

A scenic landscape featuring limestone hills with vertical rock faces and dense green forest. In the foreground, there is a calm body of water reflecting the sky, a grassy bank, and a colorful umbrella. The sky is blue with some clouds.

GRP Limited

AGM  
26 October 2017



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# 2017 Financial Highlights

Revenue up 27.1% to S\$34.4m, of which 51% was from GRP's property business

<b>Revenue</b>	<b>Net Profit After Tax</b>	<b>Price to Book Value</b>
S\$34,000,000 (↑ 27.1%)	(S\$9,554,000) <sup>1</sup> (NA)	0.503 <sup>2</sup>

<sup>1</sup> Net loss was due to S\$5.7m to restate cost of properties sold from historical cost to fair value as the properties held for sale had been previously fair valued at date of acquisition of Starland, S\$1.5m professional fees and expenses relating to the ayondo acquisition, S\$3.1m allowances on amounts due from ayondo

<sup>2</sup> Based on share price on 24 October 2017

## Good operating performance

- Positive cash flow (S\$3,854,000) from operating activities for >5 consecutive years

## Healthy balance sheet

- Current ratio = 4.53 (vs 3.86 in 2016)
- Net debt to equity = (0.0094) (Cash at hand exceeds debt) (vs 0.22 in 2016)

# 2017 Business Review

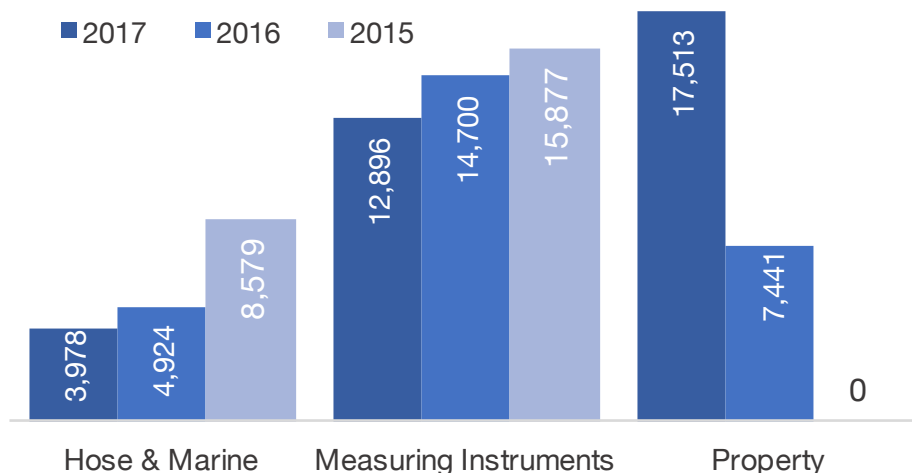
Growth in property business, in line with GRP's long term strategy

## Strategy Recap

- 2013 – Launched property division, as part of GRP's long term-strategy to transform into a property company while maintaining its existing Hose & Marine and Measuring Instrument businesses
- 2015/2016 – GRP completed its acquisition of Starland Holdings, a Catalyst-listed property developer, at S\$14.76m premium to its NAV.

## Revenue by Business Segment (S\$'ooo)

	Hose & Marine	Measuring Instruments	Property
2015	35.08%	64.92%	0%
2016	18.19%	54.31%	36.54%
2017	11.57%	37.50%	50.93%



## Review by Business Segment (S\$'ooo)

### Property

136% increase to S\$17.5m – Recognition of sales of units of Singapore Garden development in Fuling, Chongqing, PRC. This is part of the realisation of acquisition of Starland, which gave GRP de-risked, completed units of development as inventory for sale.

### Measuring Instruments

12.3% decrease to S\$12.9m – Weak global market conditions and hence, weak demand for goods

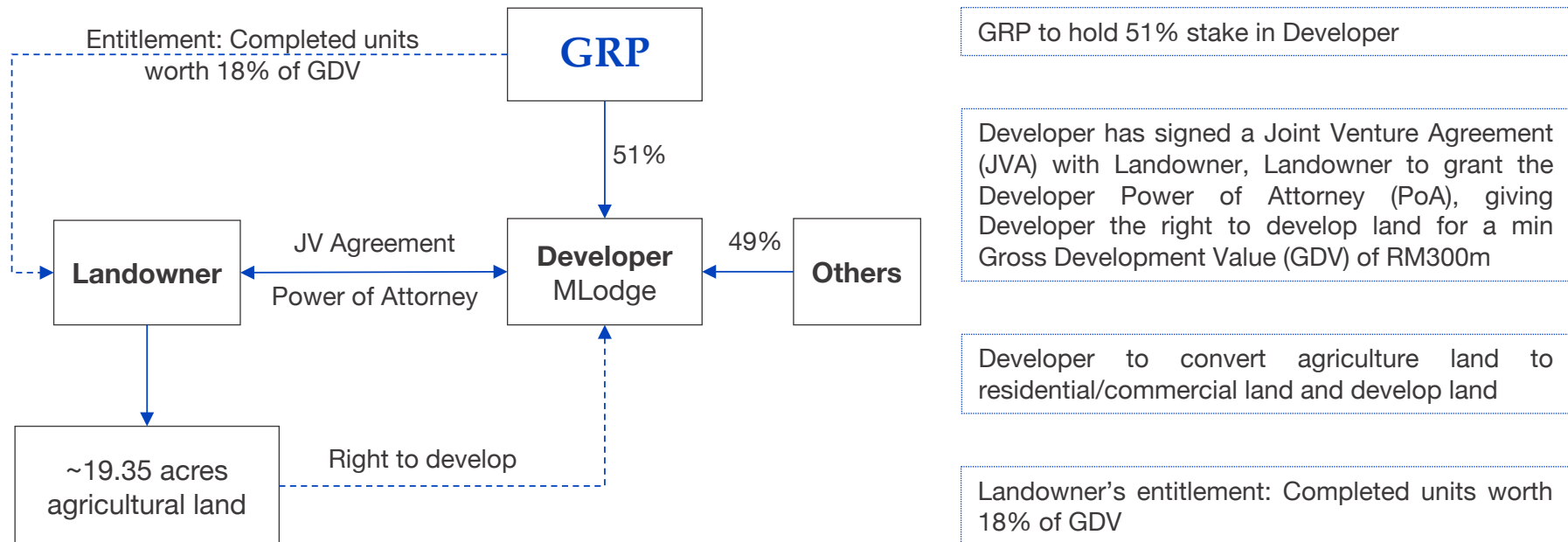
### Hose & Marine

19.2% decrease to S\$4m – Affected by weak oil & gas industry and unfavourable global market conditions



# Ipoh Project: Proposed JV Structure

51% stake in Multiple Lodge Sdn Bhd (MLodge, the “Developer”)



## Next Steps

1. Submit Development Order within three months of signing of JVA (Jan'18)
2. Obtain necessary approvals for development
3. Obtain Advertising Permit & License (APDL) and commence sales

# Ipoh Project: GRP's 1<sup>st</sup> residential project in Malaysia

Approximately 600 vacation homes expected<sup>1</sup>, target completion: 2020

<sup>1</sup> Based on initial concept, subject to further changes



## The Proposed Site of Development

**Town/City:** Ipoh, Perak, Malaysia  
**Location:** Adjacent to Iskandar Polo Club, near Tambun, within 15-20mins drive away to anywhere in Ipoh  
**Land Size:** 7.8308ha ≈ 19.3503 acres  
78,308 sqm ≈ 842,900 sqft



## Site Access/Existing Infrastructure

Current vehicular access is through Iskandar Polo Club, direct access through (currently untarred) road upon completion of project



## Target Audience

Residents of Kuala Lumpur, Singapore, Hong Kong, Mainland China, and those looking to Malaysia for its Malaysia My Second Home (MM2H) programme

## Ipoh, Perak, Malaysia

### Well-Connected to Singapore & Kuala Lumpur

- ~2 flights to & from Singapore daily (~1.5 hrs)  
1 flight to and from Johor Bahru daily
- ~2.5 hours from Kuala Lumpur
- ~2.5 hours from Kuala Lumpur  
~6 hours from Singapore

### Has established health care facilities

- Private Hospitals
  - Pantai Hospital Ipoh (Parkway Group), 206 beds
  - KPJ Ipoh, 265 beds

### English/Cantonese/Mandarin widely spoken

- 670,000 people (2010) ~45% Chinese, ~39% Bumiputra

### Wide variety of food and activities

- Golf, Fruit orchards (Pomelo, durian), Limestone caves, Temples, Ipoh old town



Malaysia: 6<sup>th</sup> Best Country for Retirement, 2017 [Link](#)



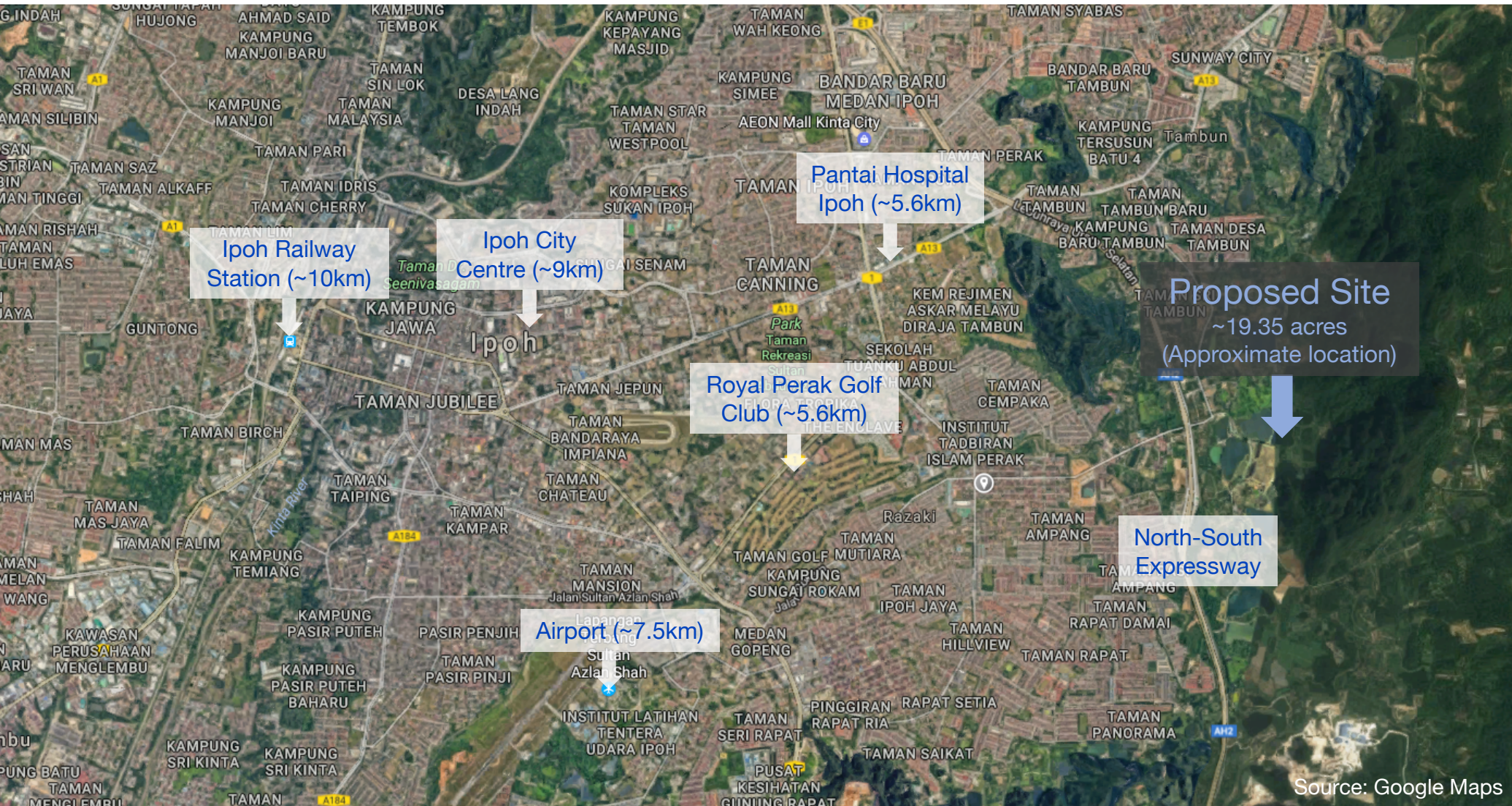
Ipoh: Lonely Planet's Top 10 Destinations in Asia [Link](#)



Ipoh: World's 9 Most Affordable Places to Retire [Link](#)



# Ipoh Project: Satellite View



Source: Google Maps



# Ipoh Project: Satellite View





# Ipoh Project: Satellite View



Source: Google Maps



# Ipoh Project: Site visit photos

## Photos of Site





# Ipoh Project: Site visit photos

Photos of area surrounding Site - Iskandar Polo Club



# Subscription of RCPS of Energiser Enterprise Sdn Bhd

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## Energiser targeting to list on Hong Kong's Main Board in 2018

### About Energiser Enterprise Sdn Bhd (EESB)

- Malaysian-based developer with various ongoing & completed projects in Malaysia
- Aside from residential projects (eg. Le Greene), Energiser is currently involved in the development of 2 major Malaysian education hubs in the state of Perak: SEGI ([Link](#)) & EduCity ([Link](#))

### Energiser IPO on HKEX

- Meets Hong Kong Mainboard Listing Requirements ([Link](#))
- Listing process has commenced, with Energiser expected to be listed by 1H2018

### Subscription of Redeemable Convertible Preference Shares (RCPS)

- GRP has subscribed for 15,295 RCPS at an aggregate consideration of RM7.75m (~S\$2.5m) at RM506.67/share
- At IPO, each RCPS shall be converted into one ordinary share at the conversion price of RM760/share
- In the event that an IPO does not occur, each RCPS shall be redeemable at a minimum of RM760/share

### Rationale for Investment

- The deal presents an attractive opportunity – Terms of the RCPS are favourable, EESB is well-qualified for a Hong Kong Mainboard listing and investment is in line with GRP's plans to expand through strategic investment
- The deal is secure – Completed shop lots of the Segi Enclave project has been put as security, with a put option on the RCPS to the owner of EESB
- Ipoh Project was introduced by EESB → commercial deal to secure Ipoh Project

### Interest of Director & Controlling Shareholder

- Other subscribers of the RCPS include Luminor Pacific Fund 2 ("LPF2") and Luminor Harbour Fund 1 ("LHF1")
- EESB was introduced by Luminor Capital ("LCPL"), the fund manager ("FM") of LPF2 and LHF1 & the lead FM for the subscription
- Mr Kwan Chee Seng is an investor of LHF1, as well as a shareholder and director of LCPL
- As the lead FM, LCPL will be charging LPF2 and LHF1 an annual 2% management fee and a 20% performance fee. Given that GRP will invest in only 1 investment led by LCPL, LCPL and GRP have agreed on a once-off (rather than annual) management fee.
- Mr Kwan Chee Seng had abstained and will abstain from voting on all matters relating to the subscription of RCPS



# Tangshan Project: Awaiting conversion of 165mu land

Part of 1,195.98mu (~535,960m<sup>2</sup>) available for proposed mixed-use development

## Project Background

The proposed project is a mixed-use development with ~2,000 residential units. Part of the land belongs to a bankrupted steel mill. In exchange for helping to resolve the bankruptcy issues, GRP was granted the rights of first refusal to participate in the project by the Kaiping District government in Tangshan.

## Project Timeline

- ① Feb'15 – GRP signed agreement with Tangshan City's Kaiping District government to resolve steel mill's bankruptcy issues for rights of first refusal to the project
- ① Mar'16 – GRP successfully tendered for 165 mu industrial land
- ① Jul'16 – 165 mu industrial land title issued to GRP
- ① Aug'16 – Request for “repossession” (收储 shōu chǔ) for conversion from industrial land to residential land

## Next Steps

Two processes that need to be completed before entire 1,1195mu plot of land can be put up for auction

1. “Repossession” (收储 shōu chǔ)
  - Delay in the “repossession” process due to several factors: Change of mayor for Kaiping District and Master Plan rezoning by central government appointed city planners
  - Master Plan rezoning is set to be finalised soon before Land Department can complete “repossession”
2. “Land acquisition for clean up before auction” (征地 zhēng dì)
  - Strategy that was agreed with previous mayor: To clean up the land in 3 phases
  - However, the new mayor has requested for GRP to clean up the land in 1 phase to minimise any possibility of dissatisfaction by existing land right holders
  - GRP has agreed to the mayor's suggestion and is currently in talks with several parties (both private companies and State-Owned Enterprises) to either take over the whole project or enter into a joint-venture with GRP

# Termination of ayondo acquisition

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Starland remains available for opportunities to fully unlock value

## ayondo acquisition

The intention behind the acquisition of Starland was to acquire Starland's development properties. Given management's experience in Mergers' and Acquisitions (M&A), Starland entered into a Sales and Purchase Agreement (SPA) with ayondo Holding AG for an RTO

## Termination of acquisition

Although the Long Stop Date of the SPA was extended to 30 September 2017, no further extension of time was granted as the conditions precedent could not be fulfilled.

### Next Steps

ayondo is in the process of listing on SGX via an IPO. GRP is presently negotiating with ayondo to recover the loan of S\$3.1m and part of the expenses incurred in connection with the ayondo acquisition. Announcements will be made on SGXNet in due course.

Starland remains available for opportunities to fully unlock its value.

# GRP's pipeline of projects in place

Set to expand property business to Malaysia and deepen presence in China

## Immediate Pipeline

### Ipoh Polo Club



Status: Commence development  
Area: 78,308m<sup>2</sup>  
Location: Ipoh, Perak

## Land Bank

### Royal Waterhouse



Status: Land Bank  
Area: 25,560m<sup>2</sup>  
Location: Fuling, Chongqing

### Tangshan



Status: Land Bank (165mu)  
Area: 797,360m<sup>2</sup>  
Location: Kaiping, Tangshan

- Healthy balance sheet with cash in hand exceeding debt
- Ready to deploy cash to make strategic investments
- Looking to leverage on existing operations and deepen presence in China
- About to expand property business to Malaysia

**Well-positioned and ready to capture good opportunities across target markets**



A scenic landscape featuring limestone hills with vertical rock faces and dense green forest. In the foreground, there is a calm body of water reflecting the sky, and a grassy area with a colorful umbrella and a small structure. The sky is blue with some clouds.

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Image: Limestone hills near Iskandar Polo Club grounds, Ipoh, Malaysia