

PROPnex LIMITED
(the “**Company**”)
Company Registration No. 201801373N
(Incorporated in the Republic of Singapore)

Minutes of the Annual General Meeting of the Company (“AGM” or “Meeting”)

Date : Friday, 26 June 2020
Time : 10.00 a.m.
Place : by way of electronic means
Present : As per the webcast attendees report
(due to the restriction on the use of personal data pursuant to the provision of the Personal Data Protection Act 2012, the names of the attendees of this Meeting will not be published in this minutes)
Chairman : Mohamed Ismail S/O Abdul Gafoore (“**Mr Ismail Gafoore**”)

1. WELCOMING ADDRESS

1.1. The Executive Chairman of the Board of Directors (the “**Board**”), Mr Ismail Gafoore (the “**Chairman**”), chaired the Meeting. On behalf of the Board, the Chairman welcomed the attendees who had joined the virtual AGM.

2. QUORUM

2.1. The Chairman acknowledged and thanked the shareholders who had registered and attended this virtual AGM by either watching or listening to the proceedings through “live” webcast (“**Live Webcast**”).

2.2. There being a quorum, the Chairman called the AGM to order.

2.3. The Chairman introduced his fellow Board members (Dr Ahmad Bin Mohamed Magad (“**Dr Magad**”), Mr Kan Yut Keong, Mr Low Wee Siong and Mr Kelvin Fong) and Chief Financial Officer (“**CFO**”) (Mr Cheong Yew Meng), who attended the Meeting remotely by electronic means. He added that the Company’s key management, auditor, KPMG LLP, and Company Secretary had also joined this Meeting electronically.

3. NOTICE OF MEETING

3.1. With the concurrence of the Meeting, the notice convening the AGM dated 4 June 2020 (“**Notice**”) published on the SGXNet and the Company’s corporate website on 4 June 2020, was taken as read.

3.2. The Chairman reiterated that shareholders would not be able to vote online on the resolutions tabled for approval at the AGM but could exercise their voting rights at the AGM by appointing the Chairman of the meeting as their proxy. As shareholders had appointed Chairman as their proxy to vote on their behalf, he would vote in accordance with their instructions. He then demanded all proposed resolutions detailed in the Notice be voted by way of poll.

3.3. The Chairman further informed the Meeting that (a) Entrust Advisory Pte. Ltd. and Tricor Singapore Pte Ltd were appointed as Scrutineer and Polling Agent respectively; and (b) the Polling Agent had counted the proxy votes received as at the cut-off date and the Scrutineer had verified the results of the proxy voting and prepared a report on the poll results. The poll results would be announced immediately after each motion had been formally proposed.

4. CORPORATE PRESENTATION

- 4.1. Chairman invited CFO to present on financial highlights, while he followed up with presentation on business updates of PropNex Group. The presentation slides are annexed to these minutes as Appendix 1. Key points are set out below:

Financial highlights

- Total dividend payout for financial year ended 31 December 2019 (“FY2019”) of 3.5 cents per share (interim dividend of 1.25 cents per share, final dividend of 1.50 cents and special dividend of 0.75 cents per share).
- PropNex achieved revenue of approximately S\$419.8 million with net profit after tax of approximately S\$21.1 million in FY2019. PropNex maintained status as Singapore’s No. 1 listed real estate agency.
- Healthy cash balance of S\$81.5 million as at 31 December 2019.
- Income Statement (4Q2019 versus 4Q2018 and FY2019 versus FY2018) with highlights on (a) staff costs maintained within S\$12 million to \$13 million in FY2018 and FY2019; (b) higher expenses in FY2019 due to the amortisation of renovation costs incurred towards FY2018; (c) the increase in the allowance for impairment loss for trade receivables is mainly due to the increase in credit impaired receivables from real estate agency services pertain to resale transactions. The Group has a dedicated department to follow up on long outstanding receivables.
- Overview of first quarter 2020 results ended 31 March 2020 (“1Q2020”): (a) PropNex achieved revenue of approximately S\$135.6 million with net profit after tax of approximately S\$8.2 million; (b) strong cash balance of S\$89.8 million as at 31 March 2020; and (c) leveraged on innovation and technology to support the engagement between salesperson and customers.
- 1Q2020 Income Statements (1Q2020 versus 1Q2019), Group Revenue, Group Profits, Net Profit and Revenue Breakdowns.

The corporate presentation slides had been uploaded on SGXNET on 26 June 2020 for shareholders’ reference.

Business updates

- The Chairman, Mr Ismail Gafore, shared with shareholders on PropNex’s market share on HDB Resale, Private Resale, New Launches, Private Leasing in 2019 and 1Q2020.
- Total transactional volume in FY2020 for Private Residential Market was expected to be impacted. Nevertheless, PropNex remained confident in its presence and strong market share. Total no. of HDB resale units transacted in 1Q2020 was 5,893, the highest compared to corresponding quarter of previous financial years mainly due to the introduction of Enhanced CPF Housing Grant with broader guidelines, and that had increased the affordability of homes for first time buyers.
- For Project Marketing, PropNex had been appointed as joint marketing agency for a total 47 launched projects with total units of 14,579 in 2019 and additional 12 projects with total units of 3,786 in 1Q2020.
- PropNex took the lead in Project Marketing as it had sold the most number of units amongst joint marketing agencies in the top 10 best-selling projects of 1Q2020 as listed on slide 26.
- A line-up of total 30 projects (from second quarter 2020 onwards) with approximately 10,000 units had been earmarked for launches for 2020/2021. PropNex Group had been appointed as joint marketing agency for 16 projects with an estimated 6,980 units as at 8 May 2020 and PropNex expected more appointments in the remaining of 2020 as some were already in negotiation with developers.
- PropNex’s salespersons had grown by 16.1% from 1 January 2019 and key reasons of the increase were mainly attributed to PropNex’s culture of sharing and its effective training and IT platforms. As at 14 June 2020, the Group had 8,595 salespersons based on the information of the Council for Estate Agencies.

- PropNex Consumer Seminars and trainings and developments for PropNex's salespersons before the Circuit Breaker measures such as Jumpstart 2020 and PropNex Lux Team (team that focused on luxury properties) Kickoff Training.
- Online webinar trainings and consumer events after the announcement on Circuit Breaker such as Power Sales & Action Booster.
- Sales performance of New Launches during and post Circuit Breaker for period from 6 April to 21 June 2020 of which Propnex had transacted a total 660 units, representing market share of 56.2% for its appointed 63 active projects.
- Amidst the current challenging economic conditions, with the support from PropNex of its trainings, technology platform and culture of sharing, its salespersons and customers that viewed the current market situation as an opportunity and had taken action especially when the developers were pricing their projects sensitively and when the interest rates were low.

5. QUESTIONS AND ANSWERS

- 5.1. After the corporate representation, the Chairman informed that the Company's responses to the questions from shareholders and Securities Investors Association (Singapore) (SIAS) received prior to this AGM had been uploaded on the SGXNet on 24 June 2020 and made available on the Company's corporate website as well. The Company's responses are annexed to these minutes as Appendix 2.
- 5.2. The Chairman then proceeded with the items on the Agenda

ORDINARY BUSINESS**6. ORDINARY RESOLUTION 1: DIRECTORS' STATEMENT, AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS**

- 6.1. The first item on the Agenda was to receive and adopt the Audited Financial Statements for FY2019 together with the Directors' Statement and the Auditor's Report thereon.
- 6.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

- 6.3. Accordingly, the Chairman declared Ordinary Resolution 1 carried.
- 6.4. It was **RESOLVED** that the Audited Financial Statements of the Company for the financial year ended 31 December 2019 and the Directors' Statement together with the Auditor's Report be received and adopted.

7. ORDINARY RESOLUTION 2: DECLARATION OF FINAL AND SPECIAL DIVIDENDS

- 7.1. The second item on the Agenda was to approve the declaration of final dividend and special dividend for FY2019.
- 7.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

7.3.

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

7.4. Accordingly, the Chairman declared Ordinary Resolution 2 carried.

7.5. It was **RESOLVED** that the declaration of a final one-tier tax exempt dividend of 1.5 Singapore cents per ordinary share and a special one-tier tax exempt dividend of 0.75 Singapore cents per ordinary share for the year ended 31 December 2019 be hereby approved.

**8. ORDINARY RESOLUTION 3:
DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 31 DECEMBER 2020 ("FY2020")**

8.1. The Meeting was explained that this Agenda item was to approve the payment of Directors' fees for FY2020, payable half-yearly in arrears.

8.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

8.3. Accordingly, the Chairman declared Ordinary Resolution 3 carried.

8.4. It was **RESOLVED** that the Directors' fees of S\$228,000 for the financial year ending 31 December 2020 payable half-yearly in arrears be approved.

**9. ORDINARY RESOLUTION 4:
RE-ELECTION OF ISMAIL GAFOORE**

9.1. The Chair of the Meeting to conduct proceedings for item no. 4(a) relating to the re-election of Mr Ismail Gafoore as Director was passed to Dr Magad, Lead Independent Director of the Company.

9.2. Dr Magad explained that Mr Ismail Gafoore was retiring by rotation pursuant to Regulation 117 of the Company's Constitution and he being eligible, had consented to continue in office.

9.3. Dr Magad proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

9.4. Accordingly, Dr Magad declared Ordinary Resolution 4 carried.

9.5. It was **RESOLVED** that Mohamed Ismail S/O Abdul Gafoore be re-elected as Director of the Company. The Chair of the Meeting was then passed back to Chairman.

**10. ORDINARY RESOLUTION 5:
RE-ELECTION OF LOW WEE SIONG**

10.1. The Chairman explained that Mr Low Wee Siong (a) was retiring by rotation pursuant to Regulation 117 of the Company's Constitution and he being eligible, had offered himself for re-election; and (b) will remain as Chairman of the Nominating Committee and member of Audit and Remuneration Committees upon his re-election as Director.

10.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

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	No. of votes	Percentage
For	315,917,700	99.93%
Against	214,600	0.07%

10.3. Accordingly, the Chairman declared Ordinary Resolution 5 carried.

10.4. It was **RESOLVED** that Low Wee Siong be re-elected as Director of the Company.

**11. ORDINARY RESOLUTION 6:
RE-APPOINTMENT OF AUDITORS**

11.1. The retiring auditors, KPMG LLP had indicated their willingness to accept re-appointment as auditors of the Company.

11.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

11.3. Accordingly, the Chairman declared Ordinary Resolution 6 carried.

11.4. It was **RESOLVED** that Messrs KPMG LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

SPECIAL BUSINESS

**12. ORDINARY RESOLUTION 7:
AUTHORITY TO ALLOT AND ISSUE SHARES**

12.1. The Meeting ensued with the deliberation on special business of the Agenda. The Chairman explained that proposed resolution 7 was to seek shareholders' approval to authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act (Chapter 50) and the provision of the Listing Manual of the SGX-ST. The full text of proposed resolution 7 was set out in the Notice.

12.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	299,301,400	94.68%
Against	16,830,900	5.32%

12.3. Accordingly, the Chairman declared Ordinary Resolution 7 carried.

12.4. It was **RESOLVED** 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);
- (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 subparagraph (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 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 (Chapter 50) 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.

**13. ORDINARY RESOLUTION 8:
AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE PROPnex EMPLOYEE
SHARE OPTION SCHEME**

13.1. The Chairman explained that proposed resolution 8 was to seek shareholders' approval to authorise Directors to offer and grant options, and to allot and issue such number of shares in accordance with the rules of the PropNex Employee Share Option Scheme. The full text of proposed resolution 8 was set out in the Notice.

13.2. The Chairman proposed the following motion:

“that authority be and is hereby given to the Directors to offer and grant options (“**Options**”) in accordance with the rules of the PropNex Employee Share Option Scheme (“**Scheme**”), and to allot and issue from time to time such number of ordinary shares as may be required to be issued pursuant to the exercise of Options granted by the Company under the Scheme, provided always that the aggregate number of ordinary shares to be allotted and issued pursuant to the Scheme, the PropNex Performance Share Plan and any other share based schemes (if applicable) shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company’s next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

13.3. The Chairman informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	8,918,800	28.44%
Against	22,439,600	71.56%

13.4. Accordingly, the Chairman declared Ordinary Resolution 8 not carried.

**14. ORDINARY RESOLUTION 9:
AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE PROPnex PERFORMANCE
SHARE PLAN**

14.1. The Meeting was explained that proposed resolution 9 was to seek shareholders' approval to offer and grant awards, and to allot and issue such number of shares in accordance with the provisions of the PropNex Performance Share Plan.

14.2. The Chairman proposed the following motion:

“that authority be and is hereby given to the Directors to offer and grant awards (“**Awards**”) in accordance with the provisions of the PropNex Performance Share Plan (“**Plan**”), and to allot and issue from time to time such number of ordinary shares as may be required to be issued pursuant to the vesting of the Awards granted under the Plan, provided always that the aggregate number of new ordinary shares to be allotted and issued pursuant to the Plan, the PropNex Employee Share Option Scheme and any other share based schemes (if applicable) shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company’s next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

- 14.3. The Chairman informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	8,918,800	28.44%
Against	22,439,600	71.56%

- 14.4. Accordingly, the Chairman declared Ordinary Resolution 9 not carried.

**15. ORDINARY RESOLUTION 10:
RENEWAL OF SHARE PURCHASE MANDATE**

- 15.1. The last item on the Agenda was to seek shareholders' approval for the proposed renewal of Share Purchase Mandate. The rationale and pertinent information relating to the proposed renewal Share Purchase Mandate have been set out in the Appendix to the Notice.

- 15.2. The Chairman proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	316,132,300	100%
Against	0	0%

- 15.3. Accordingly, the Chairman declared Ordinary Resolution 10 carried.

- 15.4. It was **RESOLVED** that:

- (a) authority be and is hereby given to the Directors, in accordance with Section 76C and 76E of the Companies Act of Singapore (the "**Companies 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 ("**Market Purchase**") transacted on the SGX-ST through the ready market through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases ("**Off-Market Purchase**") in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST;

and in accordance with all applicable laws, regulations and rules;

- (b) any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and during the period commencing from the passing of this resolution and expiring on the earliest of:

- (i) the date on which the next 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;
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;
- (d) the Directors of the Company be and are hereby authorized 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 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 Companies 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.

16. CONCLUSION

- 16.1. There being no other business to transact, the formality of business of the AGM had been concluded. The Chairman declared the Meeting closed at 10.47 a.m. and he thanked all present for their attendance and participation.

Confirmed as True Record of Proceedings held

Mohamed Ismail s/o Abdul Gafoore
Chairman of the Meeting

13 July 2020

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Notes to the Minutes:

The following parties had abstained from voting on Ordinary Resolutions 8 and 9:

Name	Shareholding Interest
Ismail Gafoore	32,976,650
Lim Tow Huat	16,276,221
Kelvin Fong Keng Seong	29,636,900
P & N Holdings Pte. Ltd.	205,844,129
Employees of the Group who are eligible to participate in the Scheme and the Plan and submitted proxy forms to exercise their voting rights	10,000
Total	284,743,900



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FY2019
ANNUAL
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OVERVIEW



- Net Profit 1Q20: \$8.2m, 4Q19: \$8.1m
- Proposes final and special dividends amounting to 2.25 cents per share
- Leadership in New Launches
- Continues status as Singapore's largest listed real estate agency
- 2020 Market Outlook & New Project pipeline



FINANCIAL SNAPSHOT

Income Statement

333.9% SURGE IN 4Q2019 NET PROFIT WITH 57.9% GROWTH IN REVENUE FOR FY 2019

- **Interim dividend paid: 1.25c per share, proposes final & special dividends: 2.25c per share, total dividends for FY2019: 3.5c per share, payout ratio of 64.6%, dividend yield of 6.3%**
- **NPAT S\$21.1m on revenue S\$419.8m, buoyed strongly by higher revenue & profit in 2H2019**
- **Strong balance sheet: healthy cash balance \$81.5m**
- **Strengthens status as Singapore's No. 1 listed real estate agency**

4Q2019 INCOME STATEMENT

(in S\$'000)	4Q2019	4Q2018	▲ ▼
Rev	131,015	82,999	58%
COS	(116,135)	(75,238)	54%
GP	14,880	7,761	92%
GP%	11.4%	9.4%	
O. income	1,642	1,424	21%
Staff Cos.	(3,515)	(4,600)	(24%)
Dep. ROU	(664)	-	NM
Expenses	(2,505)	(2,490)	1%
NPBT	9,838	2,095	370%
NP%	7.5%	2.5%	
Tax	(1,706)	(221)	672%
NPAT	8,132	1,874	334%

All 5 segments improved in4Q:

- Proj Mktg ↑247% 4Q19: \$55.4m, 4Q18: \$15.9m
- Pte resale ↑15% 4Q19: \$24.6m, 4Q18: \$21.3m
- HDB resale ↑2% 4Q19: \$20.8m, 4Q18: \$20.3m
- Landed resale ↑24% 4Q19: \$4.3m, 4Q18: \$3.5m
- Rental ↑20% 4Q19: \$24.4m, 4Q18: \$20.3m

Mkt fee ↑ 4Q19: \$0.6m, 4Q18: \$0.5m

- Ave. HC ↑ 4Q19: 171, 4Q18: 170
- Annual sal. increment
- Accrued P. bonus started in FY19

2019 INCOME STATEMENT

(in S\$'000)	FY2019	FY2018	▲ ▼
Rev	419,837	431,539	(3%)
COS	(375,528)	(389,378)	(4%)
GP	44,309	42,161	5.1%
GP%	10.6%	9.8%	
Other income	6,970	6,157	13%
Staff costs	(12,811)	(12,069)	6%
Dep. ROU	(2,675)	-	NM
IPO Exp.	-	(1,113)	NM
Expenses	(10,215)	(8,763)	17%
NPBT	25,578	26,373	(3%)
NP%	6.1%	6.1%	
Tax	(4,459)	(4,436)	-
NPAT	21,119	21,937	(4%)
PATMI	20,040	19,412	3.2%

Jul18 cooling measures

- Pte resale ↓28% FY19: \$89.3m, FY18: \$124.3m
- HDB resale ↓8% FY19: \$75.2m, FY18: \$81.6m
- Landed resale ↓8% FY19: \$24.2m, FY18: \$22.3m

Mitigated by

- ✓ Proj.Mktg ↑15% FY19: \$134.9m, FY18: \$117.1m
- ✓ Rental ↑17% FY19: \$90.4m, FY18: \$77.5m

- Interest ↑ FY19: \$1.2m, FY18: \$0.7m
- Prof. fee ↑ FY19: \$0.4m, FY18: \$0.0m
- Sponsorship ↑ FY19: \$0.3m, FY18: \$0.2m
- Referral fee ↓ FY19: \$1.3m, FY18: \$1.6m

- Ave. HC ↑ FY19: 173, FY18: 165
- Annual sal. increment

- Depn ↑ FY19: \$1.1m, FY18: \$0.7m
- Corp event ↑ FY19: \$0.8m, FY18: \$0.5m
- Impair+B/Debt ↑ FY19: \$1.0m, FY18: \$0.2m
- Recruit ↑ FY19: \$0.9m, FY18: \$0.5m
- Ad & Mktg ↓ FY19: \$2.3m, FY18: \$2.5m
- Op. lease ↓ FY19: \$0.1m, FY18: \$0.3m

NET PROFIT GROWTH OF 252.1% AND LEADS IN NEW PROJECT LAUNCHES FOR 1Q2020

- **NPAT S\$8.2m on revenue S\$135.6m**, with stronger contributions from primary and secondary residential markets
- Robust balance sheet with **healthy cash equivalents of S\$89.8m**
- Continued leadership performance in April 2020 for new project launches
- Leveraging on innovation and technology to engage salespersons and customers

1Q2020 INCOME STATEMENT

(in S\$'000)	1Q2020	1Q2019	▲ ▼
Rev	135,616	74,210	83%
COS	(120,549)	(66,878)	80%
GP	15,067	7,332	106%
GP%	11.1%	9.9%	
O. income	1,874	1,652	13%
Staff Cos.	(3,717)	(3,156)	18%
Dep. ROU	(660)	(672)	(2%)
Expenses	(2,621)	(2,393)	10%
NPBT	9,943	2,763	260%
NP%	7.3%	3.7%	
Tax	(1,719)	(427)	303%
NPAT	8,224	2,336	252%

All 5 segments improved

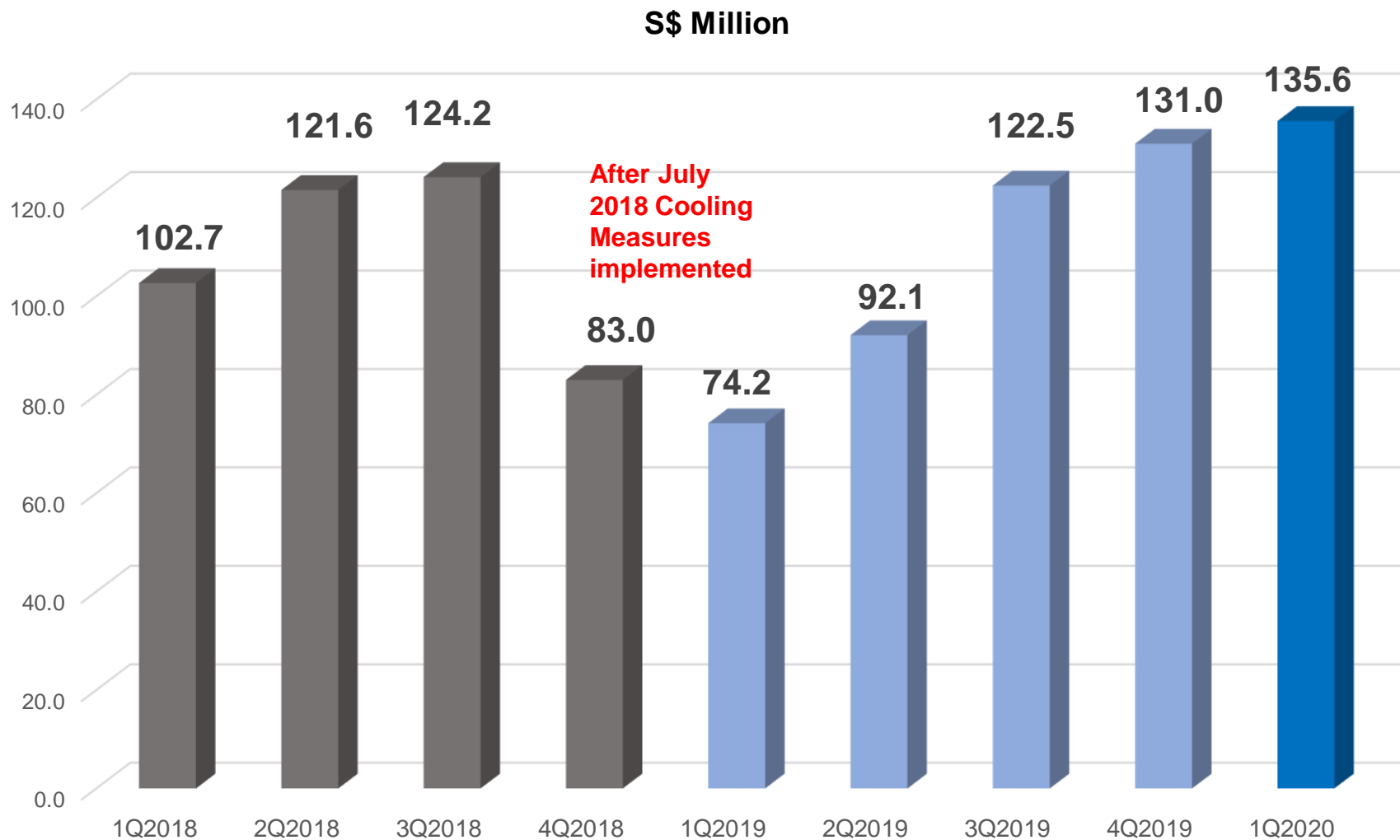
- Proj mktg ↑317% 1Q20: \$60.2m, 1Q19: \$14.4m
- Pte resale ↑45% 1Q20: \$28.8m, 1Q19: \$19.9m
- HDB resale ↑19% 1Q20: \$18.6m, 1Q19: \$15.7m
- Landed resale ↑47% 1Q20: \$6.6m, 1Q19: \$4.5m
- Rental ↑7% 1Q20: \$19.6m, 1Q19: \$18.3m

- Bank ref ↑ 1Q20: \$346k, 1Q19: \$255k
- Valn fee ↑ 1Q20: \$154k, 1Q19: 0
- Sponsor fee ↑ 1Q20: \$126k, 1Q19: \$88
- Mktg fee ↓ 1Q20: \$515k, 1Q19: \$576k

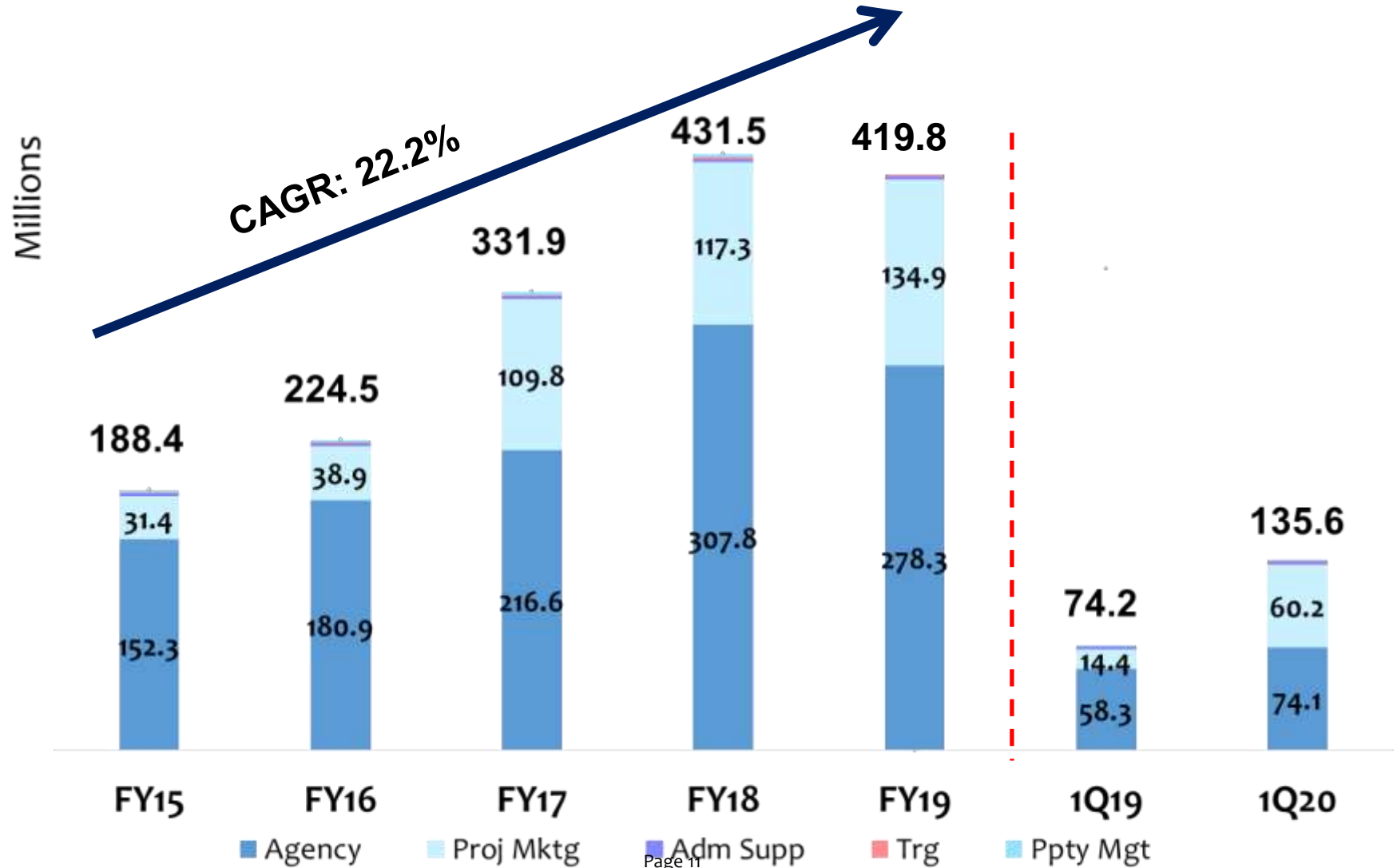
- Ave. HC ↑ 1Q20: 175, 1Q19: 174
- Salary increment, bonus prov.

- Recruit ↑ 1Q20: \$325k, 1Q19: \$156k
- Corp event ↑ 1Q20: \$230k, 1Q19: \$175k

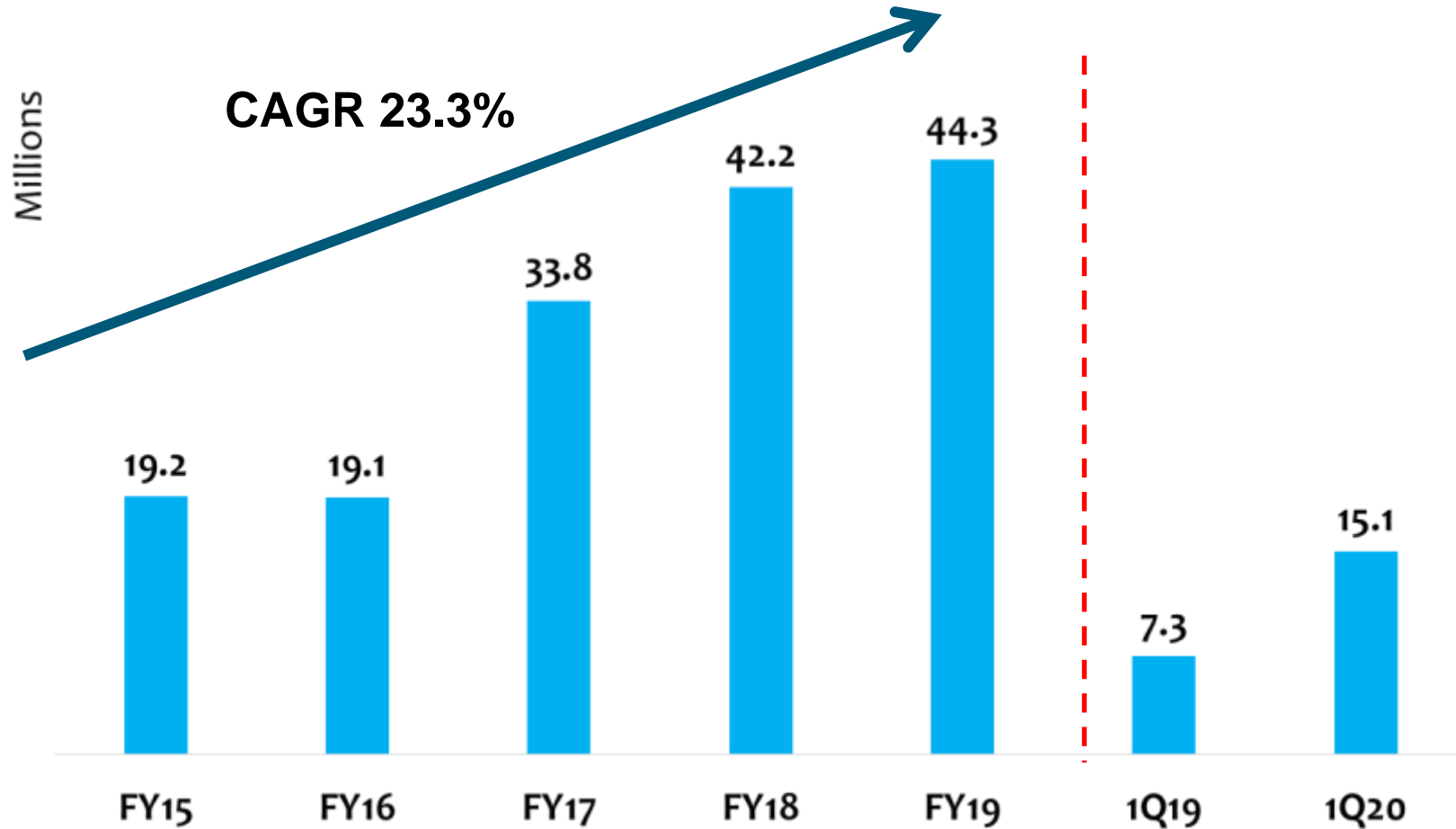
GROUP REVENUE



GROUP REVENUE

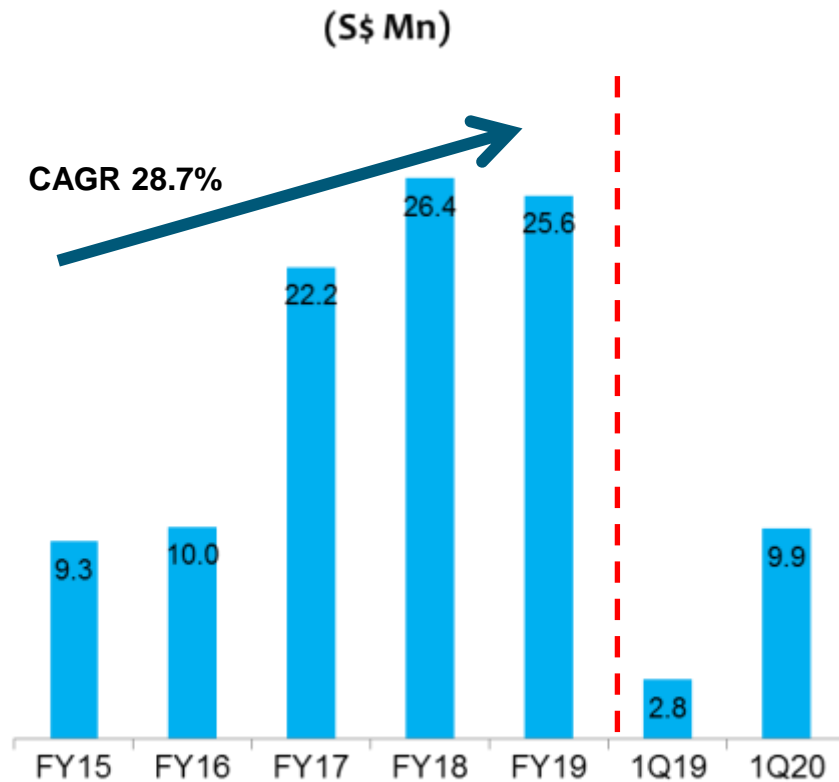


GROSS PROFIT

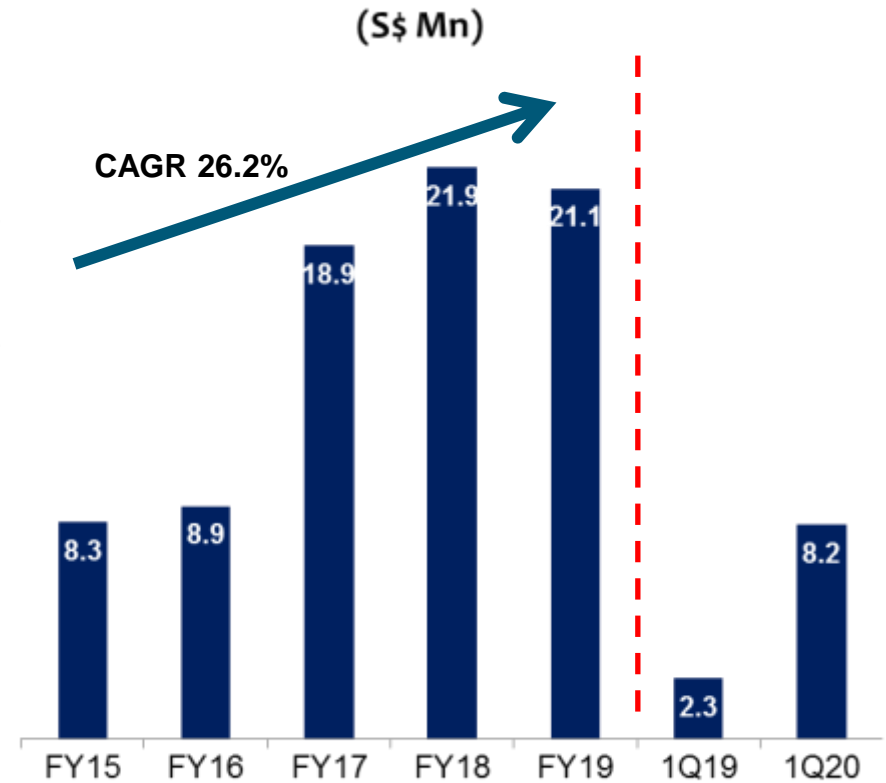


NET PROFIT

NET PROFIT BEFORE TAX



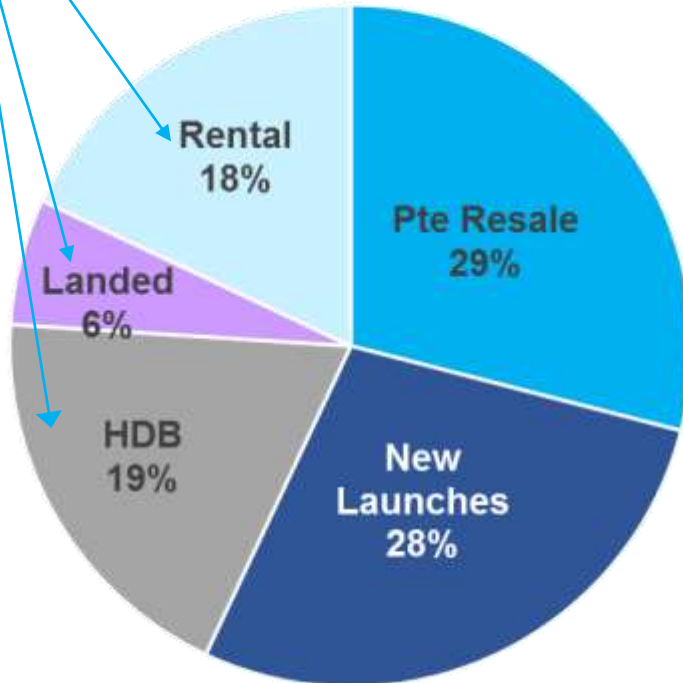
NET PROFIT AFTER TAX



REVENUE BREAKDOWN

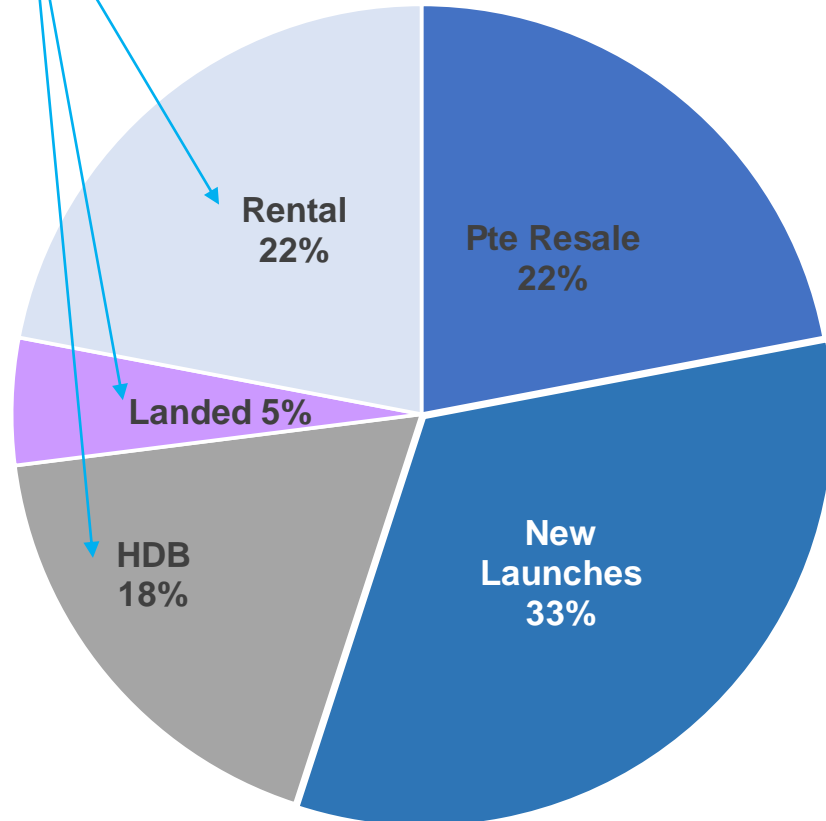
43%

FY2018

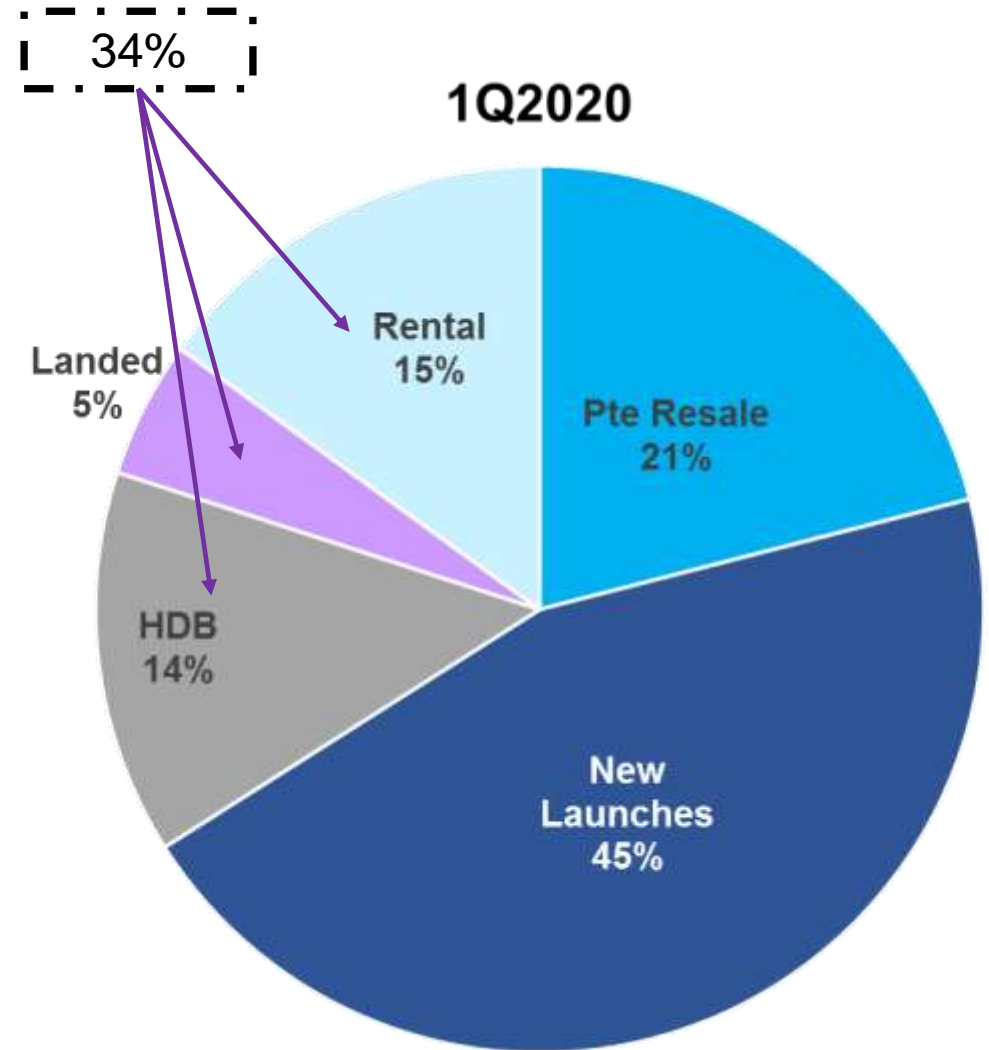
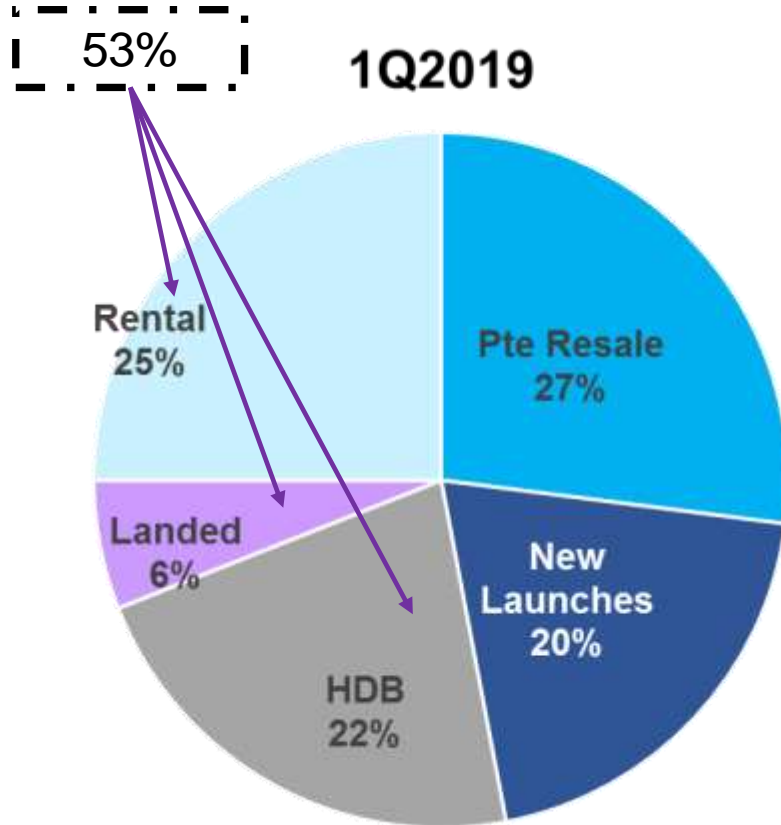


45%

FY2019



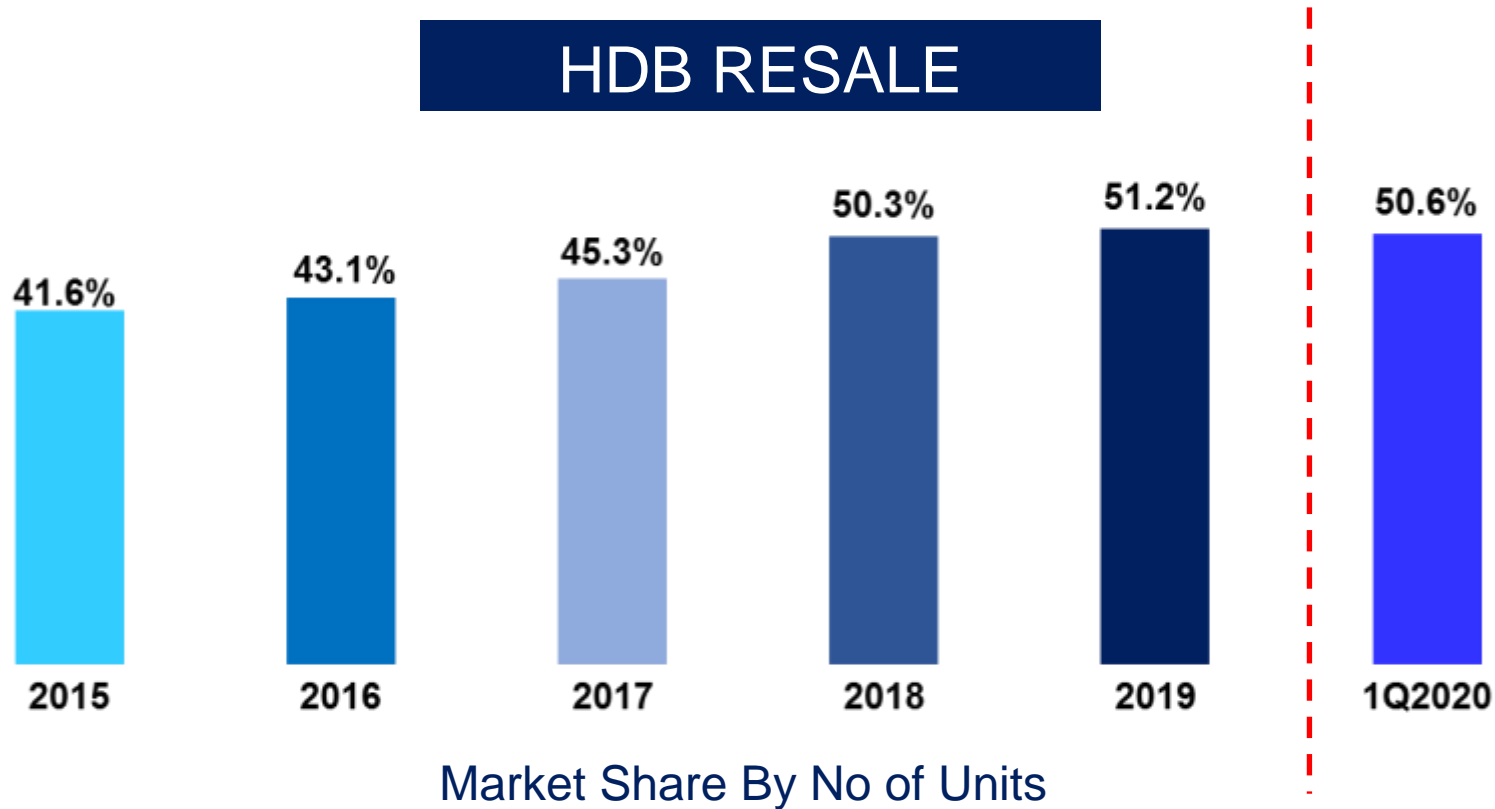
REVENUE BREAKDOWN





BUSINESS UPDATE

MARKET SHARE

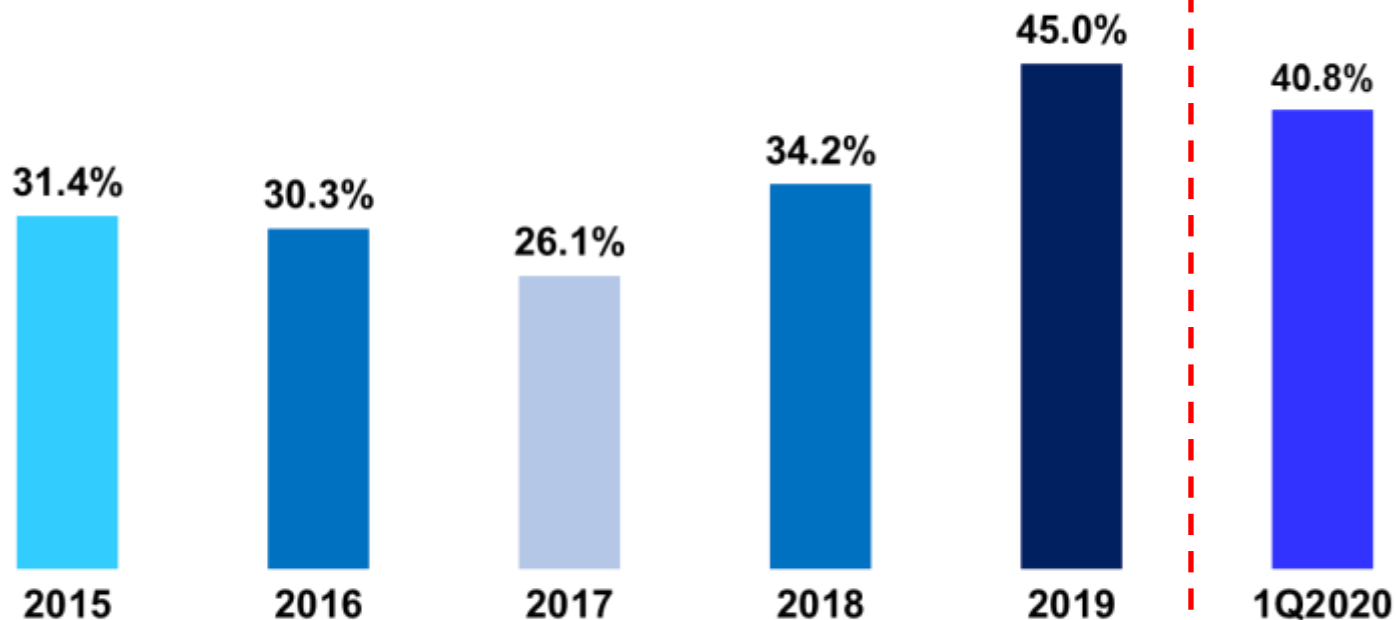


Source: Frost & Sullivan Pte Ltd, HDB & PropNex

The market share information also includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies.

MARKET SHARE

PRIVATE RESALE



Market Share By No of Units

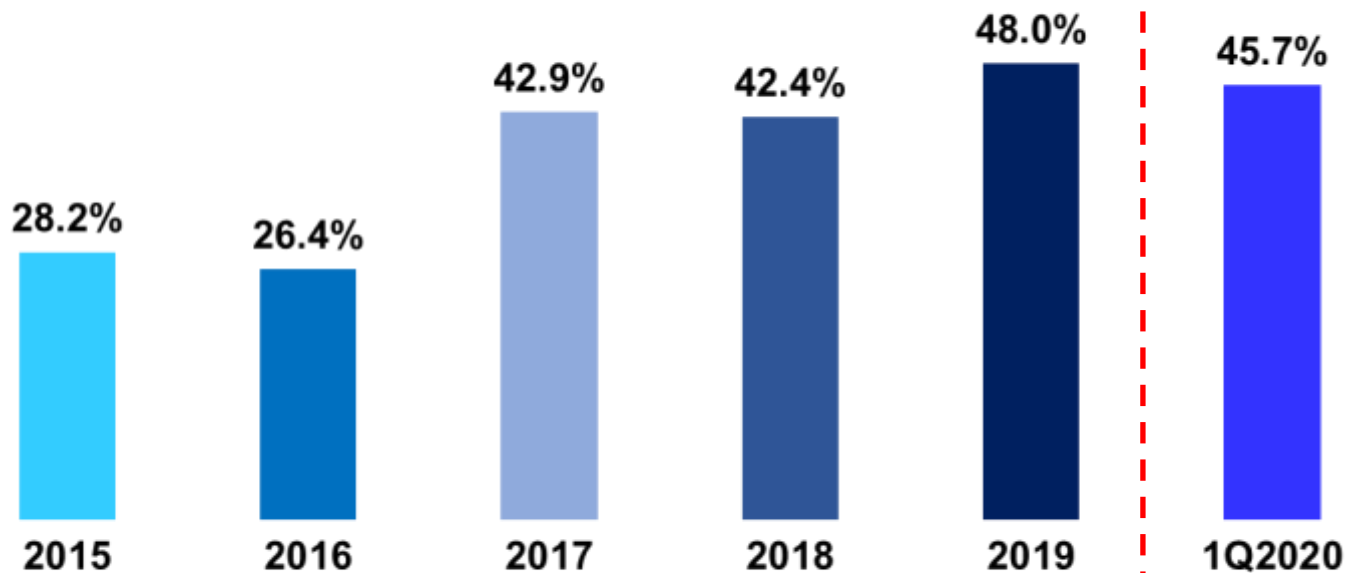
Source: Frost & Sullivan Pte Ltd, URA & PropNex

The market share information also includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. This includes EC, landed and non-landed transactions, retrieved from REALIS as at 11 May 2020.

MARKET SHARE

NEW LAUNCHES

(Private Primary Market)



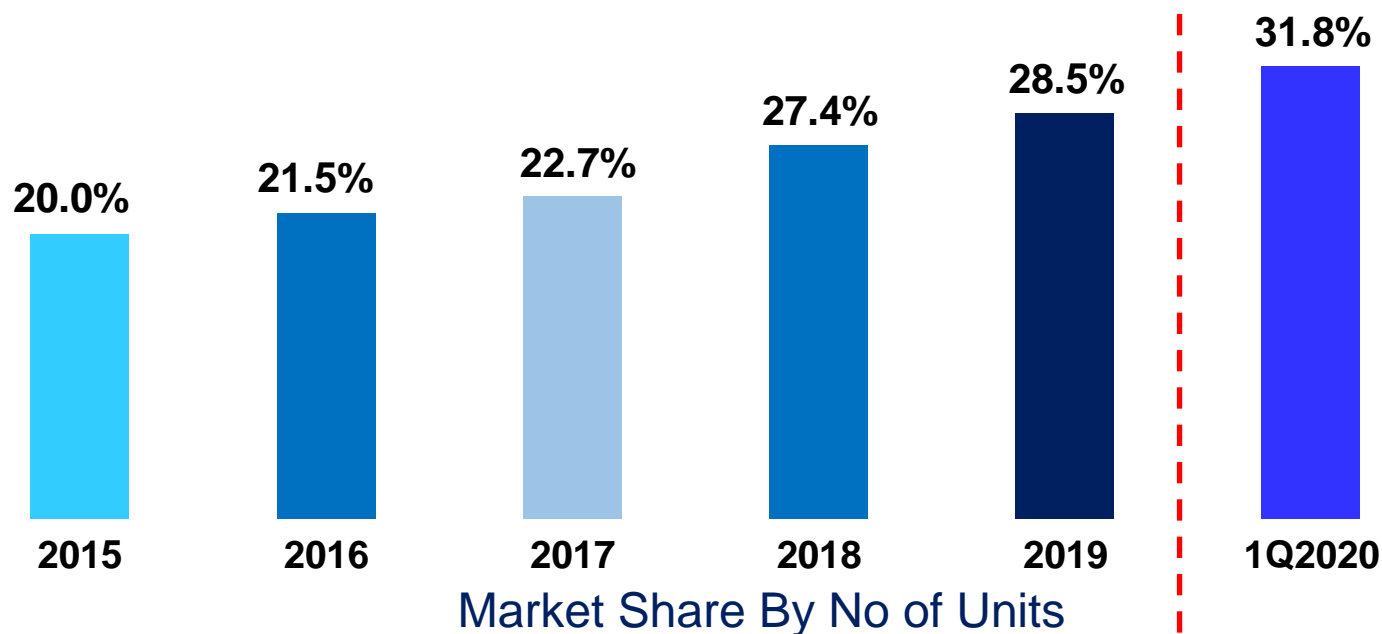
Market Share By No of Units

Source: Frost & Sullivan Pte Ltd, URA & PropNex

The market share information also includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-brokering with external agencies. This includes EC, landed and non-landed transactions, retrieved from REALIS as at 11 May 2020.

MARKET SHARE

PRIVATE LEASING



Source: Frost & Sullivan Pte Ltd, URA & PropNex

The market share information also includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-brokering with external agencies. This includes EC, landed and non-landed transactions, retrieved from REALIS as at 11 May 2020

BUSINESS UPDATES

Private Residential Market (Transactional Vol)

PERIOD	Uncompleted	Completed	Sub-total	Sub-sale	Resale	TOTAL
1Q17	2,619	343	2,962	70	2,170	5,202
2Q17	2,566	511	3,077	130	3,698	6,905
3Q17	2,199	464	2,663	81	3,949	6,693
4Q2017	1,583	281	1,864	120	4,226	6,210
Total	8,967	1,599	10,566	401	14,043	25,010

1Q18	1,336	245	1,581	81	3,666	5,328
2Q18	2,231	135	2,366	120	4,700	7,186
3Q 18	2,910	102	3,012	81	2,672	5,765
4Q2018	1,793	43	1,836	53	1,971	3,860
Total	8,270	525	8,795	335	13,009	22,139

1Q19	1,797	41	1,838	47	1,858	3,743
2Q19	2,301	49	2,350	45	2,371	4,766
3Q19	3,214	67	3,281	104	2,378	5,763
4Q2019	2,422	21	2,443	93	2,342	4,878
Total	9,734	178	9,912	289	8,949	19,150

PERIOD	Uncompleted	Completed	Sub-total	Sub-sale	Resale	TOTAL
1Q20	2,089	60	2,149	40	2,080	4,269

Estimated Total (Transactional Vol) 2020 = 14,000 ; abt 27% dip (Y-o-Y)

BUSINESS UPDATES

HDB Resale Market (Transactional Vol)

	1room	2room	3room	4room	5room	Executive	Total
1Q17	2	64	1,210	1,857	1,055	342	4,530
2Q17	1	100	1,519	2,529	1,407	445	6,001
3Q17	5	96	1,400	2,447	1,428	432	5,808
4Q17	2	71	1,414	2,368	1,403	480	5,738
Total	10	331	5,543	9,201	5,293	1,699	22,077
1Q18	2	66	1,046	1,810	1,111	423	4,458
2Q18	3	102	1,382	2,372	1,559	523	5,941
3Q18	3	121	1,704	2,828	1,797	610	7,063
4Q18	2	82	1,408	2,394	1,350	401	5,637
Total	10	371	5,540	9,404	5,817	1,957	23,099
1Q19	6	87	1,225	2,032	1,148	337	4,835
2Q19	4	97	1,532	2,652	1,520	471	6,276
3Q19	1	139	1,540	2,553	1,547	484	6,264
4Q19	-	128	1,576	2,659	1,519	457	6,339
Total	11	451	5,873	9,896	5,734	1,749	23,714
1Q20	3	153	1,375	2,537	1,419	406	5,893

Estimated Total (Transactional Vol) 2020 = 21,000 - 22,000 ; abt 7 - 11% dip (Y-o-Y)



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SINGAPORE
PROPNE X LIMITED

PROJECTS MARKETED IN 2019

Source: PropNex,
The no. of units launched were gathered from developers
Not inclusive of Commercial/Industrial Projects

Bold – Appointed after initial launch

S/N	Project Name	No. of Units Launched	S/N	Project Name	No. of Units Launched
1	Stirling Residences	762	21	Casa Al Mare	49
2	Parc Botannia	264	22	Meyerhouse	56
3	RV Altitude	140	23	Riviere	455
4	Fyve Derbyshire	71	24	The Hyde	117
5	Parkwood Residences	18	25	Sky Everton	262
6	Nim Collection	51	26	Haus on Handy	188
7	The Florence Residences	1,410	27	Dunearn 386	35
8	Boulevard 88	154	28	Jervois Treasure	36
9	1953	70	29	Nouvel 18	156
10	One Meyer	60	30	View at Kismis	188
11	Treasure @ Tampines	2,203	31	Piermont Grand	820
12	Parkwood Collection	53	32	Parc Clematis	1,468
13	35 Gilstead	70	33	Nyon	92
14	Mayfair Modern	171	34	Avenue South Residence	1,074
15	Coastline Residences	144	35	Meyer Mansion	200
16	The Gazania	250	36	Uptown @ Farrer	116
17	The Liliun	80	37	The Antares	265
18	Amber Park	592	38	Jui Residences	117
19	Jervois Prive	45	39	Wilshire Residences	85
20	Parc Komo	276			

PROJECTS MARKETED IN 2019

Source: PropNex,
The no. of units launched were gathered from developers
Not inclusive of Commercial/Industrial Projects

S/N	Project Name	No. of Units Launched	Date of Launch
40	Midtown Bay	219	5-Oct-19
41	Pullman Residences	340	9-Oct-19
42	Neu @ Novena	87	12-Oct-19
43	Sengkang Grand Residences	680	12-Oct-19
44	Midwood	564	26-Oct-19
45	Dairy Farm Residences	460	23-Nov-19
46	Urban Treasures	237	30-Nov-19
47	One Holland Village Residences	296	30 Nov 19

TOTAL 2019 (47 projects)

14,579 units

PROJECTS MARKETED IN 1Q2020

Source: PropNex,
The no. of units launched were gathered from developers
Not inclusive of Commercial/Industrial Projects

Bold – Appointed after initial launch

S/N	Projects	No of Units	Launch
1	The Avenir (formerly Pacific Mansion Condo)	376	1Q 2020
2	Leedon Green (formerly Tulip Garden)	638	1Q 2020
3	Parc Canberra (Canberra Link EC GLS)	496	1Q 2020
4	Verticus (formerly Kemaman Point)	162	1Q 2020
5	The M (Middle Road GLS)	522	1Q 2020
6	OLA (Anchorvale EC GLS)	548	1Q 2020
7	TEDGE	42	1Q2020
8	15 Holland Hill Condo (formerly Olina Lodge)	59	1Q 2020
9	19 Nassim (formerly Nassim Hill)	101	1Q 2020
10	The Iviera (fka Riviera Point)	51	1Q 2020
11	Seraya Residences	17	1Q 2020
12	One Pearl Bank (fka Pearl Bank Apartments)	774	1Q 2020

TOTAL (12 projects)

3,786 units

PROPNE X LEADS IN PROJECT MARKETING

Top 10 Best-Sellers in 1Q2020 (Excluding ECs)				
	Project	Units Sold	Region	Median Price (\$Psf)
1	THE M	381	CCR	\$2,439
2	TREASURE AT TAMPINES	216	OCR	\$1,363
3	JADESCAPE	173	RCR	\$1,708
4	PARC ESTA	159	RCR	\$1,680
5	PARC CLEMATIS	93	OCR	\$1,588
6	PARC BOTANNIA	72	OCR	\$1,372
7	THE FLORENCE RESIDENCES	58	OCR	\$1,497
8	RIVERFRONT RESIDENCES	51	OCR	\$1,370
9	AFFINITY AT SERANGOON	45	OCR	\$1,559
10	STIRLING RESIDENCES	44	RCR	\$1,912

Source: PropNex Research, URA Realis as of Apr 24, 2020

The Group
SOLD THE MOST NUMBER OF UNITS
amongst joint marketing agencies in
these top 10 selling projects of 1Q2020.

URA TOP 10 SELLING PROJECTS IN 1Q2020



the **M**

No of Units Sold



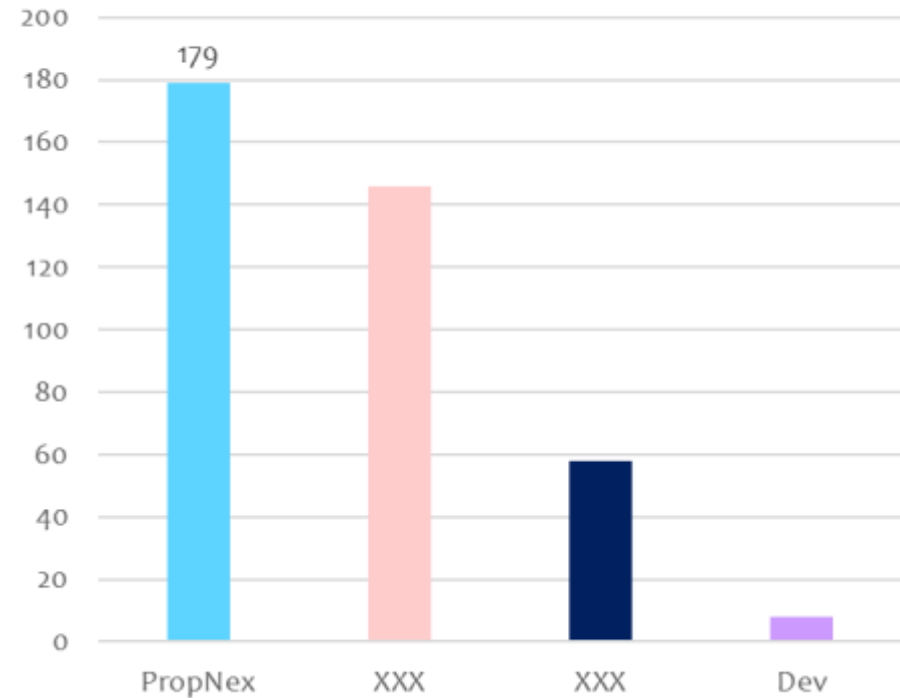
Date of Launch: 22 Feb 2020

PropNex sold **179** units*

45.8% of total units sold

Total Units Sold :391*

*As at 10 May 2020



* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



TREASURE
TAMPINES

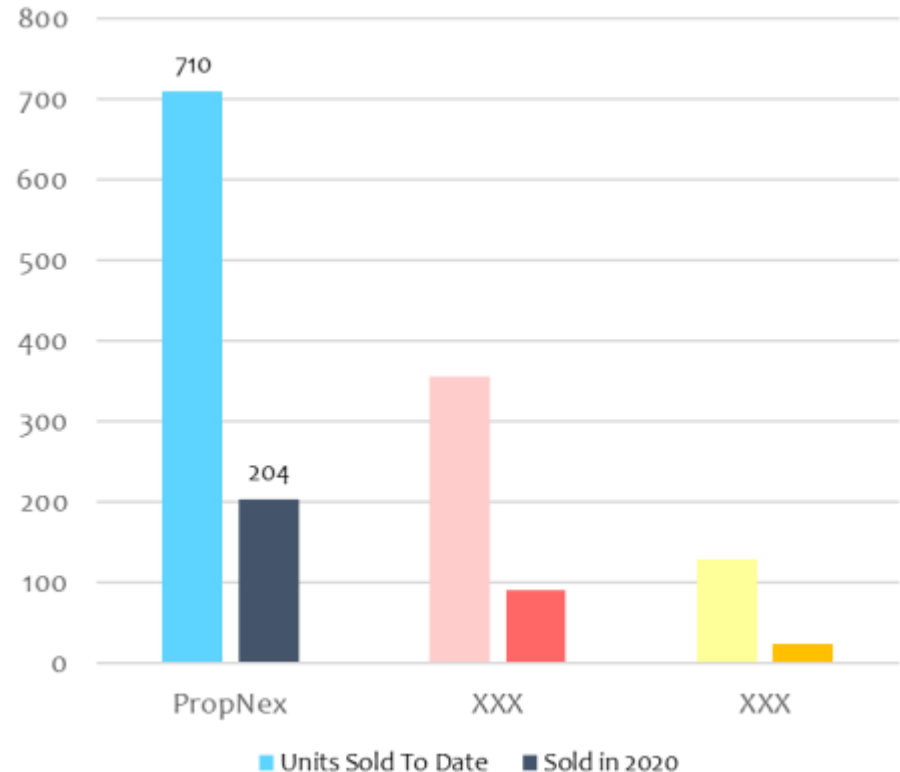
Date of Launch: 23 MAR 2019

To date, PropNex sold **710** units*
69.5.0% of total units sold

64% of 319 units sold in 2020

Total Units Sold :1,194*

***As at 10 June 2020**

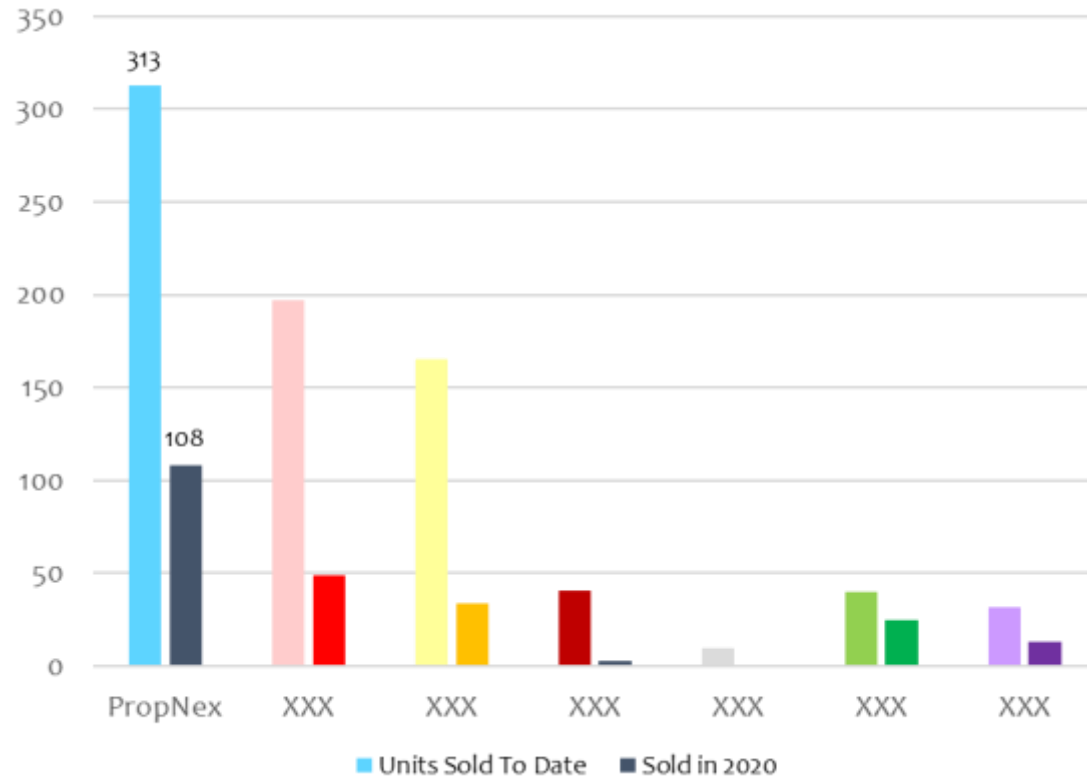


* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



JadeScape 顺福轩
GARDEN HOMES at SHUNFU



Date of Launch: 24 Sept 2018

To date, PropNex sold **313** units*
39.2% of total units sold

46.4% of 233 units sold in 2020

Total Units Sold :799*

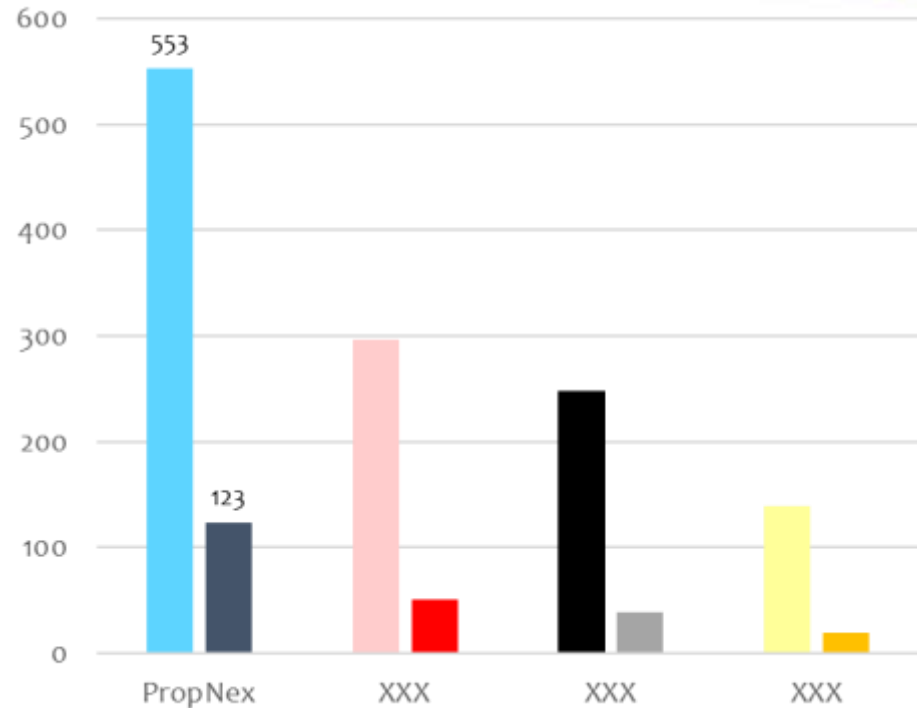
*As at 12 June 2020

* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



PARC  ESTA



Date of Launch: 17 Nov 2018

To date, PropNex sold **553** units*
44.7% of total units sold

53.0% of 232 units sold in 2020

Total Sold :1,236*

*As at 12 June 2020

* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



Date of Launch: 31 August 2019

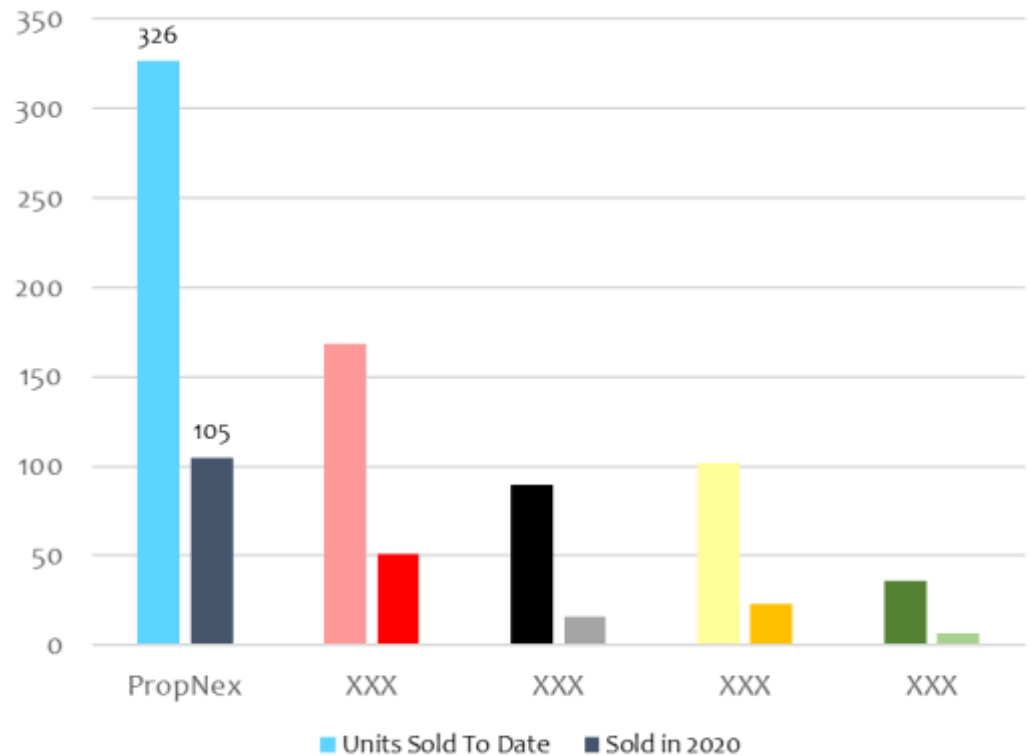
To date, PropNex sold **326 units**
45.2% of total units sold

52.0% of 202 units sold in 2020

Total Sold : 722*

***As at 14 June 2020**

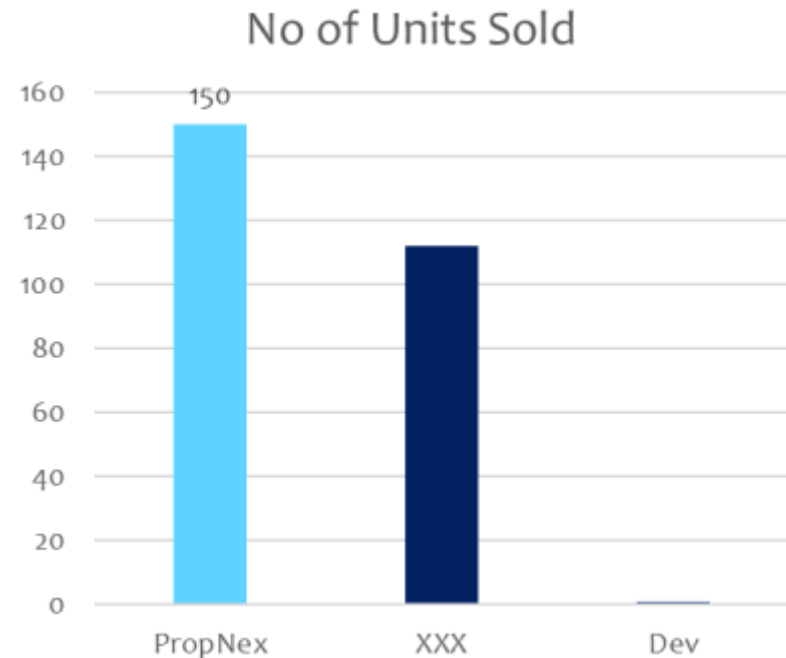
* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed



URA TOP 10 SELLING PROJECTS IN 1Q2020



PARC BOTANNIA



Date of Launch: Appointed after 11 Jan 2019

PropNex sold **150** units*

38.0% of total units sold since appointed

Total Sold :735*, 472 sold during launch

*As at 27 Feb 2020

* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



THE FLORENCE
RESIDENCES 悦湖苑

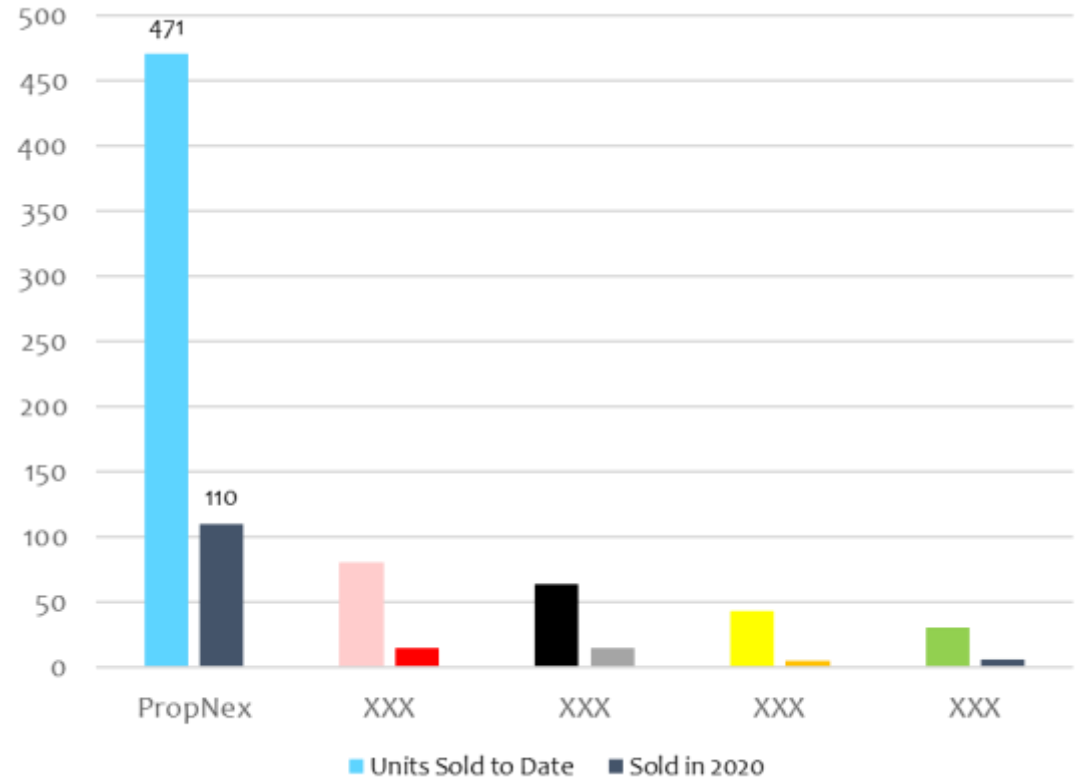


Date of Launch: 2 MAR 2019

To date, PropNex sold **471** units*
68.3% of total units sold

72.8% of 151 units sold in 2020

Total Sold :690*
*As at 14 June 2020

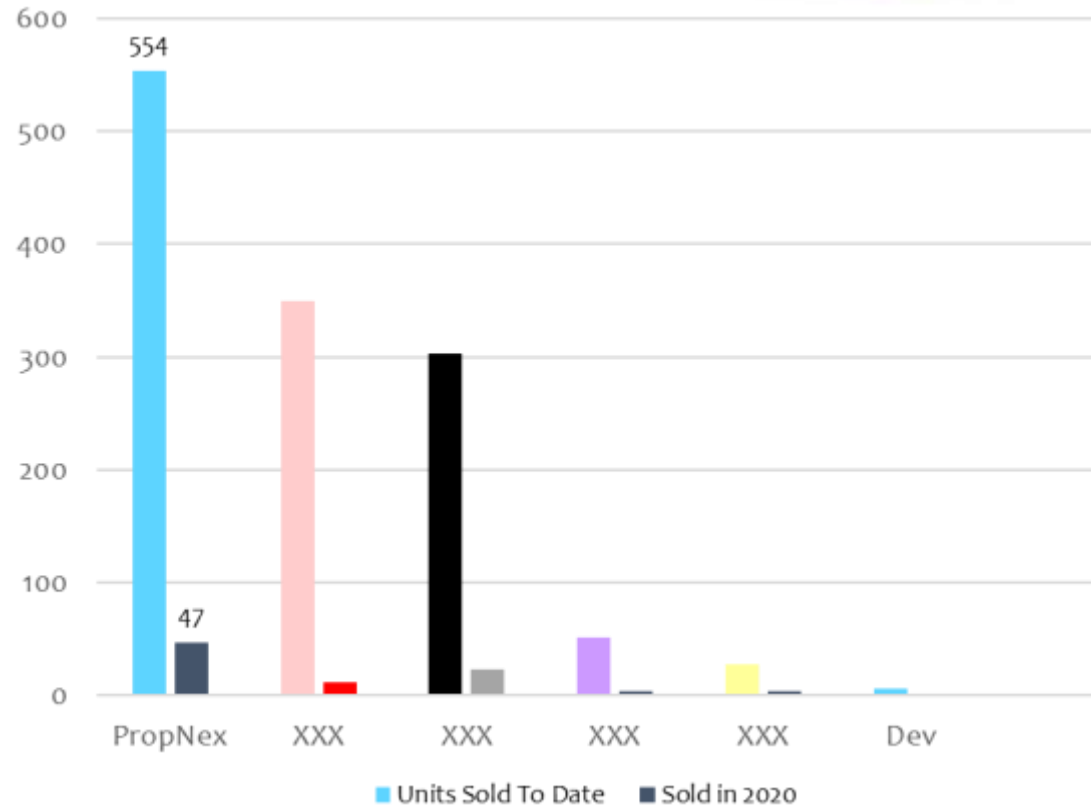


* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020




RIVERFRONT
RESIDENCES



Date of Launch: 7 July 2018

To date, PropNex sold **554** units*
43.4% of total units sold

52.2% of 90 Units Sold in 2020

Total Units Sold :1,277*

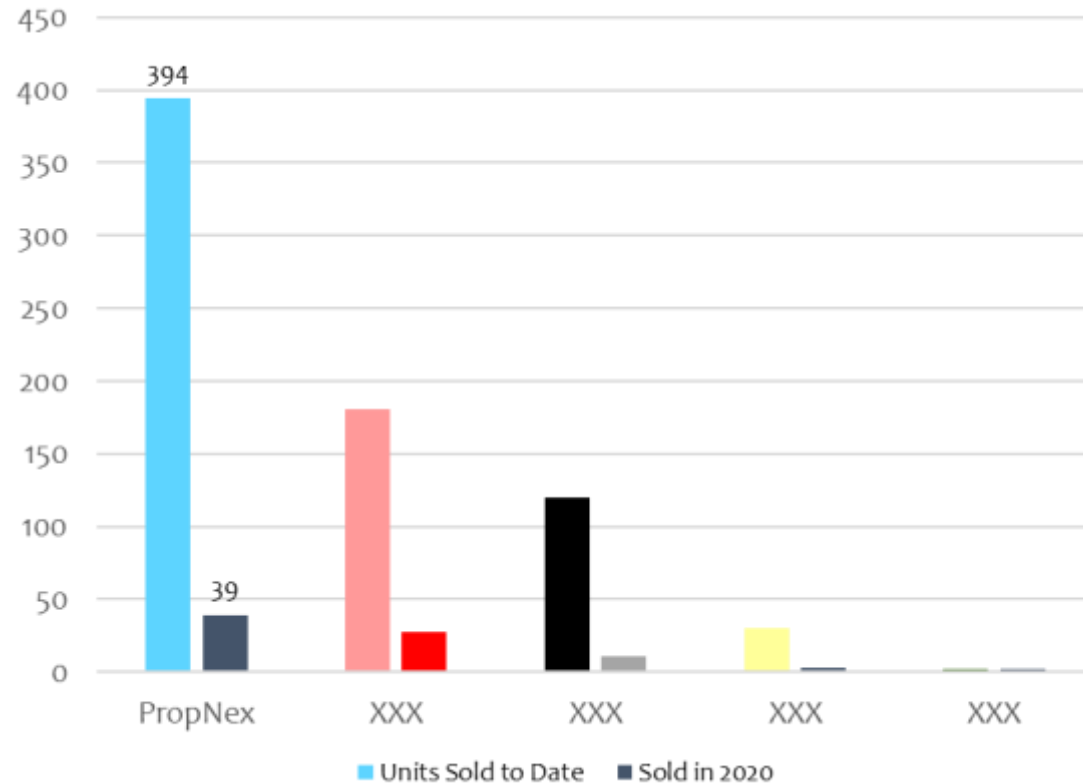
***As at 14 June 2020**

* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



AFFINITY
AT SERANGOON



Date of Launch: 2 June 2018

To date, PropNex sold **394** units*
53.2% of total units sold

47.6% of 82 units sold in 2020

Total Sold : 740*
*As at 12 June 2020

* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

URA TOP 10 SELLING PROJECTS IN 1Q2020



STIRLING
RESIDENCES 尚景苑

Date of Launch: 7 July 2018

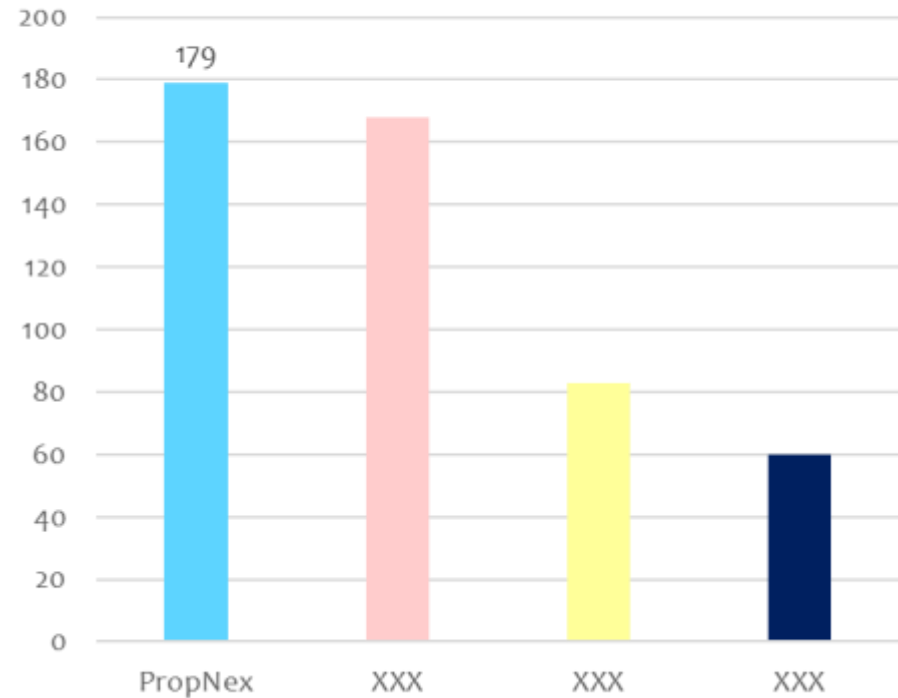
Appointed after Launch date

PropNex sold **179** units*
32.9% of total units sold after appointed

Total Units Sold :490 after appointed, 990 units sold

*As at 12 June 2020

No of Units Sold



* Estimated numbers based on information gathered by the Group, these numbers are booked sales, which may or may not be completed

PROJECTS LINED UP FOR 2020

- ✓ Anticipated line-up of **30** projects from 2Q2020 onwards with approximately 10,000 units as government land bids and collective sales secured by developers in 2018/19 mostly to be ready for launches in 2020/21.
- ✓ PropNex Marketing **89** existing projects as at 31 Mar 2020
 - ✓ As of URA 1Q 2020 Figures:
Approximately **29,149** unsold units (including ECs) with planning approvals



Service You Trust
SINGAPORE
PROPNE X LIMITED

PROJECTS LINED UP FOR 2020/21

** The no. of units and estimated launch dates were gathered from developers

***BOLD – PROPNE X APPOINTED MARKETING AGENCY**

	PROJECT NAME	DEVELOPER	NO OF UNITS	ESTIMATED LAUNCH DATE
1	Kopar at Newton	CEL	378	Apr 2020
2	Cairnhill 16 (fka Cairnhill Heights)	Tiong Seng and Ocean Sky	50	3Q 2020
3	Forett @ Bukit Timah (Former Goodluck Garden)	Qingjian Group	633	3Q 2020
4	The Landmark (fka Landmark Tower)	ZACD	396	3Q 2020
5	Hyll on Holland (fka Hollandia / The Estoril)	FEC International	319	3Q 2020
6	Parc Central Residences (Tampines Ave 10) EC GLS	Hoi Hup	695	3Q 2020
7	Penrose (Sims Drive) (GLS)	CDL and Intrepid	570	3Q 2020
8	Noma	Macly	51	3Q 2020
9	Clavon (Former Clementi Ave 1)	UOL and UIC	640	3Q 2020
10	One North Gateway GLS	TID Residential	165	3Q 2020
11	The Linq @ Beauty World (fka Goh and Goh Building)	BBR Holdings	120	3Q 2020
12	Verdale (Jln Jurong Kechil GLS)	CSC Land Group (Singapore) Pte Ltd and COHL Singapore Pte Ltd	258	4Q 2020
13	Myra (fka 11 Meyappa Chettiar Road)	Selangor Dredging Berhad	85	4Q 2020
14	Ki Residences (fka Brookvale Park)	Hoi Hup Sunway	660	4Q 2020
15	Grange 1866	Grange 1866 Pte Ltd	60	4Q 2020
16	Former Normanton Park*	Kingsford Huray Development	1900	4Q 2020

PROJECTS LINED UP FOR 2020/21

** The no. of units and estimated launch dates were gathered from developers

***BOLD – PROPNE X APPOINTED MARKETING AGENCY**

	PROJECT NAME	DEVELOPER	NO OF UNITS	ESTIMATED LAUNCH DATE
17	Klimt Cairnhill (Former Cairnhill Mansions)	Low Keng Huat	200	TBA
18	Pasir Ris Central (GLS)	Allgreen Properties	600	TBA
19	Nim Collection (Phase 3)	Bukit Sembawang	TBA	TBA
20	Former Lodge 77	TKC	50	TBA
21	Former City Towers	Japura Group	230	TBA
22	Former Katong Park Towers	Bukit Sembawang	390	TBA
23	Former Peak Court	Rich Capital Holdings and Tuan Sing Holdings	90	TBA
24	Former Chinatown Plaza	Royal Golden Eagle	180	TBA
25	Former Royal Oak Residence	FEC International	110	TBA
26	Former 14 & 14A Nassim Road	Shun Tak Holdings	123	TBA
27	Former Park House	Shun Tak Holdings	170	TBA
28	Tan Quee Lan GLS	Guocoland and Hong Leong	580	TBA
29	Bernam Street GLS	Hao Yuan Realty	325	TBA
30	EDEN (Former Hampton Court)	Swire Properties	20	TBA

Estimated Total Units To Be Launched (30 projects)	10,048
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*PropNex Appointed (as at 8 May 2020) 16 Projects	6,980**
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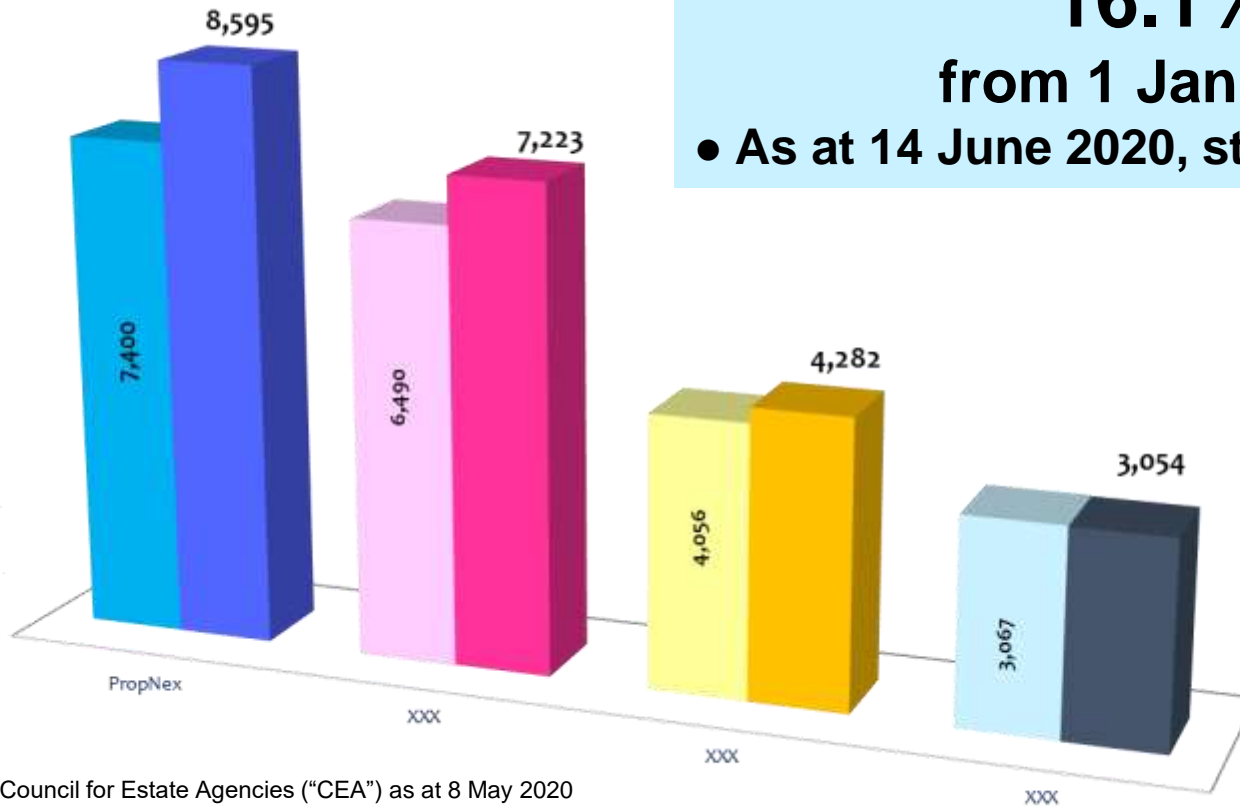
WHAT SETS US APART

Largest Real Estate Agency
Resilient Business Model



SINGAPORE'S LARGEST LISTED REAL ESTATE AGENCY

Top 4 property agencies in Singapore by Agent Count compared to number of salespersons as at 1 Jan 2019 vs to date



PropNex's number of salespersons have grown by 16.1% from 1 Jan 2019

- As at 14 June 2020, stands at 8,595*

*Source: The Council for Estate Agencies ("CEA") as at 8 May 2020

TRAININGS & DEVELOPMENT OF OUR SALESFORCE

Jumpstart 2020
By ED Kelvin Fong
(9 Jan)



TRAININGS & DEVELOPMENT OF OUR SALESFORCE

PropNex Lux Team
Kickoff Briefing (10 Jan)



PROPNE X CONSUMER SEMINARS



**Consumer Seminar by Kelvin Fong
at Treasures at Tampines
(8 Jan 2020)**



PROPNE X CONSUMER SEMINARS

**Consumer Seminar by Kelvin Fong on
Parc Canberra (20 Jan 2020) at PropNex Branch Office**



AFTER CIRCUIT BREAKER ANNOUNCEMENT (7 April 2020)

Online Webinar Trainings &
Consumer Events



PropNex Service You Trust SINGAPORE
A Subsidiary of Propnex Limited (9028 Market Street, Singapore)

WEBINAR TRAININGS & EVENTS 27th Apr - 29th Apr 2020

Discover these AMAZING PropNex Zoom Sessions

MON 27/4	TUE 28/4	WED 29/4
10AM-12PM Power Project Sharing: Treasures at Tampines - Clary Teo, Charles Chong, Benson Choo	8AM-9AM Fitness Hour ★ - Jackson Tan	10AM-12PM Power Project Sharing: Marina One Residences - Tammy Sin
3PM-5PM KEO Power Case Study: Episode 4 - KEO, Lim Yong Hock	10AM-12PM POWER SALES UPGRADE: How to Tackle Space Issues - Wilson Teh, Regal & Rexis	8PM-9PM CONSUMER WEBINAR: 3 Things you need to know to Navigate an Uncertain Property Market - CEO, Ismail Gafoor
8PM-10PM CONSUMER WEBINAR: 3 Common Mistakes That Most Buyers Overlooked and how to Avoid Them ★ - Clary Teo		



PropNex Service You Trust SINGAPORE
A Subsidiary of Propnex Limited (9028 Market Street, Singapore)

(UPDATED) WEBINAR TRAININGS & EVENTS 20th Apr - 26th Apr 2020

Discover these AMAZING PropNex Zoom Sessions

MON 20/4	TUE 21/4	WED 22/4	THUR 23/4
10AM-12PM How to set up successful FB campaigns - Ceekay Soh	8AM-9AM Fitness Hour ★ - Jackson Tan	10AM (NEW) POWER SALES BOOSTER 6 - ED, Kelvin Fong	8AM Fitness Hour ★ - Jackson Tan
3PM-5PM KEO Power Case Study: Episode 3 - KEO, Lim Yong Hock	10AM-12PM Star Performers Awards Ceremony	3PM-5PM PX EDU PROGRAM: Reno & You ★ - Wilson Teh	10AM-12PM POWER SKILLS UPGRADE: Asset Progression - Raymond Tiah
8PM-9PM CONSUMER WEBINAR: Will resale property prices drop during this crisis? ★ - Marcus Liah	8PM-9PM CONSUMER WEBINAR: Hedging your retirement savings plan against inflation ★ - Kelvin Thong	8PM-9PM CONSUMER WEBINAR: How to identify properties that are more resilient than others ★ - Mizam Gafoor	8PM-9PM CONSUMER WEBINAR: How to identify properties that are more resilient than others ★ - Mizam Gafoor



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WEBINAR TRAININGS & EVENTS 20th Apr - 26th Apr 2020

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#28DaysChallenge

MON 20/4	TUE 21/4	WED 22/4	THUR 23/4	FRI 24/4	SAT 25/4
10AM-12PM How to set up successful FB campaigns - Ceekay Soh	8AM-9AM Fitness Hour ★ - Jackson Tan	1PM-3PM TEAM LEADER SHARING: Instagram & You - Marcus Liah	8AM-9AM Fitness Hour ★ - Jackson Tan	10AM-12PM Step by Step Real Estate Decoupling - Bryan Tan	8AM-9AM Yoga Hour ★ - Noelle Lim
3PM-5PM KEO Power Case Study: Episode 3 - KEO, Lim Yong Hock	10AM-12PM Star Performers Awards Ceremony	3PM-5PM PX EDU PROGRAM: Reno & You ★ - Wilson Teh	1PM-3PM PA APPS: How to be a Calculation Guru using PA Apps - Francis Lim & Steven Lim	1PM-3PM Q&A for AML/CDD, E-Submission - Eddie Lim	11AM-1PM CONSUMER WEBINAR: How to be CERTAIN in your ability to Invest/Upgrade in today's market ★ - Kelvin Fong
8PM-9PM CONSUMER WEBINAR: Will resale property prices drop during this crisis? ★ - Marcus Liah	8PM-9PM CONSUMER WEBINAR: Hedging your retirement savings plan against inflation ★ - Kelvin Thong	8PM-9PM CONSUMER WEBINAR: How to identify properties that are more resilient than others ★ - Mizam Gafoor	8PM-9PM PX EDU PROGRAM: Legal & You ★ - Subra TT	8PM-9PM CONSUMER WEBINAR: Unleashed Wave of D2I Transformation ★ - Ad Ng	3PM-5PM PX EDU PROGRAM: How to live beyond 100 years ★ - Dr Michael Lim

★ - OPEN TO PUBLIC

AFTER CIRCUIT BREAKER ANNOUNCEMENT (7 April 2020)

Power Sales & Action Booster by
ED Kelvin Fong (over 3,000 viewers)



AFTER CIRCUIT BREAKER ANNOUNCEMENT (7 April 2020)



PropNex
Service You Trust
SINGAPORE
A Subsidiary of PropNex Limited
2020 Shareholder Limited Company

POWER SALES BOOSTER 7

KELVIN FONG
Executive Director,
PropNex Realty

"Are you going to wait?
Or take action to boost
your sales today?"

New strategies, updated
insights, **EXCLUSIVE** for
PropNex salespersons

11 May (Mon), 2pm
Watch In Zoom

**Power Sales & Action Booster by
ED Kelvin Fong (over 3,000 viewers)**





AFTER CIRCUIT BREAKER ANNOUNCEMENT (7 April 2020)

Online Consumer Webinar
With over 3,000 viewers

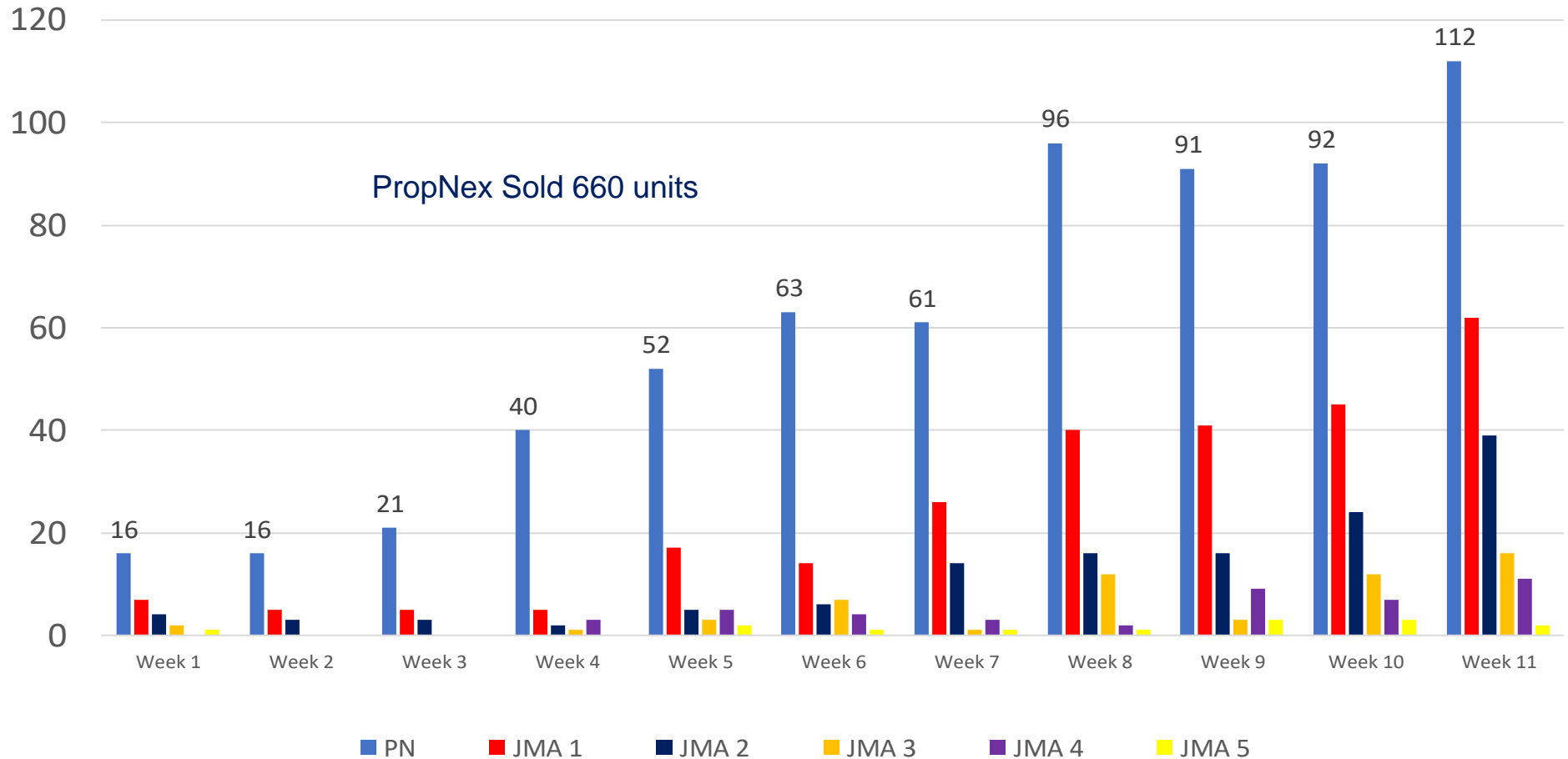




NEW LAUNCHES SALES PERFORMANCE

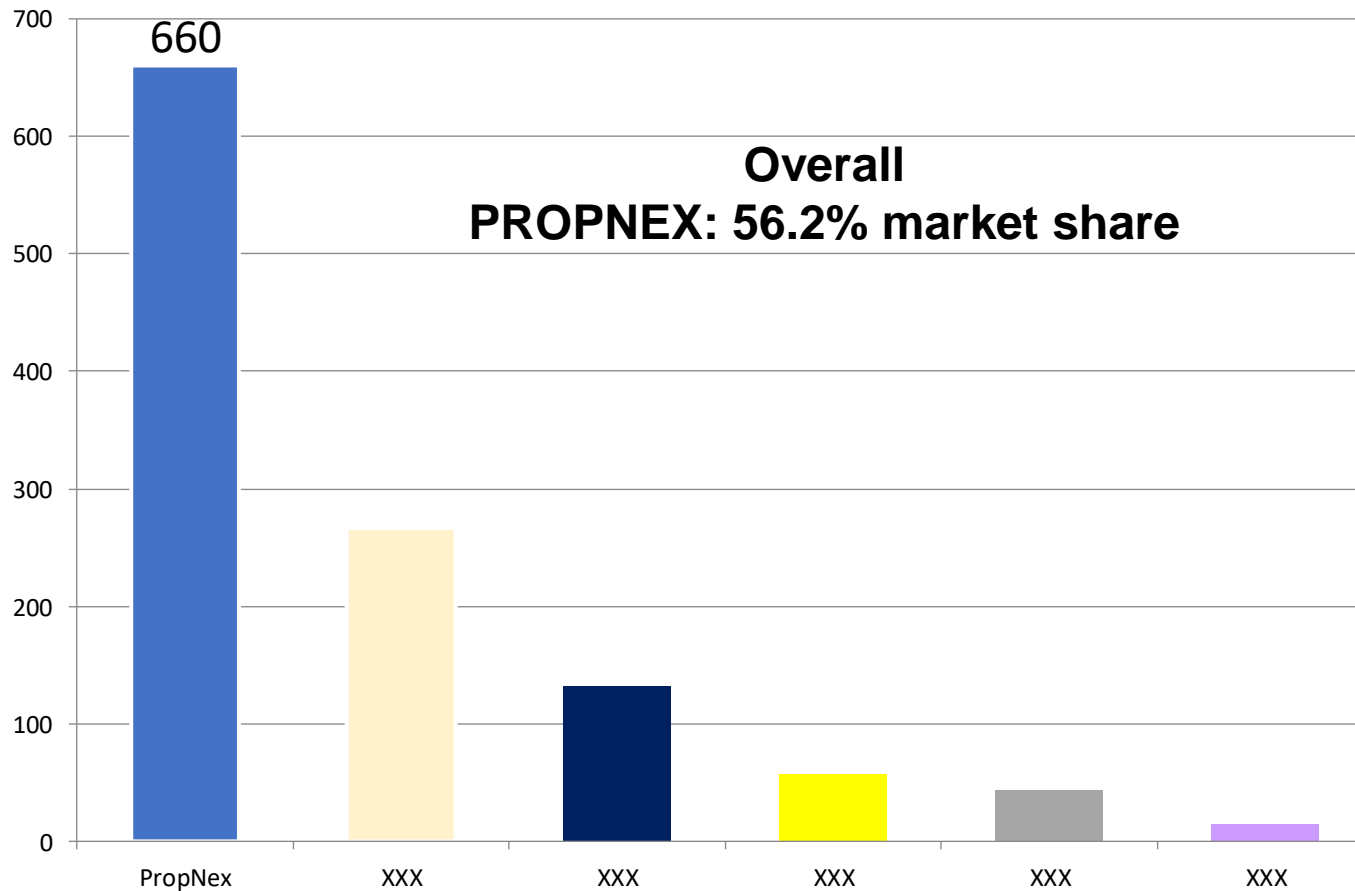
AFTER CIRCUIT BREAKER ANNOUNCEMENT (6 APR – 21 JUNE)

Number of units sold based on PropNex appointed 63 active projects with units transacted during this Circuit Breaker & Post Circuit Breaker period.



NEW LAUNCHES SALES PERFORMANCE

**AFTER CIRCUIT BREAKER ANNOUNCEMENT
(6 April – 21 June 2020)**



Number of units sold based on PropNex appointed 63 active projects with units transacted during Circuit Breaker & Post Circuit Breaker period.



Thank You



PROP Nex LIMITED
 (Company Registration No.: 201801373N)
 (Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING TO BE HELD ON 26 JUNE 2020
 RESPONSES TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
 AND SHAREHOLDERS**

The Board of Directors (the “**Board**”) of PropNex Limited (the “**Company**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting to be held by way of electronic means on Friday, 26 June 2020 at 10.00 a.m. (Singapore time). The Company has also received a set of queries from the Securities Investors Association (Singapore) (“**SIAS**”) in relation to its annual report for the financial year ended 31 December 2019 (the “**2019 Annual Report**”).

The following are the Company’s responses to the corresponding questions from SIAS and shareholders:

A. QUESTIONS RECEIVED FROM SIAS

Question 1 from SIAS

As noted in the chairman’s statement, the group further strengthened its position as the largest real estate agency, with an enlarged salesforce of 8,441 as at 23 February 2020. This marked an increase of 1,041 sales agents or 14.1% from 1 January 2019. The group has a vision of attaining the size of 10,000 salespersons.

As noted in the company’s update dated 14 May 2020, in line with the COVID-19 circuit breaker measures introduced in early April, property viewings and marketing roadshows have been suspended, alongside the temporary closure of project sales galleries. In addition, developers are adopting a wait-and-see approach, before deciding to go ahead with their project launches.

- (i) As the economy comes to a standstill during the circuit breaker, how does management turn its large salesforce of over 8000 into an advantage during the lull period?**

Company’s response

Since the announcement of circuit breaker measures by the Singapore Government on 3 April 2020, the Group, leveraging on its large salesforce of over 8000 salespersons, was fast to adapt to the changing circumstances for salespersons. The Group took the following measures:

- 1) Encouraged salespersons to use digital alternatives in their engagement with clients.
- 2) Introduce online trainings to train salespersons in the following:
 - (i) Using digital solutions to engage and reach out to clients.
 - (ii) Educating salespersons on the current market opportunities and how to communicate them to their clients to seize these opportunities.
- 3) Conducting consumer seminars online since physical meetings are not allowed. The consumer seminars are often conducted by key management and top salespersons to empower consumers in understanding the real estate market.

Despite the expected decline in overall transactions during the circuit breaker period, the Group is pleased to share with shareholders that in the month of April 2020, approximately 3 weeks into the circuit breaker, the Group's total property transactions¹ across all market segments ("**Overall Indicative Transactions Volume**") is approximately 75% of an average month in 2019. In the month of May 2020, where the entire month is under circuit breaker, the Group's Overall Indicative Transactions Volume is approximately 50% of an average month's volume in 2019. Notably, based on information gathered by the Group from developers' sales during the circuit breaker period, the Group led in market share in the primary private segment of approximately 60%. Assuming no material adverse changes to the economy and intentions of the transacting parties, most of the transactions during the circuit breaker period are scheduled to be completed and invoiced² after the second half of FY2020.

(ii) How is the company helping its salespersons whose earnings might be affected during this period and who may be faced with cash flow issues?

Company's response

To assist the Group's salespersons to tide over potential cashflows issue during this period, the Group intends to provide financial support of up to \$10,000 per salesperson by way of advance payment of their commission based on a salesperson's completed transactions but in respect of which the commissions are pending payment from clients/ developers.

The Group maintains regular communications with salespersons to consistently gather feedbacks via various channels. The Group will consider further measures to assist salespersons affected by the slowdown in economy should the need arise. The Group also would like to highlight that the Singapore Government has also provided support for self-employed persons which include real estate salespersons. Such support from government includes, among others, the Self-Employed Person Income Relief Scheme (SIRS) which give self-employed persons \$3,000 each in end-May, July and October 2020 subject to criteria being met.

(iii) Does the group see any silver lining during this period? Are there more opportunities in training services and in real estate consultancy services?

Company's response

The COVID-19 pandemic has accelerated the adoption of digital methods of doing business regardless of business segments. The Group view this accelerated change as a positive change towards higher productivity in the long term. With the rising phenomena of virtual sales galleries, buyers and investors adjusting to the new normal and digital modes of property marketing and sales, there may be greater acceptance in buyers to view properties via digital means first, before narrowing down and physically view only the shortlisted properties. This will enhance the productivity of salespersons and also improve the efficiency for potential buyers and investors.

The Group wishes to highlight its robust balance sheet with healthy cash equivalents of S\$89.8 million as at 31 March 2020. For more information on the Group's latest financial results, please refer to the Group's 1Q2020 results announcement on 14 May 2020 uploaded on SGXNET.

¹ Total property transactions with reference to property sales refer to the total number of Option-to-Purchase issued by property sellers and developers to buyers but yet to be exercised.

² A property transaction is completed when the Option-to-Purchase is exercised by the buyer and the Company invoiced the buyer/seller/developer to recognise the commission income as revenue.

Question 2 from SIAS

The group further added that it has ambitions to be the leading regional real estate agency and it is constantly on the lookout to grow its Southeast Asia footprint. The group is currently exploring opportunities in the Philippines and Thailand.

The group has already entered Indonesia in 2016, and Malaysia and Vietnam in 2018. Since then, the Indonesia team has grown to 1,400 salespersons in 12 offices.

- (i) **Based on the group's experience, how will the group finetune its market entry strategy for the Philippines and Thailand?**

Company's response

When the Group set sights on a new geographical market, its top priority is to source for like-minded business partners – partners who are passionate, performance-driven, nimble, service-oriented and with a strong sense of professionalism and integrity. The Group strategy and approach for new market penetration has not changed.

The Group prefers to enter a new geographical market through franchise arrangements, with option to take an equity stake should the Group see good potential in the franchisee. For example, the Group recognised the potential of PropNex Realty Sdn. Bhd.'s ("**PropNex Malaysia**") and decided to subscribe for a 20% equity stake in the enlarged share capital of PropNex Malaysia in November 2019. For more information on the acquisition, please refer to the Company's announcement on 6 November 2019 upload on SGXNET.

The Group takes a long-term view of our expansion in overseas markets, and the immediate focus continues to be in Southeast Asia.

- (ii) **Are the group's proprietary technology, systems, services and training shared with/licenced to the partners?**

Company's response

The Group licenses the internal management systems to the franchisees, including operational management systems and salespersons management system. Most importantly, the Group shares with the franchisees the training methodology of the salespersons. From time to time, the key management also provides training to the partners' salespersons and provides guidance to their partners. Salespersons from the franchisees were also allowed to join the Group's bootcamp in Singapore before it was suspended due to COVID-19.

As disclosed in Note 26 (pages 91 to 94 – Operating segments), the group’s revenue is still substantially derived from Singapore and the group does not show the geographical breakdown of revenue.

- (iii) Would the board help shareholders understand the tangible benefits and earnings potential of its regional growth strategy?

Company’s response

The Group would like to highlight that the Group’s regional expansion has been fairly recent and secured three franchisees thus far. The Indonesian franchisee started in 2016 followed by the Malaysian and Vietnamese franchisees in 2018. While the total revenue contribution from these franchisees is relatively small in comparison to the Singapore market, where the Group has leading market share, the Group sees growth potential in the regional market in the longer term.

Question 3 from SIAS

The “Valuation of trade receivables of \$61.7 million” is a key audit matter (KAM) highlighted by the independent auditors in their Report on the audit of the financial statements (page 46).

Key audit matters are those matters that, in the professional judgement of the Independent Auditors, were of most significance in the audit of the financial statements of the current period.

As noted in the KAM:

As at 31 December 2019, the Group has trade receivables of \$61.7 million, which represents 40% of its total assets. Given the size of the balance and the risk that some of the trade receivables may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk.

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.

As shown in Note 27 (page 95 – Credit risk), the group recorded impairment losses recognised on trade and other receivables of \$(644,288) in FY2019, up from \$(63,681) a year ago.

- (i) Would management help shareholders understand the reasons for the significant increase in impairment losses?
- (ii) Can the company show how the impairment loss of \$(644,288) was calculated?

Company's response

The computation of allowance for impairment loss comprised of the following:

- 1 Identification of receivables that are **credit-impaired** – Management performed review of its overdue receivables as at year end and made allowance for impairment loss for specific receivables considered credit-impaired. The increase of allowance for impairment loss in FY2019 is mainly due to higher overdue receivables by more than 12 months as compared to FY2018.
- 2 Remaining receivables that are **not credit-impaired** – Management provided allowance for impairment loss for this group of receivables using the expected credit loss model. This is based on a probability-weighted estimate of credit losses using 3 years historical default rate, and adjusted for a forward-looking overlay, such as GDP growth in the estimate.

The table below shows the movement in the accumulated allowance for impairment loss for the respective financial years.

	FY2019	FY2018	Difference
	\$	\$	\$
Accumulated allowance for impairment loss			
Opening balance as at 1 January	802,250	945,274	(143,024)
Impairment loss recognised in profit or loss	644,288	63,681	580,607
Amounts written off against receivables	(135,048)	(206,705)	71,657
Closing balance at 31 December	1,311,490	802,250	509,240
Trade and other receivables	63,466,425	63,458,007	8,418
Allowance loss as a percentage of receivables	2.1%	1.3%	0.8%
Allowance for impairment loss is represented by:			
Credit impaired receivables (long-outstanding receivables)	1,261,973	753,213	508,760
Not credit-impaired receivables	49,517	49,037	480
	1,311,490	802,250	509,240

The increase in impairment losses from \$64,681 in FY2018 to \$644,288 is mainly due to the increase in allowance for impairment loss (the "Allowance") from \$802,250 in FY2018 to \$1,311,490 in FY2019 which represents 1.3% and 2.1% of trade and other receivables in FY2019 and FY2018 respectively. The increase in the Allowance is mainly due to increase in credit impaired receivables (long-outstanding receivables) from Real Estate Agency services. These receivables mainly pertain to resale transactions between individuals and not with corporate clients. The Group would like to highlight that as part the Board's risk management, the Group has a dedicated and experienced department solely to follow up with long outstanding receivables from non-corporate clients.

Notwithstanding the above, even in the unlikely event that the entire Allowance becomes bad, the financial impact on the Group is immaterial as the Group's exposure is only approximately 6% of the Allowance as the remaining amounts of approximately 94% are amounts the Group will be paying out as commissions to salespersons and their respective team leaders or managers. As part of the agency agreement between the Group and all its salespersons, the Group will not be obligated to pay to the salespersons (together with their leaders and managers) if the Group has not first received the commission payments from the sellers for any transaction completed. As an

illustration, if the entire amount of the Allowance for FY2019 of \$1,311,490 become bad debts, the estimated financial impact to the Group will only be approximately a loss of \$78,700, based on 6% of \$1,311,490. This is less than 1% of the Group's FY2019 profit.

Lastly, for the avoidance for doubt, with reference to the Company's response to SIAS' question 1(ii) above, the Group has internal controls in place to ensure that no advance payment in terms of the Group's financial support will be made to salespersons with respect to transactions that have been provided as impairment.

For more information, please refer to the Group's 2019 annual report, note 27, pages 95 to 98 for a detailed breakdown of the Allowance by business segments and credit-impaired/ not credit-impaired allowances for both FY2018 and FY2019.

B. QUESTIONS RECEIVED FROM SHAREHOLDERS

Question 1 from Shareholder

Going forward may I know what is the dividend policy for PropNex? A key worry for shareholders would be a sharp fall in 2020 earnings that could lead to lower dividends.

Company's response

Based on the Group's current dividend policy, The Company wishes to reward shareholders for participating in the growth of the Group, accordingly, the Board intends to recommend and distribute dividends of at least 50% of the Group's announced profit attributable to the owners of the Company (excluding exceptional items, if any) semi-annually. The dividend policy may be subject to modification (including reduction or non-declaration thereof) at the Board's sole discretion. Shareholders may refer to the Group's dividend policy on page 37 of the Group's 2019 annual report.

The Board would also like to assure shareholders the Board understands that dividends is one of the key concerns for shareholders and will take into consideration among other keys factors including but not limited to the financial position, results of operations and cash flow of the Group when declaring dividend.

Question 2 from Shareholder

The Group's cash seems to be getting bigger at over 20 cents per share, what are the key plans to utilize the cash? Example: Paying special dividends, acquisitions or more share-buybacks?

Company's response

The Group is always on a lookout for investment opportunities such as, joint ventures, acquisition, overseas expansion and investment in IT solutions. The Group will also balance such decisions with rewarding shareholders through special dividend in years of good performance and evaluate the market conditions for any share buyback. In considering the utilisation of the Group's cash balances whether for acquisitions, share-buybacks or business expansion, the Group will consider the financial position, the expected working capital requirements and current economic conditions among others relevant factors.

Question 3 from Shareholder

With the digitisation of various processes including artificial intelligence, how confident is the Group that the real estate brokerage business can survive in the long-term?

Company's response

While the application of artificial intelligence bots may give rise to more online do-it-yourself (DIY) alternatives, the Group believes that the value proposition of a real estate salesperson is still fundamentally strong in the long term. Property purchases are high value purchases, whereby most prospective buyers would like to have full knowledge of the property and a good degree of understanding of the market before committing into a transaction. Hence, the role of a properly trained salesperson with good industry understanding and technical know-how are vital in providing the information and advice to support sound investment decision. Further, DIY transactions via online alternatives may carry risks due to lack of professional knowledge, understanding of market being limited to the user's own research and the lack of professional experience to support the due process of property transactions.

Similarly, as mentioned in the Company's response to SIAS's question 1(iii), the COVID-19 pandemic has accelerated the adoption of digital methods of doing business regardless of business segments. The Group view this accelerated change as a positive change towards higher productivity for our salespersons in the long term. With the rising phenomena of virtual sales galleries, buyers and investors adjusting to the new normal and digital modes of property marketing and sales, there may be greater acceptance in buyers to view properties via digital means first, before narrowing down and physically view only the shortlisted properties. This will enhance the productivity of salespersons and also improve the efficiency for potential buyers and investors. Overall, the Group embraces digital transformation as an essential productivity tool that will help its salespersons to improve outreach, educate its consumers and also assists developers in marketing their products.

By Order of the Board

Ismail Gafuore
Executive Chairman and CEO
24 June 2020

UOB Kay Hian Private Limited is the sole issue manager of the initial public offering and listing of PropNex Limited. UOB Kay Hian Private Limited assumes no responsibility for the contents of this announcement.