



PropNex

Service You Trust[®]
SINGAPORE

PROP NEX LIMITED

2Q2021 ANALYST BRIEFING

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PROPNE X'S 2Q2021 NET PROFIT AFTER TAX GREW 135% TO S\$18.2 MILLION




Declares interim dividend of 5.5 Singapore cents per share



Revenue grows 147.2% to S\$260.5 million



Debt-free, strong cash position of S\$120.7 million



Extends regional footprint to Cambodia via Master Franchise



FINANCIAL SNAPSHOT

2Q2021 INCOME STATEMENT

(in S\$'000)	2Q2021	2Q2020	▲▼
Rev	260,479	105,380	147%
COS	(232,642)	(93,053)	150%
GP	27,837	12,327	126%
GP%	10.7%	11.7%	
O. income	1,857	2,213	(16%)
Staff Cos.	(4,056)	(3,396)	19%
Dep. ROU	(555)	(667)	(17%)
Expenses	(3,055)	(1,446)	111%
Gain on disp. PPMC	-	-	-
NPBT	22,028	9,031	144%
NP%	8.5%	8.6%	
Tax	(3,844)	(1,537)	150%
NPAT	18,184	7,494	143%
Discontinued Opt.	-	262	NM
Profit for the period	18,184	7,756	135%

- Proj. mktg ↑ 158% 2Q21: \$126.8m, 2Q20: \$49.2m
- Pte resale ↑ 250% 2Q21: \$53.7m, 2Q20: \$15.3m
- HDB resale ↑ 68% 2Q21: \$32.1m, 2Q20: \$19.1m
- Landed resale ↑ 171% 2Q21: \$16.2m, 2Q20: \$6.0m
- Rental ↑ 109% 2Q21: \$30.1m, 2Q20: \$14.4m

- G. grants ↓ 2Q21: \$0.2m, 2Q20: \$0.8m
- Interest ↓ 2Q21: \$0.1m, 2Q20: \$0.2m
- Rental rebate ↓ 2Q21: nil, 2Q20: \$0.4m
- Referral ↑ 2Q21: \$0.8m, 2Q20: \$0.3m
- Ad&mktg. ↑ 2Q21: \$0.2m, 2Q20: \$0.1m

- Due to better performance:
- Salary ↑ 2Q21: \$3.3m, 2Q20: \$2.8m
 - PB ↑ 2Q21: \$0.5m, 2Q20: \$0.4m

- Discontinued branch office lease in Aug20

- Referral ↑ 2Q21: \$0.5m, 2Q20: \$0.2m
- Recruitment ↑ 2Q21: \$0.5m, 2Q20: \$0.1m
- Impair. ↑ 2Q21: \$0.3m, 2Q20: \$0.2m
- Ad&mktg. ↑ 2Q21: \$0.3m, 2Q20: \$0.1m
- Corp. event ↑ 2Q21: \$0.2m, 2Q20: \$0.1m
- Professional fee ↑ 2Q21: \$0.3m, 2Q20: \$0.2m

1H2021 INCOME STATEMENT

(in S\$'000)	1H2021	1H2020	▲ ▼
Rev	481,057	240,446	100%
COS	(429,943)	(213,284)	102%
GP	51,114	27,162	88%
GP%	10.6%	11.3%	
Other income	4,114	4,055	1.5%
Staff costs	(7,832)	(6,962)	12%
Dep. ROU	(1,110)	(1,327)	(16%)
Expenses	(5,520)	(4,022)	37%
Gain on disp. PPMC	637	-	NM
NPBT	41,403	18,906	119%
NP%	8.6%	7.9%	
Tax	(7,058)	(3,249)	117%
NPAT	34,345	15,657	119%
Discontinued Opt.	19	323	(94%)
Profit for the period	34,364	15,980	115%

- Proj. mktg ↑106% 1H21: \$225.1m, 1H20: \$109.4m
- HDB resale ↑58% 1H21: \$59.6m, 1H20: \$37.7m
- Pte resale ↑146% 1H21: \$108.7m, 1H20: \$44.2m
- Landed resale ↑150% 1H21: \$31.6m, 1H20: \$12.6m
- Rental ↑56% 1H21: \$53.3m, 1H20: \$34.1m

- G. grants ↓ 1H21: \$0.5m, 1H20: \$0.9m
- Interest ↓ 1H21: \$0.2m, 1H20: \$0.5m
- Rental rebate ↓ 1H21: nil, 1H20: \$0.4m
- Referral ↑ 1H21: \$1.6m, 1H20: \$0.7m
- Corporate gift ↑ 1H21: \$0.3m, 1H20: \$0.1m

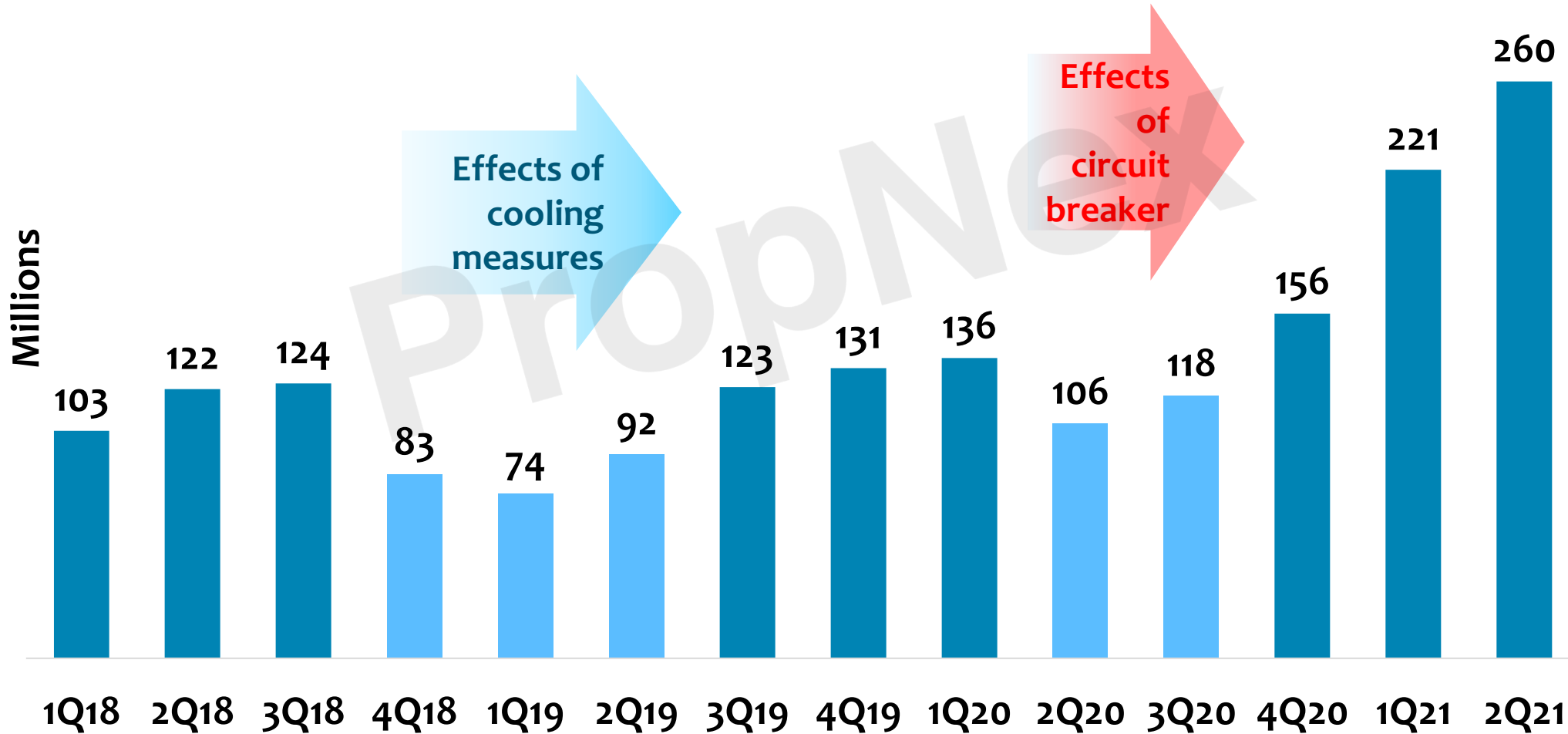
Due to better performance:

- Salary ↑ 1H21: \$6.3m, 1H20: \$5.7m
- PB ↑ 1H21: \$1.2m, 1H20: \$0.9m

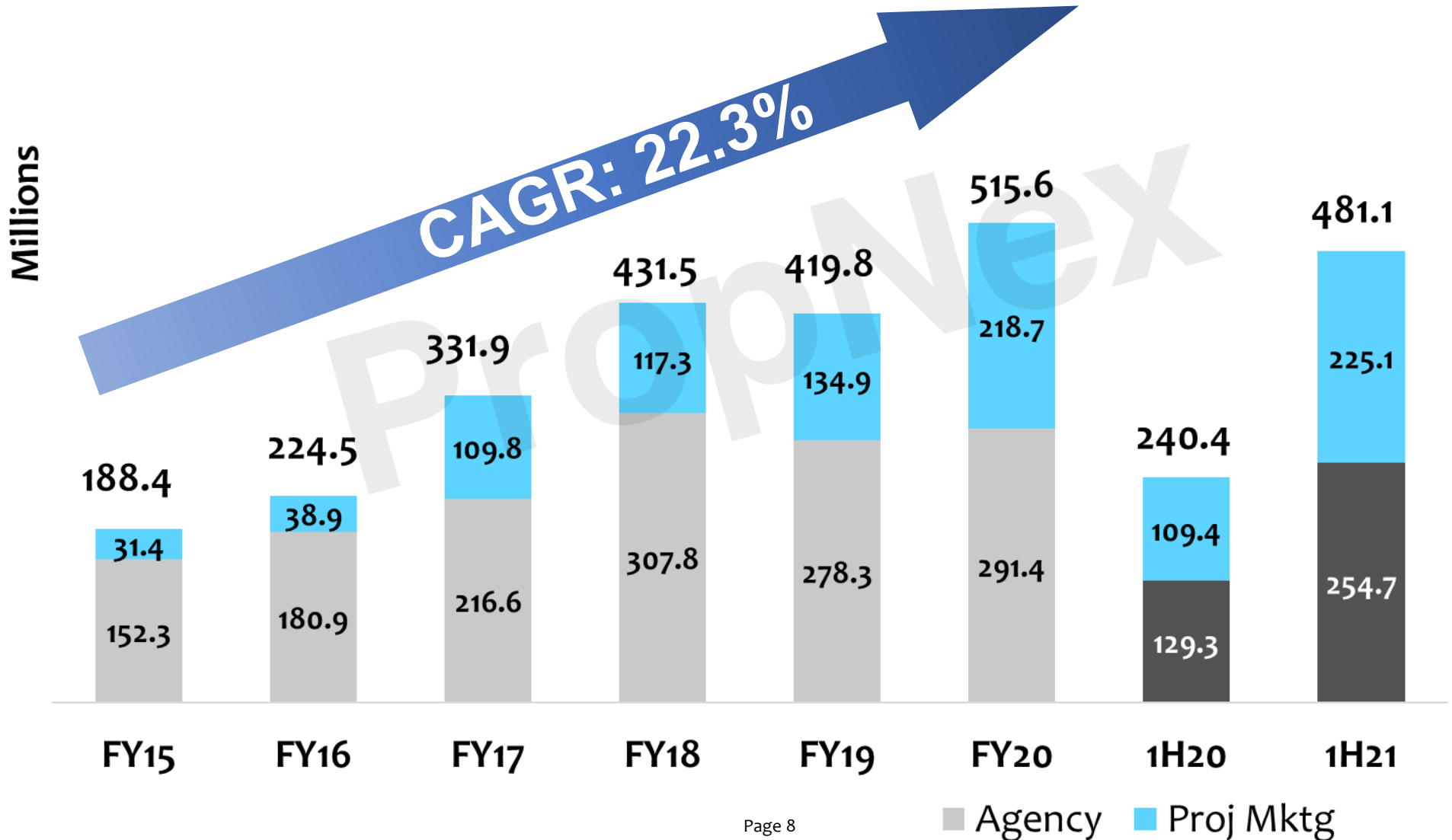
• Discontinued branch office lease in Aug20

- Impair.+B/Debt ↑ 1H21: \$0.5m, 1H20: \$0.2m
- Professional ↑ 1H21: \$0.6m, 1H20: \$0.4m
- Recruitment ↑ 1H21: \$0.8m, 1H20: \$0.4m
- Referral ↑ 1H21: \$0.9m, 1H20: \$0.3m

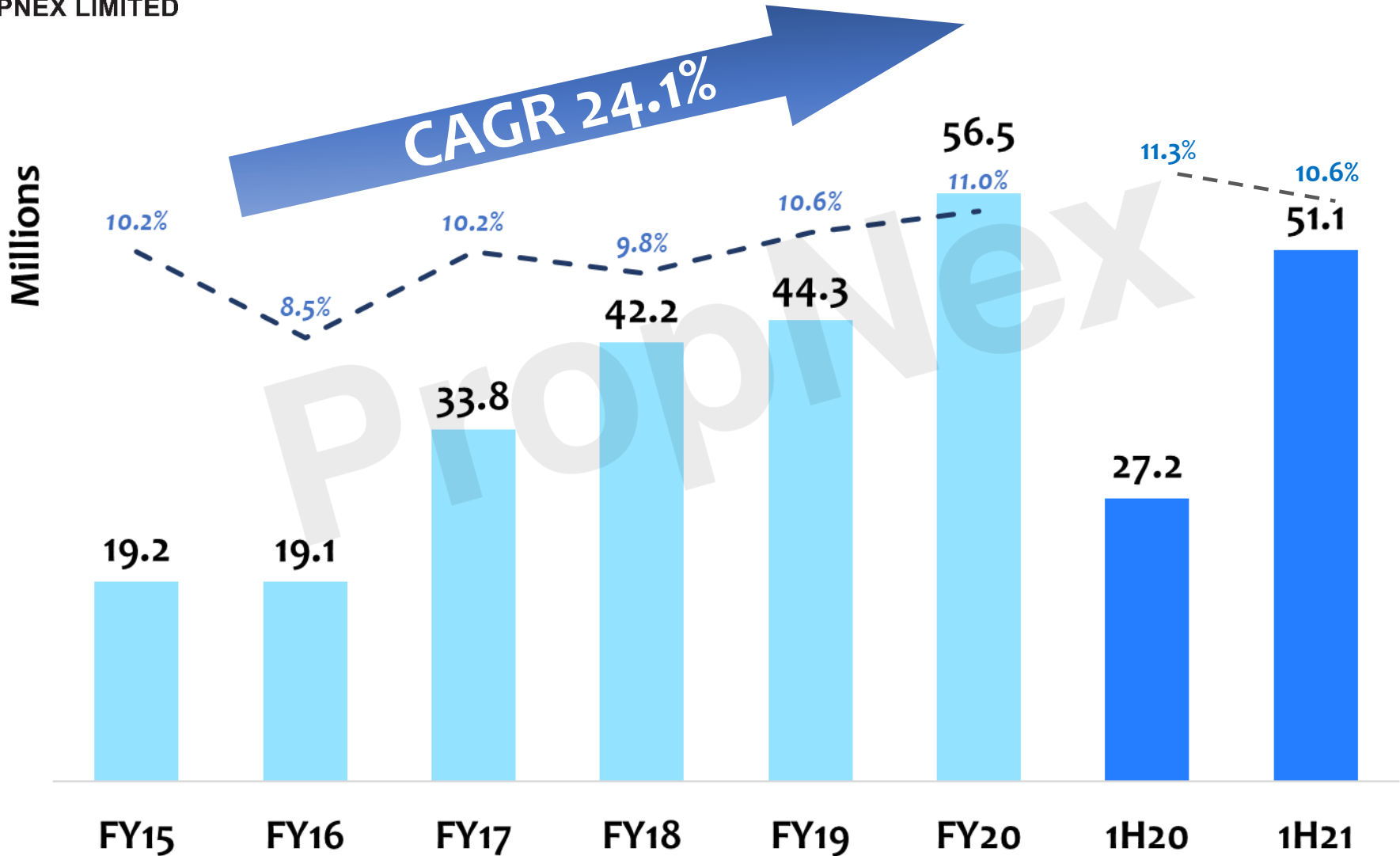
REVENUE BY QUARTER



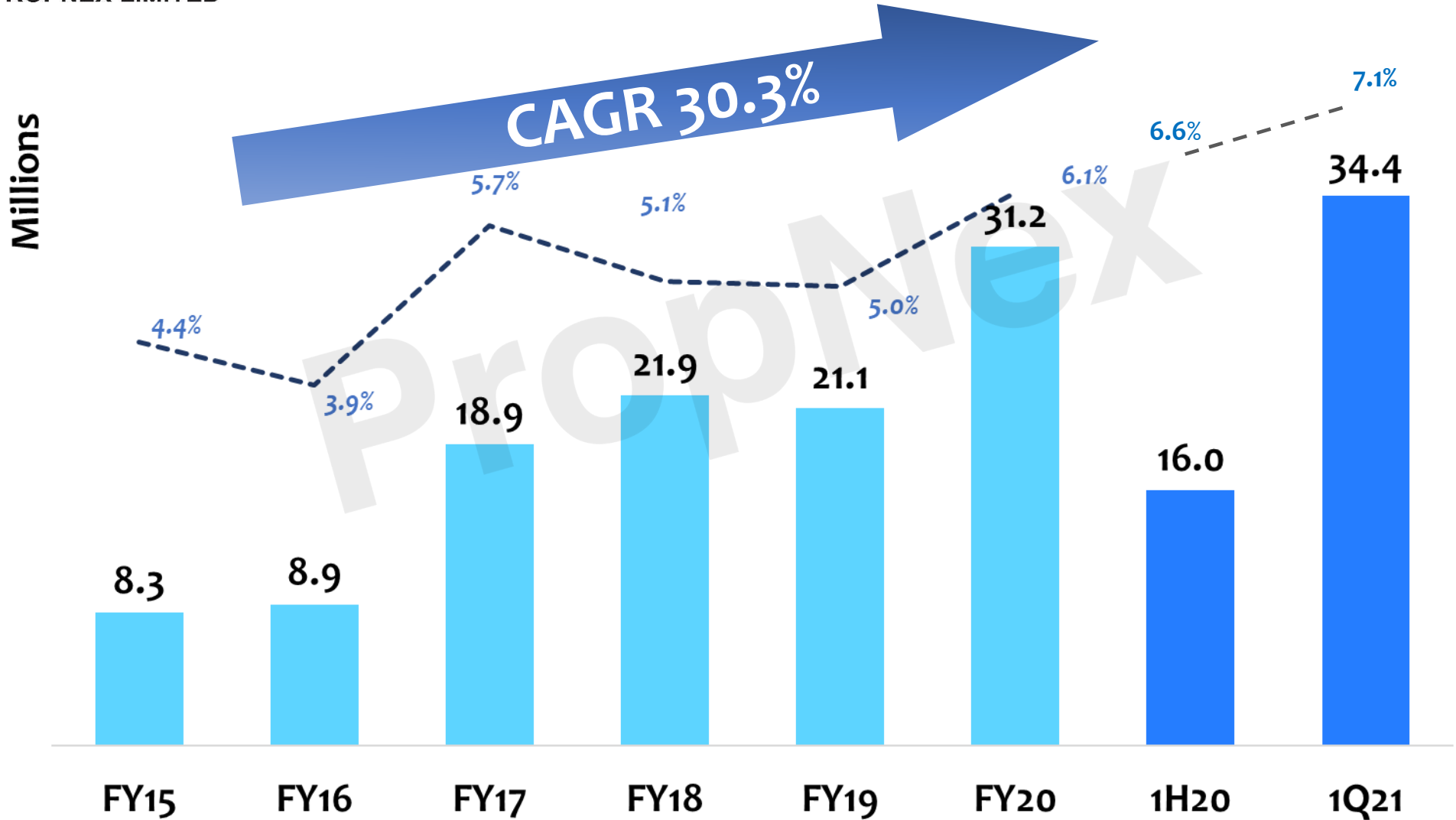
GROUP REVENUE



GROSS PROFIT & MARGIN



NET PROFIT & MARGIN





BUSINESS UPDATES

STATE OF THE PROPERTY MARKET

- Sales momentum gained traction in 2H2020 and continued into 1H2021
- Private home and HDB resale prices defied pandemic woes, posting growth in 2020 and 1H2021
- Multiple sales drivers of housing demand at play, including:



Gradual
economic
recovery



Safe haven
for
investments



Pandemic
management/
vaccination
drive



Low interest
rates &
ample
liquidity

STATE OF THE PROPERTY MARKET

MAS ANNUAL REPORT

Property market not overheated, but MAS says it will track prices

Central bank chief says it's a 'big problem' that low interest rates have channelled money into stocks, real estate

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Singapore

THE Monetary Authority of Singapore (MAS) remains "highly vigilant" to the risk of a sustained increase in housing prices relative to income trends, with a prolonged divergence seen as unsustainable, Monetary Authority of Singapore (MAS) managing director Ravi Menon has said.

In his opening remarks at the launch of the MAS annual report, he noted that the property market has been "remarkably resilient" in the face of the pandemic. The residential property price index rose by 1.6 per cent in 2020, even as nominal gross domestic product (GDP) contracted 8.2 per cent.

As at the first quarter of 2021, the property price index was 5.6 per cent above its pre-pandemic levels, while nominal GDP was about 4 per cent below the 2019 level.

When asked by the media, Mr Menon said that the property market is not considered overheated at this juncture. "We will never tell in advance whether we would implement (property cooling) measures because that defeats the purpose of implementing the measures," he said.

"We hope the market will continue to remain stable and that we don't have to make any moves."

"But we have said many times that we are just as determined to make sure that the market remains stable, and prevent overheating from happening."

On whether there is a possibility of an asset bubble being formed on the back of flush global liquidity, he said that this is a "big issue" for central banks and regulators around the world.

With central banks adopting very



In Q1 2021, private home prices rose 3.3 per cent quarter on quarter, steeper than the 2.1 per cent growth in Q4 2020, going by URA figures. This was the fourth consecutive quarter-on-quarter rise. PHOTO: REUTERS

highly accommodative monetary policies such as low interest rates, a good part of this liquidity has gone into financial asset markets and real estate markets.

"This is a big problem," he noted. That being said, Singapore has a comprehensive set of macroprudential policy tools to keep the property market here from over-inflating, and this has resulted in relative stability in the market in the past five years, said Mr Menon.

He added that this is something that the MAS will continue to watch closely.

In response, Christine Sun, senior vice president of research and analytics at OrangeTee & Tie, noted that while rumours of cooling measures might have introduced panic buying, Mr Menon's earlier statement could help to stabilise the market "by providing more clarity and certainty".

"It appears that the probability of property curbs being implemented in

the near future may not be high since they do not deem the market to be overheated," she said.

Lee Nai Jia, deputy director of the Institute of Real Estate and Urban Studies (IREUS) at the National University of Singapore, added that the possibility of a market correction "should not be ruled out".

"US economists are anticipating that the Fed rate will be raised, even as early as 2022, which will in turn trigger other central banks to raise lending rates. The increased cost of credit may flatten the uptrend on home prices," he said.

However, if property cooling policies are enacted, he anticipates the measures to be "highly targeted rather than broad and sweeping".

"Regulations may, for example, target joint owners who, in a bid to avoid additional buyer's stamp duty (ABSD), are decoupling to purchase an additional property, and may as a result, overextend themselves," noted Dr Lee.

Sing Tien Foo, director of IREUS, added that it is important for the government to monitor foreign flow of capital, especially into the luxury segment, as it could generate spillover effects into the mass market and HDB resale market. He believes potential cooling measures could reduce the current loan to value ratios or increase the ABSD.

"A more stringent measure will be to restrict the demand from foreign buyers, such as barring more than one purchase in private property in the local market," he said.

That said, Ms Sun added that cooling measures can only help to slow down the pace of price increase temporarily, as prices of homes could continue to rise if demand is persistent, especially in suburban areas.

She noted: "The authorities may want to consider releasing more land parcels, especially in the suburban regions, to better address the supply demand imbalance that is facing the market now."

In Q1 2021, private home prices rose 3.3 per cent quarter on quarter, steeper than the 2.1 per cent growth in Q4 2020, say Urban Redevelopment Authority (URA) figures.

This was the fourth consecutive quarter on quarter rise. The flash estimates for Q2 2021 private home sales will be released on July 1.

In public housing, HDB resale prices rose 1.2 per cent in May 2021 from the previous month, making it the 11th straight month of price growth, says flash data from real estate portal SRX Property.

Year on year, the overall price increase for HDB resale flats grew 12 per cent in May, although it remained 2.6 per cent lower than the peak in April 2013.

US home prices rose in April at fastest pace in 15 years: survey, Page 13



.....property market is not considered overheated at this juncture.... We hope the market will continue to remain stable and that we don't have to make any moves....

Ravi Menon
Monetary Authority of Singapore (MAS)
Managing Director
Business Times Report, 30 June 2021

PRIVATE RESIDENTIAL PRICES

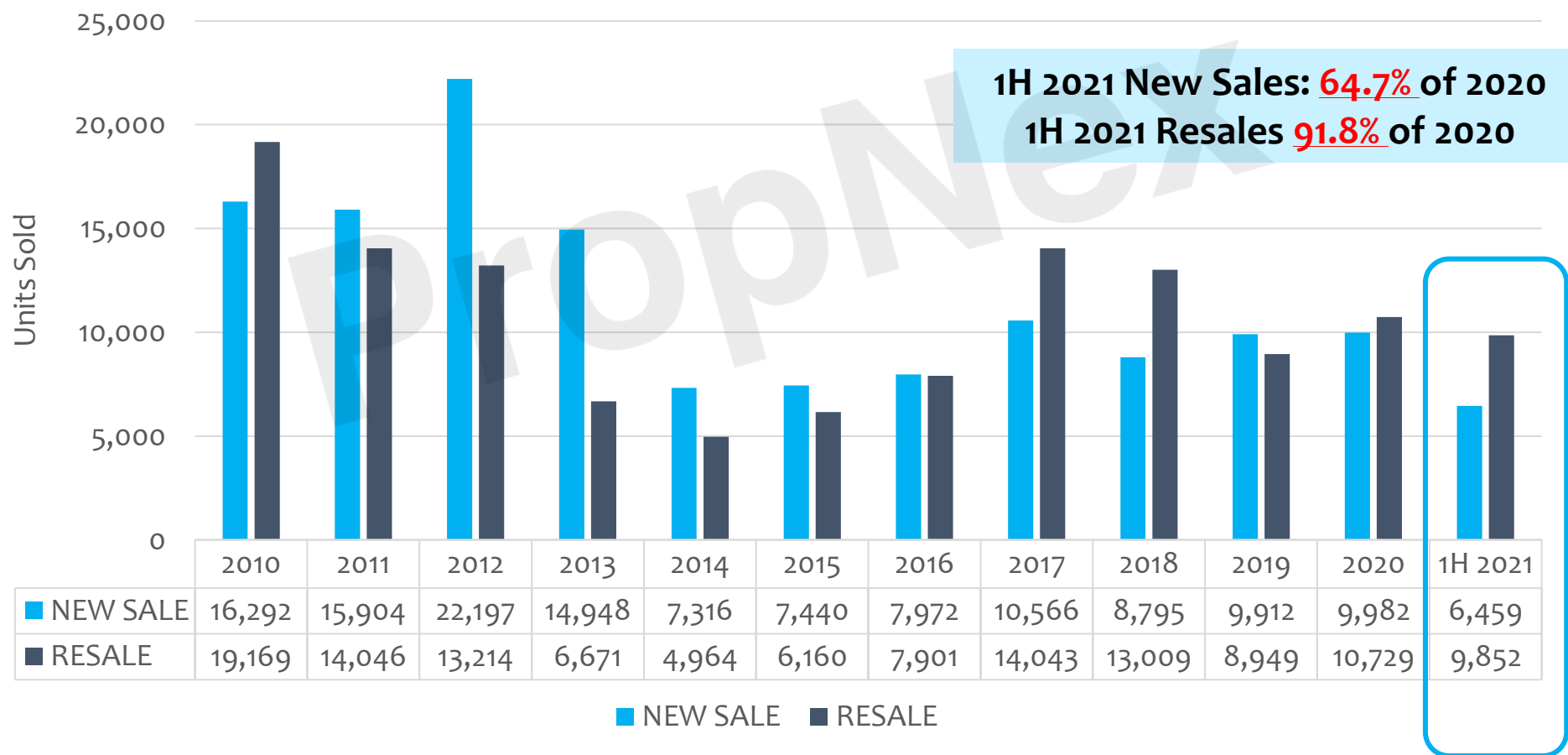
Private Property Price Index (PPI) – % Change

Price Indices	1Q20	2Q20	3Q20	4Q20	Overall 2020	1Q21	2Q21	1H 2021
Overall PPI	-1.0	0.3	0.8	2.1	2.2	3.3	0.8	4.1
Landed	-0.9	0.0	3.7	-1.6	1.2	6.7	-0.3	6.4
Non-Landed	-1.0	0.4	0.1	3.0	2.5	2.5	1.1	3.6
CCR	-2.2	2.7	-3.8	3.2	-0.4	0.5	1.1	1.6
RCR	-0.5	-1.7	2.5	4.4	4.7	6.1	0.1	6.2
OCR	-0.4	0.1	1.7	1.8	3.2	1.1	1.9	3.0

Source: PropNex Research, URA

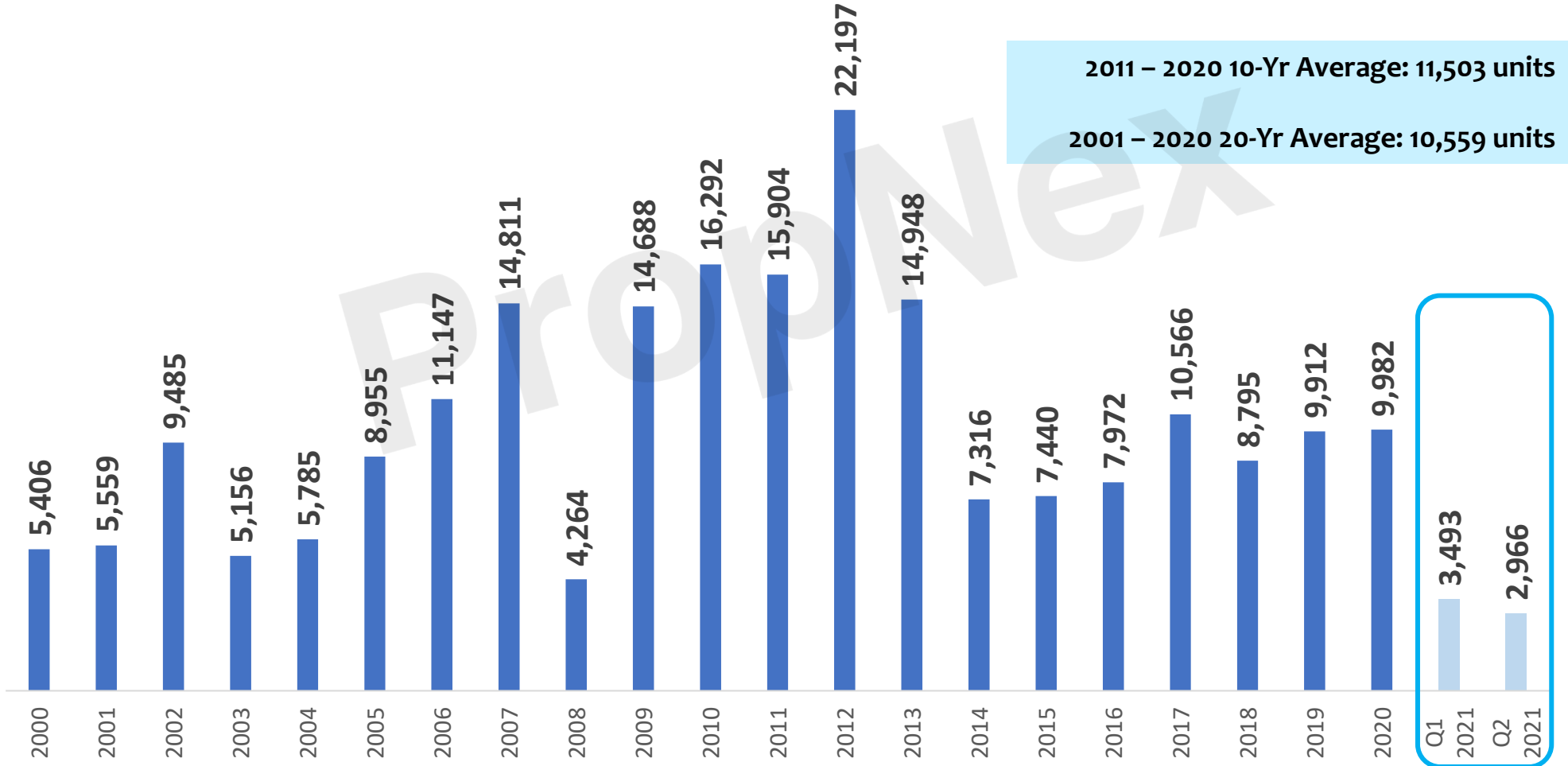
STRONG SALES MOMENTUM IN 1H2021

Overall Private Home Sales (By Type)



MORE THAN 6,400 NEW HOMES SOLD IN 1H2021

Private New Home Sales (ex. ECs)



TOP 10 BEST SELLING PROJECTS IN 2021

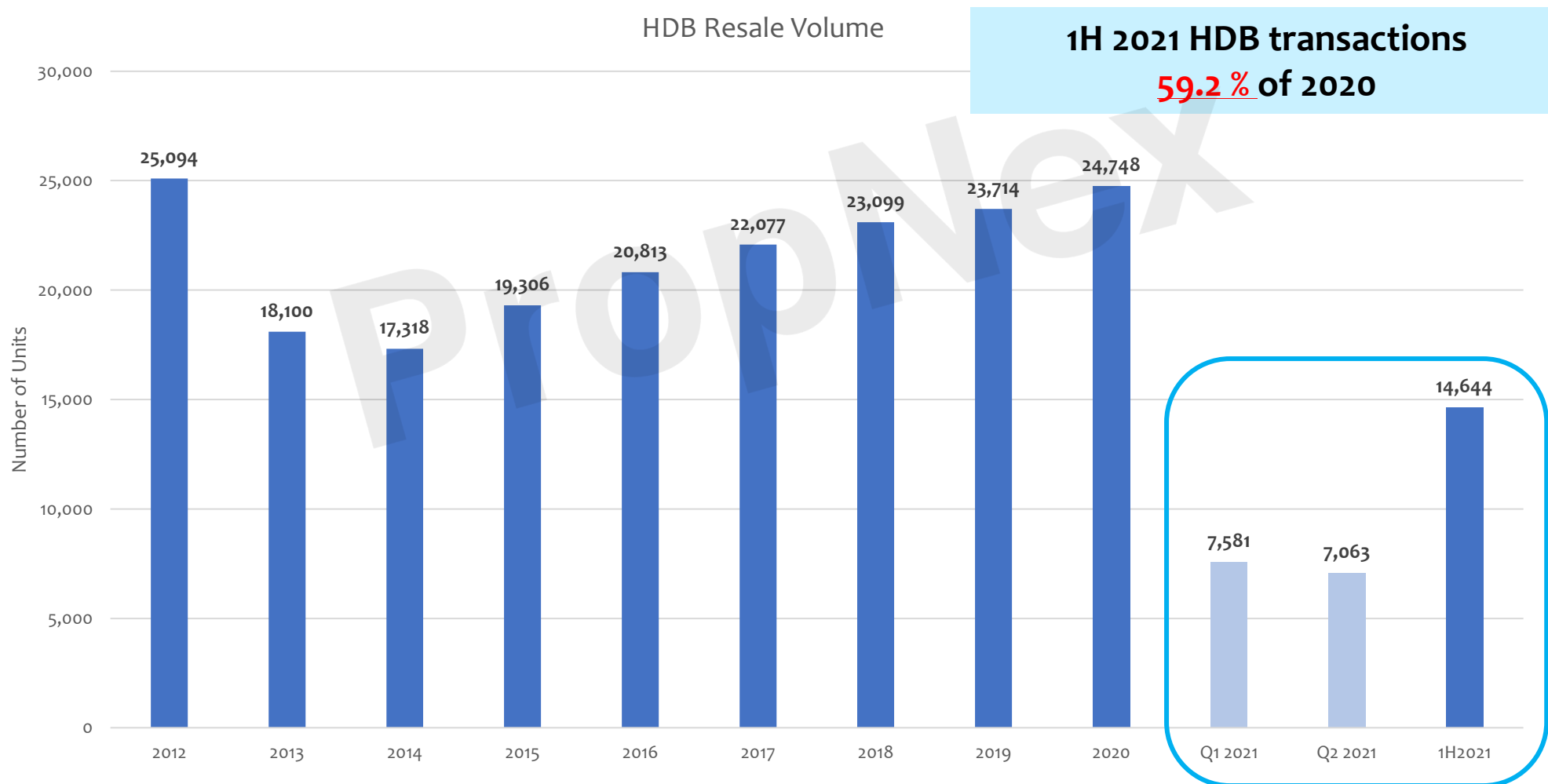
Top 10 Best-Selling Projects in Jan - Jul 2021 (Ex. ECs)

S/N	Project	Launch Date	Region	Units Sold (Jan – Jul 21*)	Average Transacted Unit Price in Jan – Jul 21* (\$ PSF)
1	NORMANTON PARK	Jan-21	RCR	1,003	\$1,776
2	PASIR RIS 8	Jul-21	OCR	416	\$1,613
3	TREASURE AT TAMPINES	Mar-19	OCR	405	\$1,404
4	MIDTOWN MODERN	Mar-21	CCR	389	\$2,767
5	THE REEF AT KING'S DOCK	Jan-21	RCR	371	\$2,306
6	IRWELL HILL RESIDENCES	Apr-21	CCR	342	\$2,643
7	KI RESIDENCES AT BROOKVALE	Dec-20	OCR	271	\$1,792
8	MIDWOOD	Jun-19	OCR	239	\$1,653
9	PARC CLEMATIS	Aug-19	OCR	208	\$1,664
10	AMBER PARK	May-19	RCR	199	\$2,456

Source: PropNex Research, URA REALIS *(as of 25 July 2021)

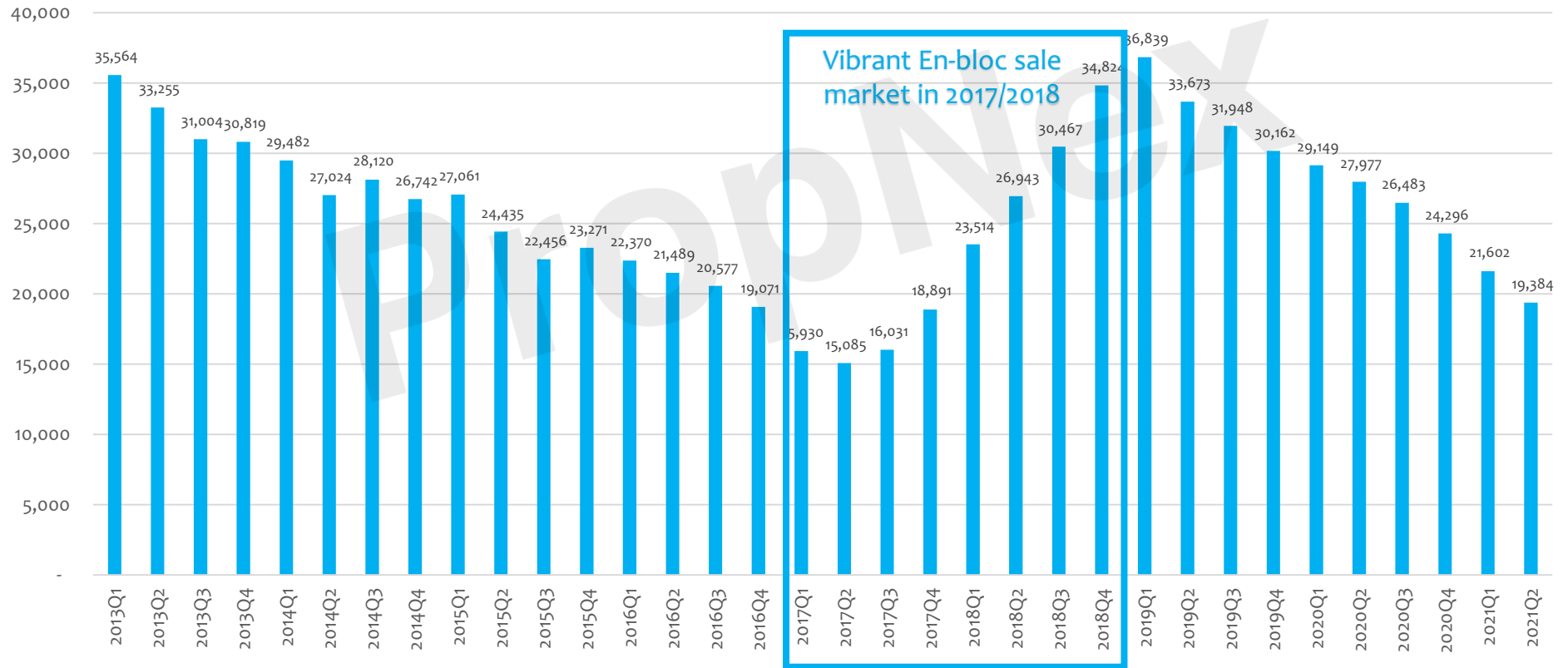
5 out of the top 10 projects are located in the OCR, most OCR launches had average selling prices ranging from \$1,400 psf to \$1,800 psf

HDB RESALE MARKET (Transaction Volume)



DWINDLING UNSOLD STOCK

Total Uncompleted Unsold Units (excl ECs)



2Q2021 PROJECTS LAUNCHED

S/N	Appointed Project	Location	District	Region	Tenure	Developer	No. of Units	Date of Launch
1	Irwell Hill Residences	Irwell Bank Road	9	CCR	99	CDL Perseus Pte Ltd	540	2Q 2021
2	Grange 1866	Grange Road	10	CCR	FH	Heeton Holdings	60	2Q 2021
3	One-North Eden	8 & 10 Slim Barracks Rise	5	RCR	99	TID Residential	165	2Q 2021
4	Peak Residence	333 Thomson Road	11	CCR	FH	Tuan Sing Holdings	90	2Q 2021
5	One Bernam	Bernam Street	2	CCR	99	Hao Yuan Realty Pte Ltd	351	2Q 2021
6	Park Nova	21 Orchard Boulevard	10	CCR	FH	Shun Tak Holdings	54	2Q 2021
7	Provence Residence	Canberra Link	27	OCR	99	MCC Land	413	2Q 2021

2H2021 PROJECTS LINED-UP

The no. of units and estimated launch dates were gathered from developers
PROPNE X APPOINTED MARKETING AGENCY

S/N	Appointed Project	Location	District	Region	Tenure	Developer	No. of Units	Date of Launch
1	Pasir Ris 8***	Pasir Ris Rise	18	OCR	99	Allgreen Properties	600	3Q 2021
2	Sloane Residences	17 Balmoral Rd	10	CCR	FH	Tiong Seng Holdings & Ocean Sky International	52	2021
3	Eden Residences Capitol	11 Stamford Road	6	CCR	99	Perennial Real Estate Holdings	39	2021
4	KLIMT Cairnhill	67 & 69 Cairnhill Road	9	CCR	FH	Low Keng Huat	138	3Q 2021
5	Parc Greenwich EC	Fernvale Lane	27	OCR	99	FCL lodge (Frasers property)	500	3Q 2021
6	The Watergardens @ Canberra	Canberra Drive	27	OCR	99	United Venture Development (2020) Pte Ltd	455	3Q 2021
7	Bartley Vue	Jalan Bunga Rampai	19	RCR	99	Wee Hur Development Pte Ltd	115	3Q 2021

*** Already launched in July with 88% sold

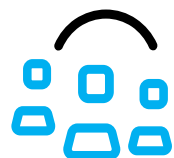
2021 PROJECTS LINED-UP

The no. of units and estimated launch dates were gathered from developers
PROPNE X APPOINTED MARKETING AGENCY

S/N	Appointed Project	Location	District	Region	Tenure	Developer	No. of Units	Date of Launch
8	Perfect 10	Bukit Timah Road	10	CCR	FH	Japura Development, part of CK Asset Holdings	230	3Q 2021
9	Mori	Guillemard Road and Jalan Molek	15	RCR	FH	Roxy Pacific	137	2H 2021
10	Jervois Site	Jervois Road (fka Jervois Mansion)	10	CCR	FH	Roxy Pacific	130	2H 2021
11	The Commodore	Canberra Drive	27	OCR	99	JBE Holdings Pte Ltd (Oasis Development Pte. Ltd)	220	3Q 2021
12	Belgravia Ace	AMK Ave 5	28	OCR	FH	Tong Eng Brothers	107	4Q2021
13	Canninghill Pier	Clarke Quay (fka Liang Court)	3	RCR	99	CDL, Capitaland and Ascott Residence Trust	700	4Q 2021
14	Pollen Collection	Nim Road/Ang Mo Kio Avenue 5	28	OCR	99	Bukit Sembawang Estates	30	4Q 2021
15	TBA	Tengah Merah Kechil Link	16	OCR	99	MCC Land	265	4Q 2021

No of PropNex appointed projects to be launched in 2H2021	Estimated total units to be launched in 2H2021
15	3,718

UNSOLD INVENTORY : EXISTING & 2021 PROJECTS



**Existing projects still marketing
(landed, non-landed & retail)**

110

**Existing inventory still marketing
(no of units :
incl landed, non-landed & retail)**

10,353



**No of PropNex appointed projects
to be launched in 2H2021**

15

**Estimated total units
to be launched in 2H2021**

3,718



**TOTAL PROJECTS
PROPNE X IS MARKETING IN
2021**

125

**TOTAL UNITS
PROPNE X IS MARKETING IN
2021**

14,071



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SINGAPORE
PROPNE X LIMITED

2022 PROJECTS LINED-UP

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

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

S/N	Appointed Project	Location	District	Region	Tenure	Developer	No. of Units	Date of Launch
1	Joo Chiat Place	Joo Chiat place	15	RCR	FH	K16 Development	29	1Q 2022
2	LIV @ MB	Arthur Road (fka Katong Park Towers)	15	RCR	99	Bukit Sembawang Estates	298	1Q 2022
3	Yishun Ave 9 (EC)	Yishun Ave 9	27	OCR	99	Sing Holdings Limited	600	1Q 2022
4	1C Evelyn Road	1C Evelyn Road	11	CCR	FH	Victory land Pte Ltd	25	1Q 2022
5	TBA	2-24 Phoenix Road	23	OCR	99	Qingjian Realty	80	2022
6	TBA	2 Surrey Road	11	CCR	FH	Amara Holdings, Santarli Capital Venture and Kay Lim Realty	36	2022
7	TBA	Northumberland Road	8	RCR	99	CDL and MCL	405	2022
8	TBA	Keppel Bay	4	RCR	99	Keppel Land	86	2022
9	TBA	Ang Mo Kio Ave 1	20	OCR	99	UOL, Singapore Group and Kheng Leong	370	2022
10	TBA	Tengah Garden Walk	24	OCR	99	CDL and MCL	615	2022
11	TBA	Lentor Central	20	OCR	99	Guocoland	605	2022
12	TBA	Tampines Street 62	18	OCR	99	Qingjian Realty and Santarli Construction	590	2022
ESTIMATED PROJECT UNITS TO BE LAUNCHED IN 2022							3,739	2022

SUCCESSFUL COLLECTIVE SALES

93b, 93c & 95 Lor N Telok Kurau-
sold 30 Dec 2020
@\$23.6m



Ji Liang Gardens
sold 23 Jun 2021
@ \$18.6m



EXCLUSIVE COLLECTIVE SALES

PropNex secured the exclusive En Bloc Sale

1 Commercial Office Space

999 years

in excess of \$280m

EXCLUSIVE COLLECTIVE SALES

PropNex secured the exclusive En Bloc Sale

6 Residential Condominiums

valued at

\$4.118b

Likely to be launched in 2021 & 2022

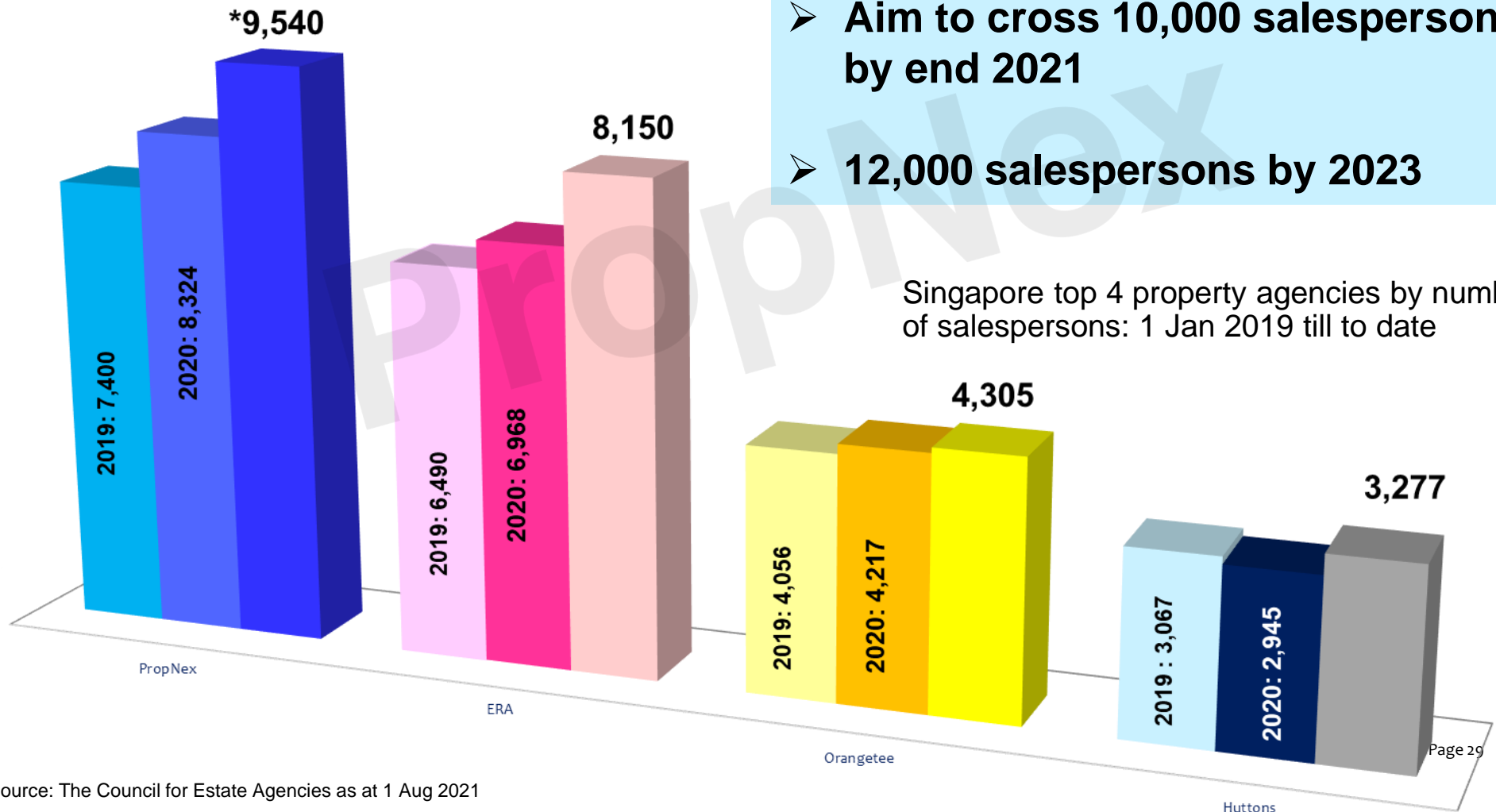


WHAT SETS US APART

Largest Real Estate Agency
Resilient Business Model

OUR SALESFORCE

- ✓ First to cross 9,500 mark
- ✓ 9,540 salespersons* @ 1 Aug 2021
- Aim to cross 10,000 salespersons by end 2021
- 12,000 salespersons by 2023



*Source: The Council for Estate Agencies as at 1 Aug 2021



Service You Trust
SINGAPORE
PROP Nex LIMITED

OUR REGIONAL PRESENCE



1) Indonesia

- 2017 with approximately 1,000 salespersons and 12 offices

2) Malaysia

- 2018 with approximately 1,041 salespersons in 4 offices

3) Vietnam

- 2018 with close to 162 salespersons

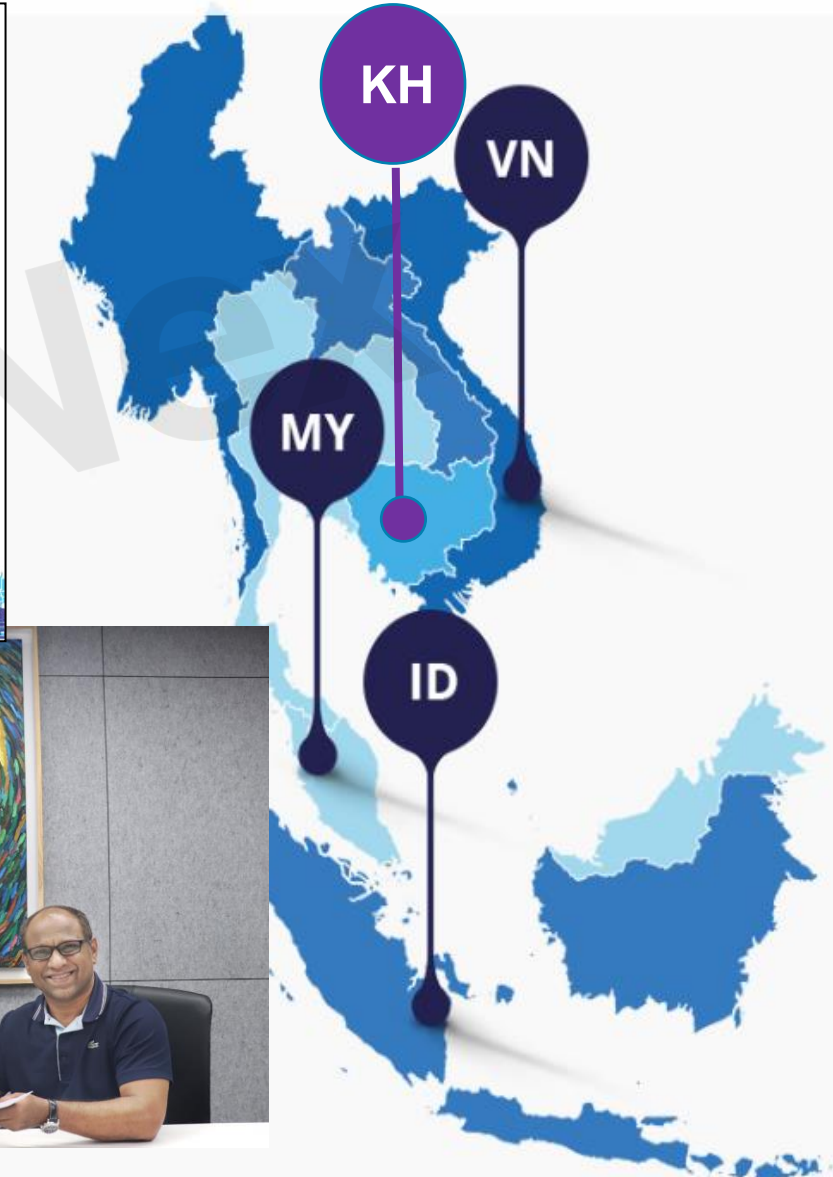
4) Cambodia (NEW)

- 2021 with approximately 500 salespersons, consists of 2 offices

OUR REGIONAL PRESENCE

Cambodia

- Expanded the PropNex brand in **May 2021**
- Consists of **2 offices - Phnom Penh and Sihanoukville** with **approximately 500 salespersons**



OVER 12,000 SALESFORCE FOOTPRINT





Thank You