PROPNEX LIMITED

Company Registration Number: 201801373N

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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PROPNEX LIMITED
Company Registration Number: 201801373N

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

The Board of Directors (the "**Board**") of PropNex Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the following unaudited results of the Group for the first quarter ended 31 March 2019.

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

	Group		
	1Q 2019 S$'000	1Q 2018 S$'000	Change (%)
Revenue	74,210	102,749	(27.8)
Cost of services rendered	(66,878)	(91,795)	(27.1)
Gross profits	7,332	10,954	(33.1)
Finance income	313	51	513.7
Finance costs	(12)	-	NM
Other income	1,339	954	40.4
Staff costs	(3,156)	(2,440)	29.3
Depreciation of plant and equipment	(270)	(164)	64.6
Depreciation of right-of-use assets	(672)	-	NM
Amortisation of trademark	(7)	(7)	-
Other expenses	(2,104)	(1,128)	86.5
Profit before tax	2,763	8,220	(66.4)
Tax expense	(427)	(1,222)	(65.1)
Profit for the period	2,336	6,998	(66.6)
Profit attributable to:			
Owners of the Company	2,000	6,171	(67.6)
Non-controlling interests	336	827	(59.4)
Profit for the period	2,336	6,998	(66.6)

NM – Not meaningful

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

	Group		
	1Q 2019 S$'000	1Q 2018 S$'000	Change (%)
Profit for the period	2,336	6,998	(66.6)
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operation	-	(1)	NM
Other comprehensive income for the period, net of tax	-	(1)	NM
Total comprehensive income for the period	2,336	6,997	(66.6)
Total comprehensive income attributable to:			
Owners of the Company	2,000	6,170	(67.6)
Non-controlling interests	336	827	(59.4)
Total comprehensive income for the period	2,336	6,997	(66.6)

NM – not meaningful

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

Profit for the period is derived after (crediting)/charging the following:

	Group	
	1Q 2019 S$'000	1Q 2018 S$'000
Profit for the period is derived after (crediting)/charging the following:		
Amortisation of trademark	7	7
Bad debts written off	71	1
Depreciation of plant and equipment	270	164
Depreciation of right-of-use assets	672	-
Foreign exchange (gain)/loss	(13)	2
Impairment losses/(Reversal of impairment loss) on trade and other receivables	155	(96)
Interest expense	12	-
Interest income	(313)	(51)
Plant and equipment written off	34	34

1(b)(i) Statements of Financial Position

	Group		Company	
	31-Mar-19	31-Dec-18	**31-Mar-19**	31-Dec-18
	S$'000	S$'000	**S$'000**	S$'000
Assets				
Plant and equipment	3,464	2,794	1	-
Trademark	181	188	173	180
Right-of-use assets	3,160	-	-	-
Subsidiaries	-	-	18,098	18,098
Associates	-	-	-	-
Deferred tax assets	1	1	1	1
Non-current assets	6,806	2,983	18,273	18,279
Trade and other receivables	48,213	63,458	17,237	18,017
Cash and cash equivalents	79,703	75,671	40,672	39,139
Total current assets	127,916	139,129	57,909	57,156
Total assets	134,722	142,112	76,182	75,435
Equity				
Share capital	57,491	57,491	57,491	57,491
Merger reserve	(17,663)	(17,663)	-	-
Translation reserve	(1)	(1)	-	-
Capital reserve	607	607	-	-
Retained earnings	28,443	26,443	15,054	14,792
Equity attributable to owners of the Company	68,877	66,877	72,545	72,283
Non-controlling interests	3,857	3,521	-	-
Total equity	72,734	70,398	72,545	72,283
Liabilities				
Deferred tax liabilities	169	169	-	-
Lease liabilities	1,752	-	-	-
Non-current liabilities	1,921	169	-	-
Trade and other payables	52,463	65,761	3,432	3,016
Current tax liabilities	5,281	4,856	182	136
Deferred income	912	928	23	-
Lease liabilities	1,411	-	-	-
Current liabilities	60,067	71,545	3,637	3,152
Total liabilities	61,988	71,714	3,637	3,152
Total equity and liabilities	134,722	142,112	76,182	75,435

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

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

Nil

(b) The amount repayable after one year

Nil

(c) Whether the amounts are secured or unsecured

Not applicable

(d) Details of any collaterals

Not applicable

1(c) Consolidated Statements of Cash Flows

	Group	
	1Q 2019	1Q 2018
	S$'000	S$'000
Cash flows from operating activities		
Profit for the period	2,336	6,998
Adjustments for:		
Amortisation of trademark	7	7
Bad debts written off	71	1
Depreciation of plant and equipment	270	164
Depreciation of right-of-use assets	672	-
Impairment losses/(Reversal of impairment losses) on trade and other receivables	155	(96)
Interest expense	12	-
Interest income	(313)	(51)
Plant and equipment written off	34	34
Tax expense	427	1,222
	3,671	8,279
Changes in:		
- trade and other receivables	15,019	(6,623)
- trade and other payables	(13,298)	7,261
- deferred income	(16)	98
Cash generated from operations	5,376	9,015
Tax paid	(2)	-
Net cash from operating activities	5,374	9,015
Cash flows from investing activities		
Acquisition of plant and equipment	(974)	(420)
Acquisition of trademark	-	(210)
Interest received	313	51
Net cash used in investing activities	(661)	(579)
Cash flows from financing activities		
Repayment of lease liabilities	(669)	-
Interest paid	(12)	-
Net cash used in financing activities	(681)	-
Net increase in cash and cash equivalents	4,032	8,436
Cash and cash equivalents at beginning of the financial period	75,610	27,615
Cash and cash equivalents at end of the financial period	79,642	36,051
Additional information:		
Cash at bank and on hand	79,703	36,112
Less: bank deposits pledged	(61)	(61)
Total cash and cash equivalents	79,642	36,051

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

	Attributable to owners of the Company							
	Share capital S$'000	Merger reserve S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
As at 1 January 2019	57,491	(17,663)	607	(1)	26,443	66,877	3,521	70,398
Profit for the period	-	-	-	-	2,000	2,000	336	2,336
Other comprehensive income								
– Foreign currency translation	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,000	2,000	336	2,336
As at 31 March 2019	57,491	(17,663)	607	(1)	28,443	68,877	3,857	72,734
As at 1 January 2018								
- As previously reported	435	-	607	(1)	17,057	18,098	3,062	21,160
- Effect of SFRS(I) 9	-	-	-	-	1,202	1,202	6	1,208
As at 1 January 2018	435	-	607	(1)	18,259	19,300	3,068	22,368
Profit for the period	-	-	-	-	6,171	6,171	827	6,998
Other comprehensive income								
- Foreign currency translation	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income	-	-	-	(1)	6,171	6,170	827	6,997
As at 31 March 2018	435	-	607	(2)	24,430	25,470	3,895	29,365

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

COMPANY - 2019	Attributable to owners of the Company		
	Share capital	Retained earnings	Total equity
	S$'000	S$'000	S$'000
As at 1 January 2019	57,491	14,792	72,283
Profit for the period	-	262	262
Total comprehensive income	-	262	262
As at 31 March 2019	57,491	15,054	72,545

COMPANY - 2018	Attributable to owners of the Company		
	Share capital	Retained earnings	Total equity
	S$'000	S$'000	S$'000
As at 1 January 2018 (date of incorporation)	-*	-	-
Profit for the period	-	62	62
Total comprehensive income	-	62	62
As at 31 March 2018	-	62	62

* The Company was incorporated on 10 January 2018 with an issued and paid up capital of S$1.

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

There were no changes in the share capital of the Company in 1Q 2019. There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 March 2019 and 31 December 2018.

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

As at 31 March 2019 and 31 December 2018, the Company’s issued ordinary shares, excluding treasury shares, is 370,000,000. The Company did not have any treasury shares as at 31 March 2019 and 31 December 2018.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company’s auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2018 except for the changes in accounting policies as disclosed in Item 5 below.

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

SFRS(I) 16

SFRS(I) 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group has applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 had been recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group had applied the practical expedient to grandfather the definition of a lease on transition. This means that the Group applied SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group measured lease liabilities by applying a single discount rate to their portfolio of office premises leases and applied the practical expedient to recognise amounts of right-of-use ("**ROU**") assets equal to their lease liabilities at 1 January 2019.

The existing operating lease arrangements are recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased every three years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application. In addition, the Group no longer recognise provisions for operating leases that it assessed to be onerous. Instead, the Group has included the payments due under the lease in their lease liability.

As at 1 January 2019, the Group recognised an increase in ROU assets of $3,832,439 and an increase in lease liabilities of $3,832,439.

The nature of expenses related to those leases had changed as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

6 Earnings Per Ordinary Share

	Group		
	1Q 2019	1Q 2018	Change (%)
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:			
(i) Based on the weighted average number of shares (cents)	0.54	2.01	(73.1)
- Weighted average number of shares (‘000)	370,000	307,100	
(ii) On a fully diluted basis (cents)	0.54	2.01	(73.1)
- Weighted average number of shares (‘000)	370,000	307,100	

Note: As at 31 March 2018, the basic/diluted earnings per share had been computed based on the share capital assuming the restructuring exercise was effected on 1 January 2018.

7 Net Asset Value Per Share

	Group			Company		
	31-Mar-19	31-Dec-18	Change (%)	**31-Mar-19**	31-Dec-18	Change (%)
Net asset value per ordinary share based on issued share capital, excluding treasury shares, at the end of the financial period/year (cents)	18.62	18.07	3.0	19.61	19.54	0.4

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

Review of Group Performance

1Q2019 vs 1Q2018

Revenue
Revenue decreased by approximately S$28.5 million or 27.8%, from S$102.7 million in 1Q2018 to S$74.2 million in 1Q2019. This was mainly due to the decrease in commission income from project marketing services of approximately S$22.3 million or 60.6%, from S$36.7 million in 1Q2018 to S$14.4 million in 1Q2019. Commission income from project marketing services decreased as a significant number of option-to-purchase have not been completed as at 31 March 2019.

Cost of services
Cost of services decreased by approximately S$24.9 million or 27.1%, from S$91.8 million in 1Q2018 to S$66.9 million in 1Q2019. The decrease in commission cost to salespersons was in tandem with the decrease in commission income.

Gross profit
Consequently, gross profit decreased by approximately S$3.6 million or 33.1%, from S$10.9 million in 1Q2018 to S$7.3 million in 1Q2019.

Finance income
Finance income increased by approximately S$0.26 million, from S$0.05 million in 1Q2018 to S$0.31 million in 1Q2019. This was mainly due to an increase in interest income from higher fixed deposit and bank balances of approximately S$43.6 million from S$36.0 million in 1Q2018 to S$79.6 million in 1Q2019. The higher fixed deposit and bank balances was due to net IPO proceeds of approximately S$38.3 million.

Other income
Other income increased by approximately S$0.4 million or 40.4%, from S$0.9 million in 1Q2018 to S$1.3 million in 1Q2019. This was mainly due to an increase in marketing and advertising fee income of approximately $0.5 million offset by a decrease in referral fee income of approximately $0.1 million.

Other expenses
Staff cost increased by approximately S$0.7 million or 29.3%, from S$2.5 million in 1Q2018 to S$3.2 million in 1Q2019. This was mainly due to salary increment, increase in the average staff headcount from 159 in 1Q2018 to 174 in 1Q2019 and the accrual of staff bonus on a quarterly basis instead of accruing at the end of each financial year, starting from this current quarter.

Depreciation of plant and equipment increased by approximately S$0.1 million or 64.6%, from S$0.2 million in 1Q2018 to S$0.3 million in 1Q2019. This was mainly due to addition of plant and equipment over the period from 1 April 2018 to 31 March 2019.

Depreciation of right-of-use of assets of approximately S$0.7 million is incurred in 1Q2019 as per adoption of new standard, SFRS(I) 16, explained in Item 5.

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

Other expenses increased by approximately S$1.0 million or 86.5%, from S$1.1 million in 1Q2018 to S$2.1 million in 1Q2019. This was mainly due to the increase in advertising and marketing expenses by approximately S$0.2 million, impairment loss on trade and other receivables by approximately S$0.3 million, legal and professional fees by approximately S$0.1 million, recruitment expenses by approximately S$0.1 million and bad debts written off by approximately S$0.1 million.

Profit before tax

As a result of the foregoing, profit before tax decreased by approximately S$5.4 million or 66.4%, from S$8.2 million in 1Q2018 to S$2.8 million in 1Q2019.

Tax expense

Tax expense decreased by approximately S$0.8 million or 65.1%, from S$1.2 million in 1Q2018 to S$0.4 million in 1Q2019. This was in line with the lower profits in 1Q2019.

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

Statements of Financial Position Review (as at 31 March 2019 compared to 31 December 2018)

Non-current assets
Non-current assets increased by approximately S$3.8 million or 128.1%, from S$3.0 million as at 31 December 2018 to S$6.8 million as at 31 March 2019. This was mainly due to the recognition of right-of-use of assets of approximately S$3.2 million as per adoption of new standard, SFRS(I) 16, explained in Item 5 and increase in plant and equipment of approximately S$1.0 million arising mainly from additions for renovation of approximately S$0.6 million during 1Q2019.

Current assets
Trade and other receivables decreased by approximately S$15.2 million or 24.0%, from S$63.4 million as at 31 December 2018 to S$48.2 million as at 31 March 2019. The decrease was in tandem with lower revenue recognised in 1Q2019.

Cash and cash equivalents increased by approximately S$4.0 million or 5.3%, from S$75.7 million as at 31 December 2018 to S$79.7 million as at 31 March 2019. The increase was mainly due to net cash generated from operating activities.

As a result, total current assets decreased by approximately S$11.2 million or 8.1%, from S$139.1 million as at 31 December 2018 to S$127.9 million as at 31 March 2019.

Non-current liabilities
Non-current liabilities increased by approximately S$1.7 million from S$0.2 million 31 December 2018 to S$1.9 million as at 31 March 2019 due to recognition of lease liability as per adoption of new standard, SFRS(I) 16, explained in Item 5.

Current liabilities
Trade and other payables decreased by approximately S$13.3 million or 20.2%, from S$65.8 million as at 31 December 2018 to S$52.5 million as at 31 March 2019. The decrease was in tandem with lower cost of services rendered in 1Q2019.

Current tax liabilities increased by approximately S$0.4 million or 8.8%, from S$4.9 million as at 31 December 2018 to S$5.3 million as at 31 March 2019. The increase was due to addition of 1Q2019 tax liabilities.

Lease liability of approximately S$1.4 million is recognised as at 31 March 2019 as per adoption of new standard, SFRS(I) 16, explained in Item 5.

As a result, total current liabilities decreased by approximately S$11.5 million or 16.0%, from S$71.5 million as at 31 December 2018 to S$60.0 million as at 31 March 2019.

Equity
The equity attributable to the owners of the Company increased by approximately S$2.0 million or 3.0%, from S$66.9 million as at 31 December 2018 to S$68.9 million as at 31 March 2019 which was attributable to the profit for 1Q2019.

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

<u>Statement of Cash Flow Review</u>

<u>1Q2019 vs 1Q2018</u>

Net cash from operating activities was approximately S$5.4 million in 1Q2019 as compared to approximately S$9.0 million in 1Q2018. The decrease was mainly due to lower cash generated from operations of approximately S$3.6 million.

Net cash used in investing activities was approximately S$0.6 million in 1Q2018 as compared to net cash used in investing activities approximately of S$0.7 million in 1Q2019. The increase was due to an increase in acquisition of plant and equipment of approximately S$0.6 million, offset by a decrease in acquisition of trademark of approximately S$0.2 million and an increase interest income of approximately S$0.3 million.

Net cash used in financing activities was approximately S$0.7 million in 1Q2019 mainly due to repayment of lease liabilities. There were no cash used in financing activities in 1Q2018.

As a result, there was a net increase in cash and cash equivalents of approximately S$4.0 million for 1Q2019 as compared to net increase of approximately S$8.4 million for 1Q2018.

9 Use of Proceeds Raised From IPO

Pursuant to the Company's IPO, the Company received net proceeds of approximately S$38.3 million ("**Net Proceeds**"). The Board wishes to provide an update on the use of Net Proceeds as at 31 March 2019.

Use of Net Proceeds	**Allocation of Net Proceeds as disclosed in the Prospectus (S$'000)**	**Net Proceeds utilized as at the date of this announcement (S$'000)**	**Balance of Net Proceeds as at the date of this announcement (S$'000)**
Local and regional expansion through mergers and acquisitions, joint ventures and partnerships strategy	12,000	30[(1)]	11,970
Enhancement of real estate brokerage business	8,000	2,512[(2)]	5,488
Expansion in range of business services	7,000	344[(3)]	6,656
Enhancement of technological capabilities	6,000	452[(4)]	5,548
Working capital purposes	5,280	-	5,280
	38,280	3,338	34,942

Notes:

(1) These are mainly 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 and En Bloc departments that are newly formed in 2018.
(4) These are mainly expenses incurred for subscriptions of new software, renewal of IT software and purchases of new hardware and expansion of in-house IT team for software development.

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

The Company did not make any prospect statement previously.

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

Traditionally, the first quarter of the year is a subdued period. The segment that sees reeling in from the cooling measures is the private resale residential, especially as homebuyers are potentially holding off the decision of buying.

Amidst the challenging market conditions, the Company expects the private property market to pick up momentum towards the second half of the year, as en-bloc owners are receiving their sale proceeds and are looking for replacement homes that allows for immediate occupation. There is an anticipated line-up of up to another 66 projects to be launched this year in which the Group has been appointed for 46 projects till date. To fully capitalise on the numerous project launches this year, the Group will continuously conduct consumer seminars to articulate the opportunities to potential buyers. These consumer seminars are often conducted by the Company's executive directors Mr Mohamed Ismail S/O Abdul Gafoore and Mr Kelvin Fong Keng Seong.

On the public housing front, the HDB resale market is reflecting continuous demand and price stabilisation. This can be attributed to the estimated 30,000 HDB flats (comprising HDB and DBSS flats) reaching MOP this year and coupled with the lower number of BTO flats offered this year at an estimated 15,000 units.

12 Dividend

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

No.

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

No.

(c) Date payable for interim dividend

Not applicable.

(d) Books closure date for interim dividend

Not applicable.

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

No dividend has been declared for the period ended 31 March 2019. The Company currently does not have a dividend policy and will recommended dividend as and when it is appropriate taking into account of working capital and business expansion needs.

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

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

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

The Board of Directors hereby confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the first quarter ended 31 March 2019 unaudited financial results to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

Mohamed Ismail S/O Abdul Gafoore
Executive Chairman and CEO

PROPNEX LIMITED

14 May 2019

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