progressive corporate culture. From management's perspective, we have made it a point to never rest on our laurels and to continuously seek improvement. The Group won the Singapore Corporate Awards' Special Edition 2020/21 – Corporate Excellence and Resilience Award, for upholding best practices in corporate governance and demonstrating leadership, innovation and resilience during the pandemic. This closely follows PropNex's recognition in October 2021 at the SIAS Investors' Choice Awards 2021, where we were awarded the Singapore Corporate Governance Award (Runner-up Small Cap). PropNex has put in place robust mechanisms to ensure that corporate governance principles are embedded in our corporate culture for fair and ethical decision-making that builds on our sustainable businesses and enables us to create long-term value more effectively. These awards inspire us to continue to do even better for our clients, employees, salespersons and stakeholders.

As a brand owner-manager, one of our key priorities has always been to build PropNex into a leading regional brand. It was during this period that we extended our presence into Cambodia, our fourth overseas market. This country's population

CHAIRMAN'S MESSAGE

of 16.7 million (according to UN Data), with Phnom Penh as a city of more than 3 million people and the country's commercial, economic and political hub status, has great potential for growth. The Master Franchisee in Cambodia is helmed by Alan Neo, Chief Executive Officer of PropNex Cambodia, who has over 15 years of experience in the business and is supported by his experienced management team. PropNex Cambodia has close to 500 salespersons with headquarters in Phnom Penh and branch offices in key gateway cities of Siem Reap and Sihanoukville. Fuelled by a desire to be a leading regional real estate agency, we are constantly on the look-out to further grow our Southeast Asia footprint. PropNex Cambodia will map greater heights in the market for our brand and we are confident that it will become a dominant market player in the coming years.

The Group also ventured into the proptech space with our acquisition of a 70% stake in Ovvy – The People Marketplace, a technology platform that connects trusted merchants and service providers to consumers. A one-stop reliable and comprehensive ecosystem, Ovvy will enable PropNex's salespersons to provide enhanced value-added services to our clients via hundreds of Ovvy's merchants that are currently on the platform. Consumers can post a job (eg. air-conditioning repair services), get offers, filter through merchants and "book-and-pay" merchants most suited for their needs. This foray provides an additional platform for our salespersons to render further services, and in turn better serve our clients and the general public.

Closer to home, we have also strategically expanded into the GCB Luxury Landed Segment in January 2022, with the appointment of industry veteran, Henry Lim. He will head our Good Class Bungalows ("GCB") and Prestige Landed segment, bringing more than 25 years' experience in brokering luxury residential landed and GCB properties. We look forward to seizing new opportunities and growing our market share in this ultra-high net-worth segment.

As we steadfastly strive towards our Vision 2023 to cross 12,000 salesforce target, PropNex marked another milestone by entering into a Memorandum of Understanding with Singapore Industrial and Services Employees' Union ("SISEU") to set up the PropNex Real Estate Salespersons Chapter – Agents' Voice Matters. We thus became the first real estate agency to have a formalised framework supported by SISEU, a critical initiative that serves to look into the welfare of real estate salespersons, promoting professionalism and enhancing overall business and industry practices.

This collaboration allows PropNex salespersons to take the lead in playing a more active and vital role in raising their concerns and educating fellow PropNex salespersons of fair practices in the industry. The internal representative committee of the PropNex Real Estate Chapter are the voices for our salespersons. They will work closely under the guidance of SISEU to improve the competencies of salespersons, as well as form an avenue for bi-partite deliberation with SISEU to provide workplace advice. Besides the platform to raise concerns, committee members can utilise the Union Training Assistance Programme training credits of up to $500 to defray costs at approved training providers. This will come in handy as part of our agents' continual career development. These committee members will also be part of the Company's Training Committee, where they will identify the right skillsets, map out new skills and competencies to enhance professionalism and capabilities of our salespersons, so that they continue to stay relevant in the ever-transforming industry. There are other benefits that include Free Group Insurance Coverage (death & total permanent disability) of up to $40,000, and discounts of admission rates at places of attractions.

PropNex further entered into a partnership with Lazada through co-sponsoring another grand prize – a unit at the condominium, Normanton Park, to mark the world's largest single day sale, in a first-of-its-kind to be offered between Southeast Asia's leading eCommerce platform and Singapore's largest homegrown real estate agency. This was part of our branding campaign to improve our brand equity and we are thankful for the opportunity to work closely with Lazada to value-add to customers.

Aside from the commendable set of financial results in 2021, we stayed true to our continued focus on corporate social responsibility as well. We donated $872,398 to The Community Chest during our Mid-Year Virtual Convention witnessed by Minister for Manpower and Second Minister for Trade & Industry Mr Tan See Leng. We were heartened to see that the $250,000 went to helping the Chen Su Lan Children's Methodist Home, while I made a personal donation of $1 million to MENDAKI Singapore, benefitting over 700 students for scholarships and bursaries for their education.

In conclusion, I would like to extend a big thank you to the management, team leaders, salespersons, home investors and stakeholders who came together standing united to weather this crisis. With our trusted brand name and infinite opportunities, PropNex, as Singapore's Largest Real Estate Agency, aims to be the preferred choice of property owners and investors for years to come.

Mr Ismail Gafoore
Co-founder,
Executive Chairman and CEO

BOARD OF DIRECTORS

Mr Mohamed Ismail S/O Abdul Gafoore | Co-founder, Executive Chairman and CEO

With more than 25 years' experience in the real estate industry, Mr Ismail has an intimate understanding of the industry. He is responsible for the Group's strategic direction and oversees business operations of the Group, including functions such as compliance, finance, human resources, legal, marketing, operations, sales and information technology.

Prior to joining the real estate industry and subsequently 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 serving as Division Chief of Staff.

Mr Ismail holds a bachelor's degree (Hons) in Land Economics and an IBMEC higher diploma in Real Estate & Property Management from the University of Technology, Sydney. He was a member of the Lifelong Learning Council, a 15-member community led council set up by the Workforce Development Agency of Singapore. From 2010 to 2012, Mr Ismail served as the President of the Institute of Estate Agents.

Mr Kelvin Fong Keng Seong | Executive Director

Mr Kelvin Fong oversees the Group's training development curriculum and also administers the development of IT strategies and technology innovations to improve the Group's competitive edge in the industry. Prior to joining the management team, Mr Fong was one of the top Team Leaders and his team of salespersons has a strong track record for outstanding sales performance and excellent customer service.

Mr Fong also spearheads the sales and leadership training programmes. He curated the signature PropNex bootcamp that empowers over 3,000 salespersons annually together with other team leaders.

He holds a bachelor's degree in Business Administration from La Trobe University, Australia and a Diploma in Electronics Engineering from Singapore Polytechnic.

Dr Ahmad Bin Mohamed Magad | Lead Independent Director

Dr Ahmad is currently Principal Consultant with Dynavision Advisory. He was formerly Executive Director at Management Development Institute of Singapore, the Secretary General of the Singapore Manufacturing Federation and the Group Managing Director of II-VI Infrared (IR) Optics Manufacturing Operations in Asia, with facilities in Singapore, Suzhou in China, Vietnam and the Philippines. He was a Member of the Parliament for 15 years.

He had extensive experience serving as Chairman of several Government Parliamentary Committees and as a Board member in a number of Statutory Boards. Dr Ahmad holds a Doctorate in Business Administration from Brunel University (UK), a Master of Business Administration and an Advanced Post-Graduate Diploma in Management Consultancy from Henley Business School (UK). He is also a Fellow of the Certified Public Accountants (Australia) and a Fellow of the Chartered Institute of Marketing (UK). He is also a Distinguished Fellow of the Management Development Institute of Singapore.

BOARD OF DIRECTORS

Mr Kan Yut Keong | Independent Director

Mr Kan Yut Keong is the Group's chairman of Audit Committee and a member of The Remuneration and Nominating Committees. He presently sits as a member on the board of Competition & Consumer Commission of Singapore. He is also an independent director of Nam Cheong Limited.

Mr Kan has more than 34 years of experience in professional accounting, corporate finance and consulting in Asia and in the United Kingdom. He was previously the managing director of PricewaterhouseCoopers Corporate Finance Pte. Ltd. until his retirement in June 2014.

He holds a bachelor's degree in Economics from the University of Hull, United Kingdom. He is a chartered accountant by training and is a member of the Institute of Chartered Accountants in England & Wales and its Corporate Finance Faculty, Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants.

Mr Low Wee Siong | Independent Director

Mr Low Wee Siong is the Group's chairman of Nominating Committee and a member of our Audit and Remuneration Committees. Mr Low is currently in legal practice as a partner with CNPLaw LLP and an independent director of Beng Kuang Marine Limited.

Mr Low is recommended by The Legal 500 Asia-Pacific for capital markets (2018, 2020, 2021 and 2022) and banking and finance (2021 and 2022) and named as one of "Singapore's 70 most influential lawyers aged 40 and under in 2016" by the Singapore Business Review. He holds a Master of Laws from King's College London, a Bachelor of Laws from the 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.

MANAGEMENT TEAM

Mr Alan Lim Tow Huat | Co-founder and Director

Mr Alan Lim has accumulated a wealth of experience from more than 25 years' experience in the real estate industry. He is responsible for formulating the Group's corporate strategies, analysis of various potential business development opportunities and growing its business portfolio. He also oversees the recruitment of PropNex's salespersons. As a co-founder of the Group, Mr Lim's expertise in aiding our salespersons and Team Leaders improve their sales performance contributed to the rapid growth of the Group. Notably, together with our other co-founders, Mr Lim developed our Group's "Dual Career Path" scheme.

Mr Lim holds a diploma in Electrical Engineering from Singapore Polytechnic. Prior to co-founding the Group, Mr Lim was the founder of Prulink Realty Pte Ltd and Linkvest Realty Pte Ltd.

To comply with provisions 2.2 and 2.3 of the Code of Corporate Governance 2018 as well as the Listing Rules of SGX-ST, Mr Alan Lim relinquished position as Executive Director of the Company on 18 March 2020. He continues to serve the Group in a senior management capacity.

Mr Lim Yong Hock | Key Executive Officer

Mr Lim Yong Hock heads PropNex's real estate agency business and oversees the daily operations of the agency. He is in charge of the training of all the salespersons including those in the overseas offices. He joined the Group in April 2006 as a marketing, recruitment and training manager and he rose through the ranks to his current position as the Key Executive Officer of PropNex Realty. Prior to joining the Group, he was a team leader leading a team of real estate salespersons in other agencies from 1994 to 2006.

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

Mr Cheong Yew Meng | Chief Financial Officer

Mr Cheong Yew Meng is responsible for a full spectrum of the Group's financial, accounting and taxation matters including treasury, financial reporting, strategic planning, compliance with regulations, risk management as well as corporate taxation. Mr Cheong has a total of near 30 years of accounting work experience in industries such as healthcare, manufacturing, project management, retail, engineering and construction.

Prior to joining the Group, Mr Cheong was the Chief Financial Officer at Aoxin Q&M Dental Group Limited, Group Financial Controller/Finance Director at HSL Constructor Pte Ltd and Group Financial Controller at an SGX Mainboard listed company, Rotary Engineering Limited.

Mr Cheong graduated from Royal Melbourne Institute of Technology with a Bachelor of Business in Accountancy. He is also a member of both Chartered Accountants of Singapore and Certified Public Accountants of Australia.

MANAGEMENT TEAM

Ms Josephine Chow | Chief Operating Officer

Ms Josephine Chow oversees the Group's operations, which includes the Human Resource, Associate Affairs, Procurement and Facilities departments. She is also responsible for formulating the Group's corporate direction, policy and strategy as well as leading, directing and overseeing the implementation of our Group's human resource and service operations best practices and franchise operations. She began her career with the Group in 2004 following her graduation from university and had soared with flying colours to her current role.

Ms Chow holds a bachelor degree in Business Administration (with merit) from the National University of Singapore.

Mr Eddie Lim | Senior Vice President

Mr Eddie Lim oversees the real estate brokerage agency business which includes the Training and Recruitment, Associate Affairs and Legal departments. He sets direction for the team leaders in growing their divisions and guides them in managing their teams effectively by improving their productivity and efficiency. Mr Lim also monitors and tracks the career growth and governance of the team leaders and individual salespersons. He is also responsible for developing the PropNex Training Roadmap to cater for an all-rounded training curriculum. With the comprehensive training roadmap, PropNex salespersons are able to develop a more in-depth and holistic core expertise to remain relevant and to add more value to the consumers in the market place.

Mr Lim is a certified salesperson with nine years of real estate experience. He also has an Advanced Certificate in Training Assessment.

Mr Alvin Tan | Executive Director, PropNex International

Mr Alvin Tan has more than 20 years of working experience in the Real Estate industry. He oversees the entire project marketing division and is responsible for all local residential projects marketed by the Group. This includes launched and sold out projects such as Gramercy Park, New Futura, South Beach Residences, Martin Modern, Parc Riviera, Twin Vew, RiverCove Residence and many others.

Prior to joining the Group, he was a Senior Director with Savills (Singapore) Pte Ltd for past 14 years, marketing both local and overseas properties around the region. Mr Tan holds a Master Degree in Science (Real Estate) from the National University of Singapore and a Bachelor Degree in Science (Major in Construction Management).

MANAGEMENT TEAM

Ms Carolyn Goh | Senior Director of Corporate Communications and Marketing

Ms Carolyn Goh oversees all communications issued by the Group and is responsible for media relations, partnership, corporate social responsibility, corporate branding and franchise business development. She brings along with her vast experience of over 18 years in the communications position in award-winning hotels in Singapore as well as a short stint in real estate sales.

She holds a bachelor's degree in Arts from the National University of Singapore and a postgraduate diploma in Marketing and Communications.

Mr Michael Koh | Senior Director of Information Technology

Mr Michael Koh brings with him over 10 years of IT experience having worked with a large number of real estate salespersons in Malaysia and Singapore. Since 2009, Michael was an entrepreneur mainly working on developing real estate digital solutions for realtors.

He is responsible for the digital marketing solutions and developing enhanced agents' business tools in facilitating greater efficiencies and in enhancing our Group's IT to be at the forefront of the industry. Mr Koh strives to serve as a connector in bridging PropNex salespersons to technology, so as to enhance productivity.

Mr Johnsonwill Hon | Financial Controller

Mr Johnsonwill Hon's responsibilities include overseeing the daily operations of the Group's finance and accounts department. He oversees the formulation of financial forecasts, budget and cash flow projections, reviewing potential investment opportunities and providing recommendations from a financial perspective on such investment opportunities to the Board.

Mr Hon is a Fellow of the Association of Chartered Certified Accountants and a member of the ISCA.

FINANCIAL REVIEW

For the financial year ended 31 December 2021 ("**FY2021**"), the Group reported a 108.6% year-on-year growth in net profit after tax ("**NPAT**") to S$65.1 million, on the back of an 86.5% increase in revenue to S$957.5 million.

Revenue increased by approximately S$444.0 million or 86.5%, from S$513.5 million in FY2020 to S$957.5 million in FY2021, was mainly due to higher commission income from agency services of approximately S$227.9 million and from project marketing services of approximately S$216.8 million. This was a result of higher number of transactions completed in FY2021 following improvements in both the Covid-19 situation and the economy.

On 16 December 2021, the government implemented the latest round of cooling measures targeted at private residential and HDB resale markets. This followed the exuberance of the Singapore property market in 2021, fuelled by several factors, including the low interest rate environment, ample liquidity in the market, attractive housing projects, and optimism arising from pandemic recovery, amongst others.

According to data from the Urban Redevelopment Authority, overall private home prices rose by 10.6% year-on-year fo r the whole of 2021, achieving the highest annual price growth since 2010. In terms of volume, 2021 saw 13,027 new private homes sold, the highest annual sales since 2013, and 19,962 resale private homes sold, the highest annual resale figure since 2007. Data from the Housing and Development Board ("**HDB**") showed that the HDB resale prices rose 12.7%, with the HDB resale price index recording an all-time high of 155.7.

For the quarter ended 31 December 2021 ("**4Q2021**"), revenue increased by 56.1% to S$242.0 million from the previous corresponding period ("**4Q2020**"), largely due to higher commission income from agency services and from project marketing services. NPAT for 4Q2021 surged 90.8% year-on-year to S$15.3 million.

The Group remained debt free, and has a robust balance sheet with cash and cash equivalents of S$145.6 million as at 31 December 2021, compared to S$105.8 million as at 31 December 2020.

Final Dividend

As part of the Group's commitment to create long-term value for shareholders, the Board has proposed a final dividend payout of 7.0 cents per share as final dividends, bringing our total dividends for FY2021 to 12.5 cents per share.

Factoring in the interim dividend of 5.5 Singapore cents, the total dividends for FY2021 of 12.5 Singapore cents per share corresponds to S$46.25 million or 77% of the Group's profit after tax and minority interests for FY2021. It represents a yield of 7.1% based on the closing price of S$1.75 per share on 22 February 2022.

OPERATIONS REVIEW

In 2021, PropNex further strengthened the Group's position as Singapore's largest listed real estate agency, with an enlarged salesforce in the number of salespersons from 10,798 at 1 January 2021 to 11,125 at 17 February 2022, the first real estate agency to cross the 10,000 salespersons mark in respect of the aforementioned period. This reflects PropNex's proven training programmes, its signature technological platform, virtual webinars and property shows which attracted more experienced and new salespersons to join the Group.

PropNex has proven to be the agency of choice, in line with our vision of attaining the size of 12,000 salespersons by 2023, further fortifying its position as Singapore's Number 1 largest listed real estate agency.

For the whole of 2021, 10,496 new private homes (ex. ECs) were launched for sale while another 19,962 private homes were transacted in the resale market. Private home sales have been robust in 2021. Demand for resale private homes displayed resilience, partly driven by HDB upgraders. More realistic pricing had also facilitated sales. The December cooling measures may result in some softening in home sales, as developers may well take a breather and sit out the next one to two months to assess the impact of these measures on the market.

The Group had maintained our leadership foothold in the private new homes segment and we are heartened that our private resale and HDB resale segments have remained strong.

Another area that we have improved tremendously is the incorporation of IT into our business. The Group now employs online platforms, big data, and data analytics to further enhance real-time connectivity among our salespersons. We run technology systems which are proprietary to us, and provide our salesforce the capability to further value-add to customers. We embrace technology, and the Group intends to stay ahead of the curve in terms of innovation, and leverage it to our advantage. We are transforming the digital landscape in the real estate industry by utilising Artificial Intelligence and big data among for the betterment of our salesforce.

Going forward, the Group intends to capitalise on the combined excellence of its people, brand strength, and market-leading operating platform to pursue growth opportunities and serve its customers, in both Singapore and overseas markets as we celebrate our two decades of real estate business, building legacies for generations.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY REPORT

Corporate Social Responsibility ("CSR")

Since 2000, PropNex has been involved in various charity events and championed numerous meaningful causes. Our CSR Philosophy, "Empowering Future Generations through Education", has guided the Group's CSR initiatives over the years. We review current initiatives and plan for future CSR direction and initiatives during strategic meetings, which are led by the management team.

At PropNex, we are firm believers of contributing back to the communities around us. We believe that we can only truly help our communities when the culture of contributing is instilled in each and every one of our employees and salespersons. We have thus established programmes and mechanisms to enable the Group's employees and salespersons to easily be involved with and contribute to all CSR initiatives.

PropNex has adopted Community Chest as its main charity beneficiary since 2013. Through Community Chest's work, we support an umbrella of social service programmes that assists over 300,000 people in need in Singapore. Additionally, we have also put an emphasis on adopting schools and centres that cater to children with special needs and disabilities as beneficiaries to further align our contribution with our CSR philosophy. In 2021, the Group had contributed a record amount of over $2 million to charity.

We donated $872,398 to the Community Chest during our Mid-Year Virtual Convention witnessed by Minister for Manpower and Second Minister for Trade & Industry Mr Tan See Leng. We were heartened to see that the $250,000 went to helping the Chen Su Lan Children's Methodist Home while Executive Chairman and CEO Mr Ismail Gafoor made a personal donation of $1 million to MENDAKI Singapore benefitting over 700 students for scholarships and bursaries for their education.

The targets and further information on the Group's CSR efforts for 2021 will be discussed in our Sustainability Report.

Sustainability Reporting

PropNex views sustainability as fundamental to achieving our long-term vision of success. We incorporate pertinent environmental, social and governance ("**ESG**") factors into the way we grow our business, cultivate our people and serve our communities. We will share our policies, practices, performance and targets in relation to our material ESG factors in our sustainability report. The Sustainability Report will be published by May 2022 and will be publicly accessible through our company website and on SGXNet. The report will be aligned to SGX-ST's Listing Rules – Sustainability Reporting Guide. It should be read in conjunction with our Annual Report.

CORPORATE INFORMATION

Board of Directors:

Mr Mohamed Ismail S/O Abdul Gafoore
(Executive Chairman and CEO)
Mr Kelvin Fong Keng Seong
(Executive Director)
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 Magad
Mr Low Wee Siong

Nominating Committee:
Mr Low Wee Siong (Chairman)
Mr Kan Yut Keong
Dr Ahmad Magad

Remuneration Committee:
Dr Ahmad Magad (Chairman)
Mr Kan Yut Keong
Mr Low Wee Siong

Company Secretaries:
Lotus Isabella Lim Mei Hua, FCIS, FCS, MBA
Kong Wei Fung, ACS

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

Share Registrar and Share Transfer Office:
Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

Independent Auditors:
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Partner-in-charge: Shelley Chan Hoi Yi
(Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
Appointed since 2019

Stock Code:
SGX: OYY
Bloomberg: PROP:SP

Company Website:
www.propnex.com

Investor Relations Advisor:
Citigate Dewe Rogerson Singapore Pte Ltd
158 Cecil Street #05-01
Singapore 069545

CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of PropNex Limited is committed to maintaining high standards of corporate governance and places importance on maintaining sound internal controls and system so as to ensure transparency, accountability, to protect and to enhance long-term shareholder value.

This report outlines the Company's corporate governance practices for FY2021 with specific reference to principles of the Code of Corporate Governance (the "**Code**") issued by the Monetary Authority of Singapore on 6 August 2018.

The Board have taken steps to align the governance framework with the provisions of the Code, and to explain the deviations from the Code where applicable.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board is involved in the supervision of the management of the Group's operations. It reviews strategies, policies and financial performance and assesses key risks identified by the management of the Group (the "**Management**") 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.

Each director and the Board 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 standard of conduct at all levels of the Group. The Board's principal functions include:

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

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

- 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 release, annual report and audited financial statements;
- annual budgets and financial plans of the Company;
- convening of shareholders' meetings;
- appointment of directors and key management staff, including the review of performance and remuneration packages; and
- material interested person transactions.

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 Company Secretary containing details of the interest and the nature of the conflict and recuse themselves from participating in any discussion and decision on the transaction or proposed transaction.

CORPORATE GOVERNANCE

Board Committees

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**") with clearly defined terms of reference. The terms of reference of each Board Committee set out the compositions, authorities, duties and responsibilities of the Board Committees, 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.

As at the date of this Annual Report, the compositions of the Board Committees are as follows:

Table 1.1 – Composition of the Board Committees			
	AC	**NC**	**RC**
Chairman	Mr. Kan Yut Keong	Mr. Low Wee Siong	Dr. Ahmad Bin Mohamed Magad
Member	Mr. Low Wee Siong	Dr. Ahmad Bin Mohamed Magad	Mr. Kan Yut Keong
Member	Dr. Ahmad Bin Mohamed Magad	Mr. Kan Yut Keong	Mr. Low Wee Siong

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

Board Attendance

The Board meets on a quarterly basis, and when necessary, to address any specific significant matters that may arise. Dates of Board, Board Committee and annual general meetings are scheduled in advance in consultation with every Director. To ensure Board and Board Committee meetings are held regularly with maximum Directors' participation, the Company's Constitution allows for telephone and video-conferencing meetings. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board and Committee members together with all relevant information regarding the proposed resolutions/transactions.

During the financial year under review, the number of meetings held and attended by each Director is as follows:

Table 1.2	Board	AC	RC	NC	AGM
No. of meetings held	5	4	1	1	1
Directors	**Number of meetings attended**				
Mr. Mohamed Ismail s/o Abdul Gafoore	5	4*	1*	1*	1
Mr. Kelvin Fong Keng Seong	5	4*	1*	1*	1
Dr. Ahmad Bin Mohamed Magad	5	4	1	1	1
Mr. Kan Yut Keong	5	4	1	1	1
Mr. Low Wee Siong	5	4	1	1	1

* Attendance by invitation.

CORPORATE **GOVERNANCE**

Training for Directors

All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational offices and meet with key management personnel. Any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST. All Directors are required to undergo a one-time training on sustainability.

The Directors are updated, from time to time, when new laws or regulations affecting the Group 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 the implications on 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 discharge their duties as directors. Trainings attended by Directors in FY2021 included those provided by Singapore Institute of Directors, Institute of Singapore Chartered Accountants and Singapore universities. The CEO updates the Board at each meeting on the business and strategic development of the Group. During FY2021, the Board had been briefed and updated on changes or amendments to the Listing Rules and the Code. In addition, the members of the AC were briefed by the external auditors on changes or amendments to accounting standards.

Access to complete, adequate and timely information

Each Director has unrestricted access to the Management, Company Secretary, or external advisers (where necessary) at the Company's expense.

The Board and Management are given opportunities to engage in open and constructive debate. All Board members are supplied with relevant, adequate and timely information prior to Board meetings and on an on-going basis to enable them to make informed decisions. Directors may challenge Management's assumptions and also extend guidance to Management. Directors may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from Management.

The Board is provided with quarterly financial accounts and progress reports of the Group's business operations. The Board also receives regular updates on the industry and technological developments to enable the Board to keep abreast of key issues and developments in the industry, as well as challenges and opportunities.

The Company Secretary works closely with the respective Chairman in setting the agenda for Board and Board Committee meetings, attends all Board and Board Committee meetings, provides secretarial support to the Board, ensures that Board procedures and all applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and its Board Committees, and between Management and non-executive Directors. The Company Secretary also provides updates and advises Directors on all governance matters. The appointment and removal of the Company Secretary is subject to the approval of the Board.

CORPORATE **GOVERNANCE**

Principle 2: Board Composition and Guidance

As at the date of this Annual report, the Board comprises two Executive Directors and three Independent Directors. There is therefore a strong and independent element on the Board, with Independent Directors making up a majority of the Board. The Company complies with provision 2.2 of the Code which provides that independent director to make up a majority of the Board as the Chairman of the Board is not an independent director and provision 2.3 of the Code which provides that non-executive director to 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 selected candidate, the needs 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 composition 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 access to an appropriate range and balance of skills, experience and backgrounds.

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 composition of the Board and Board Committees effectively serve the Group. The present Board members provides sufficient diversity with the mix of nationality, appropriate balance and mix of experience, skills, competencies and knowledge such as financial, accounting, business or management experience, legal and industry backgrounds who 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 finance knowledge, legal expertise and business 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 that the Board lack of female director at the moment. Please refer to their profiles under "Board of Directors" section in this Annual Report.

Independence of Directors

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 declarations are drawn up based on the provision of the Code and Practice Guidance to the Code. The NC has reviewed the declarations 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 are no Directors who are 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. Each member of the NC and of the Board recused themselves from deliberations on his independence.

CORPORATE **GOVERNANCE**

There are no Independent Directors who has served beyond nine years since the date of first appointment.

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 processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The chairman of such meetings provides feedback to the Board where necessary. Notably, the Independent Directors has also met and discussed with the external and internal auditors respectively in the absence of management in FY2021.

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.

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 structure and business scope does 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.

Mr. Mohamed Ismail s/o Abdul Gafoore is the Executive Chairman and CEO of the Company. The Executive Chairman (a) leads the Board to ensure its effectiveness on all aspects of its role; (b) sets the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) ensures effective communication with shareholders; (d) exercises control over the quality, quantity and timeliness of the flow of information between 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 strategy across the Group as set by the Board; and (c) leading the development of the Group's future strategy 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 board issues between the Independent Directors and the Chairman. His responsibilities include carrying out the functions of the Chairman in relation to any matter where it would be inappropriate for the Chairman to serve in such capacity, or if he is unable to do so. Dr. Ahmad Magad is available to shareholders with concerns, when contact through the normal channels via the Chairman and CEO has failed to provide satisfactory resolution, or when such contact is inappropriate or inadequate.

CORPORATE GOVERNANCE

Principle 4: Board Membership

Please refer to Table 1.1 on the names of the members and the composition of the NC. The NC meets at least once a year to discuss and carry out their duties. The terms of reference of the NC include the followings:

- review the composition, structure and size of the Board and the Board Committees annually to ensure that they provide an appropriate balance and diversity of skills, expertise and knowledge, and core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- determine the process and criteria for evaluating the performance of the Board, the 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, the 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 needs of the Board in terms of skills/experience/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, where necessary. • The NC assesses the candidates' ability, with consideration of the existing composition of the Board, 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 of shortlisted candidates.
4.	Recommend candidate	• The NC recommends the selected candidate to the Board for consideration and approval.

Table 4.2 – Process for the Re-electing Incumbent Directors		
1.	Assessment of director	• The NC assesses the performance of the director in accordance with the performance criteria set by the Board; and • The NC also considers the current needs 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). 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.

CORPORATE GOVERNANCE

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 Dr. Ahmad Bin Mohamed Magad will be retiring by rotation and seeking 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, 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 of the retiring directors seeking re-election as set out in Appendix 7.4.1 of the Listing Manual can be found in the section "Additional Information on Directors Seeking Re-election" on page 111.

The retiring Directors have abstained from the discussion and participating in the NC and Board 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 member is or had been employed by the Group in the current or any of the past three financial years.

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 (5) and all Directors have complied. A Director who holds more than five listed company board representations (including the appointment with Company) shall consult the Chairman of the NC before accepting any new appointments as a director of 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.

Director	Position	Present directorship in other listed companies	Present directorship and other principal commitments
Mohamed Ismail s/o Abdul Gafoore	Executive Chairman and Chief Executive Officer	Nil	• PropNex group of companies • P & N Holdings Pte. Ltd. and its group of companies
Kelvin Fong Keng Seong	Executive Director	Nil	• Zest Consultants Pte. Ltd. • Zest Academy Group Pte. Ltd. • KJ MGT Pte. Ltd. • MPS Invest Pte. Ltd. • YKC Group Pte. Ltd. • ISolution Investment Pte. Ltd. • Champ Invest Pte. Ltd.

CORPORATE GOVERNANCE

Director	Position	Present directorship in other listed companies	Present directorship and other principal commitments
Ahmad Bin Mohamed Magad	Lead Independent Non-Executive Director	• Second Chance Properties Ltd	• Singapore Environment Council • Stroke Support Station (S3) • Dynavision Advisory
Kan Yut Keong	Independent Non-Executive Director	• Nam Cheong Limited	• Cornerstone Advisors Pte. Ltd. • Competition & Consumer Commission of Singapore
Low Wee Siong	Independent Non-Executive Director	• Beng Kuang Marine Limited	• Legal Practice at CNPLaw LLP

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 their duties as a Director of the Company and that each Director has given sufficient time and attention to the affairs of the Company.

The Company does not have alternate 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 for assessing the contribution of each Director towards the Board.

Evaluation process

The annual assessment is conducted by the NC where the Directors complete the Board Performance Evaluation Questionnaire ("**Questionnaire**") seeking their views on various aspects of Board performance, such as 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 share 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 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 are not limited to:

- Board structure
- Information to the Board
- Board processes
- Governance – Board risk management & internal controls
- Board accountability
- Access to Management
- Standards of conduct
- Board Committees' performance

CORPORATE GOVERNANCE

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

- Attendance in meetings
- Adequacy of preparation for meetings
- Participation in discussions
- Contribution in own specialist relevant area
- 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.

During the year, every Director had completed and submitted the Questionnaire to the Company Secretary. The Company Secretary summarised and circulated the responses to the NC for review before submitting to the Board for discussion and to determine areas for improvement.

Having reviewed each of the Director's attendance and contribution to the Board in FY2021, the NC was of the view that the performance of the Board and the Board Committees had been satisfactory. The NC was 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 had not engaged any external consultant to conduct an assessment of 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

Please refer to Table 1.1 on the names of the members and the composition of the RC. The terms of reference of the RC include the followings:

- recommending to the Board a comprehensive remuneration policy framework and guidelines for the remuneration of the Directors and Executive Officers, and determining specific remuneration packages for each of them. The recommendations of 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 own remuneration package;
- 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 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 Executive Officers 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 Executive Officers and recommend such targets as well as employee specific remuneration packages for each of them, for endorsement by the Board.

CORPORATE GOVERNANCE

The principal activities of the RC during FY2021 are summarised below:

- reviewed the remuneration of the Executive Directors and key executives 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 FY2022.

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 FY2021, 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 the Management are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account its 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 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 and individual performance. The remuneration framework for Directors, CEO and key management personnel is aligned with the interest of shareholders and relevant stakeholders and is appropriate to attract, retain and motivate them for the long-term success of the Group.

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, statutory employer contribution to an employee's Central Provident Fund, Skills Development Levy and fixed allowances. In determining remuneration packages, the Group takes into account employment and pay conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual Director and key management personnel.
2. Variable compensation comprises performance bonus and performance incentives which are remuneration component that varies according to the Group's and the individual's performance objectives. The annual performance bonus and incentives are calculated based on the Group's audited consolidated net profit before tax (which excludes minority interest) as the RC believes that this best reflects the financial health and performance of the Group's business.
3. Other benefits which mainly 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 IPO, renewable automatically thereafter for periods of one (1) year each, unless otherwise terminated. The service agreement provides for termination by either the Executive Director or the Company upon giving no less than six (6) months' notice.

CORPORATE GOVERNANCE

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 performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements 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 such breach of fiduciary duties.

Remuneration of Non-Executive Directors

The Independent 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 efforts and time spent, and the associated responsibilities, and that the independence of the non-executive Directors is not compromised by their compensation.

The RC, 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 FY2022 for the Board's endorsement. The Directors' fees are subject to shareholders' approval at the forthcoming AGM. No Director is involved in deciding own remuneration.

The Independent Directors' fee structure for FY2021 for service on the Board and Board Committees is as follows.

	S$
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 Independent Director's annual fee	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.

CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration

Remuneration of Directors and CEO

The breakdown for the remuneration of the Directors and CEO for FY2021 is as follows:

Table 8.1 – Directors' Remuneration

Name	Salary (S$)	Bonus (S$)	Provident Fund (S$)	Benefits (S$)	Director's Fees (S$)	Total (S$)
Executive Directors						
Mr. Kelvin Fong Keng Seong	863,099.93	1,938,611.44	17,340.00	800.00	–	2,819,851.37
Mr. Mohamed Ismail s/o Abdul Gafoore	857,989.29	133,260.00	13,260.00	800.00	–	1,005,309.29
Independent Directors						
Dr. Ahmad Bin Mohamed Magad	–	–	–	–	78,000	78,000
Mr. Kan Yut Keong	–	–	–	–	80,000	80,000
Mr. Low Wee Siong	–	–	–	–	70,000	70,000

There were no termination, retirement and post-employment benefits granted to Directors during FY2021. No performance shares or options was granted to directors.

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 Company 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 Company on a long-term basis, it is in the best interests of the Company or its shareholders to not disclose the remuneration of the Company's key management personnel (who are not Directors or the CEO) in remuneration bands of S$250,000 on named basis. The remuneration of the CEO is 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 Company's key management personnel (who are not Directors or the CEO) during FY2021 in Table 8.2; (ii) remuneration of a key management personnel who is a substantial shareholder of the Company under Table 8.3 in the remuneration band of S$100,000; and (iii) annual aggregate remuneration of Executive Directors, CEO and key management personnel is disclosed under Note 25 on page 96 of 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 package 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 is strongly linked to the achievement of the corporate and individual 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.

CORPORATE GOVERNANCE

During FY2021, aside the CEO, the Company had four key management personnel. The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2021 is as follows:

Table 8.2 – Remuneration of Key Management Personnel						
Remuneration Band	**No. of KMP**	**Salary (%)**	**Bonus (%)**	**Provident Fund (%)**	**Benefits (%)**	**Total (%)**
S$500,000 to S$749,999	2	68.59	28.74	2.54	0.13	100
S$250,000 to S$499,999	2	56.05	39.59	4.14	0.22	100
Total Aggregate Compensation				**S$1,942,880.92**		

There were no termination, retirement and post-employment benefits granted to the key management personnel during FY2021. None of the key management personnel was granted performance shares or options nor were they involved in deliberating or deciding own remuneration.

Save as disclosed in Tables 8.1 and 8.3, 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.

Table 8.3 – Remuneration of Substantial Shareholder	
Name	**Remuneration Band**
Alan Lim Tow Huat	S$600,000 to S$699,999

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 staff. A weak control environment foundation 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 external and internal 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 auditor and external auditors have, during the course of their audit, carried out a review of the adequacy and effectiveness of key internal controls within the scope of their audit. 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 auditor's comments and findings, ensures that there are adequate and effective internal controls in the Group and follow up on actions implemented.

CORPORATE **GOVERNANCE**

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 FY2021 gave 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 2021, 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.

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 2021 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 SGX-ST 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 FY2021.

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

Please refer to Table 1.1 on the names of the members and the composition of the AC. All AC members are Independent Directors and have sufficient accounting and/or related financial management expertise and experience. For further details on the profile of the AC members, please refer the section entitled "Board of Directors" of this Annual Report. None of the members of the AC (i) had been a former partner or director of the Company's existing auditing firm or corporation within the previous two years and (ii) had held financial interest in that auditing firm or corporation.

The AC meets quarterly, as and when deemed appropriate, to carry out its function. The terms of reference of the AC include the followings:

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

(b) review the quarterly 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 audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(c) review the 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, operation, compliance and information technology controls and the appropriate steps to be taken to mitigate and manage risks at levels determined by the Board of Directors;

(e) ensure co-ordination between the external and internal auditors and the management and 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);

CORPORATE GOVERNANCE

(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 response;
(g) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal 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 audit, 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 to 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;
(u) review the assurance from the CEO and CFO on the financial records and financial statements; and
(v) oversight over the measures put in place to monitor the obligations of P&N Holdings Pte. Ltd. in relation to the PropNex International shareholders' agreement.

The external auditors and the CFO also kept the AC abreast of changes to accounting standards and issues, if any, which have a direct impact on 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 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 accounting standards/financial 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 Director 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.

CORPORATE GOVERNANCE

Whistleblowing Policy

The Company has put into place a whistle-blowing policy, endorsed by the AC. This 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 or reprisal to Management and/or the AC. All information received will be treated confidentially and the identity of whistle-blowers will be protected. The Whistleblowing Policy is communicated to all our employees and available in our 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 Whistleblowing 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.

Whistleblowing 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 whistleblower 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 honoured. The policy is reviewed by the AC from time to time to ensure that they remain 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.

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 FY2021 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 adequacy and effectiveness of the internal controls and risk management systems;
- the external and internal auditors' plans and report in relation to audit and accounting issues arising from the audits and meeting with the external and internal auditors without presence of the executive board members and the Management;
- cooperation given by Management to the external and internal 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 FY2021;
- the recommendation to the Board on (i) the proposal to shareholders on re-appointment of the external auditors and (ii) the adequacy, effectiveness, independence, remuneration and terms of engagement of the external auditors;
- interested person transactions;
- reports on complaints received; and
- compliance of P & N Holdings Pte. Ltd.'s obligations under PropNex International shareholders' agreement; CEO's expenses and claims.

CORPORATE **GOVERNANCE**

Key Audit Matters

In its review of the financial statements of the Group for FY2021, the AC considered a number of significant matters and discussed with Management the accounting principles that were applied and their judgement of items that might affect the financial statements and also considered the clarity of key disclosures in the financial statement. The AC also met with the external auditors to discuss the audit findings as well as their audit.

During the audit of the financial statements for FY2021, one key audit matter ("***KAM***") was reported by the external auditors and are set out audited financial statements of this Annual Report. The AC's comments on the KAM are set out below.

KAMs	AC's comments
Valuation of trade receivables of $141.1 million	The AC had considered the recoverability of and the Group's exposure to trade receivables by reviewing the ageing analysis of trade receivables and their collections subsequent to the financial year. The AC also had reviewed the adopted approach and the appropriateness of the underlying assumptions used in the Expected Credit Loss model, which included the historical loss rate, adjusted for the forward-looking input in relation to GDP growth. The AC also reviewed and accepted the findings by the external auditors on this matter.

The above KAM had been included in the independent auditors' report for FY2021, which is included in this AR.

Internal Audit

The AC's responsibility in overseeing that 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 all the Company'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 FY2021, the AC also met with the internal auditors without the presence of the executive board members and the Management.

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 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.

CORPORATE GOVERNANCE

The notice of AGM with explanatory notes or circular on items of special business, are despatched to shareholders at least 14 days or 21 days, if any special resolutions included, before the scheduled AGM date 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.

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, HDB Hub 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 will be well informed of the meeting and voting procedures. All Directors and external auditors will attend general meetings of shareholders to address shareholders’ queries about the conduct of audit and the preparation and content of the 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 via electronic means on 28 April 2021, all Directors that were in appointment at that time attended the 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 Secretary will prepare 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 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 meeting 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 vote. The Company’s Constitution allows (i) a member who is not a relevant intermediary (as defined in the 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.

As a precautionary measure due to current Covid-19 situation in Singapore, shareholders will not be able to attend the upcoming AGM in person. Instead, the AGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2021. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM, will be put in place for the AGM. The FY2021 Annual Report, notice and proxy form of the AGM will be distributed electronically via SGXNet, and available on the Company’s website. Please refer to the announcement entitled “Alternative Arrangement for the Annual General Meeting of the Company to be held on 25 April 2022” for details.

CORPORATE GOVERNANCE

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.

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 flow of the Group;
(b) the ability of the subsidiaries to make dividend payment 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 & 13: Engagement with Shareholders & 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, Citigate Dewe Rogerson Singapore 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 of 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:

(1) Announcements, including quarterly and full-year financial results, press release, Analysts Briefing, via SGXNET;
(2) Annual reports and notices of AGM;
(3) Company's general meetings;
(4) Investor/analyst briefings; and
(5) Corporate website of the Company at www.propnex.com.

The Company also solicits feedback from and addresses the concerns of shareholders via the Company's corporate website at www.propnex.com. For investor and media enquiries, the Group's director of Marketing & Communications, Ms Carolyn Goh, can be contacted via email at carolyn@propnex.com. The Company's investor relations advisor Ms Foo Yiting from Citigate Dewe Rogerson Singapore Pte Ltd is also contactable via telephone 6534-5122 and email at PropNex@citigatedewerogerson.com.

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 expectation and goals. The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, 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 Company's Sustainability Report 2021.

CORPORATE GOVERNANCE

Sustainability Reporting

The Company views sustainability as fundamental to achieving its long-term vision of success. PropNex incorporates pertinent ESG factors into the way that the Group grows its business, cultivates its people and serves the communities. The Company shares the policies, practices, performance and targets in relation to the identified material ESG factors in the sustainability report (the "**Sustainability Report**"). The Sustainability Report will be published by May 2022 and will be publicly accessible through the Company's website and on SGXNet. The Sustainability Report will be aligned to SGX-ST's Listing Rules – Sustainability Reporting Guide. It should be read in conjunction with this Annual Report.

COMPLIANCE WITH APPLICABLE LISTING RULES		
Listing Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716 1207(6)(b)	Appointment of auditors & review of non-audit services by external auditors	The Company confirms its compliance to the Listing Rules 712 and 715. The AC undertook the annual review of the adequacy, effectiveness, independence and objectivity of the external auditors. The AC had reviewed the non-audit services provided by external auditors which were in relation to corporate tax and other statutory services rendered in FY2021, and is of the view that the nature and extent of such services did not affect the independence and objectivity of the external auditors.
1207(8)	Material contracts	Save for the service agreements between the Company and the Executive Directors, the business takeover agreement entered into with the Dennis Wee Realty Pte Ltd and the PropNex International shareholders agreement, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of any Director, CEO or controlling shareholder of the Company which are still subsisting as at 31 December 2021. 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".
1207(17)	Interested Person Transaction ("**IPT**")	All IPTs are subject to review by the AC at its meetings. Please refer to Principle 10 for details. No interested person transactions (within the meaning of the Listing Manual) of S$100,000 or more in value were entered into during the financial year. The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual.
1207(19)	Dealing in securities	The Company has adopted an internal policy to provide guidance to Directors and officers of the Group with regard to dealings in the Company's securities. The policy prohibits dealing in the Company's securities by the Company, the Directors and officers of the Group while in possession of unpublished price sensitive information.

CORPORATE GOVERNANCE

<table>
<tr><th colspan="3">COMPLIANCE WITH APPLICABLE LISTING RULES</th></tr>
<tr><th>Listing Rule</th><th>Rule Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The Company, Directors and officers 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 officers 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 period beginning two weeks before the announcement of the Company’s financial results for the first three quarters of the financial year and one month before the announcement of the full-year financial results.</td></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>Pursuant to the Company’s IPO, the Company received net proceeds of approximately S$38.3 million (“Net Proceeds”). The Board wishes to provide an update on the use of Net Proceeds as at 28 February 2022.
<table>
<tr><th>In S$’000

Use of Net Proceeds</th><th>Allocation of Net Proceeds as disclosed in the Prospectus</th><th>Net Proceeds utilized as at the date of this announcement</th><th>Balance of Net Proceeds as at the date of this announcement</th></tr>
<tr><td>Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy</td><td>12,000</td><td>594(1)</td><td>11,406</td></tr>
<tr><td>Enhancement of real estate brokerage business</td><td>8,000</td><td>7,785(2)</td><td>215</td></tr>
<tr><td>Expansion in range of business services</td><td>7,000</td><td>6,167(3)</td><td>833</td></tr>
<tr><td>Enhancement of technological capabilities</td><td>6,000</td><td>3,429(4)</td><td>2,571</td></tr>
<tr><td>Working capital purposes</td><td>5,280</td><td>–</td><td>5,280</td></tr>
<tr><td></td><td>38,280</td><td>17,975</td><td>20,305</td></tr>
</table>
Notes:
(1) These are mainly investment in overseas franchisees, business trips and due diligence expenses for existing or potential franchisees.
(2) These are 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 are mainly expenses incurred by Auction, En-Bloc, Corporate Leasing and Valuation departments as well as funding new business initiatives.
(4) These are 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.</td></tr>
</table>

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 51 to 108 are drawn up 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 2021, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended in accordance with the provisions of the Companies Act 1967 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	(Chief Executive Officer)
Kelvin Fong Keng Seong	(Executive Director)
Ahmad Bin Mohamed Magad	(Non-Executive Lead Independent Director)
Kan Yut Keong	(Non-Executive Independent Director)
Low Wee Siong	(Non-Executive Independent Director)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "**Act**"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

(a) The Company

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year	Holdings at 21 January 2022
PropNex Limited			
Ordinary shares			
Mohamed Ismail S/O Abdul Gafoore			
– deemed interests	239,320,779	240,220,779	240,220,779
Kelvin Fong Keng Seong			
– deemed interests	30,720,100	31,834,400	31,834,400
Ahmad Bin Mohamed Magad			
– interests held	60,000	60,000	60,000

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

(b) Ultimate holding company

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
P & N Holdings Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – interests held	364,261	364,261

As at the date of this statement, P & N Holdings Pte. Ltd. ("**P&N**") directly holds 205,844,129 ordinary shares of the Company, while P&N is 62% owned by Mohamed Ismail S/O Abdul Gafoore. Accordingly, he is deemed interested in 205,844,129 ordinary shares held by P&N in the Company.

(c) Subsidiaries of PropNex Limited and P & N Holdings Pte. Ltd.

By virtue of Section 7 of the Act, Mohamed Ismail S/O Abdul Gafoore and Kelvin Fong Keng Seong are deemed to have interests in the whole of the issued share capital of the Company's wholly-owned subsidiaries and the shares held by the Company and/or the ultimate holding company in the following subsidiaries that are not wholly-owned by the Company and/or the ultimate holding company:

Name of director and corporation in which interests are held	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
Kelvin Fong Keng Seong – deemed interests	71,830	71,830
PropNex International Sdn. Bhd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	68,336	68,336
Kelvin Fong Keng Seong – deemed interests	68,336	68,336
PropNex Property Management Consultants Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	112,500	–
Kelvin Fong Keng Seong – deemed interests	112,500	–

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ovvy Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	–	231,250
Kelvin Fong Keng Seong – deemed interests	–	231,250
Preference shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	–	92,500
Kelvin Fong Keng Seong – deemed interests	–	92,500
SingCapital Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	300,000	300,000
SingCapital Holdings Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	102	102
SC Power Pte. Ltd.		
Ordinary shares		
Mohamed Ismail S/O Abdul Gafoore – deemed interests	100	100

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.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

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

Kan Yut Keong	(Audit Committee Chairman and Non-Executive Independent Director)
Ahmad Bin Mohamed Magad	(Audit Committee member and Non-Executive Lead Independent Director)
Low Wee Siong	(Audit Committee member and Non-Executive Independent Director)

The Audit Committee performs the function specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four 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 Company's internal accounting control system.

The Audit Committee also reviewed the following:

- the unaudited quarterly and full year financial results of the Group, and announcements prior to submission to the Board for approval and release of the results via SGXNET;
- the assurance from the CEO and CFO on the financial records and financial statements;
- the assurance from the CEO and KMP in respect of adequacy and effectiveness of the internal controls and risk management systems;
- the external and internal auditors' plan and report in relation to audit and accounting issues arising from the audits and meeting with the external and internal auditors without presence of the executive board members and the Management;
- cooperation given by Management to the external and internal 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, risk management systems and reporting the findings to the Board;
- the external audit fees for FY2021;
- the independence and recommendation to the Board on (i) the proposal to shareholders on re-appointment of the external auditors and (ii) the remuneration and terms of engagement of the external auditors;

- interested person transactions;
- compliance of P&N Holdings Pte. Ltd.'s obligations under PropNex International shareholders' agreement; and
- CEO's expenses and claims.

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 re-appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance included in the Annual Report of the Company.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mohamed Ismail S/O Abdul Gafoore
Director

Kelvin Fong Keng Seong
Director

31 March 2022

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2021

Members of the Company
PropNex Limited

Report on the financial statements

Opinion

We have audited the financial statements of PropNex Limited and its subsidiaries, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, 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 significant accounting policies, as set out on pages 51 to 108.

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) in Singapore ("**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 2021 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 *Auditor's 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 year. 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

YEAR ENDED 31 DECEMBER 2021

Valuation of trade receivables of $141.1 million
(Refer to Note 11 to the financial statements)

The key audit matter

As at 31 December 2021, the Group has trade receivables of $141.1 million, which represents 48% of its total assets. Judgement is required to evaluate whether any allowance should be made to reflect the risk that some of the trade receivables may not be recoverable.

The Group assessed the recoverability of trade receivables with reference to the ageing analysis of the trade receivables, adjusted for management's judgement based on the current economic and credit conditions of these trade receivables due from specific trade debtors, i.e. individual customers. The Group assessed the impairment losses on the trade receivables using expected credit loss ("**ECL**") model, which is based on a probability-weighted estimate of credit losses using historical loss rate, then adjusted for a forward-looking overlay, such as GDP growth in the estimate, or default rate of the sector.

As a result of the size of the trade receivable balance and the significant judgement and estimate applied by management, this is considered a key audit matter.

How the matter was addressed in our audit

We tested the ageing analysis of the Group's trade receivables and assessed the recoverability of significant and long overdue balances, with reference to sales and collection track records. This includes ascertaining that the trade receivables are aged correctly. We also examined receipts from the customers subsequent to the year end.

We also evaluated the key assumptions used by management in the ECL model which included the review of historical loss rate against the historical record of the Group and forward-looking overlay, such as GDP growth with the available industry data or default rate of the sector.

Our findings

We found management's assessment of the recoverability of trade receivables and their estimate on the allowance for impairment loss to be supportable. We also found that the key assumptions used by management in the ECL model to be comparable to market trends and externally derived data.

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.

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.

INDEPENDENT **AUDITORS' REPORT**

YEAR ENDED 31 DECEMBER 2021

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.

Auditor's 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 auditor's 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 control 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.

- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT
AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2021

- 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 control 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 to 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 year and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Shelley Chan Hoi Yi.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2022

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021	2020	2021	2020
		$	$	$	$
Assets					
Plant and equipment	4	**2,031,839**	2,593,287	**3,949**	4,257
Right-of-use assets	5	**2,888,059**	3,156,045	**–**	–
Intangible assets	6	**900,315**	127,862	**90,000**	120,000
Subsidiaries	7	**–**	–	**17,548,331**	18,098,166
Associate	8	**–**	47,303	**–**	–
Other investments	9	**361,842**	391,253	**–**	–
Deferred tax assets	10	**24**	24	**–**	–
Non-current assets		**6,182,079**	6,315,774	**17,642,280**	18,222,423
Trade and other receivables	11	**142,738,435**	80,590,806	**6,945,264**	4,964,591
Cash and cash equivalents	12	**145,645,922**	105,801,457	**75,183,961**	52,731,103
Total current assets		**288,384,357**	186,392,263	**82,129,225**	57,695,694
Total assets		**294,566,436**	192,708,037	**99,771,505**	75,918,117
Equity					
Share capital	13	**57,490,729**	57,490,729	**57,490,729**	57,490,729
Merger reserve	13	**(17,663,164)**	(17,663,164)	**–**	–
Capital reserve	13	**606,615**	606,615	**–**	–
Foreign currency translation reserve	13	**140**	(608)	**–**	–
Retained earnings		**68,999,884**	44,121,431	**38,987,000**	15,743,797
Equity attributable to owners of the Company		**109,434,204**	84,555,003	**96,477,729**	73,234,526
Non-controlling interests	14	**3,142,740**	3,031,939	**–**	–
Total equity		**112,576,944**	87,586,942	**96,477,729**	73,234,526
Liabilities					
Deferred tax liabilities	10	**177,416**	179,396	**–**	–
Lease liabilities	5	**1,309,861**	1,046,297	**–**	–
Non-current liabilities		**1,487,277**	1,225,693	**–**	–
Trade and other payables	15	**164,299,175**	94,264,685	**3,196,490**	2,566,562
Deferred income	16	**1,118,814**	462,005	**–**	–
Lease liabilities	5	**1,598,172**	2,148,249	**–**	–
Current tax liabilities		**13,486,054**	7,020,463	**97,286**	117,029
Current liabilities		**180,502,215**	103,895,402	**3,293,776**	2,683,591
Total liabilities		**181,989,492**	105,121,095	**3,293,776**	2,683,591
Total equity and liabilities		**294,566,436**	192,708,037	**99,771,505**	75,918,117

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

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Revenue	17	**957,491,704**	513,460,799
Cost of services rendered		**(855,704,754)**	(457,880,364)
Finance income	18	**365,678**	729,755
Other income	19	**6,971,056**	6,884,768
Gain on disposal of discontinued operation	7	**636,712**	–
Staff costs	20	**(16,804,795)**	(14,070,039)
Depreciation of plant and equipment		**(1,035,610)**	(1,139,982)
Depreciation of right-of-use assets		**(2,210,311)**	(2,544,714)
Amortisation of intangible assets	6	**(297,485)**	(30,000)
Finance costs	21	**(42,441)**	(88,513)
Other expenses	22	**(10,653,084)**	(8,617,354)
		78,716,670	36,704,356
Share of results of associate	8	**(47,303)**	(72,500)
Profit before tax		**78,669,367**	36,631,856
Tax expense	23	**(13,544,451)**	(5,929,189)
Profit from continuing operations		**65,124,916**	30,702,667
Discontinuing operations			
Profit from discontinued operation (net of tax)		**19,051**	521,045
Profit for the year		**65,143,967**	31,223,712
Profit attributable to:			
Owners of the Company		**60,028,453**	29,088,620
Non-controlling interests	14	**5,115,514**	2,135,092
Profit for the year		**65,143,967**	31,223,712
Earnings per share			
Basic earnings per share (cents)	24	**16.22**	7.86
Diluted earnings per share (cents)	24	**16.22**	7.86

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Profit for the year		**65,143,967**	31,223,712
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		**871**	48
Other comprehensive income for the year, net of tax		**871**	48
Total comprehensive income for the year		**65,144,838**	31,223,760
Total comprehensive income attributable to:			
Owners of the Company		**60,029,201**	29,088,662
Non-controlling interests	14	**5,115,637**	2,135,098
Total comprehensive income for the year		**65,144,838**	31,223,760

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

YEAR ENDED 31 DECEMBER 2021

	Note	Attributable to owners of the Company							
		Share capital $	Merger reserve $	Capital reserve $	Foreign currency translation reserve $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
At 1 January 2020		57,490,729	(17,663,164)	606,615	(650)	28,907,811	69,341,341	2,552,875	71,894,216
Profit for the year		–	–	–	–	29,088,620	29,088,620	2,135,092	31,223,712
Other comprehensive income									
Foreign currency translation differences – foreign operations		–	–	–	42	–	42	6	48
Total other comprehensive income, net of tax		–	–	–	42	–	42	6	48
Total comprehensive income for the year		–	–	–	42	29,088,620	29,088,662	2,135,098	31,223,760
Transaction with owners, recognised directly in equity									
Distributions to owners									
Dividends	13	–	–	–	–	(13,875,000)	(13,875,000)	(1,656,034)	(15,531,034)
Total transactions with owners of the Company		–	–	–	–	(13,875,000)	(13,875,000)	(1,656,034)	(15,531,034)
At 31 December 2020		57,490,729	(17,663,164)	606,615	(608)	44,121,431	84,555,003	3,031,939	87,586,942

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Note	Attributable to owners of the Company							
		Share capital $	Merger reserve $	Capital reserve $	Foreign currency translation reserve $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
At 1 January 2021		57,490,729	(17,663,164)	606,615	(608)	44,121,431	84,555,003	3,031,939	87,586,942
Profit for the year		–	–	–	–	60,028,453	60,028,453	5,115,514	65,143,967
Other comprehensive income									
Foreign currency translation differences – foreign operations		–	–	–	748	–	748	123	871
Total other comprehensive income, net of tax		–	–	–	748	–	748	123	871
Total comprehensive income for the year		–	–	–	748	60,028,453	60,029,201	5,115,637	65,144,838
Transaction with owners, recognised directly in equity									
Distributions to owners									
Dividends	13	–	–	–	–	(35,150,000)	(35,150,000)	(5,070,600)	(40,220,600)
		–	–	–	–	(35,150,000)	(35,150,000)	(5,070,600)	(40,220,600)
Changes in ownership interests in subsidiaries									
Disposal of discontinued operation with non-controlling interest		–	–	–	–	–	–	(42,263)	(42,263)
Non-controlling interest on acquisition of subsidiary		–	–	–	–	–	–	108,027	108,027
		–	–	–	–	–	–	65,764	65,764
Total transactions with owners of the Company		–	–	–	–	(35,150,000)	(35,150,000)	(5,004,836)	(40,154,836)
At 31 December 2021		57,490,729	(17,663,164)	606,615	140	68,999,884	109,434,204	3,142,740	112,576,944

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Profit for the year		**65,143,967**	31,223,712
Adjustments for:			
Amortisation of intangible assets	6	**297,485**	30,000
Bad debts written off	22	**201,918**	299,052
Depreciation of plant and equipment	4	**1,037,223**	1,150,016
Depreciation of right-of-use assets	5	**2,213,067**	2,555,738
Gain on disposal of discontinued operation	7	**(636,712)**	–
(Gain)/Loss on disposal of plant and equipment	22	**(114)**	13,376
Impairment loss on investment in associate	22	**–**	501,373
Impairment losses recognised on trade and other receivables	22	**867,179**	500,855
Interest expense		**42,523**	88,768
Interest income		**(365,678)**	(730,222)
Loss on disposal of other investment	22	**29,410**	–
Plant and equipment written off	22	**17**	226,874
Share of results of associate	8	**47,303**	72,500
Tax expense	23	**13,544,451**	5,933,853
		82,422,039	41,865,895
Changes in:			
– trade and other receivables		**(63,417,088)**	(18,529,463)
– trade and other payables		**70,478,931**	22,390,593
– deferred income		**656,809**	(532,356)
Cash generated from operations		**90,140,691**	45,194,669
Tax paid		**(7,067,023)**	(3,242,425)
Tax refunded		**5,676**	–
Net cash from operating activities		**83,079,344**	41,952,244
Cash flows from investing activities			
Net cash outflows arising from acquisition of a subsidiary	7	**(978,992)**	–
Acquisition of plant and equipment	4	**(537,095)**	(488,514)
Addition in associate	8	**–**	(1)
Addition in other investments		**–**	(14,516)
Deposits pledged		**(153)**	(154)
Disposal of discontinued operation, net of cash disposed	7	**585,349**	–
Interest received		**365,678**	730,222
Proceeds from disposal of plant and equipment		**114**	4,320
Net cash (used in)/from investing activities		**(565,099)**	231,357
Cash flows from financing activities			
Dividends paid to owners	13	**(35,150,000)**	(13,875,000)
Dividends paid to non-controlling interests		**(5,243,134)**	(1,483,500)
Interest paid	5	**(42,523)**	(88,768)
Payment of lease liabilities	5	**(2,234,276)**	(2,541,816)
Net cash used in financing activities		**(42,669,933)**	(17,989,084)
Net increase in cash and cash equivalents		**39,844,312**	24,194,517
Cash and cash equivalents at 1 January		**105,739,967**	81,545,450
Cash and cash equivalents at 31 December	12	**145,584,279**	105,739,967

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2022.

1 DOMICILE AND ACTIVITIES

PropNex Limited is incorporated in the Republic of Singapore on 10 January 2018. The address of the Company's registered office is 480 Lorong 6 Toa Payoh, HDB Hub East Wing, #10-01, Singapore 310480.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries and the Group's interest in equity-accounted investees.

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

The ultimate holding company is P & N Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with SFRS(I)s.

2.2 Basis of measurement

These financial statements have been prepared on the 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.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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.

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 financial year are included in Note 27 – Measurement of ECL allowance for trade and other receivables: Key assumptions in determining the weighted-average loss rate.

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 Group's 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 27 – financial instruments.

2.5 Changes in significant accounting policies

New 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 2021:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*

The application of these amendments to standards and interpretations did not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT 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.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using 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 ii). In determining whether a particular set of activities and assets in a business, the Group assess 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 Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("**NCI**") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

(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.

(iii) Acquisition 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) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) 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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and associates in the separate financial statements

Investment in subsidiaries and associates 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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.

(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 OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation differences is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence 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 Group disposes of only part of its investment in associate that includes a foreign operation while retaining significant influence, the relevant portion of the cumulative amount is reclassified to profit or loss.

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 are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

3.3 Financial instruments

(i) Recognition and 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, 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.

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 may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

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. This information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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 amortised cost 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.

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 OCI and are never reclassified to profit or loss.

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

Financial liabilities are classified as measured at amortised cost. Other 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.

Transferred assets are not derecognised when 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 ownership of the transferred assets.

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 with maturities of three months or less from the date of acquisition 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. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(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.

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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

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.

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

(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.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

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
Renovation	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 are stated in the statement of financial position at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the acquired trademark, less its residual value.

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

Trademark is not amortised while their useful lives are assessed to be indefinite. The trademark is registered in Indonesia where the right to use the trademark is indefinite in nature. 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 lives 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 assets' estimated useful lives.

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

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for 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 due from individual customers of real estate agency services. 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); or
- the financial asset is more than 365 days past due.

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 or being more than 365 days past due;
- 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 allowance for ECLs 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.

(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.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

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3.7 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension 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

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow or economic benefits will be required to settle the obligation. 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.

3.9 Revenue

Revenue from sale of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("**PO**") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO.

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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 same periods in which the expenses are recognised.

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.

(i) 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.

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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 Group'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.

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.

COVID-19-related rent concessions

The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

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3.13 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 OCI.

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.

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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

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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 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. Unallocated items comprise mainly corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and intangible assets.

3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

- SFRS(I) 17 *Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

NOTES TO THE FINANCIAL STATEMENTS

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4 PLANT AND EQUIPMENT

	Office equipment $	Computers $	Furniture and fittings $	Renovation $	Total $
Group					
Cost					
At 1 January 2020	925,004	1,982,843	425,104	3,465,476	6,798,427
Additions	59,849	346,446	2,950	79,269	488,514
Disposals	(12,930)	–	(30,900)	–	(43,830)
Written off	(138,350)	(255,931)	(18,593)	(328,136)	(741,010)
At 31 December 2020	833,573	2,073,358	378,561	3,216,609	6,502,101
Additions	82,542	119,418	2,939	332,196	537,095
Disposals	(935)	(48,667)	–	–	(49,602)
Written off	(2,196)	(18,530)	(12,350)	(144,687)	(177,763)
Disposal of discontinued operation	(7,752)	(49,877)	(3,000)	(54,518)	(115,147)
At 31 December 2021	**905,232**	**2,075,702**	**366,150**	**3,349,600**	**6,696,684**
Accumulated depreciation					
At 1 January 2020	346,537	1,592,811	155,673	1,204,047	3,299,068
Depreciation for the year	173,698	285,915	72,065	618,338	1,150,016
Disposals	(12,283)	–	(13,851)	–	(26,134)
Written off	(78,586)	(255,931)	(9,350)	(170,269)	(514,136)
At 31 December 2020	429,366	1,622,795	204,537	1,652,116	3,908,814
Depreciation for the year	161,025	255,082	63,928	557,188	1,037,223
Disposals	(935)	(48,667)	–	–	(49,602)
Written off	(2,196)	(18,513)	(12,350)	(144,687)	(177,746)
Disposal of discontinued operation	(7,335)	(38,966)	(3,000)	(4,543)	(53,844)
At 31 December 2021	**579,925**	**1,771,731**	**253,115**	**2,060,074**	**4,664,845**
Carrying amounts					
At 1 January 2020	578,467	390,032	269,431	2,261,429	3,499,359
At 31 December 2020	404,207	450,563	174,024	1,564,493	2,593,287
At 31 December 2021	**325,307**	**303,971**	**113,035**	**1,289,526**	**2,031,839**

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	Office equipment $	Computers $	Total $
Company			
Cost			
At 1 January 2020	1,437	1,500	2,937
Additions	–	3,058	3,058
At 31 December 2020	1,437	4,558	5,995
Additions	–	2,567	2,567
At 31 December 2021	**1,437**	**7,125**	**8,562**
Accumulated depreciation			
At 1 January 2020	287	209	496
Depreciation for the year	287	955	1,242
At 31 December 2020	574	1,164	1,738
Depreciation for the year	287	2,588	2,875
At 31 December 2021	**861**	**3,752**	**4,613**
Carrying amounts			
At 1 January 2020	1,150	1,291	2,441
At 31 December 2020	863	3,394	4,257
At 31 December 2021	**576**	**3,373**	**3,949**

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Leases as lessee (SFRS(I) 16)

The Group leases office premises. The leases typically run for a period of 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.

Right-of-use assets

	Leased office premises $
Group	
At 1 January 2020	5,320,013
Additions	391,770
Depreciation charge for the year	(2,555,738)
At 31 December 2020	3,156,045
Additions	2,063,600
Depreciation charge for the year	(2,213,067)
Disposal of discontinued operation	(118,519)
At 31 December 2021	**2,888,059**

Lease liabilities

	Group 2021 $	Group 2020 $
Non-current liabilities		
Lease liabilities	**1,309,861**	1,046,297
Current liabilities		
Lease liabilities	**1,598,172**	2,148,249
	2,908,033	3,194,546

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate	Year of maturity	2021 Face value $	2021 Carrying amount $	2020 Face value $	2020 Carrying amount $
Group							
Lease liabilities	SGD	0.81% – 2.15%	2020 – 2024	**2,937,800**	**2,908,033**	3,245,600	3,194,546

The Group's exposures to interest rate and liquidity risk related to lease liabilities are disclosed in Note 27.

Amounts recognised in consolidated statement profit or loss

	2021 $	2020 $
Interest on lease liabilities	**42,441**	88,513
Expenses relating to short-term leases	**5,112**	7,260
Expenses relating to leases of low-value assets	**13,618**	12,360

Amounts recognised in consolidated statement of cash flows

	2021 $	2020 $
Total cash outflow for leases	**(2,234,276)**	(2,541,816)

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.

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Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Lease liabilities $	Dividends payable to non-controlling shareholder $	Total $
At 1 January 2020		5,344,592	–	5,344,592
Changes from financing cash flows				
– Dividends paid to non-controlling interests		–	(1,483,500)	(1,483,500)
– Interest paid		(88,768)	–	(88,768)
– Payment of lease liabilities		(2,541,816)	–	(2,541,816)
Total changes from financing cash flows		(2,630,584)	(1,483,500)	(4,114,084)
Other changes				
– Dividends declared to non-controlling interests	13	–	1,656,034	1,656,034
– New leases		391,770	–	391,770
– Interest expense	21	88,768	–	88,768
Total other changes		480,538	1,656,034	2,136,572
At 31 December 2020		3,194,546	172,534	3,367,080
At 1 January 2021		**3,194,546**	**172,534**	**3,367,080**
Changes from investing cash flows				
– Disposal of discontinued operation		(115,837)	–	(115,837)
Total changes from investing cash flows		(115,837)	–	(115,837)
Changes from financing cash flows				
– Dividends paid to non-controlling interests		–	(5,243,134)	(5,243,134)
– Interest paid		(42,523)	–	(42,523)
– Payment of lease liabilities		(2,234,276)	–	(2,234,276)
Total changes from financing cash flows		(2,276,799)	(5,243,134)	(7,519,933)
Other changes				
– Dividends declared to non-controlling interests	13	–	5,070,600	5,070,600
– New leases		2,063,600	–	2,063,600
– Interest expense		42,523	–	42,523
Total other changes		2,106,123	5,070,600	7,176,723
At 31 December 2021		**2,908,033**	**–**	**2,908,033**

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6 INTANGIBLE ASSETS

	Trademark $	Technology $	Total $
Group			
Cost			
At 1 January 2020 and 31 December 2020	607,862	–	607,862
Additions	–	1,069,938	1,069,938
At 31 December 2021	**607,862**	**1,069,938**	**1,677,800**
Accumulated amortisation			
At 1 January 2020	450,000	–	450,000
Amortisation for the year	30,000	–	30,000
At 31 December 2020	480,000	–	480,000
Amortisation for the year	30,000	267,485	297,485
At 31 December 2021	**510,000**	**267,485**	**777,485**
Carrying amounts			
At 1 January 2020	157,862	–	157,862
At 31 December 2020	127,862	–	127,862
At 31 December 2021	**97,862**	**802,453**	**900,315**

The remaining amortisation period is 3 to 4 years (2020: 4 years).

	Trademark $
Company	
Cost	
At 1 January 2020, 31 December 2020 and 31 December 2021	600,000
Accumulated amortisation	
At 1 January 2020	450,000
Amortisation for the year	30,000
At 31 December 2020	480,000
Amortisation for the year	30,000
At 31 December 2021	**510,000**
Carrying amounts	
At 1 January 2020	150,000
At 31 December 2020	120,000
At 31 December 2021	**90,000**

The remaining amortisation period of the trademark is 3 years (2020: 4 years).

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7 SUBSIDIARIES

	Company 2021 $	Company 2020 $
Equity investments at cost	**17,548,331**	18,098,166

Details of the subsidiaries are as follows:

Name of subsidiaries	Operating segments	Principal place of business/ country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
PropNex Realty Pte. Ltd.	Real estate agency services	Singapore	**100**	100
PropNex International Pte. Ltd.	Real estate project marketing services	Singapore	**71.83**	71.83
PropNex Grandeur Homes Pte. Ltd.	Administrative support services	Singapore	**100**	100
PropNex Property Management Consultants Pte. Ltd.	Property management services	Singapore	**–**	75
Life Mastery Academy Pte. Ltd.	Training	Singapore	**100**	100
Subsidiary of PropNex International Pte. Ltd.				
PropNex International Sdn. Bhd.	Real estate project marketing services	Malaysia	**100**	100
Subsidiary of PropNex Grandeur Homes Pte. Ltd.				
Ovvy Pte. Ltd.	Web portals	Singapore	**70**	–

KPMG LLP is the auditors of all significant Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or its pre-tax profits account for 20% of more of the Group's consolidated pre-tax profits.

Disposal of subsidiary

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.

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Effect of Disposal

Details of assets and liabilities of the subsidiary disposed were as follows:

	2021 $
Plant and equipment	**61,303**
Right-of-use assets	**118,519**
Trade and other receivables	**360,820**
Cash and cash equivalents	**44,201**
Deferred tax liabilities	**(1,980)**
Lease liabilities	**(115,837)**
Trade and other payables	**(280,462)**
Current tax liabilities	**(17,513)**
Net assets	**169,051**
Non-controlling interests	**(42,263)**
Identified net assets	**126,788**
Gain on disposal of discontinued operation, recognised in the consolidated statement of profit or loss	**636,712**
Selling proceeds	**763,500**
Selling proceeds are represented by:	
– Cash consideration received	**629,550**
– Deferred consideration to be received	**133,950**
	763,500
Net cash outflows arising from the disposal of discontinued operation:	
– Cash consideration received	**629,550**
– Cash and cash equivalents disposed off	**(44,201)**
	585,349

The statement of profit or loss of subsidiary for the period from 1 January 2020 to 31 December 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.

	2021 $	2020 $
Discontinued operation		
Revenue	**177,076**	2,172,724
Cost of services rendered	**(102,122)**	(1,222,048)
Finance income	**–**	467
Other income	**1,205**	347,458
Staff costs	**(42,667)**	(583,862)
Depreciation of plant and equipment	**(1,613)**	(10,034)
Depreciation of right-of-use assets	**(2,756)**	(11,024)
Finance costs	**(82)**	(255)
Other expenses	**(9,990)**	(167,717)
Profit before tax	**19,051**	525,709
Tax expense	**–**	(4,664)
Profit from discontinued operation (net of tax)	**19,051**	521,045

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Acquisition of subsidiary

On 5 April 2021, the Group entered into a sale and purchase agreement with TB6 Pte. Ltd. and Rapzo Capital Pte. Ltd. to acquire 70% of the issued and paid-up share capital in Ovvy Pte. Ltd ("**Ovvy**"), for a consideration of $1,000,000.

	2021 $
Purchase consideration	
Cash consideration paid	**1,000,000**
Assets and liabilities acquired	
Cash and cash equivalents	**21,008**
Trade and other receivables	**26,508**
Trade and other payables	**(9,427)**
Technology	**1,069,938**
Non-controlling interests on acquisition	**(108,027)**
Total purchase consideration	**1,000,000**
Cash flows relating to acquisition	
Cash considerations	**1,000,000**
Less: Cash and cash acquired	**(21,008)**
Net cash outflows arising from acquisition of a subsidiary	**978,992**

8 ASSOCIATE

	Group 2021 $	Group 2020 $
Interests in associate	**–**	47,303

Details of the associate are as follows:

Name of associate	Operating segment	Principal place of business/ country of incorporation	Ownership interests 2021 %	Ownership interests 2020 %
Soreal Prop Pte. Ltd. ("Soreal Prop")	Real estate investment	Singapore	**31.69**	31.69

Acquisition of equity interest in associate

On 8 June 2020, the Group entered into a share sale and purchase agreement with SEAA Services Pte. Ltd. to acquire 13.67% equity interests in Soreal Prop Pte. Ltd. ("**Soreal Prop**") for a cash consideration of $1. Consequently, the Group's equity interests in Soreal Prop increased from 15% to 28.67% and the Group reclassified the investment in Soreal Prop of $16,000 from other investments to associate.

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On 19 August 2020, the Group further subscribed for 605,175 new ordinary shares in Soreal Prop, which was satisfied by its advances granted to Soreal Prop of $605,175 in prior years. Consequently, the Group's equity interests in Soreal Prop further increased from 28.67% to 31.69%.

The following summarises the financial information of each of the Group's material associate, Soreal Prop, based on its financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition.

	2021 $	2020 $
Revenue	**1,093,527**	464,327
Loss for the year	**(852,907)**	(415,774)
Other comprehensive income	**–**	–
Total comprehensive income	**(852,907)**	(415,774)
Attributable to investee's shareholders	**(852,907)**	(415,774)
Non-current assets	**–**	606,230
Current assets	**53,288**	363,595
Current liabilities	**(756,936)**	(820,566)
Net (liabilities)/assets	**(703,648)**	149,259
Group's interest in net assets of investee at end of the year	**–**	47,303
Group's interest in net assets of investee at beginning of the year	**47,303**	–
Addition	**–**	1
Reclassified from other investments	**–**	16,000
Reclassified from trade and other receivables	**–**	605,175
Impairment loss	**–**	(501,373)
Group's share of:		
– loss after tax	**(47,303)**	(72,500)
– other comprehensive income	**–**	–
– total comprehensive income	**(47,303)**	(72,500)
Group's interest in net assets of investee at end of the year	**–**	47,303

9 OTHER INVESTMENTS

	Group	
	2021 $	2020 $
Non-current investment		
Unquoted equity investments – at FVOCI	**361,842**	391,253

Disposal of other investment

On 1 November 2021, the Company has disposed of and transferred the entire sale equity interest in PropNex Realty (Vietnam) Company Limited ("**PropNex Vietnam**") to a third party for a nominal sum consideration of $1 based on the terms of the Deed. Following the completion of this transfer, the Company ceased to have any equity interest in PropNex Vietnam.

Unquoted equity investments designated at FVOCI

The Group designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term strategic purposes.

	Fair value 2021 $	Fair value 2020 $
Investment in PropNex Vietnam	**–**	29,411
Investment in PropNex Realty Sdn. Bhd. ("**PropNex Malaysia**")	**361,842**	361,842
	361,842	391,253

The Group assessed that it does not have significant influence in its investment in PropNex Malaysia notwithstanding the Group holds 20% equity interest, because the Group does not have any representative on the Board of Directors of the investee.

Information about the Group's fair value measurement is included in Note 27.

10 DEFERRED TAX ASSETS/(LIABILITIES)

	At 1 January 2020 $	Recognised in profit or loss (Note 23) $	At 31 December 2020 $	Recognised in profit or loss (Note 23) $	Disposal of discontinued operation $	At 31 December 2021 $
Group						
Plant and equipment	(210,517)	26,757	(183,760)	(19,849)	2,040	**(201,569)**
Trade and other receivables	23,930	(19,542)	4,388	19,849	(60)	**24,177**
	(186,587)	7,215	(179,372)	–	1,980	**(177,392)**
Company						
Trade and other receivables	1,125	(1,125)	–	–	–	**–**

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 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Deferred tax assets	**24**	24	**–**	–
Deferred tax liabilities	**(177,416)**	(179,396)	**–**	–
	(177,392)	(179,372)	**–**	–

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11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade receivables				
– third parties	**142,669,631**	79,594,646	**–**	–
Impairment losses	**(1,617,171)**	(1,364,570)	**–**	–
	141,052,460	78,230,076	**–**	–
Other receivables:				
– third parties	**827,799**	976,762	**133,950**	4,032
– subsidiaries (non-trade)	**–**	–	**6,505,438**	4,142,545
– related corporations (non-trade)	**24**	24	**–**	–
– associate (non-trade)	**85,325**	85,325	**–**	–
Dividend receivable from a subsidiary	**–**	–	**–**	517,603
Deposits	**404,464**	418,903	**254,216**	261,116
	1,317,612	1,481,014	**6,893,604**	4,925,296
Impairment losses	**(233,198)**	(87,383)	**(4,425)**	(345)
	1,084,414	1,393,631	**6,889,179**	4,924,951
	142,136,874	79,623,707	**6,889,179**	4,924,951
Prepayments	**601,561**	967,099	**56,085**	39,640
	142,738,435	80,590,806	**6,945,264**	4,964,591

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

Other receivables comprised mainly advance payments to its property agents.

The Group's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in Note 27.

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Cash at bank and on hand	**103,395,062**	64,914,053	**35,280,529**	13,130,424
Fixed deposits	**42,250,860**	40,887,404	**39,903,432**	39,600,679
Cash and cash equivalents in the statements of financial position	**145,645,922**	105,801,457	**75,183,961**	52,731,103
Deposits pledged	**(61,643)**	(61,490)	**–**	–
Cash and cash equivalents in the statement of cash flows	**145,584,279**	105,739,967	**75,183,961**	52,731,103

Deposits pledged represent bank balances of a subsidiary pledged as security to obtain credit facilities. The effective interest rate on fixed deposits of the Group was 0.32% to 1.15% (2020: 0.38% to 2.05%) per annum.

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13 CAPITAL AND RESERVES

Share capital

Group and Company	Number of shares 2021	Number of shares 2020	Amount 2021 $	Amount 2020 $
Fully paid ordinary shares, with no par value:				
At 1 January and 31 December	**370,000,000**	370,000,000	**57,490,729**	57,490,729

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Merger reserve

Merger reserve represents the difference between the nominal value of the shares of $18,098,166 issued by the Company in exchange for the nominal value of shares of subsidiaries totalling $435,002 acquired during the restructuring exercise, which is accounted for as a business combination under common control.

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 2021 $	Group 2020 $
Gain arising from the debt waived by a related corporation	**207,119**	207,119
Gain on acquisition of non-controlling interests	**399,496**	399,496
	606,615	606,615

Dividends

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

	Group and Company 2021 $	Group and Company 2020 $
Paid to the owners		
PropNex Limited		
Final dividends for previous financial year – $0.04 (2020: $0.015) per ordinary share	**14,800,000**	5,550,000
Special dividends – $Nil (2020: $0.0075) per ordinary share	**–**	2,775,000
Interim dividends – $0.055 (2020: $0.015) per ordinary share	**20,350,000**	5,550,000
	35,150,000	13,875,000

	Group 2021 $	Group 2020 $
Declared by the subsidiaries to non-controlling interests		
PropNex International Pte. Ltd.		
$180 (2020: $50) per ordinary share	**5,070,600**	1,408,500
PropNex Property Management Consultants Pte. Ltd.		
$Nil (2020: $6.6) per ordinary share	**–**	247,534
	5,070,600	1,656,034

After the respective reporting dates, the following (one-tier dividends) were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Company 2021 $	Company 2020 $
Final dividends – $0.07 (2020: $0.04) per ordinary share	**25,900,000**	14,800,000

14 NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group.

Name	Principal place of business/ Country of incorporation	Operating segment	Ownership interests held by NCI 2021 %	Ownership interests held by NCI 2020 %
PropNex International Pte. Ltd.	Singapore	Real estate project marketing services	**28.17**	28.17
PropNex Property Management Consultants Pte. Ltd.	Singapore	Property management services	**–**	25
Ovvy Pte. Ltd.	Singapore	Web portals	**30**	–

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The following summarises the financial information prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group accounting policies.

	PropNex International Pte. Ltd. $	PropNex Property Management Consultants Pte. Ltd. $	Ovvy Pte. Ltd. $	Total $
Group				
31 December 2021				
Revenue	435,533,260	177,076	9,255	435,719,591
Profit for the year	18,438,388	19,051	(277,809)	18,179,630
Total comprehensive income	18,438,824	19,051	(277,809)	18,180,066
Attributable to NCI:				
– Profit for the year	5,194,094	4,762	(83,342)	5,115,514
– Total comprehensive income	5,194,217	4,762	(83,342)	5,115,637
Non-current assets	51,606	–	241,500	293,106
Current assets	98,082,972	–	79,492	98,162,464
Non-current liabilities	(8,374)	–	–	(8,374)
Current liabilities	(87,057,494)	–	(238,712)	(87,296,206)
Net assets	11,068,710	–	82,280	11,150,990
Net assets attributable to NCI	3,118,056	–	24,684	3,142,740
Cash flows from operating activities	24,696,706	–	40,324	24,737,030
Cash flows used in investing activities	(2,824)	–	–	(2,824)
Cash flows used in financing activities	(12,929,400)	–	–	(12,929,400)
– Dividends to NCI	(5,070,600)	–	–	(5,070,600)
Net increase in cash and cash equivalents	6,693,882	–	40,324	6,734,206

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	PropNex International Pte. Ltd. $	PropNex Property Management Consultants Pte. Ltd. $	Total $
Group			
31 December 2020			
Revenue	218,697,468	2,172,724	220,870,192
Profit for the year	7,116,900	521,045	7,637,945
Total comprehensive income	7,116,924	521,045	7,637,969
Attributable to NCI:			
– Profit for the year	2,004,831	130,261	2,135,092
– Total comprehensive income	2,004,837	130,261	2,135,098
Non-current assets	76,265	184,191	260,456
Current assets	47,364,487	1,098,139	48,462,626
Non-current liabilities	(8,374)	(89,193)	(97,567)
Current liabilities	(36,802,492)	(1,043,137)	(37,845,629)
Net assets	10,629,886	150,000	10,779,886
Net assets attributable to NCI	2,994,439	37,500	3,031,939
Cash flows from operating activities	6,049,478	523,199	6,572,677
Cash flows used in investing activities	(3,905)	(64,860)	(68,765)
Cash flows used in financing activities	(3,591,500)	(239,000)	(3,830,500)
– Dividends to NCI	(1,408,500)	(75,000)	(1,483,500)
Net increase in cash and cash equivalents	1,045,573	144,339	1,189,912

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Trade payables:				
– third parties	**132,625,809**	72,254,644	**40,281**	31,286
– related corporations	**11,076**	–	**–**	–
– non-controlling shareholder of a subsidiary	**4,841**	1,332	**–**	–
Other payables:				
– third parties	**1,904,164**	2,083,188	**–**	46,882
– subsidiaries (non-trade)	**–**	–	**–**	342
– shareholder (non-trade)	**45,000**	–	**–**	–
Dividend payable to non-controlling shareholder of a subsidiary	**–**	172,534	**–**	–
GST payables	**17,964,942**	11,596,030	**218,663**	98,259
Performance commission payables	**6,308,672**	3,864,560	**–**	–
Performance bonus payables	**3,897,967**	2,729,001	**2,405,776**	1,835,776
Accrued expenses	**943,581**	972,786	**343,828**	377,262
Refundable deposits	**245,323**	256,271	**–**	–
Liability for short-term accumulating compensated absences	**347,800**	334,339	**187,942**	176,755
	164,299,175	94,264,685	**3,196,490**	2,566,562

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Refundable deposits are paid by agents to the Group for the rental of office spaces and are returned upon termination.

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

The Group's exposures to liquidity risk related to trade and other payables are disclosed in Note 27.

16 DEFERRED INCOME

	Group	
	2021	**2020**
	$	**$**
Deferred income	**1,118,814**	462,005

Deferred income mainly relates to receipts from the advanced sale of convention tickets and real estate related courses and training programmes.

17 REVENUE

	Group	
	2021	**2020**
	$	**$**
Commission income from real estate agency services	**519,239,862**	291,384,104
Commission income from real estate project marketing services	**435,533,260**	218,697,468
Administrative support fee income	**1,286,936**	2,145,397
Courses and related fee income from training services	**1,422,391**	1,233,830
Technology platform income from services providers	**9,255**	–
	957,491,704	513,460,799

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. 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.

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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 timing of revenue recognition.

	Group	
	2021	**2020**
	$	**$**
Timing of revenue recognition		
Services transferred at a point in time	**956,205,366**	512,110,548
Services transferred over time	**1,286,338**	1,350,251
	957,491,704	513,460,799

The Group's revenue is substantially derived from Singapore, geographic market information in relation to revenue of the Group is not presented.

Contract balances

The following table provides information about receivables and deferred income from contracts with customers.

		Group	
	Note	**2021**	**2020**
		$	**$**
Trade receivables	11	**141,052,460**	78,230,076
Deferred income	16	**(1,118,814)**	(462,005)

The deferred income primarily relates to advance consideration from customers prior to the transferring control of a promised service to the customers.

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Significant changes in deferred income during the year are as follows:

	Group	
	2021 $	2020 $
Revenue recognised that was included in deferred income balance at the beginning of the year	**462,005**	994,361
Increases due to cash received, excluding amounts recognised as revenue during the year	**(1,118,814)**	(462,005)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2022 $	2023 $	2024 $	Total $
31 December 2021				
Administrative support fee income	**1,151,204**	**59,652**	**49,710**	**1,260,566**
Courses and related fee income from training services	**377,225**	**–**	**–**	**377,225**
	1,528,429	**59,652**	**49,710**	**1,637,791**

	2021 $	2022 $	2023 $	Total $
31 December 2020				
Administrative support fee income	1,340,676	534,910	–	1,875,586
Property management fee income	1,550,634	1,900	–	1,552,534
Courses and related fee income from training services	175,089	–	–	175,089
	3,066,399	536,810	–	3,603,209

18 FINANCE INCOME

	Group	
	2021 $	2020 $
Interest income	**365,678**	729,755

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19 OTHER INCOME

	Group 2021 $	Group 2020 $
Corporate event income	**26,503**	34,142
E-stamping income	**4,051**	5,406
Government grants	**520,769**	1,965,163
Management fee income	**154,708**	153,519
Marketing fee income	**829,772**	1,051,959
Merchandising income	**162,014**	86,861
Referral fee income	**3,087,487**	2,014,861
Sponsorship income	**437,375**	186,430
Training and seminar income	**49,343**	136,835
Valuation income	**559,498**	650,664
Others	**1,139,536**	598,928
	6,971,056	6,884,768

20 STAFF COSTS

	Group 2021 $	Group 2020 $
Salaries, wages and related costs	**15,617,179**	12,994,421
Contributions to defined contribution plan	**1,151,023**	1,003,142
Increase in liability for short-term accumulating compensated absences	**36,593**	72,476
	16,804,795	14,070,039

21 FINANCE COSTS

	Group 2021 $	Group 2020 $
Interest expense on lease liabilities	**42,441**	88,513

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22 OTHER EXPENSES

	Note	Group 2021 $	Group 2020 $
Audit fees paid to:			
– auditors of the Company		**201,700**	167,000
– other auditors		**227**	229
Non-audit fees paid to auditors of the Company		**40,738**	48,100
Bad debts written off		**201,918**	299,052
Corporate events		**585,055**	430,701
Directors' fee		**228,000**	228,000
Donation		**–**	121,859
(Gain)/Loss on disposal of plant and equipment		**(114)**	13,376
General office expenses		**337,973**	315,914
Impairment loss on investment in associate		**–**	501,373
Impairment losses recognised on trade and other receivables	27	**867,179**	501,063
Loss on disposal of other investment		**29,410**	–
Marketing expenses		**1,135,418**	1,090,800
Net foreign exchange gain		**11,799**	13,546
Operating lease expenses		**18,730**	19,656
Plant and equipment written off		**17**	217,994
Recruitment expenses		**2,199,971**	887,001
Referral fee expenses		**1,739,609**	1,119,331
Others		**3,055,454**	2,642,359
		10,653,084	8,617,354

23 TAX EXPENSE

	Group 2021 $	Group 2020 $
Current tax expense		
Current year	**13,471,250**	6,012,996
Under/(Over) provision in prior years	**62,756**	(128,684)
Withholding tax	**10,445**	52,092
	13,544,451	5,936,404
Deferred tax expense		
Origination and reversal of temporary differences	**(60,221)**	18,596
Under/(Over) provision in prior years	**60,221**	(25,811)
	–	(7,215)
Total tax expense	**13,544,451**	5,929,189

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	Group 2021 $	Group 2020 $
Reconciliation of effective tax rate		
Profit before tax	**78,669,367**	36,631,856
Tax using Singapore tax rate of 17% (2020: 17%)	**13,373,792**	6,227,416
Non-deductible expenses	**167,399**	275,007
Non-taxable income	**(97,902)**	(306,711)
Tax-exempt income	**(69,700)**	(87,125)
Tax incentives and rebates	**(3,876)**	(75,000)
Over/(Under) provision in prior years		
– current tax	**62,756**	(128,684)
– deferred tax	**60,221**	(25,811)
Withholding tax	**10,445**	52,092
Current year losses for which no deferred tax assets was recognised	**41,316**	–
Others	**–**	(1,995)
	13,544,451	5,929,189

Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following items:

	Group 2021 $	Group 2020 $
Tax losses	**243,035**	–

Deferred tax asset has not been recognised in respect of the above item 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.

24 EARNINGS PER SHARE

Basic earnings per share

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

Profit attributable to ordinary shareholders

	Group 2021 $	Group 2020 $
Profit for the year, attributable to the owners of the Company	**60,028,453**	29,088,620

Weighted average number of ordinary shares

	Group	
	2021 Number of shares	**2020 Number of shares**
At 1 January and 31 December	**370,000,000**	370,000,000

Diluted earnings per share

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares at the end of the financial year.

25 RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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	
	2021	**2020**
	$	**$**
Related corporations		
Administrative support fee income	**(44,305)**	–
Corporate gift income	**(1,197)**	–
Rental fee income	**–**	(320)
Trainer fee expense	**6,447**	4,359
Non-controlling shareholder of a subsidiary		
Commission fee income	**–**	(5,356)
Commission fee expense	**60,524**	9,047
Directors		
Administrative support income	**(5,184)**	(4,320)
Commission fee income	**(41,729)**	(20,800)

Transactions with key management personnel

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

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Key management personnel compensation comprised:

	Group 2021 $	Group 2020 $
Salaries and other short-term employee benefits	**5,676,241**	4,486,956
Post-employment benefits (including contributions to defined contribution plan)	**91,801**	91,426
	5,768,042	4,578,382

26 OPERATING SEGMENTS

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately because they require different marketing strategies. The Group's CEO (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- Agency services — Real estate agency services relate to services rendered in the sale and lease of public and private residential and commercial/industrial properties, including Housing and Development Board flats and executive condominium, private condominiums, landed properties, retail shops, offices and factories.
- Project marketing services — Real estate project marketing services relate to services rendered in the sale of new private residential development projects for third-party property developers in Singapore as well as overseas.
- Administrative support services — Administrative support services relate to use of space and other ancillary services.
- Property management services — Property management services relate mainly to real estate management services rendered to private residential properties.
- 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 certain segments relative to other entities that operate within these industries.

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Information about reportable segments

	Continued operations					Discontinued operation	
	Agency services	Project marketing services	Administrative support services	Training services	Others	Property management services	Total
	$	$	$	$	$	$	$
Group							
2021							
Revenue	919,388,159	435,533,260	3,176,763	1,532,918	66,868,100	177,076	1,426,676,276
Inter-segment revenue	(400,148,297)	–	(1,889,827)	(110,527)	(66,858,845)	–	(469,007,496)
External revenues	519,239,862	435,533,260	1,286,936	1,422,391	9,255	177,076	957,668,780
Finance income	48,295	7,988	–	153	309,242	–	365,678
Depreciation expense	(964,715)	(35,471)	(2,124,151)	(118,708)	(2,876)	(4,369)	(3,250,290)
Amortisation expense	–	–	–	–	(297,485)	–	(297,485)
Finance costs	–	–	(40,888)	(1,553)	–	(82)	(42,523)
Share of loss of associate	(47,303)	–	–	–	–	–	(47,303)
Segment profit before tax	55,188,759	22,255,591	(32,210)	523,070	734,157	19,051	78,688,418
Other material non-cash items:							
– Bad debts written off	201,918	–	–	–	–	–	201,918
– Impairment loss on investment in other investment	29,410	–	–	–	–	–	29,410
– Impairment losses on trade and other receivables	768,254	91,308	1,317	2,220	4,080	–	867,179
– Gain on disposal of plant and equipment	(114)	–	–	–	–	–	(114)
– Net foreign exchange loss	–	11,495	–	–	304	–	11,799
– Plant and equipment written off	17	–	–	–	–	–	17
Reportable segment assets	115,076,999	98,104,977	3,420,120	1,364,660	76,599,681	–	294,566,437
Capital expenditure	502,273	10,812	–	21,443	2,567	–	537,095
Reportable segment liabilities	169,138,626	5,075,126	3,611,812	799,461	3,364,468	–	181,989,493

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	Agency services $	Project marketing services $	Continued operations Administrative support services $	Training services $	Others $	Discontinued operation Property management services $	Total $
Group							
2020							
Revenue	488,971,137	218,697,468	4,032,353	1,305,089	27,922,569	2,172,724	743,101,340
Inter-segment revenue	(197,587,033)	–	(1,886,956)	(71,259)	(27,922,569)	–	(227,467,817)
External revenues	291,384,104	218,697,468	2,145,397	1,233,830	–	2,172,724	515,633,523
Finance income	96,975	35,783	3,204	453	593,340	467	730,222
Depreciation expense	(1,059,585)	(32,328)	(2,456,009)	(135,532)	(1,242)	(21,058)	(3,705,754)
Amortisation expense	–	–	–	–	(30,000)	–	(30,000)
Finance costs	–	–	(87,358)	(1,155)	–	(255)	(88,768)
Share of loss of associate	(72,500)	–	–	–	–	–	(72,500)
Segment profit before tax	25,867,324	8,531,668	794,761	474,570	963,533	525,709	37,157,565
Other material non-cash items:							
– Bad debts written off	228,499	70,553	–	–	–	–	299,052
– Impairment loss on investment in associate	501,373	–	–	–	–	–	501,373
– Impairment losses/(Reversal of impairment losses) on trade and other receivables	565,073	(62,478)	(1,145)	39	(426)	(208)	500,855
– Loss/(gain) on disposal of plant and equipment	13,930	(554)	–	–	–	–	13,376
– Net foreign exchange loss	–	13,546	–	–	–	–	13,546
– Plant and equipment written off	217,994	–	–	–	–	8,880	226,874
Reportable segment assets	85,368,982	47,385,051	3,937,342	1,574,528	53,159,804	1,282,330	192,708,037
Capital expenditure	347,563	40,887	1,008	30,671	3,058	65,327	488,514
Reportable segment liabilities	95,026,332	2,932,050	3,229,685	648,908	2,683,250	600,870	105,121,095

NOTES TO THE FINANCIAL STATEMENTS

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

The information related to the reportable segment revenues, profit or loss, assets and liabilities are disclosed in the table above.

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.

In presenting information on the basis of geographical segments, segment assets are based on the geographical location of the assets.

	Group	
	2021	**2020**
	$	**$**
Singapore	**5,820,237**	5,924,521
Other countries	**361,842**	391,253
	6,182,079	6,315,774

Major customer

There is no single customer who contributed more than 5% of the Group's total revenue.

27 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of 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 risk, and the Group's management of capital.

Risk management framework

The Board of Directors 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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 Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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 amount 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	
	2021	**2020**
	$	**$**
Impairment losses on trade and other receivables	**867,179**	501,063

Trade and other 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.

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, real estate project marketing services and property management 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, ageing profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

NOTES TO THE FINANCIAL STATEMENTS

Exposure to credit risk

The exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date was:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Trade receivables				
– real estate agency services	**63,372,711**	44,157,687	**–**	–
– real estate project marketing services	**79,279,409**	35,136,835	**–**	–
– administrative support services	**15,461**	39,501	**–**	–
– property management services	**–**	260,623	**–**	–
– training services	**2,050**	–	**–**	–
Other receivables and deposits				
– real estate agency services	**714,149**	1,111,448	**–**	–
– real estate project marketing services	**2,623**	1,270	**–**	–
– administrative support services	**–**	4,032	**–**	–
– property management services	**–**	13,294	**–**	–
– training services	**202,508**	85,822	**–**	–
– others	**398,332**	265,148	**6,893,604**	4,925,296
Total gross carrying amount	**143,987,243**	81,075,660	**6,893,604**	4,925,296
Less: Impairment losses	**(1,850,369)**	(1,451,953)	**(4,425)**	(345)
Net carrying amount	**142,136,874**	79,623,707	**6,889,179**	4,924,951

Expected credit loss assessment for trade receivables of real estate agency services

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables of real estate agency services as at 31 December:

	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance Credit-impaired $	Not credit-impaired $	Total $
Group					
31 December 2021					
Past due					
– Past due 1 to 30 days	0.01	**32,535,297**	**–**	**(1,380)**	**(1,380)**
– Past due 31 to 90 days	0.06	**20,176,865**	**–**	**(11,885)**	**(11,885)**
– Past due 91 to 180 days	0.08	**6,193,496**	**–**	**(4,859)**	**(4,859)**
– Past due 181 to 270 days	0.37	**1,763,592**	**–**	**(6,476)**	**(6,476)**
– Past due more than 270 days	0.76	**2,703,461**	**(1,617,171)**	**(8,285)**	**(1,625,456)**
		63,372,711	**(1,617,171)**	**(32,885)**	**(1,650,056)**
31 December 2020					
Past due					
– Past due 1 to 30 days	0.01	24,687,012	–	(2,112)	(2,112)
– Past due 31 to 90 days	0.03	12,506,865	–	(3,655)	(3,655)
– Past due 91 to 180 days	0.17	3,661,464	–	(6,190)	(6,190)
– Past due 181 to 270 days	0.34	1,117,995	–	(3,854)	(3,854)
– Past due more than 270 days	0.33	2,184,351	(1,337,480)	(2,782)	(1,340,262)
		44,157,687	(1,337,480)	(18,593)	(1,356,073)

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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 0.97 (2020: 1.16) for Singapore.

Expected credit loss assessment for trade receivables of real estate project marketing services, administrative support services, property management services and training services

These trade receivables comprise mainly recurring customers. The Group assessed the expected credit loss exposure of these receivables to be insignificant based on the historical default rates, the Group's view of current and future conditions corresponding with default rates pertaining to group of customers. The Group applies the published independent default rate of real estate industry and monitors changes in the default rate by tracking to the published independent research report.

The following table provides information about the exposure to credit risk and ECLs for trade receivables of real estate project marketing services, administrative support services, property management services and training services as at 31 December:

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance		
			Credit-impaired	Not credit-impaired	Total
	%	$	$	$	$
Group					
31 December 2021					
Past due					
– Past due 1 to 30 days	0.13 – 1.14	**36,617,746**	**–**	**(46,031)**	**(46,031)**
– Past due 31 to 90 days	0.13 – 1.14	**25,576,832**	**–**	**(32,118)**	**(32,118)**
– Past due 91 to 180 days	0.13 – 1.14	**12,182,937**	**–**	**(15,298)**	**(15,298)**
– Past due 181 to 270 days	0.13 – 1.14	**4,026,762**	**–**	**(5,050)**	**(5,050)**
– Past due more than 270 days	0.13 – 1.14	**892,643**	**–**	**(1,119)**	**(1,119)**
		79,296,920	**–**	**(99,616)**	**(99,616)**
31 December 2020					
Not past due	0.01 – 0.13	194,350	–	(252)	(252)
Past due					
- Past due 1 to 30 days	0.01 – 0.13	18,927,486	–	(2,729)	(2,729)
- Past due 31 to 90 days	0.01 – 0.13	9,234,701	–	(1,410)	(1,410)
- Past due 91 to 180 days	0.01 – 0.13	5,123,422	–	(744)	(744)
- Past due 181 to 270 days	0.01 – 0.13	1,611,628	–	(231)	(231)
- Past due more than 270 days	0.01 – 0.13	345,372	(3,082)	(49)	(3,131)
		35,436,959	(3,082)	(5,415)	(8,497)

Expected credit loss assessment for other receivables and deposits

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

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	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance Credit-impaired $	Not credit-impaired $	Total $
Group					
31 December 2021					
Not past due					
Other receivables and deposits	1.14	**1,317,612**	**(85,325)**	**(15,372)**	**(100,697)**
		1,317,612	**(85,325)**	**(15,372)**	**(100,697)**
31 December 2020					
Not past due					
Other receivables and deposits	0.13	1,481,014	(85,325)	(2,058)	(87,383)
		1,481,014	(85,325)	(2,058)	(87,383)
Company					
31 December 2021					
Not past due					
Other receivables and deposits	1.14	**388,166**	**–**	**(4,425)**	**(4,425)**
Subsidiaries	0.00	**6,505,438**	**–**	**–**	**–**
		6,893,604	**–**	**(4,425)**	**(4,425)**
31 December 2020					
Not past due					
Other receivables and deposits	0.13	4,407,693	–	(345)	(345)
Dividend receivable from a subsidiary	0.00	517,603	–	–	–
		4,925,296	–	(345)	(345)

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

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
At 1 January	**1,451,953**	1,311,490	**345**	13,953
Impairment loss recognised	**867,179**	500,855	**4,080**	(13,608)
Amounts written off against receivables	**(468,407)**	(360,392)	**–**	–
Disposal of discontinued operation	**(356)**	–	**–**	–
At 31 December	**1,850,369**	1,451,953	**4,425**	345

Cash and cash equivalents

The Group and the Company held cash and cash equivalents at 31 December 2021. The cash and cash equivalents are held with bank and financial institution counterparties, which are regulated.

The Group and the Company assessed the impairment on cash and cash equivalents based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Based on the assessment, the Group and the Company considered that the amount of the allowance on cash and cash equivalents was negligible.

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 approach to 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.

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		
	Carrying amount $	**Total $**	**Within 1 year $**	**Within 1 to 5 years $**
Group				
31 December 2021				
Trade and other payables*	**163,951,375**	**(163,951,375)**	**(163,951,375)**	**–**
Lease liabilities	**2,908,033**	**(2,937,800)**	**(1,618,000)**	**(1,319,800)**
	166,859,408	**(166,889,175)**	**(165,569,375)**	**(1,319,800)**
31 December 2020				
Trade and other payables*	93,930,346	(93,930,346)	(93,930,346)	–
Lease liabilities	3,194,546	(3,245,600)	(2,191,600)	(1,054,000)
	97,124,892	(97,175,946)	(96,121,946)	(1,054,000)
Company				
31 December 2021				
Trade and other payables*	**3,008,548**	**(3,008,548)**	**(3,008,548)**	**–**
31 December 2020				
Trade and other payables*	2,389,807	(2,389,807)	(2,389,807)	–

* Excludes liability for short-term accumulating compensated absence.

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.

Foreign currency risk

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

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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 of Directors 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 statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

The Group's net debt to equity ratio at the reporting date was as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Lease liabilities	**2,908,033**	3,194,546	**–**	–
Other liabilities	**179,081,459**	101,926,549	**3,293,776**	2,683,591
Total liabilities	**181,989,492**	105,121,095	**3,293,776**	2,683,591
Less: Cash and cash equivalents	**(145,645,922)**	(105,801,457)	**(75,183,961)**	(52,731,103)
Net debt/(cash)	**36,343,570**	(680,362)	**(71,890,185)**	(50,047,512)
Total equity	**112,576,944**	87,586,942	**96,477,729**	73,234,526
Net debt to equity ratio	**0.32**	N/A	**N/A**	N/A

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

		Carrying amount				Fair value
	Note	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 3
		$	$	$	$	$
Group						
31 December 2021						
Financial assets measured at fair value						
Equity investments – at FVOCI	9	**361,842**	**–**	**–**	**361,842**	**361,842**
Financial assets not measured at fair value						
Trade and other receivables*	11	**–**	**142,136,874**	**–**	**142,136,874**	
Cash and cash equivalents	12	**–**	**145,645,922**	**–**	**145,645,922**	
		–	**287,782,796**	**–**	**287,782,796**	

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	Note	Carrying amount FVOCI – equity instruments $	Financial assets at amortised cost $	Other financial liabilities $	Total $	Fair value Level 3 $
Group						
31 December 2021						
Finance liabilities not measured at fair value						
Trade and other payables^	15	**–**	**–**	**(163,951,375)**	**(163,951,375)**	
Lease liabilities	5	**–**	**–**	**(2,908,033)**	**(2,908,033)**	
		–	**–**	**(166,859,408)**	**(166,859,408)**	
31 December 2020						
Financial assets measured at fair value						
Equity investments – at FVOCI	9	391,253	–	–	391,253	391,253
Financial assets not measured at fair value						
Trade and other receivables*	11	–	79,623,707	–	79,623,707	
Cash and cash equivalents	12	–	105,801,457	–	105,801,457	
		–	185,425,164	–	185,425,164	
Finance liabilities not measured at fair value						
Trade and other payables^	15	–	–	(93,930,346)	(93,930,346)	
Lease liabilities	5	–	–	(3,194,546)	(3,194,546)	
		–	–	(97,124,892)	(97,124,892)	
Company						
31 December 2021						
Financial assets not measured at fair value						
Trade and other receivables*	11	**–**	**6,889,179**	**–**	**6,889,179**	
Cash and cash equivalents	12	**–**	**75,183,961**	**–**	**75,183,961**	
		–	**82,073,140**	**–**	**82,073,140**	
Finance liabilities not measured at fair value						
Trade and other payables^	15	**–**	**–**	**(3,008,548)**	**(3,008,548)**	
31 December 2020						
Financial assets not measured at fair value						
Trade and other receivables*	11	–	4,924,951	–	4,924,951	
Cash and cash equivalents	12	–	52,731,103	–	52,731,103	
		–	57,656,054	–	57,656,054	
Finance liabilities not measured at fair value						
Trade and other payables^	15	–	–	(2,389,807)	(2,389,807)	

* Excludes prepayments.

^ Excludes liability for short-term accumulating compensated absence.

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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.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2021			
Equity 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.
2020			
Equity investments – at FVOCI	Discounting cash flows	Discount rates: 10%	The estimated fair value would increase/(decrease) if the discount rate were lower/(higher)
	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.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Note	Group 2021 $	2020 $
At 1 January		**391,253**	392,737
Reclassified to associates	8	**–**	(16,000)
Additions		**–**	14,516
Disposal		**(29,411)**	–
At 31 December		**361,842**	391,253

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28 SUBSEQUENT EVENT

The Russia's invasion of Ukraine on 24 February 2022 and the resulting implementation of economic sanctions by multiple jurisdictions have triggered disruptions and uncertainties in the financial markets and the global economy. The increased geopolitical tensions are set to exacerbate concerns over inflation, supply chain bottlenecks, increase in raw material prices and unavailability of raw materials, among others. While the Group does not have any operations in Ukraine, Russia and Belarus, the events, as well as the potential counter sanctions and other measures that may be taken by Russia, have created a high level of uncertainty to near-term global economic prospects and may impact the Group's financial performance and financial position subsequent to the financial year end, the extent of which will depend on how the Russia-Ukraine conflict evolves. The Group is closely monitoring the impact of the developments on the Group's businesses.

SHAREHOLDING STATISTICS

AS AT 15 MARCH 2022

Issued and paid-up share capital	:	SGD58,983,167.00
Number of issued and paid-up shares excluding treasury shares and subsidiary holdings	:	370,000,000
Class of share	:	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	1	0.04	86	0.00
100 – 1,000	423	18.45	321,600	0.09
1,001 – 10,000	1,361	59.36	6,677,630	1.80
10,001 – 1,000,000	499	21.76	26,817,553	7.25
1,000,001 AND ABOVE	9	0.39	336,183,131	90.86
TOTAL	**2,293**	**100.00**	**370,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	UOB KAY HIAN PTE LTD	248,699,179	67.22
2	RAFFLES NOMINEES (PTE) LIMITED	37,950,690	10.26
3	CITIBANK NOMINEES SINGAPORE PTE LTD	23,925,422	6.47
4	DBS NOMINEES PTE LTD	19,109,600	5.16
5	IFAST FINANCIAL PTE LTD	1,738,100	0.47
6	PHILLIP SECURITIES PTE LTD	1,518,984	0.41
7	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,134,200	0.31
8	HSBC (SINGAPORE) NOMINEES PTE LTD	1,087,356	0.29
9	SRI PTE LTD	1,019,600	0.28
10	ONG WAI MENG	940,000	0.25
11	CHIA CHIOW KUAN	928,800	0.25
12	OCBC SECURITIES PRIVATE LTD	790,000	0.21
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	671,000	0.18
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	541,600	0.15
15	OCBC NOMINEES SINGAPORE PTE LTD	535,100	0.14
16	DBSN SERVICES PTE LTD	508,139	0.14
17	NISHALANI WONG HUI	500,000	0.14
18	WANG TONG PENG @WANG TONG PANG	440,500	0.12
19	CHOW MEI LIN	440,000	0.12
20	HO YAT WAI (HE YIWEI)	434,800	0.12
	TOTAL	**342,913,070**	**92.69**

SHAREHOLDING STATISTICS

AS AT 15 MARCH 2022

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2022

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
P & N Holdings Pte. Ltd.	–	–	205,844,129[1]	55.63
Mohamed Ismail s/o Abdul Gafoore	–	–	240,220,779[2]	64.92
Lim Tow Huat	–	–	222,384,950[3]	60.10
Kelvin Fong Keng Seong	–	–	31,834,400[4]	8.60

Notes:–

1. The shares are held by P & N through its nominee account maintained with UOB Kay Hian Private Limited ("**UOB Kay Hian**").
2. The deemed interest in 240,220,779 shares includes:–
   (a) 205,844,129 shares held by P&N (62% owned by Mr Ismail Gafoore); and
   (b) 34,376,650 shares held by him through the nominee accounts maintained with UOB Kay Hian.
3. The deemed interest in 222,384,950 shares includes:–
   (a) 205,844,129 shares held by P&N (38% owned by Mr Lim); and
   (b) 16,540,821 shares held by him through the nominee accounts maintained with Raffles Nominees (Pte) Limited.
4. The deemed interest in 31,834,400 shares includes:–
   (a) 31,734,400 shares held by him through the nominee accounts maintained with Citibank Nominees Singapore Pte Ltd and DBS Nominees Pte Ltd; and
   (b) 100,000 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 15 March 2022, approximately 20.33% 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.

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 2021:

	Mohamed Ismail s/o Abdul Gafoore	**Ahmad Bin Mohamed Magad**
Date of Appointment	10 January 2018	13 June 2018
Date of last re-appointment	26 June 2020	25 April 2019
Age	58	69
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment	The re-election of Mr Ismail Gafoore 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 Dr Ahmad Magad 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. He is the Chairman of the Board and as CEO, he is responsible for the Group's strategic direction and oversees business operations of the Group as a whole including functions such as compliance, finance, human resources, legal, marketing, operations, sales and information technology.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Lead Independent Director, Chairman of Remuneration Committee, Member of Audit Committee and Nominating Committee
Professional Qualifications	Bachelor Degree in Land Economics and an IBMEC higher diploma in Real Estate & Property Management from the University of Technology, Sydney	• Doctorate in Business Administration from Brunel University (UK) • Masters of Business Administration from Henley Management College/Brunel University (UK) • Advanced Post-Graduate Diploma in Management Consultancy (UK) • Inginieur Grad. (Graduate Engineer) in Optical Engineering from Fach Hochschule Aalen (Germany) • Fellow Member of Certified Public Accountant (Australia) • Fellow Member of Chartered Institute of Marketing (UK) • Fellow Member of Singapore Institute of Directors

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mohamed Ismail s/o Abdul Gafoore	Ahmad Bin Mohamed Magad
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	He is a Director and shareholder (62% interest) of P & N Holdings Pte. Ltd. (substantial shareholder of the Company)	None
Conflict of interests (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Mr. Ismail Gafoore 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, he has an intimate understanding of the industry.	Dr Ahmad Magad served as the Chairman of each of the Government Parliamentary Committees for Finance and Trade and Industry, Manpower and Education at various stages of his tenure as a Member of Parliament. He has also sat on the board of various Government statutory boards such as the Public Utilities Board, the Energy Market Authority, the Institute of Technical Education and the Accounting and Corporate Regulatory Authority of Singapore. Dr Ahmad Magad was the group Managing Director of II-VI Singapore Pte. Ltd. and its group of companies and retired in August 2018. Subsequently, he was the Secretary General of the Singapore Manufacturing Federation until September 2020 before he joined the Management Development Institute of Singapore as its Executive Director which he left in 2021. He is currently the Principal Consultant of Dynavision Advisory.
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: 240,220,779 ordinary shares representing 64.92% interest in PropNex Limited	60,000 ordinary shares representing 0.02% interest in PropNex Limited

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	Mohamed Ismail s/o Abdul Gafoore	**Ahmad Bin Mohamed Magad**
Other Principal Commitments Including Directorships: Past (for the last 5 years)	 Directorships: • PropNex Property Management Consultants Pte. Ltd. • Singbuilders Development Pte. Ltd. • Singbuilders Pte. Ltd. • P & N Development Private Limited Other Principal Commitment: Nil	 Directorships: • II-VI Photop Technologies Holding Pte. Ltd. • II-VI Singapore Pte Ltd • II-VI Optics Suzhou Co Ltd. • Sense College Pte. Ltd. • Mendaki Social Enterprise Network Singapore Pte. Ltd. • Singapore Productivity Centre Pte. Ltd. • Singapore Innovation and Productivity Institute Pte. Ltd. • Singapore PMC Certification Pte. Ltd. • SME Centre @ SMF Pte. Ltd. • SMF Centre for Corporate Leaning Pte. Ltd. • SMF Institute of Higher Learning Pte. Ltd. • SMF Biz Search Pte. Ltd. Other Principal Commitment: • Singapore Manufacturing Federation • Management Development Institute of Singapore
Present	Directorships: • PropNex Realty Pte. Ltd. • PropNex International Pte Ltd. • PropNex Grandeur Homes Pte. Ltd. • Life Mastery Academy Pte. Ltd. • Soreal Prop 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. Other Principal Commitment: Nil	Directorships: • Second Chance Properties Ltd • Singapore Environment Council • Stroke Support Station (S3) Other Principal Commitment: • Dynavision Advisory

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mohamed Ismail s/o Abdul Gafoore	Ahmad Bin Mohamed Magad
(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**

	Mohamed Ismail s/o Abdul Gafoore	**Ahmad Bin Mohamed Magad**
(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

	Mohamed Ismail s/o Abdul Gafoore	Ahmad Bin Mohamed Magad
(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**

	Mohamed Ismail s/o Abdul Gafoore	Ahmad Bin Mohamed Magad
(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 Mohamed Ismail s/o Abdul Gafoore was asked, in 2017, by the Criminal Investigation Department ("CID") to assist in its investigation in relation to the suspected leakage of official secrets. He was not a subject of the investigation. Since then, Ismail was not contacted by CID to provide any further assistance on this matter.	No

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of PropNex Limited will be held by way of electronic means on Monday, 25 April 2022 at 10.00 a.m. (Singapore time) to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2021 and the Directors' Statement and Auditor's Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 7.00 Singapore cents per ordinary share for the year ended 31 December 2021. **(Resolution 2)**

3. To approve the Directors' Fees of up to S$228,000 for the financial year ending 31 December 2022, payable half-yearly in arrears (2021: S$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) Mohamed Ismail s/o Abdul Gafoore **(Resolution 4)**

   (b) Ahmad Bin Mohamed Magad **(Resolution 5)**

5. To re-appoint Messrs KPMG LLP as Auditor of the Company and to authorise the Directors to fix its 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

   (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);

NOTICE OF ANNUAL GENERAL MEETING

(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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

7. **Renewal of Share Buy-Back Mandate** **(Resolution 8)**

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 "**Act**") and Part XIII of Chapter 8 of the Listing Manual of the SGX-ST, to purchase or otherwise acquire Shares ("**Share Buy-Back Mandate**") 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 transacted on the SGX-ST through the SGX-ST trading system or as the case may be, any other securities exchange on which the ordinary shares may, for the time being, be listed and quoted ("**Market Purchases**"); and/or

(ii) off-market purchases in accordance with any equal access scheme(s) as defined in Section 76C of the 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;

NOTICE OF
ANNUAL GENERAL MEETING

(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 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 annual general meeting 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 Company 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

(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:

"Maximum Limit" means the number of Shares representing ten percent (10%) of the total issued ordinary share capital (excluding treasury shares and subsidiary holdings, if any) of the Company ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act;

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, 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; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price; and

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, as 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.

BY ORDER OF THE BOARD

Kong Wei Fung
Company Secretary
Singapore, 4 April 2022

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory notes:

Resolution 2 – is to approve the final dividend. The Share Transfer Books and Register of Members of the Company will be closed on 10 May 2022 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 10 May 2022 will be entitled to the final dividend. If approved at the AGM, the final dividend will be paid on 20 May 2022.

Resolution 3 – the proposed resolution 3, if passed, will facilitate the payment of Directors' fees during the financial year ending 31 December 2022, in which the fees are incurred. Remuneration framework for the non-executive directors remains unchanged from the framework for the financial year ended 31 December 2021. 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, remain as Chairman of the Board and Chief Executive Officer.

Resolution 5 – Dr Ahmad Bin Mohamed Magad will, upon re-election, remain as Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. The Board considers Dr Ahmad Bin Mohamed Magad to be independent for the purpose of Rule 704(8) of the Listing Rule.

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 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 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM to repurchase ordinary shares of 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, if any) in the share capital of the Company at the Maximum Price. Information relating to this proposed Resolution is set out in the Appendix dated 4 April 2022 to this notice.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL https://investor.propnex.com/ and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast ("Live Webcast") or "live" audio-only stream ("Live Audio Stream")), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 4 April 2022 ("AGM Alternative Arrangements Announcement"). The AGM Alternative Arrangements Announcement, this Notice of AGM, proxy form, Annual Report and the Appendix to the Notice of AGM have been made available on the Company's website at the URL https://investor.propnex.com/ and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. The proceedings of the AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through Supplementary Retirement Scheme ("SRS") who wish to follow the proceedings through a Live Webcast via their mobile phones, tablets or computers or listen to the proceedings through a Live Audio Stream must pre-register at the URL https://conveneagm.sg/PropNex2022 no later than 10 a.m. on 22 April 2022 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the Live Webcast and Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and SRS investors. Members and SRS investors who do not receive any email response by 12 p.m. on 23 April 2022, but have registered by the Registration Cut-Off Time, should contact the Company's investor relations via email at carolyn@propnex.com for assistance.

NOTICE OF ANNUAL GENERAL MEETING

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than SRS investors) will not be able to pre-register at the URL https://conveneagm.sg/PropNex2022 for the "live" broadcast of the AGM. An Investor (other than SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com no later than 10 a.m. on 22 April 2022.

4. **Due to the current Covid-19 situation and the Company's effort to minimise physical interactions and Covid-19 transmission risk to minimum, the AGM will be held by way of electronic means and members will NOT be able to attend the AGM in person. A member (whether individual or corporate) will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

7. The instrument appointing the Chairman of the AGM as proxy 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 80 Robinson Road, #11-02, Singapore 068898; 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 22 April 2022 (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email**.

8. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

9. Where the instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of AGM as proxy, failing which the instrument may be treated as invalid.

10. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register, as at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

11. Members and Investors will not be able to ask questions "live" during the broadcast of the AGM. All members and SRS investors may submit questions relating to the business of the AGM no later than 5 p.m. on 14 April 2022:

    (a) via URL at https://conveneagm.sg/PropNex2022; or

    (b) by email to the Company's investor relations' email at carolyn@propnex.com.

    All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received in advance of the AGM, will be addressed and published by 19 April 2022 via SGXNet and at the Company's website at https://investor.propnex.com/. This is to allow Members sufficient time and opportunity to consider the Company's responses before the deadline for the submission of proxy form, which is 10 a.m., on 22 April 2022. Substantial and relevant questions which are submitted after 5 p.m. on 14 April 2022 will be consolidated and addressed at the AGM. Investors (other than SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. 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.

NOTICE OF
ANNUAL GENERAL MEETING

Personal data privacy

By (a) submitting a proxy form appointing the Chairman of the AGM to vote at the AGM and/or any adjournment thereof or (b) submitting any question prior to the AGM or (c) submitting the pre-registration form in accordance with this Notice, a member of the Company (i) 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; and (ii) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of (collectively, the "**Purposes**"):

i. the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);

ii. processing the pre-registration forms for purposes of granting access to members for the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, where necessary;

iii. addressing selected substantive questions from members received prior, or at the AGM;

iv. the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

v. enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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PROPNEX LIMITED

Company Registration No. 201801373N
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the Notice of AGM and the accompanying Company's announcement dated 4 April 2022 ("AGM Alternative Arrangements Announcement").
3. The AGM Alternative Arrangements Announcement, the Notice of AGM and this proxy form have been made available on Company website at the URL https://investor.propnex.com and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM and this form of proxy will not be sent to members.
4. As the AGM is held by way of electronic means, Member will NOT be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.
5. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the AGM.

I/We, ______________________________ (name and NRIC/Passport/Company Registration No.)

of ______________________________ (address) being a member/members of **PropNex Limited** (the "**Company**"), hereby appoint 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 by way of electronic means on Monday, 25 April 2022 at 10.00 a.m. (Singapore Time) and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder.

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 2022			
4.	Re-election of Mohamed Ismail s/o Abdul Gafoore as Director			
5.	Re-election of Ahmad Bin Mohamed Magad as Director			
6.	Re-appointment of Messrs KPMG LLP as Auditor and authorisation to Directors to fix its remuneration			
Special Business				
7.	Authority to allot and issue Shares			
8.	Renewal of Share Buy-Back Mandate			

Notes:

* Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" the relevant resolution, please indicate with "X" within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the AGM as your proxy 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 votes that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain" box for a particular resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ________ day of ________________ 2022

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 instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **Due to current Covid-19 situation and the Company's effort to minimise physical interactions and Covid-19 transmission risk to minimum, the AGM will be held by way of electronic means and members will NOT be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. Printed copies of the Notice of AGM and this proxy form will not be sent to members.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy 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 80 Robinson Road, #11-02, Singapore 068898; 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 22 April 2022 (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

   A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email**.

5. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer or in such manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.

6. Where the instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of AGM as proxy, failing which the instrument may be treated as invalid.

7. For 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. SRS investors who wishes to vote should instead approach their respective SRS Operators to submit their voting instructions by 5.00 p.m. on 12 April 2022 being seven (7) working days before the AGM.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy). 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 appointing the Chairman of the AGM as proxy lodged if such members are not shown to have Shares as entered against his/her name in the Depository Register at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2022.


10 Millionaires
Congratulations


PropNex Cares

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Service You Trust
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