



Service You Trust
SINGAPORE

PROPNE X LIMITED

Company Registration Number: 201801373N

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

| <u>TABLE OF CONTENTS</u> | <u>PAGE</u> |
|---|--------------------|
| A. Condensed Interim Consolidated Statement of Profit or Loss | 2 |
| B. Condensed Interim Consolidated Statement of Comprehensive Income | 3 |
| C. Condensed Interim Statements of Financial Position | 4 |
| D. Condensed Interim Consolidated Statement of Cash Flows | 5 |
| E. Condensed Interim Consolidated Statement of Changes in Equity | 7 |
| F. Notes to the Condensed Interim Consolidated Financial Statements | 9 |
| G. Other Information Required by Listing Rule Appendix 7.2 | 21 |

PROPnex LIMITED

Company Registration Number: 201801373N

**INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

The Board of Directors (the “**Board**”) of PropNex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following interim financial information of the Group for the first quarter ended 31 March 2022.

A. Condensed Interim Consolidated Statement of Profit or Loss

| | Group | | |
|---|----------------|---------------|--------------|
| | 1Q2022 | 1Q2021 | Change |
| | S\$’000 | S\$’000 | (%) |
| Continuing operations | | | |
| Revenue | 241,629 | 220,578 | 9.5 |
| Cost of services rendered | (217,512) | (197,301) | 10.2 |
| Gross profits | 24,117 | 23,277 | 3.6 |
| Finance income | 91 | 94 | (3.2) |
| Finance costs | (8) | (15) | (46.7) |
| Other income | 2,825 | 2,163 | 30.6 |
| Staff costs | (4,775) | (3,776) | 26.5 |
| Depreciation of plant and equipment | (266) | (253) | 5.1 |
| Depreciation of right-of-use assets | (540) | (555) | (2.7) |
| Amortisation of intangible assets | (74) | (7) | 957.1 |
| Other expenses | (3,394) | (2,190) | 55.0 |
| Gain on disposal of discontinued operation | – | 637 | NM |
| Profit before tax | 17,976 | 19,375 | (7.2) |
| Tax expense | (3,114) | (3,214) | (3.1) |
| Profit from continuing operations | 14,862 | 16,161 | (8.0) |
| Discontinuing operations | | | |
| Profit from discontinued operation (net of tax) | – | 19 | NM |
| Profit for the period | 14,862 | 16,180 | (8.1) |
| Profit attributable to: | | | |
| Owners of the Company | 13,915 | 14,825 | (6.1) |
| Non-controlling interests | 947 | 1,355 | (30.1) |
| Profit for the period | 14,862 | 16,180 | (8.1) |

NM – Not meaningful

B. Condensed Interim Consolidated Statement of Comprehensive Income

| | Group | | |
|--|---------------------------------|-------------------|---------------|
| | 1Q2022 S\$'000 | 1Q2021 S\$'000 | Change (%) |
| Profit for the period | 14,862 | 16,180 | (8.1) |
| 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 | 14,863 | 16,180 | (8.1) |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 13,916 | 14,825 | (6.1) |
| Non-controlling interests | 947 | 1,355 | (30.1) |
| Total comprehensive income for the period | 14,863 | 16,180 | (8.1) |

NM – not meaningful

Profit from discontinuing operation

On 1 February 2021, the Company entered into a share sale and purchase agreement with a third party to dispose its entire 75% equity interests in PropNex Property Management Consultants Pte Ltd (“PPMC”) for a cash consideration of \$763,500. Consequently, PPMC ceased to be a subsidiary of the Company.

| | Group | |
|--|---------------------------------|-------------------|
| | 1Q2022 S\$'000 | 1Q2021 S\$'000 |
| Discontinued operation | | |
| Revenue | - | 177 |
| Cost of services rendered | - | (102) |
| Other income | - | 1 |
| Staff costs | - | (43) |
| Depreciation of plant and equipment | - | (1) |
| Depreciation of right-of-use assets | - | (3) |
| Other expenses | - | (10) |
| Profit before tax | - | 19 |
| Tax expense | - | - |
| Profit from discontinued operation (net of tax) | - | 19 |

C. Condensed Interim Statements of Financial Position

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31 Mar 22 | 31 Dec 21 | 31 Mar 22 | 31 Dec 21 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Assets | | | | |
| Plant and equipment | 1,863 | 2,032 | 3 | 4 |
| Intangible assets | 826 | 900 | 83 | 90 |
| Right-of-use assets | 2,348 | 2,888 | – | – |
| Subsidiaries | – | – | 17,548 | 17,548 |
| Associates | – | – | – | – |
| Other investment | 6,363 | 362 | 6,001 | – |
| Non-current assets | 11,400 | 6,182 | 23,635 | 17,642 |
| Trade and other receivables | 137,825 | 142,739 | 3,057 | 6,945 |
| Cash and cash equivalents | 161,972 | 145,646 | 73,543 | 75,184 |
| Current assets | 299,797 | 288,385 | 76,600 | 82,129 |
| Total assets | 311,197 | 294,567 | 100,235 | 99,771 |
| Equity | | | | |
| Share capital | 57,491 | 57,491 | 57,491 | 57,491 |
| Merger reserve | (17,663) | (17,663) | – | – |
| Translation reserve | 1 | – | – | – |
| Capital reserve | 607 | 607 | – | – |
| Retained earnings | 82,915 | 69,000 | 38,880 | 38,987 |
| Equity attributable to owners of the Company | 123,351 | 109,435 | 96,371 | 96,478 |
| Non-controlling interests | 4,090 | 3,143 | – | – |
| Total equity | 127,441 | 112,578 | 96,371 | 96,478 |
| Liabilities | | | | |
| Deferred tax liabilities | 177 | 177 | – | – |
| Lease liabilities | 1,116 | 1,310 | – | – |
| Non-current liabilities | 1,293 | 1,487 | – | – |
| Trade and other payables | 163,400 | 164,299 | 3,774 | 3,196 |
| Current tax liabilities | 16,585 | 13,486 | 90 | 97 |
| Deferred income | 1,232 | 1,119 | – | – |
| Lease liabilities | 1,246 | 1,598 | – | – |
| Current liabilities | 182,463 | 180,502 | 3,864 | 3,293 |
| Total liabilities | 183,756 | 181,989 | 3,864 | 3,293 |
| Total equity and liabilities | 311,197 | 294,567 | 100,235 | 99,771 |

D. Condensed Interim Consolidated Statements of Cash Flows

| | Group | |
|--|----------------|----------------|
| | 1Q2022 | 1Q2021 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit for the period | 14,862 | 16,180 |
| Adjustments for: | | |
| Amortisation of intangible assets | 74 | 7 |
| Bad debts written off | 18 | 69 |
| Depreciation of plant and equipment | 266 | 254 |
| Depreciation of right-of-use assets | 540 | 558 |
| Gain on disposal of discontinued operation | – | (637) |
| Impairment losses on trade and other receivables | 426 | 43 |
| Interest expense | 8 | 15 |
| Interest income | (91) | (94) |
| Tax expense | 3,114 | 3,214 |
| | <u>19,217</u> | <u>19,609</u> |
| Changes in: | | |
| - trade and other receivables | 4,470 | (55,284) |
| - trade and other payables | (898) | 49,538 |
| - deferred income | 113 | 95 |
| Cash generated from operations | <u>22,902</u> | <u>13,958</u> |
| Tax paid | (15) | (992) |
| Net cash from operating activities | <u>22,887</u> | <u>12,966</u> |
| Cash flows from investing activities | | |
| Acquisition of plant and equipment | (97) | (3) |
| Addition in other investment | (6,001) | – |
| Disposal of discontinued operation, net of cash disposed (Note) | – | 585 |
| Interest received | 91 | 94 |
| Net cash (used in)/from investing activities | <u>(6,007)</u> | <u>676</u> |
| Cash flows from financing activities | | |
| Interest paid | (8) | (15) |
| Repayment of lease liabilities | (546) | (559) |
| Net cash used in financing activities | <u>(554)</u> | <u>(574)</u> |
| Net increase in cash and cash equivalents | 16,326 | 13,068 |
| Cash and cash equivalents at beginning of the financial period | 145,584 | 105,741 |
| Cash and cash equivalents at end of the financial period/year | <u>161,910</u> | <u>118,809</u> |
| <u>Additional information:</u> | | |
| Cash at bank and on hand | 161,972 | 118,870 |
| Less: bank deposits pledged | (62) | (61) |
| Total cash and cash equivalents | <u>161,910</u> | <u>118,809</u> |

Note:

Analysis of assets and liabilities of discontinued operation were as follows:

| | 1Q2021 S\$'000 |
|--|-------------------|
| Plant and equipment | 61 |
| Right-of-use assets | 118 |
| Trade and other receivables | 361 |
| Cash and cash equivalents | 44 |
| Deferred tax liabilities | (2) |
| Lease liabilities | (116) |
| Trade and other payables | (280) |
| Current tax liabilities | (18) |
| Net assets | <u>168</u> |
| Non-controlling interests | <u>(42)</u> |
| Identified net assets | 126 |
| Gain on disposal of discontinued operation, recognised in the consolidated statement of profit or loss | <u>637</u> |
| Selling proceeds | <u><u>763</u></u> |
| Selling proceeds are represented by: | |
| - Cash consideration received | 629 |
| - Deferred consideration to be received | 134 |
| | <u><u>763</u></u> |
| Net cash outflows arising from the disposal of discontinued operation: | |
| - Cash consideration received | 629 |
| - Cash and cash equivalents disposed off | (44) |
| | <u><u>585</u></u> |

E. Condensed Interim Consolidated Statement of Changes in Equity

| | Attributable to owners of the Company | | | | | | | Total equity S\$'000 |
|--|---------------------------------------|---------------------------|----------------------------|---|------------------------------|------------------|--------------------------------------|-------------------------|
| | 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 | |
| As at 1 January 2022 | 57,491 | (17,663) | 607 | – | 69,000 | 109,435 | 3,143 | 112,578 |
| Profit for the period | – | – | – | – | 13,915 | 13,915 | 947 | 14,862 |
| Other comprehensive income | | | | | | | | |
| – Foreign currency translation | – | – | – | 1 | – | 1 | – | 1 |
| Total comprehensive income | – | – | – | 1 | 13,915 | 13,916 | 947 | 14,863 |
| As at 31 March 2022 | 57,491 | (17,663) | 607 | 1 | 82,915 | 123,351 | 4,090 | 127,441 |
| As at 1 January 2021 | 57,491 | (17,663) | 607 | (1) | 44,122 | 84,556 | 3,032 | 87,588 |
| Profit for the period | – | – | – | – | 14,825 | 14,825 | 1,355 | 16,180 |
| Other comprehensive income | | | | | | | | |
| - Foreign currency translation | – | – | – | – | – | – | – | – |
| Total comprehensive income | – | – | – | – | 14,825 | 14,825 | 1,355 | 16,180 |
| Transaction with owner, recognised directly in equity | | | | | | | | |
| Distributions to owners | | | | | | | | |
| Dividends | – | – | – | – | – | – | (42) | (42) |
| Total transaction with owners of the Company | – | – | – | – | – | – | (42) | (42) |
| As at 31 March 2021 | 57,491 | (17,663) | 607 | (1) | 58,947 | 99,381 | 4,345 | 103,726 |

E. Condensed Interim Consolidated Statement of Changes in Equity (Cont'd)

| COMPANY – 2022 | Attributable to owners of the Company | | |
|-----------------------------------|---------------------------------------|------------------------------|-------------------------|
| | Share capital S\$'000 | Retained earnings S\$'000 | Total equity S\$'000 |
| As at 1 January 2022 | 57,491 | 38,987 | 96,478 |
| Profit for the period | – | (107) | (107) |
| Total comprehensive income | – | (107) | (107) |
| As at 31 March 2022 | 57,491 | 38,880 | 96,371 |

| COMPANY – 2021 | Attributable to owners of the Company | | |
|-----------------------------------|---------------------------------------|------------------------------|-------------------------|
| | Share capital S\$'000 | Retained earnings S\$'000 | Total equity S\$'000 |
| As at 1 January 2021 | 57,491 | 15,743 | 73,234 |
| Profit for the period | – | 163 | 163 |
| Total comprehensive income | – | 163 | 163 |
| As at 31 March 2021 | 57,491 | 15,906 | 73,397 |

F. Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate information

PropNex Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the three months ended 31 March 2022 comprise the Company and its subsidiaries.

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

2 Basis of preparation

The condensed interim financial statements for the three months ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the following standards:

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Annual Improvements to SFRS(I)s 2018-2020*

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

There are no critical judgements in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next period is measurement of ECL allowance for trade and other receivables: Key assumptions in determining the weighted-average loss rate.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

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

- Agency services Real estate agency services relate to services rendered in the sale and lease of public and private residential and commercial/industrial properties, including Housing and Development Board flats and executive condominium, private condominiums, landed properties, retail shops, offices and factories.
- Project marketing services Real estate project marketing services relate to services rendered in the sale of new private residential development projects for third-party property developers in Singapore as well as overseas.
- Administrative support services Administrative support services relate to use of space and other ancillary services.
- Training services Training services relate mainly to real estate related courses and training programmes organised by the Group to salespersons.
- Property management services (Discontinued operation) Property management services relate mainly to real estate management services rendered to private residential properties.

Information regarding the results of each reportable segment is included below. Performance is measured based on profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4.1 Reportable segments

| Group | Agency services S\$'000 | Project marketing services S\$'000 | Administrative support services S\$'000 | Training services S\$'000 | Others S\$'000 | Total S\$'000 |
|---|--|---|--|--|---------------------------|--------------------------|
| 1Q2022 | | | | | | |
| Revenue | 232,243 | 93,533 | 801 | 379 | 2,357 | 329,313 |
| Inter-segment revenue | (84,867) | – | (468) | – | (2,349) | (87,684) |
| External revenues | 147,376 | 93,533 | 333 | 379 | 8 | 241,629 |
| Finance income | 14 | 3 | – | – | 74 | 91 |
| Depreciation expense | (248) | (8) | (519) | (30) | (1) | (806) |
| Amortisation expense | – | – | – | – | (74) | (74) |
| Finance costs | – | – | (8) | – | – | (8) |
| Segment profit/(loss) before tax | 13,894 | 4,111 | 13 | 172 | (214) | 17,976 |
| Other material non-cash items: | | | | | | |
| - Bad debts written off | 18 | – | – | – | – | 18 |
| - Impairment losses/(reversal of impairment losses) on trade and other receivables | 440 | (14) | – | – | – | 426 |
| - Net foreign exchange loss | – | 3 | – | – | – | 3 |
| Reportable segment assets | 127,315 | 98,536 | 2,881 | 1,608 | 80,857 | 311,197 |
| Capital expenditure | 71 | 11 | – | 15 | – | 97 |
| Reportable segment liabilities | 170,049 | 5,761 | 3,068 | 950 | 3,928 | 183,756 |

| Group | < ----- Continued operations ----- > | | | | | Discontinued operation | Total |
|---|--------------------------------------|--|--|---------------------------------|-------------------|---|----------|
| | Agency services S\$'000 | Project marketing services S\$'000 | Administrative support services S\$'000 | Training services S\$'000 | Others S\$'000 | Property management services S\$'000 | |
| 1Q2021 | | | | | | | |
| Revenue | 211,705 | 98,344 | 799 | 288 | 1,928 | 177 | 313,241 |
| Inter-segment revenue | (89,985) | – | (463) | (110) | (1,928) | – | (92,486) |
| External revenues | 121,720 | 98,344 | 336 | 178 | – | 177 | 220,755 |
| Finance income | 10 | 1 | – | – | 83 | – | 94 |
| Depreciation expense | (235) | (9) | (533) | (30) | (1) | (4) | (812) |
| Amortisation expense | – | – | – | – | (7) | – | (7) |
| Finance costs | – | – | (14) | (1) | – | – | (15) |
| Segment profit before tax | 13,348 | 5,756 | 2 | 90 | 179 | 19 | 19,394 |
| Other material non-cash items: | | | | | | | |
| - Bad debts written off | 69 | – | – | – | – | – | 69 |
| - Impairment losses on trade and other receivables | 31 | 6 | – | 2 | 4 | – | 43 |
| - Net foreign exchange loss | – | 3 | – | – | – | – | 3 |
| Reportable segment assets | 106,883 | 91,875 | 3,414 | 1,770 | 55,784 | – | 259,726 |
| Capital expenditure | – | – | – | 1 | 2 | – | 3 |
| Reportable segment liabilities | 145,492 | 3,798 | 2,691 | 764 | 3,256 | – | 156,001 |

4.2 Disaggregation of revenue

| | Group | |
|---|-------------------|-------------------|
| | 1Q2022 S\$'000 | 1Q2021 S\$'000 |
| Types of goods or service: | | |
| Commission income from real estate agency services | 147,376 | 121,720 |
| Commission income from real estate project marketing services | 93,533 | 98,344 |
| Administrative support fee income | 333 | 336 |
| Courses and related fee income from training services | 379 | 178 |
| Technology platform income from services providers | 8 | – |
| | 241,629 | 220,578 |
| Timing of revenue recognition: | | |
| Services transferred at a point in time | 241,297 | 220,242 |
| Services transferred over time | 332 | 336 |
| | 241,629 | 220,578 |

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 December 2021:

| | | Carrying amount | | | |
|-------------------------------|------|---|---|---|------------------|
| | Note | FVOCI – equity instruments S\$'000 | Financial assets at amortised cost S\$'000 | Other financial liabilities S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 March 2022 | | | | | |
| Financial assets | | | | | |
| Equity investments – at FVOCI | 9 | 6,363 | – | – | 6,363 |
| Trade and other receivables* | | – | 135,892 | – | 135,892 |
| Cash and cash equivalents | | – | 161,972 | – | 161,972 |
| | | 6,363 | 297,864 | – | 304,227 |
| Financial liabilities | | | | | |
| Trade and other payables^ | | – | – | (162,891) | (162,891) |
| Lease liabilities | | – | – | (2,362) | (2,362) |
| | | – | – | (165,253) | (165,253) |
| 31 December 2021 | | | | | |
| Financial assets | | | | | |
| Equity investments – at FVOCI | 9 | 362 | – | – | 362 |
| Trade and other receivables* | | – | 142,137 | – | 142,137 |
| Cash and cash equivalents | | – | 145,646 | – | 145,646 |
| | | 362 | 287,783 | – | 288,145 |
| Financial liabilities | | | | | |
| Trade and other payables^ | | – | – | (163,951) | (163,951) |
| Lease liabilities | | – | – | (2,908) | (2,908) |
| | | – | – | (166,859) | (166,859) |

| | | Carrying amount | | | |
|-------------------------------|------|---|---|---|------------------|
| | Note | FVOCI – equity instruments S\$'000 | Financial assets at amortised cost S\$'000 | Other financial liabilities S\$'000 | Total S\$'000 |
| Company | | | | | |
| 31 March 2022 | | | | | |
| Financial assets | | | | | |
| Equity investments – at FVOCI | 9 | 6,001 | – | – | 6,002 |
| Trade and other receivables* | | – | 2,995 | – | 2,995 |
| Cash and cash equivalents | | – | 73,543 | – | 73,543 |
| | | <u>6,001</u> | <u>76,538</u> | <u>–</u> | <u>82,540</u> |
| Financial liabilities | | | | | |
| Trade and other payables^ | | – | – | (3,500) | (3,500) |
| 31 December 2021 | | | | | |
| Financial assets | | | | | |
| Trade and other receivables* | | – | 6,889 | – | 6,889 |
| Cash and cash equivalents | | – | 75,184 | – | 75,184 |
| | | <u>–</u> | <u>82,073</u> | <u>–</u> | <u>82,073</u> |
| Financial liabilities | | | | | |
| Trade and other payables^ | | – | – | (3,009) | (3,009) |

* Excludes prepayments.

^ Excludes liability for short-term accumulating compensated absence.

5.1 ECL allowance for trade and other receivables

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

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

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

| | Weighted average loss rate % | Gross carrying amount S\$'000 | Impairment loss allowance | | |
|-------------------------------|---------------------------------------|--|--------------------------------|------------------------------------|------------------|
| | | | Credit- impaired S\$'000 | Not credit- impaired S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 March 2022 | | | | | |
| Past due | | | | | |
| - Past due 1 to 30 days | 0.01 | 37,554 | – | (2) | (2) |
| - Past due 31 to 90 days | 0.06 | 17,956 | – | (10) | (10) |
| - Past due 91 to 180 days | 0.08 | 7,468 | – | (6) | (6) |
| - Past due 181 to 270 days | 0.37 | 1,911 | – | (7) | (7) |
| - Past due more than 270 days | 0.76 | 3,291 | (1,976) | (10) | (1,986) |
| | | <u>68,180</u> | <u>(1,976)</u> | <u>(35)</u> | <u>(2,011)</u> |

| | Weighted average loss rate % | Gross carrying amount S\$'000 | Impairment loss allowance | | |
|-------------------------------|---------------------------------------|--|--------------------------------|------------------------------------|------------------|
| | | | Credit- impaired S\$'000 | Not credit- impaired S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 December 2021 | | | | | |
| Past due | | | | | |
| - Past due 1 to 30 days | 0.01 | 32,535 | – | (1) | (1) |
| - Past due 31 to 90 days | 0.06 | 20,177 | – | (12) | (12) |
| - Past due 91 to 180 days | 0.08 | 6,194 | – | (5) | (5) |
| - Past due 181 to 270 days | 0.37 | 1,764 | – | (7) | (7) |
| - Past due more than 270 days | 0.76 | 2,703 | (1,617) | (8) | (1,625) |
| | | <u>63,373</u> | <u>(1,617)</u> | <u>(33)</u> | <u>(1,650)</u> |

Loss rates are based on actual credit loss experience over the past 3 years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Scalar factors are based on actual and forecast gross domestic products at 0.97 (31 December 2021: 0.97) for Singapore.

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

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

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

| | Weighted average loss rate % | Gross carrying amount S\$'000 | Impairment loss allowance | | |
|-------------------------------|---------------------------------------|--|--------------------------------|------------------------------------|------------------|
| | | | Credit- impaired S\$'000 | Not credit- impaired S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 March 2022 | | | | | |
| Not past due | | | | | |
| | 0.13 – 1.14 | – | – | – | – |
| Past due | | | | | |
| - Past due 1 to 30 days | 0.13 – 1.14 | 31,031 | – | (39) | (39) |
| - Past due 31 to 90 days | 0.13 – 1.14 | 19,407 | – | (24) | (24) |
| - Past due 91 to 180 days | 0.13 – 1.14 | 11,752 | – | (15) | (15) |
| - Past due 181 to 270 days | 0.13 – 1.14 | 4,256 | – | (5) | (5) |
| - Past due more than 270 days | 0.13 – 1.14 | 2,010 | – | (3) | (3) |
| | | <u>68,456</u> | <u>–</u> | <u>(86)</u> | <u>(86)</u> |

| | Weighted average loss rate % | Gross carrying amount S\$'000 | Impairment loss allowance | | |
|-------------------------------|---------------------------------------|--|--------------------------------|------------------------------------|------------------|
| | | | Credit- impaired S\$'000 | Not credit- impaired S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 December 2021 | | | | | |
| Not past due | 0.13 – 1.14 | – | – | – | – |
| Past due | | | | | |
| - Past due 1 to 30 days | 0.13 – 1.14 | 36,618 | – | (46) | (46) |
| - Past due 31 to 90 days | 0.13 – 1.14 | 25,577 | – | (32) | (32) |
| - Past due 91 to 180 days | 0.13 – 1.14 | 12,183 | – | (16) | (16) |
| - Past due 181 to 270 days | 0.13 – 1.14 | 4,027 | – | (5) | (5) |
| - Past due more than 270 days | 0.13 – 1.14 | 892 | – | (1) | (1) |
| | | <u>79,297</u> | <u>–</u> | <u>(100)</u> | <u>(100)</u> |

Expected credit loss assessment for other receivables and deposits

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

| | Weighted average loss rate % | Gross carrying amount S\$'000 | Impairment loss allowance | | |
|----------------------------------|---------------------------------------|--|--------------------------------|------------------------------------|------------------|
| | | | Credit- impaired S\$'000 | Not credit- impaired S\$'000 | Total S\$'000 |
| Group | | | | | |
| 31 March 2022 | | | | | |
| Not past due | | | | | |
| - Other receivables and deposits | 1.14 | 1,551 | (85) | (17) | (102) |
| | | <u>1,551</u> | <u>(85)</u> | <u>(17)</u> | <u>(102)</u> |
| 31 December 2021 | | | | | |
| Not past due | | | | | |
| - Other receivables and deposits | 1.14 | 1,434 | (85) | (15) | (100) |
| | | <u>1,434</u> | <u>(85)</u> | <u>(15)</u> | <u>(100)</u> |
| Company | | | | | |
| 31 March 2022 | | | | | |
| Not past due | | | | | |
| Other receivables and deposits | 1.14 | 384 | – | (4) | (4) |
| | | <u>384</u> | <u>–</u> | <u>(4)</u> | <u>(4)</u> |
| 31 December 2021 | | | | | |
| Not past due | | | | | |
| Other receivables and deposits | 1.14 | 388 | – | (4) | (4) |
| | | <u>388</u> | <u>–</u> | <u>(4)</u> | <u>(4)</u> |

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

| | Group | | Company | |
|---|-----------------|--------------------|-----------------|--------------------|
| | 31 March | 31 December | 31 March | 31 December |
| | 2022 | 2021 | 2022 | 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 January | 1,850 | 1,452 | (4) | – |
| Impairment loss recognised | 426 | 867 | – | (4) |
| Amounts written off against receivables | (77) | (469) | – | – |
| At 31 March and 31 December | <u>2,199</u> | <u>1,850</u> | <u>(4)</u> | <u>(4)</u> |

6 Profit before taxation

| | Group | |
|--|----------------|----------------|
| | 1Q2022 | 1Q2021 |
| | S\$'000 | S\$'000 |
| Income | | |
| Interest income | (91) | (94) |
| Expenses | | |
| Amortisation of intangible assets | 74 | 7 |
| Bad debts written off | 18 | 69 |
| Depreciation of plant and equipment | 266 | 253 |
| Depreciation of right-of-use assets | 540 | 555 |
| Foreign exchange loss | 3 | 3 |
| Impairment losses on trade and other receivables | 426 | 43 |
| Interest expense | <u>8</u> | <u>15</u> |

6.1 Related party transactions

Transactions with related parties

The transactions with related parties based on terms agreed between the parties during the financial year are as follows:

| | Group | |
|--|----------------|----------------|
| | 1Q2022 | 1Q2021 |
| | S\$'000 | S\$'000 |
| Related corporations | | |
| Administration support income | (33) | – |
| Trainer fee expense | <u>2</u> | <u>3</u> |
| Non-controlling shareholder of a subsidiary | | |
| Commission fee expense | <u>–</u> | <u>22</u> |
| Directors | | |
| Administrative support income | (1) | (1) |
| Commission fee income | <u>(4)</u> | <u>(6)</u> |

Transactions with key management personnel

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

Key management personnel compensation comprised:

| | Group | |
|---|----------------|----------------|
| | 1Q2022 | 1Q2021 |
| | S\$'000 | S\$'000 |
| Salaries and other short-term employee benefits | 1,320 | 1,180 |
| Post-employment benefits (including contributions to defined contribution plan) | 22 | 22 |
| | 1,342 | 1,202 |

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | Group | |
|-----------------------------------|----------------|----------------|
| | 1Q2022 | 1Q2021 |
| | S\$'000 | S\$'000 |
| <i>Current tax expense</i> | | |
| Current year | 3,114 | 3,221 |
| Over provision in prior years | – | (9) |
| Withholding tax | – | 2 |
| | 3,114 | 3,214 |
| Total tax expense | 3,114 | 3,214 |

8 Net asset value

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 31 Mar 22 | 31 Dec 21 | 31 Mar 22 | 31 Dec 21 |
| Net asset value per ordinary share (cents) | 33.34 | 29.58 | 26.05 | 26.08 |

Net asset value per ordinary share was computed based on issued ordinary share capital of 370,000,000 shares at the end of the financial period/year.

9 Financial assets at fair value through other comprehensive income

9.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

The carrying amount of financial assets and financial liabilities not measured at fair value are approximate fair value. The financial assets carried at fair value are as following:

| | Level 3 S\$'000 |
|--|----------------------------|
| Group | |
| 31 March 2022 | |
| Financial assets | |
| Unquoted equity investments – at FVOCI | <u>6,363</u> |
| 31 December 2021 | |
| Financial assets | |
| Unquoted equity investments – at FVOCI | <u>362</u> |
| Company | |
| 31 March 2022 | |
| Financial assets | |
| Unquoted equity investments – at FVOCI | <u>6,001</u> |
| 31 December 2021 | |
| Financial assets | |
| Unquoted equity investments – at FVOCI | <u>–</u> |

The fair values were derived based on the discounted cashflow method. Significant unobservable inputs include discount rate of 10%. The estimated fair value would increase/(decrease) if the discount rate were lower/(higher).

There were no transfers between Level 1, Level 2 and Level 3 in either direction.

10 Plant and equipment

During the three months ended 31 March 2022, the Group acquired assets amounting to \$97,044 (31 March 2021: \$3,555) and disposed assets amounting to \$Nil (31 March 2021: \$34,660).

11 Share capital

| | Number of shares | | Amount | |
|---|--------------------------|-----------------------------|-----------------------------|--------------------------------|
| | 31 March 2022 '000 | 31 December 2021 '000 | 31 March 2022 S\$'000 | 31 December 2021 S\$'000 |
| Group and Company | | | | |
| Fully paid ordinary shares, with no par value: | | | | |
| At 31 March and 31 December | 370,000 | 370,000 | 57,491 | 57,491 |

The Company did not hold any treasury shares as at 31 March 2022.

The Company's subsidiaries did not hold any shares in the Company as at 31 March 2022 and 31 December 2021.

12 Subsequent event

There is no known subsequent event which has led to adjustment on this set of interim financial statements.

G. Other Information Required by Listing Rule Appendix 7.2

- 1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 1Q2022. There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 March 2022 and 31 December 2021.

- 1(ii) 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 2022 and 31 December 2021, the Company's issued ordinary shares were 370,000,000. The Company did not have any treasury shares as at 31 March 2022 and 31 December 2021.

- 1(iii) 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, whether there are any modifications, disclaimer of opinion, adverse opinion or emphasis of a matter (including material uncertainties on going concern). Also, where the figures have been audited or reviewed, whether the auditor's report is announced using the Financial Statements and Related Announcement template with appropriate subject sub-heading.**

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: –**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

The Group's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

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 2021 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.

There are no new standards and amendments that are effective for the annual period beginning 1 January 2022 nor any changes in the Group’s accounting policies and methods of computation.

6 Earnings Per Ordinary Share

| | Group | | |
|---|---------------|---------------|-----------------------|
| | 1Q2022 | 1Q2021 | 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) | 3.76 | 4.01 | (6.2) |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |
| (ii) On a fully diluted basis (cents) | 3.76 | 4.01 | (6.2) |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |
| Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Continuing operations): | | | |
| (j) Based on the weighted average number of shares (cents) | – | 4.00 | NM |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |
| (ii) On a fully diluted basis (cents) | – | 4.00 | NM |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |
| Earnings per ordinary share of the Group based on net profit attributable to owners of the Company (Discontinuing operations): | | | |
| (k) Based on the weighted average number of shares (cents) | – | 0.004 | NM |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |
| (ii) On a fully diluted basis (cents) | – | 0.004 | NM |
| - Weighted average number of shares (‘000) | 370,000 | 370,000 | |

- 7 **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

1Q2022 vs 1Q2021

Revenue

Revenue increased by approximately S\$21.0 million or 9.5%, from S\$220.6 million in 1Q2021 to S\$241.6 million in 1Q2022, was due to higher commission income from agency services of approximately S\$25.7 million, partially offset by a decrease in commission income from project marketing services of approximately S\$4.8 million. This was a result of higher number of transactions completed for agency services partially offset by fewer project marketing launch in 1Q2022.

Cost of services rendered

Cost of services increased by approximately S\$20.2 million or 10.2%, from S\$197.3 million in 1Q2021 to S\$217.5 million in 1Q2022. This was mainly due to the increase in commission cost to salespersons which was in tandem with the increase in revenue.

Gross profit

Gross profit increased by approximately S\$0.8 million or 3.6%, from S\$23.3 million in 1Q2021 to S\$24.1 million in 1Q2022. This increase was in tandem with the increase in revenue.

Other income

Other income increased by approximately S\$0.6 million or 30.6%, from S\$2.2 million in 1Q2021 to S\$2.8 million in 1Q2022. This was mainly due to the increase in advertising and marketing income by approximately S\$0.9 million, partially offset by a decrease in referral fee income of approximately S\$0.1 million, valuation income by approximately S\$0.1 million and government grants by approximately S\$0.1 million.

Other expenses

Staff costs increased by approximately S\$1.0 million or 26.5%, from S\$3.8 million in 1Q2021 to S\$4.8 million in 1Q2022. The increase was mainly due to higher provision for performance-linked bonuses and increase in the average staff headcount from 145 in 1Q2021 to 152 in 1Q2022.

Other expenses increased by approximately S\$1.2 million or 55.0%, from S\$2.2 million in 1Q2021 to S\$3.4 million in 1Q2022. This was mainly due to the increase in advertising and marketing expenses by approximately S\$0.9 million and impairment loss on trade and other receivables by approximately S\$0.4 million.

Profit before tax

As a result of the foregoing, profit before tax decreased by approximately S\$1.4 million or 7.2%, from S\$19.4 million in 1Q2021 to S\$18.0 million in 1Q2022.

Tax expense

Tax expense decreased by approximately S\$0.1 million or 3.1%, from S\$3.2 million in 1Q2021 to S\$3.1 million in 1Q2022 in line with lower profits.

- 7 **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 2022 compared to 31 December 2021)

Non-current assets

Non-current assets increased by approximately S\$5.2 million or 84.4%, from S\$6.2 million as at 31 December 2021 to S\$11.4 million as at 31 March 2022. This was mainly due to the additions in other investment of approximately S\$6 million, additions of plant and equipment of approximately S\$0.1, partially offset by the depreciation of both right-of-use assets as well as plant and equipment of approximately S\$0.5 million and S\$0.3 million respectively.

Current assets

Trade and other receivables decreased by approximately S\$4.9 million or 3.4%, from S\$142.7 million as at 31 December 2021 to S\$137.8 million as at 31 March 2022. The decrease was due to higher collection in 1Q2022.

Cash and cash equivalents increased by approximately S\$16.4 million or 11.2%, from S\$145.6 million as at 31 December 2021 to S\$162.0 million as at 31 March 2022. The increase was mainly due to net cash generated from operating activities offset by net cash used from both investing and financing activities in 1Q2022.

As a result, total current assets increased by approximately S\$11.4 million or 4.0%, from S\$288.4 million as at 31 December 2021 to S\$299.8 million as at 31 March 2022.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.2 million or 13.0%, from S\$1.5 million as at 31 December 2021 to S\$1.3 million as at 31 March 2022 due to reclassification of non-current lease liabilities to current lease liabilities.

Current liabilities

Trade and other payables decreased by approximately S\$0.9 million or 0.5%, from S\$164.3 million as at 31 December 2021 to S\$163.4 million as at 31 March 2022. This was mainly due to the decrease in GST payable by approximately S\$2.3 million, partially offset by increase in accrued expenses of approximately S\$0.8 million and trade and other payables by approximately S\$0.5 million.

Current tax liabilities increased by approximately S\$3.1 million or 23.0%, from S\$13.5 million as at 31 December 2021 to S\$16.6 million as at 31 March 2022. This was mainly due to the provision of tax expense for 1Q2022.

As a result, total current liabilities increased by approximately S\$2.0 million or 1.1%, from S\$180.5 million as at 31 December 2021 to S\$182.5 million as at 31 March 2022.

Equity

The equity attributable to the owners of the Company increased by approximately S\$13.9 million or 12.7%, from S\$109.4 million as at 31 December 2021 to S\$123.3 million as at 31 March 2022 mainly due to profit attributable to owners of the Company for 1Q2022.

- 7 **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).**

Statement of Cash Flow Review

1Q2022 vs 1Q2021

The operating activities generated net cash of approximately S\$22.9 million in 1Q2022 as compared to approximately S\$13.0 million in 1Q2021. The increase was mainly due to higher cash generated from operations of approximately S\$8.9 million and lesser tax paid of approximately S\$1.0 million.

Net cash used in investing activities was approximately S\$6.0 million in 1Q2022 as compared to net cash from investing activities approximately S\$0.6 million in 1Q2021. This was mainly due to addition of other investments of approximately 6.0 million.

As a result, there was a net increase in cash and cash equivalents of approximately S\$16.3 million for 1Q2022 as compared to net increase of approximately S\$13.1 million for 1Q2021.

8 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 2022.

| 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 | 600 ⁽¹⁾ | 11,400 |
| Enhancement of real estate brokerage business | 8,000 | 8,000 ⁽²⁾ | – |
| Expansion in range of business services | 7,000 | 6,370 ⁽³⁾ | 630 |
| Enhancement of technological capabilities | 6,000 | 3,596 ⁽⁴⁾ | 2,404 |
| Working capital purposes | 5,280 | 485 | 4,795 |
| | 38,280 | 19,051 | 19,229 |

Notes:

- (1) These were mainly investment in overseas franchisees, business trips and due diligence expenses for existing or potential franchisees.
- (2) These were 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 were mainly expenses incurred by Auction, Collective Sales, Corporate Leasing, Valuation and Good Class Bungalows departments as well as funding new business initiatives.
- (4) These were mainly expenses incurred for subscriptions of new software, renewal of IT software, purchases of new hardware, expansion and development cost of in-house IT team for software development.

- 9 **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.

10 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.

The private residential market got off to a slow start in 2022 after an exhilarating performance last year. The cooling measures in December 2021 tamed price growth in 1Q2022 to a more sustainable pace.

The Urban Redevelopment Authority showed that overall private home prices had risen for eight straight quarters, inching up by 0.7% QOQ – markedly slower than the 5% QOQ increase in the previous quarter. In 1Q2022, developers sold 1,825 new private homes (excluding ECs) while 3,377 residential properties were transacted in the resale market. These volumes were substantially lower than the 3,018 new homes and 4,748 resale homes transacted in the previous quarter.

Transaction volume softened in 1Q2022, as the Chinese New Year festivities and the Omicron wave had disrupted viewings and sales activities. Some buyers held back on property purchases to monitor the impact of the fresh cooling measures introduced in December 2021. In addition, the level of uncertainties rose substantially, with the escalation of the Russian-Ukraine conflict, which exacerbated inflation woes and the global supply chain. These uncertainties also weighed on market sentiment and buying interest during the quarter. Another downside factor is the rising interest rates – a much steeper borrowing cost might negatively impact sales.

Notwithstanding these risks, we expect the private housing market to remain fairly resilient this year and prices could grow by 3% to 5% in 2022, as reflected in the 0.7% price increase in 1Q2022 with higher prices expected for new launches. While HDB upgraders and local buyers help to underpin sales, the limited unsold stock could lend support to home values. Singaporeans continued to form the bulk of private housing demand in 1Q2022, accounting for 82.8% of non-landed private new sales and 75.8% of non-landed private resale transactions during the quarter.

For the full year 2022, we project that HDB resale prices could rise by 6% to 8%, as cooling measures temper the buoyant market sentiment and buyers becoming more resistant to higher prices. Based on transaction data, about 6,934 HDB flats were resold in 1Q2022 – down by about 12.7% from 7,940 units sold in the previous quarter.

11 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.

12 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 2022. Barring projects or corporate activities that may require significant cash outlay, and that the Group's working capital continues to remain adequate, the Company aims to maintain similar dividend pay-out ratio to shareholders.

- 13 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.

- 14 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 2022 unaudited financial results to be false or misleading in any material respect.

- 15 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

11 May 2022