GRP LIMITED
(Company Registration No: 197701449C)

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GRP LIMITED Annual Report **2020**

GRP LIMITED
Annual Report 2020

STRENGTH IN **ADVERSITY**

CONTENTS

MISSION

Sri Iskandar's terrace houses in progress

GRP IS COMMITTED TO ENHANCING GROUP PERFORMANCE AND DELIVERING SHAREHOLDER VALUE.

MOVING FORWARD, WE WILL LEVERAGE ON OUR STRENGTHS TO SHARPEN OUR COMPETITIVE EDGE, REINFORCE OUR PRESENCE IN EXISTING MARKETS, EXTEND OUR REACH TO PENETRATE NEW MARKETS AND TO DEVELOP AND GROW THE PROPERTY DEVELOPMENT AND FINANCIAL SOLUTIONS BUSINESS.

CORPORATE PROFILE

HEADQUARTERED IN SINGAPORE AND LISTED ON THE MAINBOARD OF THE SINGAPORE EXCHANGE, GRP LIMITED COMPRISES A RANGE OF BUSINESSES, THE MAIN ACTIVITIES OF WHICH ARE PRIMARILY CATEGORISED AS:

1. PROPERTY DEVELOPMENT
2. HOSE AND MARINE
3. MEASURING INSTRUMENTS / METROLOGY
4. FINANCIAL SOLUTIONS BUSINESS

Property Development

In October 2013, the Group obtained shareholders' approval to include property development as one of its core businesses. With this mandate, the Group commenced the pursuit of opportunities to acquire and develop property projects in the region. Today, the Group is a regional property company with operations in the geographical markets of Singapore, China and Malaysia.

Through its 83.17%-owned indirect subsidiary, Starland Holdings Limited, listed on Singapore's Catalist Board, the Group most recently completed its largest development of total Gross Floor Area 105,350 sqm at Singapore Garden in Fuling, Chongqing, the People's Republic of China.

The Group's focus is on building residential developments and is committed to delivering good quality homes to all buyers. Going forward, the Group will continue to expand its property business with a focus on becoming a premium developer for affordable homes in Malaysia.

Hose and Marine

Operating from the factory in Singapore, the Hose and Marine business has been serving the onshore, offshore, marine, pharmaceutical and petrochemical markets for over 30 years. From the trading of industrial rubber hoses and other marine-related products in the early days, this business has evolved and expanded to include engineering works and hose management services such as the design and manufacture of hose fittings and couplings. The in-house engineering setup is able to provide a complete suite of engineering services including customization of fittings and couplings, assembly, testing and certification as well as hose repair.

In addition, another competitive edge is the comprehensive range of hoses and fittings stocked that enables GRP to cater to the diverse and immediate needs of customers within a very short turnaround time. GRP is the master distributor for major brands like Dunlop, Goodyear, Elaflex, Todo-matic Dry-Break coupling, and other quality products that

CORPORATE PROFILE

are widely used by major offshore exploration, pharmaceutical and petrochemical companies.

Over the years, GRP has diversified into oilfield supplies in order to expand the market share for the hose business as well as to cater to the growing needs of its customers.

Measuring Instruments / Metrology

The Measuring Instruments and Metrology division, trading under Region Suppliers, has an established track record in the trading and distribution of precision measuring instruments and equipment. Based in Singapore and with four branch offices in Malaysia, it maintains a cost effective network and has been distributing several internationally renowned brands within the precision measuring instruments sector for over 30 years.

To further enhance support for the distribution channel, the Technical Support Department ("**TSD**") was also setup to provide value added services to the customers.

Leveraging on the extensive range of measuring products carried, the business is able to market measuring products to a wide range of industries including machine makers, biomedical, oil and gas, institutional, laboratory as well as electronic OEM.

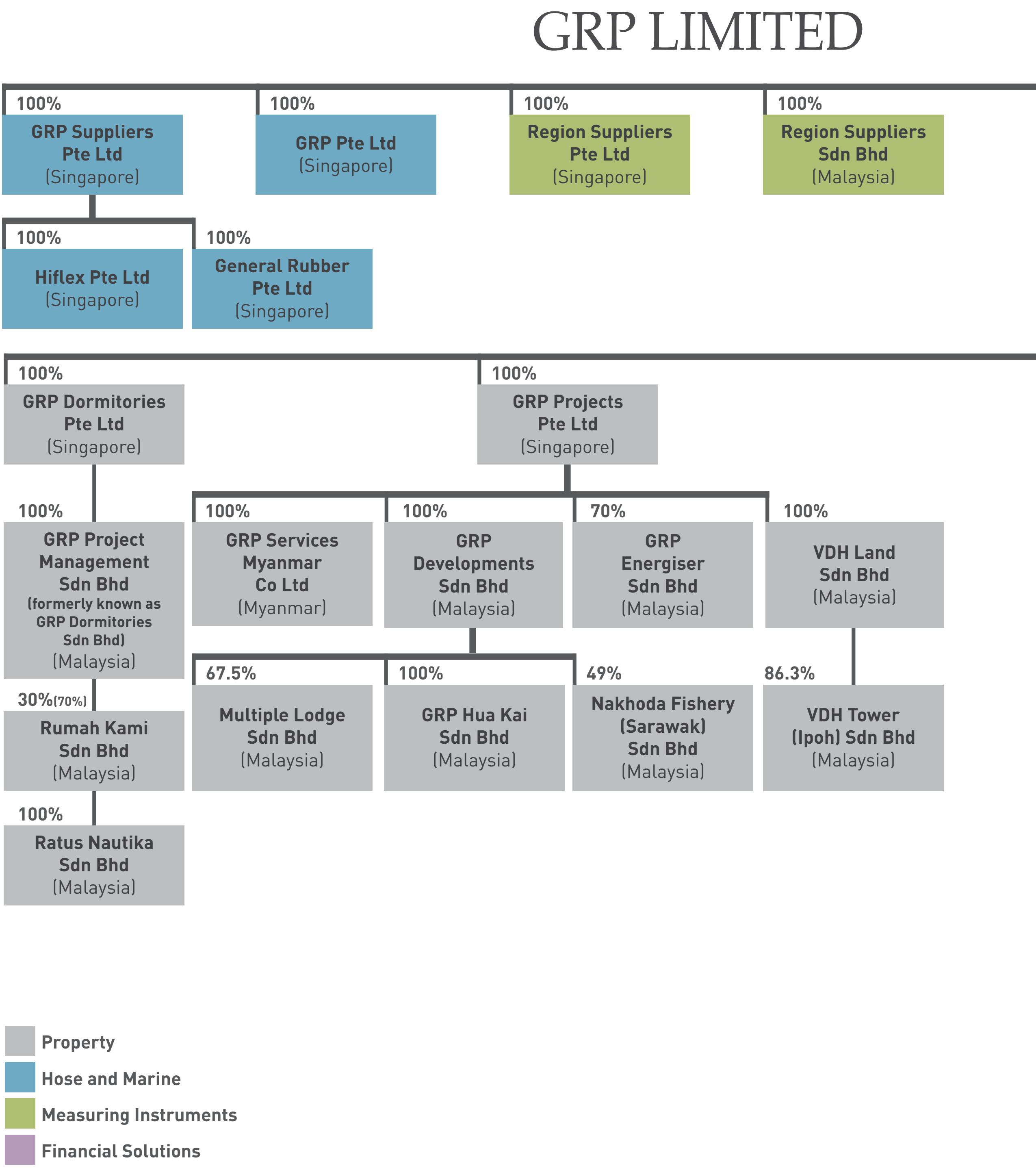
Financial Solutions Business

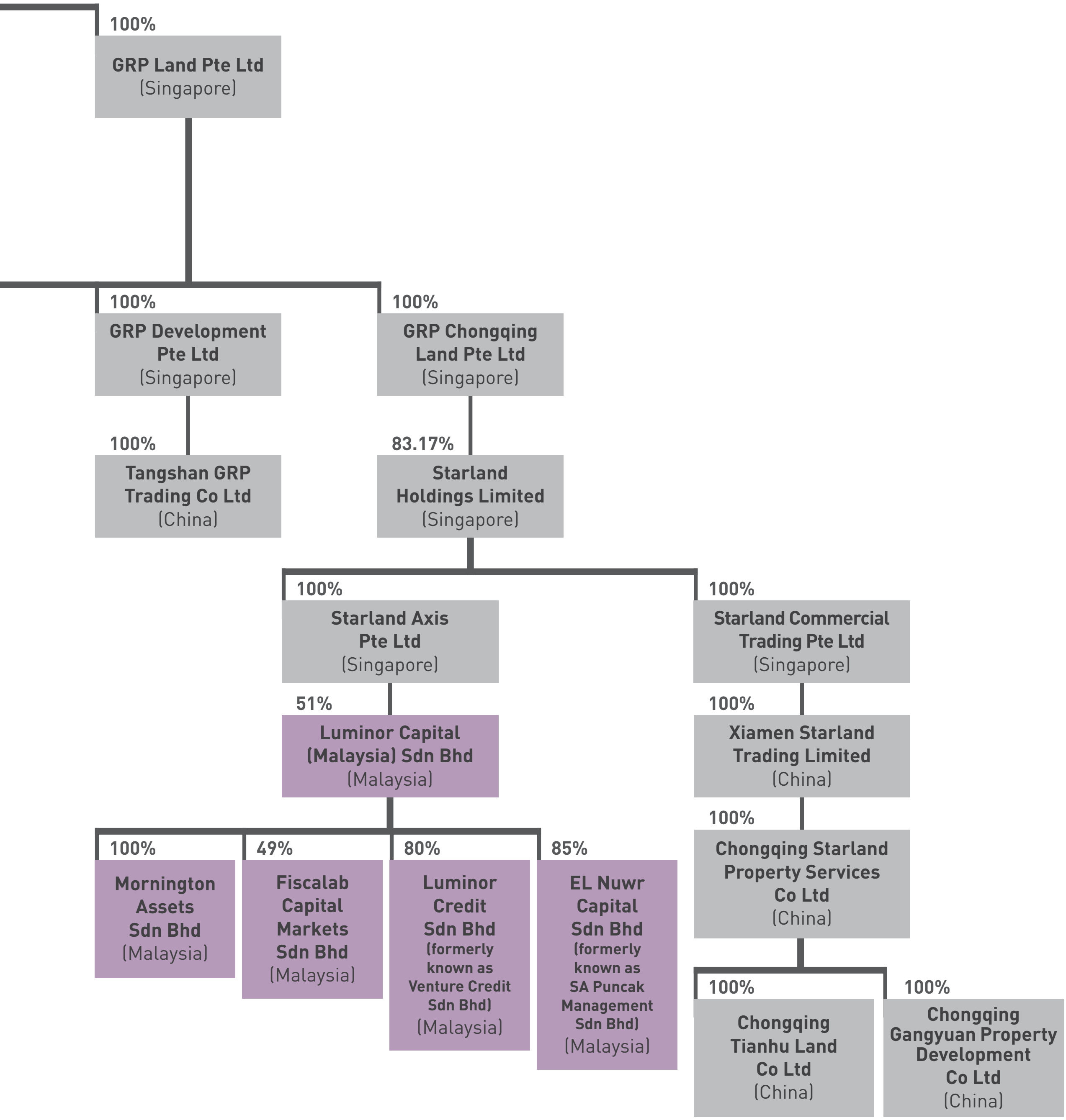
In October 2019, Starland Holdings Limited ("**Starland**") obtained shareholders' approval to diversify into Financial Solutions Business. With this mandate, Starland exercised the option to convert RM1,960,032 (approximately $653,344) of the debt securities for 51% interest in the enlarged share capital of Luminor Capital (Malaysia) Sdn Bhd ("**Luminor Malaysia**") on 4 February 2020.

Luminor Malaysia is a financial services holding company incorporated in Malaysia. The Luminor Malaysia Group of Companies have following licenses and rights:

1) license issued under MoneyLenders Act 1951 by the Malaysia Ministry of Housing and Local Government.
2) license issued under the Malaysia Capital Markets and Services Act 2007 by the Securities Commission Malaysia
3) Rights granted under the Banking and Financial Institutions Act 1989 by Bank Negara Malaysia
4) Approval to operate factoring business granted by Ministry of Finance Malaysia

CORPORATE STRUCTURE




100%
GRP Land Pte Ltd
(Singapore)
100%
GRP Development Pte Ltd
(Singapore)
100%
GRP Chongqing Land Pte Ltd
(Singapore)
100%
Tangshan GRP Trading Co Ltd
(China)
83.17%
Starland Holdings Limited
(Singapore)
100%
Starland Axis Pte Ltd
(Singapore)
100%
Starland Commercial Trading Pte Ltd
(Singapore)
51%
Luminor Capital (Malaysia) Sdn Bhd
(Malaysia)
100%
Xiamen Starland Trading Limited
(China)
100%
Chongqing Starland Property Services Co Ltd
(China)
100%
Mornington Assets Sdn Bhd
(Malaysia)
49%
Fiscalab Capital Markets Sdn Bhd
(Malaysia)
80%
Luminor Credit Sdn Bhd (formerly known as Venture Credit Sdn Bhd)
(Malaysia)
85%
EL Nuwr Capital Sdn Bhd (formerly known as SA Puncak Management Sdn Bhd)
(Malaysia)
100%
Chongqing Tianhu Land Co Ltd
(China)
100%
Chongqing Gangyuan Property Development Co Ltd
(China)

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors of GRP Limited (the "Group"), I am pleased to present to you the Annual Report of the Group for the financial year ended 30 June 2020 ("FY2020").

Year In Review

FY2020 was a very challenging year. The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. As a result of this pandemic, Singapore implemented the Circuit Breaker, Malaysia implemented the Conditional Movement Control Order (the "**CMCO**") and China had a lockdown in FY2020. In June 2020, we noted that the Group's RMB bank accounts in China, maintained with Bank of China and the Industrial and Commercial Bank of China were frozen.

Nonetheless, there were several highlights of FY2020, with the first being the acquisition of Luminor Capital (Malaysia) Sdn Bhd ("**Luminor Malaysia**") via the Group's indirectly-owned subsidiary, Starland Holdings Limited, allowing the Group to enter into the Financial Solutions Business. In addition, the Group, through its indirectly-owned associate, Ratus Nautika Sdn Bhd ("**Ratus**"), was appointed as the developer to develop the Group's first affordable housing project (the "**Project**") in Sri Iskandar, Mukim Bota, Perak Tengah District by Lembaga Perumahan Dan Hartanah, Perak ("**LPHP**").

For the year under review, the revenue for the Group was $18.4 million and is 42.6% lower than the revenue of $32.1 million for FY2019. The decreased performance was mainly due to lower revenue from Property and Measuring Instrument segments. The details of the Group's four business segments are as follows:

1. Property

Revenue from the Property segment was $3.2 million, a decrease of $12.0 million in FY2020 as compared to FY2019. The Property segment sold 8 residential units and 62 car park lots in Chongqing, People's Republic of China ("**PRC**") and no sales were recorded in Singapore during the year ended 30 June 2020, compared to sale of 1 unit of semi-detached house in Singapore and sale of 26 residential units, 7 shop units and 43 car park lots in Chongqing, PRC in FY2019.

2. Measuring Instruments / Metrology

Revenue for Measuring Instrument segment was $12.4 million, a decrease of $1.8 million in FY2020 vis-à-vis FY2019. This decrease was largely due to reduction in capital spending by manufacturing customers.

3. Hose and Marine

Revenue for the Hose and Marine business remained consistent at $2.7 million.

4. Financial Solutions

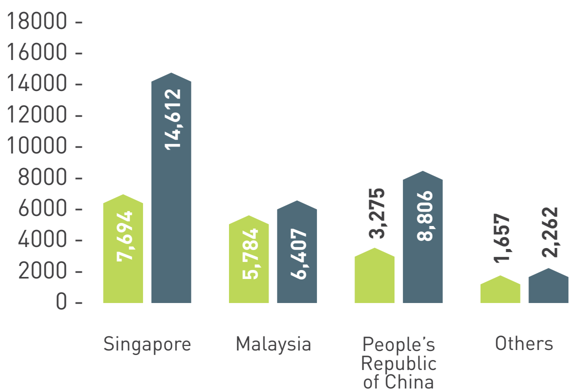
The newly acquired Financial Solutions segment generated $0.1 million revenue in FY2020.

In terms of revenue by geography, the highest percentage of revenue was generated in Singapore for FY2020 at $7.7 million (42% of total revenue), a decrease from $14.6 million (46% of total revenue) in FY2019. The next highest percentage of revenue was generated in PRC at $3.3 million (18% of total revenue), a decrease from FY2019 at $8.8 million (27% of total revenue).

In FY2020 the Group incurred a net loss of $5.1 million, as compared to a net loss of $4.7 million in FY2019. Included in FY2020 was a $2.5 million impairment allowance on financial assets at fair value through profit or loss, being the investment in Redeemable Convertible Preference Shares ("**RCPS**") issued by Energiser Enterprise Sdn Bhd ("**EESB**"), a $0.4 million impairment of goodwill arising from the acquisition of Luminor Malaysia and $0.1 million impairment loss on development properties.

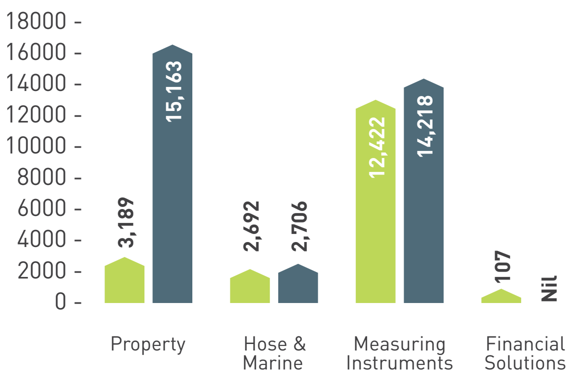
GROUP REVENUE

By Geographical Markets ($'000)



GROUP REVENUE

By Business Segments ($'000)



Group Revenue FY 2020 **$18,410** Group Revenue FY 2019 **$32,087**

As announced by the Company on 30 June 2020, the RCPS were due for redemption on 30 April 2020. The Company together with the other RCPS subscribers have entered into restructuring agreements with EESB to recover the outstanding amount. However, in view of the continuous weak global economic condition, the Company had made a full $2.5 million impairment allowance on this RCPS investment as at 30 June 2020. Despite the impairment allowance, the Company will continue to work on recovering the RCPS investment.

The Group acquired Luminor Malaysia in February 2020. The acquisition enables the Group to venture into Financial Solutions Business and a premium of $0.4 million was included in the acquisition price. Unfortunately, shortly after the acquisition, we encountered the COVID-19 pandemic, as such, Luminor Malaysia's Financial Solutions Business for which face-to-face discussion with business partners, government agencies, customers and potential customers is essential, was impacted.

In view of this, the Group has written off the $0.4 million goodwill arising from the acquisition in FY2020.

As at 30 June 2020, the Group had cash and bank balances of $44.0 million. Included in this amount is $5.4 million bank balances that have been frozen by Bank of China and Industrial and Commercial Bank in China. The cash and bank balance were $12.6 million lower than the balance at 30 June 2019. The decrease was largely due to $4.8 million net cash used in operating activities, $7.3 million net cash used in investing activities and $3.9 million net cash used in financing activities.

Loan receivable of $2.8 million as at 30 June 2020 related to loans granted by the newly acquired Financial Solutions segment to third party customers in Malaysia.

Other receivables increased from $1.4 million as at 30 June 2019 to $5.4 million as at 30 June 2020. The increase is largely due to

MESSAGE TO SHAREHOLDERS

reclassification of $3.9 million (RMB20 million) receivable from People's Government of Kaiping District, Tangshan City, PRC, pertaining to the repossession of the development property in Tangshan City, PRC. The total repossession value was RMB63.8 million and the Group received RMB43.8 million in December 2018, with the balance of RMB20 million to be received no later than 31 December 2020.

The Group's loss per share for FY2020 was 2.56 cents compared with a loss of 2.45 cents for FY2019. Our net asset value per share for FY2020 was 32.50 cents compared to 35.25 cents in FY2019.

Looking Ahead

The Group is proritising efforts towards the resolution of the matters relating to the frozen bank accounts in China. Per the Group's announcement on 24 November 2020, the Officer in-charge of the cases in Yan Ta police station, Shanxi Province Xi'an City, People's Republic of China ("PRC") has verbally informed the Group that the bank accounts have been "unfrozen". The investigation is still ongoing and Management intends to co-operate fully with the OIC to resolve the matter expeditiously.

Meanwhile, the Group will continue to focus on executing its strategy to expand its property development business. The Project awarded by LPHP, which comprises 1,039 terrace houses and 28 commercial shop lots, is the first mass affordable housing project that the Group is undertaking. The Group has started works on the first sub-divided plot of 18 terrace houses for the showroom and is targeting to launch sales for its Phase 1 of 465 terrace houses in the second quarter of 2021.

With Starland's acquisition of a controlling stake of Luminor Malaysia on 4 February 2020, the Group has entered into the Financial Solutions business as a Non-Bank Financial Institution. Despite the ongoing COVID-19 pandemic in Malaysia, we witnessed good progress after launching our Invoice Factoring products with encouraging results when Malaysia shifted from CMCO to the Recovery Movement Control Order ("**RMCO**") in June. The Group is determined to grow this business segment in the coming years, focusing on the Small and Medium Enterprises ("SMEs") Financing and Consumer Lending products, where the market is underserved.

In Appreciation

On behalf of the Board of Directors of GRP Limited, I would like to take this opportunity to thank all our customers, suppliers, business associates and shareholders for their continued support. In addition, I wish to acknowledge our appreciation to the management team and all our employees for their hard work and dedication as we work towards laying a strong foundation for the Group's growth in the years to come.

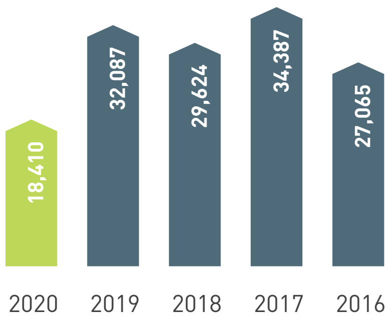
Mr Teo Tong How
Chairman

GROUP FINANCIAL HIGHLIGHTS

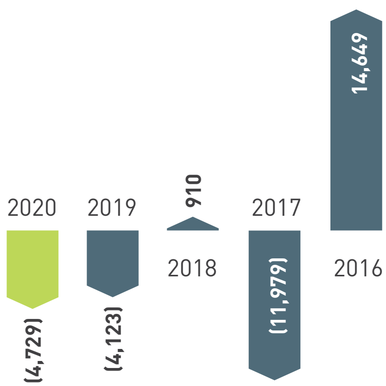
Financial Year ended 30 June $'000	2020	2019	2018
FOR THE YEAR			
Revenue	18,410	32,087	29,624
(Loss)/Profit Before Tax	(4,729)	(4,123)	910
(Loss)/Profit After Tax	(5,080)	(4,706)	1,323
AT YEAR END			
Total Tangible Assets	85,864	94,097	109,862
Total Cash and Bank	44,000*	56,626	49,776
Shareholders' Funds	58,657	67,687	76,095
Total Loans and Borrowings	-	900	5,160

Note: *Included in the FY2020 total Cash and Bank balance is $5.4 million bank balances frozen by the banks in China.

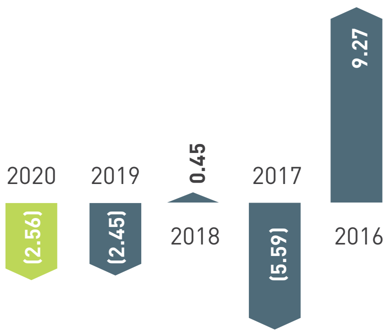
TURNOVER
($'000)



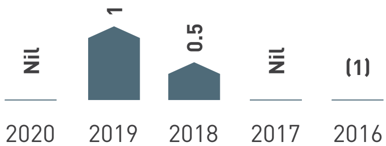
PROFIT BEFORE TAX
($'000)



EARNINGS PER SHARE
(Cents)



DIVIDENDS PER SHARE
(Cents)



Note (1): For FY2016 dividend in-specie of 0.17 Starland share for each share held.

BOARD OF DIRECTORS

1

Mr Teo Tong How, 77
Independent
Non-Executive Director
and Chairman

Mr Teo Tong How was appointed as an Independent Director on 4 July 2014. Mr Teo is the Chairman of the Board of Directors.

Mr Teo is the Managing Director of Hong How Group of Companies and Director of Tong Eng Brothers Group. The businesses of these companies range from property development and investment holding in sectors such as commercial, residential, industrial and hospitality in Singapore, Malaysia, Australia, US, UK, Spain and Sweden.

Mr Teo is presently the Honorary Chairman of the Securities Investors Association (Singapore). From 2000 to 2001, he was the World President (Singapore) of the International Real Estate Federation (FIABCI). From 1998 to 1999, he was the President of the Real Estate Developers Association of Singapore. As a renowned figure in the real estate industry, he brings to the Board his deep network and a wealth of experience. Mr Teo graduated from University of Melbourne, Australia with a Bachelor of Architecture (Hons) Degree.

2

Mr Kwan Chee Seng, 62
Executive Director

Mr Kwan Chee Seng was appointed as an Executive Director on 1 March 2013 and is responsible for the Group's business development. Mr Kwan is a member of the Nominating Committee.

Mr Kwan has extensive experience in management and investment, particularly in the area of Mergers and Acquisitions (M&A). Besides being the Chairman of Van der Horst Holdings Pte Ltd, his investment holding company, Mr Kwan has been a substantial shareholder of ASX-listed Variscan Mines Ltd since 2008. Mr Kwan is also a Non-Executive Director of Starland Holdings Limited, a 83.17% indirect-owned subsidiary of GRP Limited.

In 2009, Mr Kwan began his fund management business with Luminor Capital Pte Ltd, a manager of private equity funds, as a founding director. Thus, he brings to the Board a unique set of skills with an M&A angle.

3

Ms Kwan Yu Wen, 29
Executive Director

Ms Kwan Yu Wen was appointed as Executive Director on 13 February 2019 and is responsible for the Group's business development.

Ms Kwan was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019. She was also the Consultant of GRP Limited from January 2017 to February 2019.

Ms Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015.

Ms Kwan is the daughter of Mr Kwan Chee Seng, Executive Director and Substantial Shareholder of GRP Limited.

4

Mr Mahtani Bhagwandas, 53
Independent
Non-Executive Director

Mr Mahtani Bhagwandas was appointed as an Independent Director on 1 June 2013. Mr Bhagwandas is the Chairman of the Nominating and Risk Management Committee and a member of the Audit and Remuneration Committee.

Mr Bhagwandas has been practicing as an advocate and solicitor of the Supreme Court of Singapore since 1993 and is currently a Partner of Legal Standard LLP, a law firm in Singapore.

Mr Bhagwandas graduated from National University of Singapore with a Bachelor of Laws (Hons) degree in 1992.

5

Mr Goh Lik Kok, 58
Independent
Non-Executive Director

Mr Goh Lik Kok was appointed as an Independent Director on 6 November 2012. Mr Goh is the Chairman of the Audit Committee and is a member of the Nominating, Remuneration and Risk Management Committee.

Mr Goh has over 20 years of experience in engineering services and had held various senior management positions in Singapore Technologies Engineering Group. Mr Goh had also served in various engineering academic advisory and skill qualification technical committee. He is now the service consultant to NIPSEA Management Company Pte Ltd.

Mr Goh holds a degree in Bachelor of Mechanical Engineering (Hons) from National University of Singapore and a pioneer Post-Graduate Diploma in Automation, sponsored by Singapore Economic Development Board.

6

Mr Peter Moe, 66
Independent
Non-Executive Director

Mr Peter Moe was appointed as an Independent Director on 1 September 2013. Mr Moe is the Chairman of the Remuneration Committee and a member of the Audit, Nominating and Risk Management Committee.

Mr Moe has been a practicing lawyer in Singapore since 1983 and is currently a Director of Optimus Chambers LLC.

Mr Moe graduated from University of Kent, Canterbury, United Kingdom with a Bachelor of Laws degree in 1976.

KEY MANAGEMENT

Mr Kantilal Champaklal
Chief Financial Officer

Mr Kantilal Champaklal was appointed as Chief Financial Officer of GRP Limited in 2013. Mr Champaklal has more than 30 years of experience in Financial Management and Business evaluation. His previous employer was the Van der Horst group, whom he joined in March 2002.

Mr Champaklal graduated from the University of Singapore with a Bachelor degree in Accountancy and is a member of the Institute of Singapore Chartered Accountants.

He has held senior finance and management positions with large US and European MNCs, active in engineering and offshore construction. His former employers include a Big-4 audit firm, and he has had various assignments in Indonesia and Philippines.

A former national sportsman, he was from 2005 to 2012, an Executive Committee member of the Singapore Cricket Association, a national sports body.

Mr Kelvin Kwan Chee Hong
General Manager, Property

Mr Kelvin Kwan Chee Hong was appointed as General Manager of Starland Holdings Limited in 2016. Prior to this, Mr Kwan was the General Manager of the Property Division of GRP Limited since 2014. Mr Kwan was the Investment Director of Van der Horst Holding Pte Ltd before joining GRP Limited.

Mr Kwan was the Assistant General Manager of GKE International Ltd from 2008 to 2012. He has more than 30 years of manufacturing and sales experiences.

Mr Kwan holds a Full Technology Certificate in Electricity from City & Guild of London Institute and a Masters degree in Business Administration from Henley Brunel University.

Mr Khoo Fredrick Christopher Junior
General Manager, Hose & Marine

Mr Khoo Fredrick Christopher Junior was appointed as the General Manager of GRP Pte Ltd on 1 October 2018. Mr Khoo's responsibilities include the management of the Group's Hose and Marine business, particularly in the areas of sales and marketing. Mr Khoo was with GRP Pte Ltd from 1998 to 2013. He rejoined the Group in 2016 as an Assistant Sales Manager. Mr Khoo has over 20 years of experience in the sales and marketing of industrial products catering to the oil and marine industry.

Mr Khoo holds a Diploma in Business Administration.

Ms Lim Siok Lin
General Manager, Measuring Instruments

Ms Lim Siok Lin was appointed as General Manager of Region Suppliers Pte Ltd. Ms Lim has more than 25 years of experience in accounting and previously served as the Finance Manager of GRP Limited. She subsequently joined Sun Microsystems Pte Ltd, as a Finance Analyst but returned to the Group in 2004 as General Manager of Region Suppliers Pte Ltd.

Ms Lim holds a Diploma in Finance and Management from Productivity and Standards Board, Singapore.

Ms Peng Peck Yen
Financial Controller

Ms Peng Peck Yen was appointed as Financial Controller of GRP Limited in 2013. She has more than 20 years of experience in accounts and finance.

Ms Peng holds a degree in Bachelor of Accountancy (Hons) from Nanyang Technological University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

KEY EVENTS

2020

The Group ventured into Financial Solutions Business via the acquisition of 51% interest in Luminor Capital (Malaysia) Sdn Bhd by Starland Holdings Limited on 4 February 2020.

Rumah Kami, through its wholly-owned direct subsidiary, was appointed as the developer to develop the Group's first affordable housing project in Sri Iskandar, Mukim Bota, Perak Tengah District by Lembaga Perumahan Dan Hartanah, Perak ("**LPHP**").

2019

Relocation of our Hose & Marine production facility to Gul Circle, upon the expiry of lease of premises at Tanjong Penjuru Crescent in October 2018.

During the year, the Group incorporated a 30%-owned company, Rumah Kami Sdn Bhd ("**Rumah Kami**"). Rumah Kami is a real estate development company and is incorporated for the purpose of developing affordable homes in Malaysia.

2018

The Group subscribed for 51% shareholding in Multiple Lodge Sdn Bhd ("**Mlodge**"). Mlodge executed a joint venture development agreement with Karib Tropika Sdn Bhd ("**Karib**") to develop of the lands of an aggregate size of approximately 19.35 acres situated in Ipoh, Malaysia, into mixed housing and commercial development.

2017

The Group did a Rights cum Warrants issue where $13.5 million was raised.

2016

The Group acquired Starland Holdings Limited ("**Starland Group**"), a Property Group listed on SGX-Catalist. Starland Group engages principally in the development of quality integrated residential and commercial properties in the People's Republic of China.

The Group also successfully tendered a piece of 165mu industrial land in Tangshan City PRC.

2015

Signing of agreement between the Group and the People's Government of Kaiping District, Tangshan City, PRC, which gives the Group first right of refusal to participate in an integrated mixed development project along Xinghua Dong Dao of Tangshan City.

(As at 30 June 2020 the agreement has lapsed after the land was repossessed by PRC government in 2019.)

2014

The Group did a Placement and Rights cum Warrants issue where $35.9 million was raised. An additional $9 million was raised from the exercise of warrants. These were used to fund our activity in the property development business.

Shareholders' approval for diversification into the property business obtained.

2012

The disposal by GRP (China) Pte Ltd of its 75% equity interest in Suzhou Xinghai Plastic Products Co., Ltd and its 25% equity interest in Shanghai Xinda Building Material Co., Ltd was completed.

2007

The disposal of our 16,000 square metres industry office facility in Bukit Batok, Singapore under a sale-and-lease back arrangement was completed.

2005

Divestment by GRP (China) Pte Ltd of its 75% equity interest in Shanghai Xinda Building Material Co., Ltd and its 25% equity interest in Suzhou Xinghai Plastic Products Co., Ltd was completed.

1996

Construction of an 16,000 square metres industrial office facility in Bukit Batok, Singapore was initiated. It was completed in 1997.

1993

Region Suppliers, an international supplier of precision measuring instruments, was acquired as a wholly-owned subsidiary of the GRP group. In the same year, GRP (China) Pte Ltd was formed to take advantage of the opportunities being presented in China, particularly uPVC pipe manufacturing for the local construction industry.

1990

An office and production facility at Tanjong Penjuru Crescent, Singapore was acquired for the purpose of machining, fabricating and warehousing hose and fittings close to our customers.

1977

The Hose and Marine business was established in 1977 as a supplier/manufacturer of high quality hose and fittings for the marine, oil and industrial sectors.

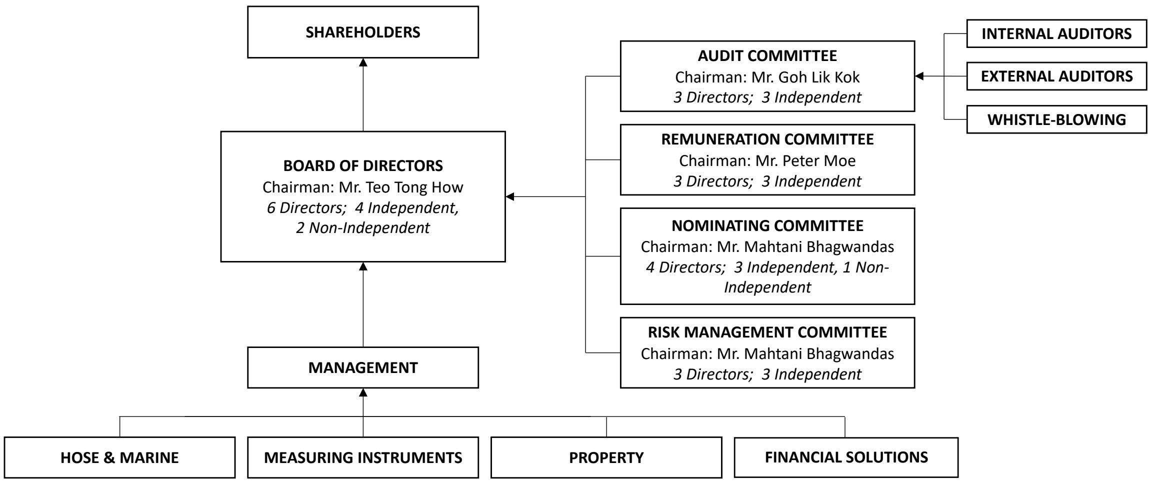
CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of GRP Limited ("**GRP**" or the "**Company**" and together with its subsidiaries, the "**Group**") aspires to achieve the highest standards of corporate governance and places importance on continuous improvement of its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report ("**Report**") describes the Company's corporate governance practices with specific reference made to the principles and provisions of the revised Code of Corporate Governance 2018 (the "**Code**").

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board confirms that the Company and the Group, have for FY2020 complied with the Principles as set out in the Code. The Board also confirms that where there are deviations from the Provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below.

GRP'S GOVERANCE FRAMEWORK



THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.

Provision 1.1 – Principal functions of the Board

The Board has six members and comprises the following individuals:

Name of Director	Designation
Mr Teo Tong How	Chairman, Independent Non-Executive Director
Mr Kwan Chee Seng	Executive Director
Mr Goh Lik Kok	Independent Non-Executive Director
Mr Mahtani Bhagwandas	Independent Non-Executive Director
Mr Peter Moe	Independent Non-Executive Director
Ms Kwan Yu Wen	Executive Director

The Company does not have any alternate directors.

The Board oversees the business affairs and sets overall corporate strategy and direction of the Group. The Board is collectively responsible for the long-term success of the Group. Management plays an important role in providing the Board members with complete, adequate and timely information to assist the Directors in the fulfilment of their responsibilities.

In addition to its statutory duties, the Board's principal functions include:

i. Providing entrepreneurial leadership, set corporate strategies and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
ii. Identifying the principal risks of the Group's business and establish a framework of prudential controls to assess and manage these risks;
iii. Overseeing the Group's overall performance objectives, key operational initiatives and major business decisions;
iv. Reviewing performance of management and approve remuneration matters;
v. Assuming responsibility for corporate governance and ensure the adequacy of internal controls (financial, information technology, operational and compliance) and risk management frameworks and standards, including ethical standards, to safeguard shareholders' investments and the Group's assets;
vi. Overseeing the conduct of the Group, evaluate and satisfy themselves that the business is properly managed; and
vii. Considering sustainability issues as part of the Group's overall strategy.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group. It works closely with management, its external and internal auditors to make objective decisions in the interest of the Group. All Directors are committed to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

Conflict of Interest

Board members who have a potential conflict of interest in any matter being considered are required to abstain from participating in the relevant Board discussion and decision making. This policy also applies to all the Board Committees.

Provision 1.2 – Continuous Training for Directors and Orientation for incoming Directors

<u>Continuous Training for Directors</u>

Directors are regularly updated on the business activities of the Group during Board meetings. Management closely monitors changes to regulations and accounting standards. All Directors are updated regularly on any new developments in regulatory, legal and accounting frameworks that are of relevance to the Company through participation in training courses, seminars and workshops, at the Company's expense.

In addition, the Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars conducted by external professionals for them to stay abreast of relevant business developments and outlook.

For FY2020, the Directors received briefings by the Group's external auditors on changes and amendments to the Singapore Financial Reporting Standards. The Board was also briefed on new releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors. Such new releases are regularly circulated to the Board by Management.

Incoming Directors

A formal letter of appointment is provided to every new Director, setting out his duties and obligations and other relevant matters.

Upon appointment to the Board, the Director will be given guidance and a comprehensive orientation programme including onsite visits. The new Director will be introduced to the Company senior management and will be familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices to ensure the effective discharge of their duties.

Incoming Directors, especially those who do not have prior experience as a Director of a public listed company in Singapore, are encouraged to attend professional development courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

Provision 1.3 – Guidelines on Matters requiring Board's Approval

The Board oversees the business affairs of the Group and sets overall corporate strategy and direction. The Group has established guidelines to determine matters that require the Board's approval. Such matters include:

i. Approval of the Group's strategic objectives
ii. Approval of the half yearly/full year's results announcements and release of annual reports
iii. Approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend
iv. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting including approval of all circulars, prospectuses, etc
v. Approval of matters which involve conflict of interest for controlling shareholder or Director, in which case the conflicted Director shall abstain from participating in the relevant discussion and voting for approval

The Board also monitors operating and financial performance and oversees the processes for risk management, financial reporting and compliance as well as evaluate the adequacy of internal controls. Specific written resolutions by the Board are required on the formation of all new entities, new investments, business acquisitions, divestments and liquidation of entities. The Board approves transactions that exceed certain thresholds, while the rest are delegated to senior management within the ordinary course of business. The Board has adopted a set of internal guidelines on these matters.

The Board is also responsible for the succession planning, appointment and replacement of Directors, as well as appointment of key management personnel and the determination of their remuneration.

Provision 1.4 – Delegation to Board Committees

Board Committees namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Risk Management Committee ("**RMC**") (collectively, the "**Board Committees**") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference as shown in this report. The terms of references are reviewed on a regular basis to ensure its continued relevance. Any change to the terms of reference for any Board Committees requires the specific written approval of the Board.

Each Board Committee examines issues pursuant to their written terms and references and makes recommendations to the Board, who shall then decide after taking into consideration such recommendations. Minutes of Board Committees meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such Board Committee meetings.

Even though the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

The Board Committees comprise the following Directors:

Board Committee	**AC**	**NC**	**RC**	**RMC**
Chairman	Mr Goh Lik Kok	Mr Mahtani Bhagwandas	Mr Peter Moe	Mr Mahtani Bhagwandas
Members	• Mr Mahtani Bhagwandas • Mr Peter Moe	• Mr Goh Lik Kok • Mr Kwan Chee Seng • Mr Peter Moe	• Mr Goh Lik Kok • Mr Mahtani Bhagwandas	• Mr Goh Lik Kok • Mr Peter Moe
Composition	Three members – All Independent Non-Executive Directors (**INED**)	Four members – Three INEDs, one Executive Director (**ED**)	Three members – All INEDs	Three members – All INEDs

Provision 1.5 – Board and Board Committee Meetings and Attendance Records

The Board and Board Committees meet regularly for the purpose of reviewing the financial performance and approving the release of financial results, deliberating and approving key business strategies and investments as well as reviewing remuneration matters and governance issues. The dates of the Board meetings, the Board Committee meetings and Annual General Meeting of the Company ("**AGM**") are generally scheduled at least six months in advance and all Board members are notified accordingly. The Company Secretary consults each Director before fixing the dates of these meetings so as to ensure optimal attendance and participation from the Directors. The Board meets at least half-yearly and as warranted by circumstances. Details of how the meetings are conducted can be found under Provision 1.6: Access to Information. The Company's Constitution allows the Directors to participate in a meeting of the Directors by means of conference telephone or other similar communications equipment whereby all persons participating in the meeting can hear one another contemporaneously, without a Director having to be in the physical presence of another Director or Directors, and participation in a meeting shall constitute presence in person at such meeting.

In between scheduled meetings, matters that require the Board's or the Board Committee's approval are circulated via email to the Directors for their consideration and decision. Ad-hoc Board meetings are convened as and when necessary to consider other specific matters or as warranted by particular circumstances.

As part of the Group's corporate governance practice, all Directors are also invited to attend the various Board Committee meetings. Records of all Board and Board Committee meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretary and circulated to all Directors to keep them updated.

To enable the Board and the Board Committees to prepare adequately for the meetings, the meeting agenda and materials are circulated before the meetings. Should a Director be unable to attend a Board or Board Committee meeting, he will still receive the materials that are to be tabled for discussion and has the opportunity to separately convey any views to the Chairman for consideration or further discussion with other Directors. If necessary, a separate session may be organised for the management to brief that Director and obtain his comments and/or approval.

In FY2020, the number of Board and Board Committee meetings held and the attendance of each Board member are shown below. Given the size of the Group's operations, the Board believes that the current frequency of the meetings is sufficient for the Board to discharge its responsibilities effectively.

Name	AGM FY2019	Board Meetings	AC	NC	RC	RMC
Number of meetings held	1	2	2	1	1	1
Directors						
Mr Teo Tong How	1	2	NA	NA	NA	NA
Mr Kwan Chee Seng	1	2	NA	1	NA	NA
Mr Goh Lik Kok	1	2	2	1	1	1
Mr Mahtani Bhagwandas	1	2	2	1	1	1
Mr Peter Moe	1	2	2	1	1	1
Ms Kwan Yu Wen	1	2	NA	NA	NA	NA

The Independent Directors also meet amongst themselves and/or with the Executive Directors and management team on ad hoc basis to approve and/or discuss specific issues or matters relating to the Group. Such informal discussion and meetings are not included in the above table.

Provision 1.6 – Access to Information

To ensure meaningful participation, all Board meetings are scheduled well in advance in consultation with the Directors.

Closer to the date of the Board meeting, the meeting agenda and relevant materials will be circulated to the Board. The agenda is carefully thought out and allows for flexibility. Board members are free to insert additional discussion items on the agenda where appropriate. Where the Board's or a Committee's approval is sought, the relevant background and explanatory information on the specific matter is provide to enable Directors to understand the issues and to request for further information, as necessary.

When a Director is unable to attend a meeting in person, telephone conference facilities will be prepared so the Director is still able to participate.

The Board has separate and independent access to the Company's senior management and the Company Secretary at all times.

At every meeting, the management presents the latest development on GRP's business and operations to the Board. The Chairman promotes open and frank debates. Also, the Directors come well-prepared and engage the Board and the management in robust discussions regarding the matter at hand.

Examples of types of information to Directors		
	Information	**Frequency**
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	As and when relevant
2.	Updates to the Group's operations and the markets in which the Group operates in	As and when relevant
3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and external auditors' report(s)	Half-yearly
4.	Reports on on-going or planned corporate actions	As and when relevant
5.	Internal auditors' reports	Half-yearly
6.	Shareholding statistics	Yearly

To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to management, and have sufficient time and resources to discharge their functions effectively. They are also welcome to request from management any additional information.

Throughout the year, the Directors also have various opportunities to interact with management (for instance at hosted dinners or catch-up sessions).

Provision 1.7 – Access to Management, Company Secretary and External Independent Advisers

The Board, particularly the Independent Directors who are Non-Executive Directors, are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their functions effectively.

All Directors have separate and independent access to the Company Secretary at all times through emails, telephone and face-to-face meetings. During FY2020, the Company Secretary attended all meetings of the Board and its Committees and minutes of such meetings were promptly circulated to all members of the Board and Board Committees.

The role of the Company Secretary is as follows:

i. To assist the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committee meetings;
ii. To administer and attend all Board and Board Committees meetings of the Company and prepare minutes of meetings;
iii. To ensure that Board procedures are observed and that applicable rules are complied with; and
iv. To advise the Board on implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value, as well as to assist the Chairman in ensuring good information flows within the Board and its Board Committees.

The appointment and removal of the Company Secretary is only permissible with the approval of the Board.

The Directors are also free, whether individually or collectively, to seek independent professional advice in furtherance of their duties. The cost of obtaining such professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to make decisions in the best interests of the Company.

Provision 2.1 – Directors' Independence

Currently, the Board has six Directors, of which four are Non-Executive Independent Directors. Mr Kwan Chee Seng and Ms Kwan Yu Wen are Non-Independent Directors.

The Chairman, being Independent and Non-Executive, is not related to the Executive Directors and is not part of the management team. Hence, there is a strong element of independence in the Board as the Independent Directors constitute more than half of the Board, and no individual or small group of individuals dominates the Board's decision-making process. This far exceeds the requirements in the Code.

The Board, taking into the account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the Code. A Director is considered independent if he has no relationship with the Company or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his independent business judgement in the best interest of the Company.

The NC and the Board consider the existence of relationships or circumstances, including those identified by the SGX-ST Listing Rule 210(5)(d) and the Code's Practice Guidance ("**Practice Guidance**"), that are relevant in determining a Director's independence.

The Company's process of determining whether a Director is independent includes the use of a declaration form on independence which each Independent Director is required to complete and submit to the NC for its annual review. The results of the self-assessment are then collated by the Company Secretary and reported to the Board.

The NC has conducted their annual review and confirmed the independence of all the Independent Directors, namely Mr Teo Tong How, Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Mr Peter Moe for FY2020.

Aside from Mr Kwan Chee Seng and Ms Kwan Yu Wen, all the other Directors were assessed to be independent.

Each Independent Director recused himself or herself in the determination of his or her own independence.

Independence of Directors who had served on the Board beyond Nine Years

There is also no Director who has served on the Board for more than nine years.

Rule 210(5)(d)(iii) of the Listing Manual

The four Independent Directors, Mr Teo Tong How, Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Mr Peter Moe, are first appointed to the Board on 4 July 2014, 6 November 2012, 1 June 2013 and 1 September 2013 respectively. Accordingly, they would have each served on the Board for more than nine years from 4 July 2023, 6 November 2021, 1 June 2022 and 1 September 2022. In anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provides that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the CEO of the company, and their respective associates, Mr Peter Moe who is seeking re-election as a Director at the forthcoming annual general meeting (the "**AGM**"), is proposing to seek, at the same time, the requisite approvals from shareholders for his continued appointment as an Independent Director.

The Board is of the view that the independence of the Independent Directors must be based on the substance of their professionalism, integrity and objectivity, and not merely based on form such as the number of years which they have served on the Board. The Board conducted rigorous review by examining any conflicts of interest, their review and scrutiny of matters and proposals put before the Board, their exercise of independent judgement, the effectiveness of their oversight role as a check and balance on the acts of the Executive Directors and the Management as well as their role in enhancing and safeguarding the interests of the Company and its shareholders. Upon review, the Board considers Mr Peter Moe to remain independent.

Provision 2.2 – Composition of Independent Directors on the Board

Provision 2.2 of the Code requires Independent Directors to make up a majority of the Board where the Chairman is not independent. Currently, Mr Teo Tong How, Chairman of the Board, is considered an Independent Director.

For FY2020, more than half of the Board members were made up of Independent and Non-Executive Directors. As such, the NC is of the view that the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making.

Provision 2.3 – Proportion of Non-Executive Directors

In FY2020, Independent and Non-Executive Directors constitute two-thirds of the Board. The Independent and Non-Executive Directors constructively challenged and contributed to the development of both the Group's short-term and long-term business strategies. Their views and opinions also provide different perspectives to the Group's businesses.

The Non-Executive Directors actively participate in setting strategies and goals for the Company and regularly assess the performance of management. As Non-Executive Directors constitute a majority of the Board, objectivity on such deliberations is assured.

Provision 2.4 – Board Composition and Size

Given the current size of the Company's operations, the Company believes that the size and composition of the Board is appropriate and provides sufficient diversity without interfering with efficient decision making. The Board exercises independent judgement on corporate affairs and provides management with a diverse, professional and objective perspective on issues.

The Board has adopted a diversity policy, and recognizes the importance of having a good balance of industry knowledge, experience and professional qualifications. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.

The NC is satisfied that the members of the Board as a whole possess relevant core competencies required to be effective. The Board members have accumulated deep industry expertise across a broad range of industries. For example, GRP's Chairman, Mr Teo Tong How is a veteran in the property sector, the key industry that GRP is focusing on for its long-term growth. The profile of each Director and other relevant information are set out under "Board of Directors' section in the Annual Report 2020".

The NC believes in the merits of having gender diversity on the Board. However, the NC is also mindful that candidates should only be included for consideration and be selected based on merit rather than for the sake of representation. In FY2020, there was one female Director out of a total of six Directors on the Board, namely Ms Kwan Yu Wen. This amounts to approximately 17% of the total Board membership, which is slightly higher than the average of 16.2% based on the 100 largest primary-listed companies on SGX-ST (taken from Diversity Action Committee, 17 March 2020).

A summary of the Board's core competencies is listed in the table below:

	Number of Directors	**Proportion of Board (%)**
Core Competencies		
- Accounting or finance	4	67
- Business management	6	100
- Legal or corporate governance	6	100
- Relevant industry knowledge or experience	3	50
- Strategic planning experience	6	100
- Customer based experience or knowledge	3	50
Gender		
- Male	5	83
- Female	1	17

The NC takes the following steps on an annual basis to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC considers the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. For FY2020, the NC was satisfied that the members of the Board as a whole possess the relevant core competencies listed above.

Provision 2.5 – Regular Meetings of Non-Executive Directors

Non-Executive Directors constructively challenge and help develop proposals and strategy of GRP and also review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. To facilitate a more effective check on management, the Non-Executive Directors meet at least once yearly without the presence of management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Non-Executive Directors also meet on ad hoc basis with various key management officials to discuss the challenges facing the Company. The chairman of such meetings provide feedback to the Board and/or Chairman as appropriate.

The Non-Executive Directors have met at least once without the presence of management in FY2020.

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and management, and no individual has unfettered powers of decision-making.

Provision 3.1 and 3.2 – Separation of Role of Chairman and CEO

The Independent Non-Executive Chairman of the Company is Mr Teo Tong How.

The Group does not have a CEO in place, the responsibilities of the Group's business are undertaken by the Executive Directors, Mr Kwan Chee Seng and Ms Kwan Yu Wen as well as the management.

The Chairman and the Executive Directors are separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr Teo Tong How is not related to the Mr Kwan Chee Seng, Ms Kwan Yu Wen or the management.

Mr Teo Tong How is responsible for the leadership of the Board and is vital for ensuring the Board's effectiveness both in and out of the board room. This is done by setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

Mr Teo Tong How promotes high standards of corporate governance. He does this by ensuring that the performance of the Board is evaluated regularly. Mr Teo Tong How also promotes active engagement and encourages constructive relations among the Directors, as well as between the Board and management.

On the other hand, Mr Kwan Chee Seng and Ms Kwan Yu Wen oversee the execution of GRP's strategy and are responsible for managing the operations and spearheading the strategic development of GRP. They also ensure that the Directors are kept updated and informed of GRP's business.

The roles of Mr Teo Tong How, Mr Kwan Chee Seng and Ms Kwan Yu Wen are deliberately kept distinct through a clear division of responsibilities to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

There is a constructive working relationship among Mr Teo Tong How, Mr Kwan Chee Seng and Ms Kwan Yu Wen. Mr Teo Tong How maintains open lines of communication with Mr Kwan Chee Seng, Ms Kwan Yu Wen and management, and guides and advises them on key issues. Mr Teo Tong How, Mr Kwan Chee Seng and Ms Kwan Yu Wen meet outside of the boardroom regularly to discuss on matters.

Provision 3.3 – Lead Independent Director

A Lead Independent Director may be appointed to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. As the Chairman of the Group is independent and the Board size of six members with four being Independent Directors, the Board is of the view that the appointment of a Lead Independent Director is not necessary at the moment.

The Directors and management are always accessible to the Company's shareholders, and the Group has always responded to queries raised by the shareholders. The absence of a Lead Independent Director has not impacted and is unlikely to impact such accessibility or the Group's response to shareholders' queries.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2 – NC Membership and Key Terms of Reference

The NC is chaired by Mr Mahtani Bhagwandas and its members are Mr Goh Lik Kok, Mr Kwan Chee Seng and Mr Peter Moe. The majority of the Directors in the NC, including the Chairman is independent.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2020.

The appointment and re-appointment of Directors are assessed and recommended by the NC.

The NC holds at least one (1) meeting in each financial year and is guided by its written Terms of Reference which stipulates its principal roles as follows:

i. Reviewing Board succession plans for Directors, in particular, the Chairman and Executive Directors;
ii. Making recommendations to the Board on all Board appointments;
iii. Developing a process to evaluate the performance of the Board, its Board Committees and Directors;
iv. On an annual basis, determining whether a Director is independent;
v. Reviewing the training and professional development programs for the Board;
vi. Formulating guidelines to ensure that a Director with multiple board representations has sufficient time and attention devoted to the affairs of the Company; and
vii. Recommending the re-nomination and re-election of Directors.

Provision 4.3 – Selection, Appointment and Re-appointment Process for Directors

The NC has established a transparent process for the selection and appointment of new Directors, as well as for the re-election of incumbent Directors.

When the need for the appointment of a new Director arises, the NC will first identify the current needs of the Board in terms of experience and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board. The Board will also consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

With the criteria in mind, suitable candidates are identified from various sources. For example, the NC and each Director will source for suitable candidates based on their extensive networks. External consultants may also be appointed to identify potential candidates.

Next, the NC will conduct an assessment to review the candidate (including but not limited to qualifications, attributes, capabilities, skills, age, past experience) to determine whether the candidate is fit and proper in accordance with the Monetary Authority of Singapore's fit and proper guidelines. The NC will also ascertain the independence of the candidate.

The NC then interviews the short-listed candidates and makes its recommendations to the Board. Upon the appointment of a new Director, the NC will recommend to the Board his/her appointment to the appropriate Board Committee(s) after matching the Director's skillset to the needs of each Board Committee.

Re-Appointment of Directors

The Company's Constitution provides that a Director must retire from office and be subject to re-election at least once every three years. In addition, in accordance with the Company's Constitution, newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment.

The NC will assess the contributions and performance of the Director in accordance with the performance criteria set by the Board. The NC will also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board. With that, subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The NC also considered the appointment and re-appointment of Directors so as to ensure compliance with the Constitution of GRP which stipulates that at each AGM, one-third of the Board (inclusive of the CEO, the Executive Directors), two in the case of GRP, shall retire from office by rotation at least once every three years in accordance with the Constitution, and may stand for re-election. Rule 720(5) of the Listing Manual of SGX-ST also requires that all Directors must submit themselves for re-nomination and re-appointment at least once every three years.

The NC, in considering the nominating of any Director for re-election, will evaluate the performance of the Director involved.

The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out as below.

Name of Director	Appointment	Date of initial appointment	Date of last re-election/re-appointment	Directorships in other listed companies	
				Current	**Past 3 Years**
Mr Teo Tong How	Independent Non-Executive Director and Chairman	4 July 2014	26 October 2018	NA	NA
Mr Kwan Chee Seng	Executive Director	1 March 2013	26 October 2018	Starland Holdings Limited	Variscan Mines Limited
Mr Goh Lik Kok	Independent Non-Executive Director	6 November 2012	25 October 2019	NA	NA
Mr Mahtani Bhagwandas	Independent Non-Executive Director	1 June 2013	25 October 2019	–	Alita Resources Limited (formerly known as Alliance Mineral Assets Limited) SBI Offshore Limited
Mr Peter Moe	Independent Non-Executive Director	1 September 2013	26 October 2017	NA	Swee Hong Limited
Ms Kwan Yu Wen	Executive Director	13 February 2019	25 October 2019	NA	NA

The directors longest in office since their last re-appointment are Mr Kwan Chee Seng and Mr Peter Moe. The NC having reviewed and recommended, the Board has agreed for the following Directors to retire by rotation and seek re-election at the Company's forthcoming AGM:

– Mr Kwan Chee Seng
– Mr Peter Moe

After assessing the contribution and performance of the retiring Directors, the NC has recommended that Mr Kwan Chee Seng and Mr Peter Moe be re-elected at the forthcoming AGM. The Board has accepted the recommendation of the NC.

Each of Mr Kwan Chee Seng and Mr Peter Moe had recused himself relating to the recommendation on his re-election as Director of the Company.

Subject to their re-election:
(i) Mr Kwan Chee Seng shall continue to serve as Executive Director and member of NC;

(ii) Mr Peter Moe shall continue to serve as Independent Director and Chairman of RC, and a member of the AC, NC and RMC.

The requisite information required under Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to Mr Kwan Chee Seng and Mr Peter Moe can be found on pages 46 to 52 of this Annual Report.

Provision 4.4 – Continuous review of the Directors' Independence

On a yearly basis, each Independent Director of the Company will complete a checklist to confirm his independence (or otherwise). The checklist is drawn up based on the guidelines provided under the Code. In FY2020, the NC had reviewed the independence of the Independent Directors, having regard to the circumstances set forth on Provision 2.1 of the Code, the Practice Guidance and the SGX-ST Listing Manual. Details of the review process are set out under Provision 2.1 of this Annual Report

Provision 4.5 – Directors' Time Commitments

The NC ensures that new Directors are aware of their duties and obligations.

Information of each Director including his/her directorship(s) in other listed company(ies) and other principal commitment(s) are furnished under the "Board of Directors" section of this Annual Report.

Where a Director has multiple board representations, such Director has to ensure that sufficient time and attention is given to the affairs of the Company and that the NC is satisfied that the Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board has determined that a Director may not serve on the Board of more than six public listed companies. This is to ensure that each Director has given sufficient time and attention to the affairs of the Company. Each Director is expected to make reasonable effort to attend at least 50% of the regularly scheduled meetings of the Board as well as any other ad-hoc meetings be it in person or through a conference call. All Directors have met the above requirements on time commitment for FY2020.

BOARD PERFORMANCE

Principal 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provision 5.1 and 5.2 – Board evaluation process

Board Performance Criteria and Individual Director Evaluation
The NC performs an annual assessment to determine how the Board and the Board Committees are performing. The Board has not engaged any external consultant to conduct an assessment of the performance of the Board and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.

For FY2020, each Director was asked to complete a board evaluation questionnaire and an individual evaluation questionnaire, and was asked to submit it directly to the Company's Company Secretary who collated the responses and produced a summary report for the NC. The Board is pleased to share that it has met its performance objectives for FY2020 and that the Board is satisfied with the performance of all Directors in the most recent evaluation exercise.

The table below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	1. Size and composition 2. Access to information 3. Board processes and accountability 4. Strategic planning 5. Risk management and Internal Control 6. Succession Planning	1. Commitment of time 2. Participation 3. Knowledge and abilities 4. Independence 5. Disclosure of Interested Person Transactions ("**IPT**")
Quantitative	1. Measuring and monitoring performance 2. Financial reporting	1. Attendance at Board and Board Committee meeting

The results of the evaluation are submitted to the Chairman (and the rest of the Board), for the Chairman to review, where appropriate, and in consultation with the NC, to support the NC's proposals for Board Renewal.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

Provision 6.1 and 6.2 – Remuneration Committee Composition and Terms of Reference

The RC is chaired by Mr Peter Moe and its members are Mr Goh Lik Kok and Mr Mahtani Baghwandas. The entire RC comprises of Independent Non-Executive Directors so as to minimise the risk of any potential conflict of interest.

The RC is guided by key terms of reference as follows:

i. Review and recommend to the Board a framework of remuneration for each Executive Director and executive officer and determine specific remuneration packages for each Executive Director and executive officer;
ii. Review annually the remuneration packages of the employees who are related to any of the Directors or any substantial shareholder of the Company;
iii. Review all aspect of remuneration of the Board and executive officers, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
iv. Review the design of all long term and short term incentive plans including option plans, stock plans and / or other equity based plans that the Group proposes to implement and oversee the administration of GRP's Performance Share Plan ("**GRP PSP**"); and
v. Review the Company's obligations arising in the event of termination of the Executive Directors' and executive officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.3 – Developing Remuneration Framework

To attract, retain and motivate Directors and employees, the RC establishes appropriate remuneration frameworks for the Directors and employees of the Company. Such frameworks are reviewed periodically to ensure that they remain relevant.

When reviewing the Directors' remuneration, the RC takes into consideration each Director's role and responsibility in the Board and Board Committees. Each Non-Executive Director receives a base Director's fee. The Chairman receives an additional fee to reflect his expanded responsibilities. Directors will also receive additional fees in respect of each Board Committee they serve on.

In FY2020, the RC reviewed and approved the remuneration package of key management personnel. The RC also reviewed and endorsed the management's recommendation of the other employees' bonus for the financial year.

Provision 6.4 – RC access to advice on remuneration matters

Where necessary, the RC has full discretion to seek expert advice inside and/or outside the Company on remuneration of all Directors, at the company's expense. For FY2020, the RC did not engage the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7: Level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company.

Provisions 7.1, 7.2 and 7.3 – Remuneration of Directors and Key Executives

The Company's remuneration policy consists of both fixed and variable portions seeks to attract, retain and motivate employees to achieve the Company's long-term growth and prosperity on a sustainable basis. The Company's remuneration structure for the Executive Directors, the key management personnel has been benchmarked against those adopted by entities of a comparable size and in similar industries. The fixed compensation comprises base salary and fixed allowances. The variable component, on the other hand, is a cash-based short-term incentive that is performance related which is linked to the performance of the Company as well as the individual to align the employees' remuneration with the interests of shareholders.

The Company believes in aligning its level and structure of remuneration with the interest of shareholders to promote the long-term success of the Company. To initiate this, the GRP PSP has been adopted to link rewards to eligible employees and Directors, especially key executives based on corporate and individual performance and align their interests with those of shareholders.

Throughout FY2020, the Board had two Executive Directors. The Executive Directors and key management personnel do not receive Director's fees from its subsidiaries/associated entities if they are nominated and appointed to these boards.

The RC reviews and approves the remuneration packages (which includes salaries, allowances, bonuses and benefits-in-kind) of the Executive Directors and key management personnel, after considering the Company's performance for the year under review. In addition, the RC reviews the performance of the Group's senior executives (excluding those employed by the listed subsidiary, which has its own remuneration committee), after taking into consideration the Executive Directors' assessment of and recommendations for bonuses and remuneration.

For FY2020, the RC is satisfied that the salaries as well as the performance-related bonuses granted to all key management personnel were commensurate with their performance and contribution.

The Company's obligations arising in the event of termination of the Executive Directors and key management personnel are spelt out clearly in their contracts of service. The RC is satisfied that they contain fair and reasonable termination clauses which are not overly generous.

Having reviewed and considered the variable components of the Executive Directors and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years.

In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of breach of fiduciary duties.

Non-Executive Directors have no service contracts with the Company and their terms are specified in the Constitution. Non-Executive Directors are paid a basic retainer fee for serving as Director, an additional fee for serving on Board Committees and an attendance fee for participation in meetings of the Board and any of the Board Committees. In order not to compensate the Non-Executive Directors excessively, the RC takes into consideration factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors and the need to stay competitive with industry practices.

The Board concurred with the RC's proposal for Non-Executive Directors' fees for FY2020 which are computed in accordance with the current framework. The RC and the Board collectively are of the view that the remuneration of the Directors for FY2020 is appropriate and not excessive. The aggregate fees of the Non-Executive Directors are subject to the approval of the shareholders at the AGM.

DISCLOSURE ON REMUNERATION

Principle 8: Transparency on remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.

Provisions 8.1 and 8.3 – Breakdown of remuneration of Directors, CEO and key executives (including disclosures of employee share schemes)

Directors' Remuneration

The Board concurred with the RC that the proposed Directors' fees for FY2020 is appropriate and that the Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

Directors' fees are recommended by the RC, agreed by the Board and submitted for approval by the shareholders at the AGM of the Company. No Director decides his own fees.

Performance Assessment of Executive Directors and Key Management

The overall remuneration packages comprise both fixed and variable components.
In determining the level of remuneration, the RC shall:

i. give due consideration to the Code's principles and guidance notes on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully;
ii. ensure that a proportion of the remuneration is linked to corporate and individual's performance; and
iii. design remuneration packages in such manner as to align interest of Executive Directors and key management personnel with those of shareholders.

For Executive Directors, the fixed component of the remuneration package includes base salary (inclusive of CPF) and other benefits such as medical allowance. The variable component of the remuneration package consists of cash incentives, such as variable bonus and Directors' fees.

Annual review is carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with the Company's and their performances, giving due regard to the financial and commercial health and business needs of the Group.

The RC reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance.

The Board has not engaged any external remuneration consultant to advice on remuneration matters.

Remuneration of Key Management Personnel

The remuneration of key management personnel is determined by the Board. The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance bonus provides a variable level of remuneration dependent on short-term performance while the Performance Share Plan known as GRP PSP acts as a long-term incentive. However, since the commencement of the GRP PSP up to date of this report, no shares had been awarded under the GRP PSP.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	**Short-term Incentives** (such as performance bonus)	**Long-term Incentives** (such as the GRP PSP)
Qualitative	Leadership 1. People development 2. Commitment 3. Teamwork 4. Current market and industry practices	1. Commitment 2. Current market and industry practices
Quantitative	1. Relative financial performance of the Group to its industry peers.	1. Relative financial performance of the Group to its industry peers.

The RC is satisfied that the performance conditions were met in FY2020.

The total remuneration to be paid to the Non-Executive Directors for FY2020 is $146,250.

The breakdown of Directors' remuneration for FY2020 is as follows:

Name	**Salary (%)**	**Bonus (%)**	**Other Benefits (%)**	**Directors Fees (S$)**	**Total (%)**
$500,000 to below $750,000					
Mr Kwan Chee Seng	71	24	5	–	100
$250,000 to below $500,000					
Ms Kwan Yu Wen	70	23	7	–	100
Below $250,000					
Mr Teo Tong How	–	–	–	48,750	100
Mr Goh Lik Kok	–	–	–	34,125	100
Mr Mahtani Bhagwandas	–	–	–	34,125	100
Mr Peter Moe	–	–	–	29,250	100

The total remuneration paid to the top 5 key management personnel (aside from the Executive Directors) for FY2020 was $1,046,427.

The breakdown of remuneration of the Company's key executive officers (who are not Directors) for FY2020 are as follows:

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
$250,000 to below $500,000					
Mr Kantilal Champaklal	Chief Financial Officer	64	21	15	100
Ms Lim Siok Lin	General Manager ("GM") (Measuring Instruments)	41	44	15	100
Below $250,000					
Mr Khoo Fredrick Christopher Junior	GM (Hose and Marine)	72	5	23	100
Mr Kelvin Kwan Chee Hong	GM (Property)	49	21	30	100
Ms Peng Peck Yen	Financial Controller	64	21	15	100

*For competitive reasons and in view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of key management personnel and believes that the information disclosed would be sufficient for the shareholders to have an adequate appreciation of the Group's remuneration policies and practices.

There was no termination, retirement or post-employment benefits granted to any Director or key management personnel in FY2020.

Employee Share Schemes

The Company's remuneration policy is one that seeks to attract, retain and motivate employees to achieve the Company's long-term growth and prosperity and to create value for our shareholders. The Company believes in aligning its level and structure of remuneration with the interest of shareholders to promote the long-term success of the Company. To initiate this, the GRP PSP has been adopted to link rewards to eligible employees and Directors, especially key executives based on corporate and individual performance and align their interests with those of shareholders.

GRP has adopted the Performance Share Plan known as the GRP PSP which has been approved at the extraordinary general meeting held on 4 July 2014. The details of the Plan can be found in the offer document of the Company dated 12 June 2014.

The GRP PSP serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. The GRP PSP will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The GRP PSP forms an integral component of our compensation plan and is designed to primarily reward and retain Directors and employees whose services are vital to the growth and performance of our Company.

The GRP PSP is administered by the RC comprising 3 Directors, Mr Peter Moe, Mr Goh Lik Kok and Mr Mahtani Bhagwandas. The Chairman of the RC is Mr Peter Moe.

Since the commencement of the GRP PSP up to the date of this report, no shares were awarded under the GRP PSP.

Provision 8.2 – Employee related to Substantial Shareholders, Directors or Group CEO

Save for the individuals listed below, there was no other employee of the Group who was an immediate family member of a Director or the CEO whose remuneration exceeds S$50,000.

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
$250,000 to below $500,000					
Ms Kwan Yu Wen[1]	Executive Director	70	23	7	100
Below $250,000					
Mr Kelvin Kwan Chee Hong[2]	GM (Property)	49	21	30	100
Ms Elissa Kwan Ru Hui[3]	Management Executive	66	17	17	100

(1) Ms Kwan Yu Wen was appointed as Executive Director of the Company with effect from 13 February 2019. Prior to this, Ms Kwan Yu Wen was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd. Ms Kwan Yu Wen was also a Consultant of GRP from January 2017 to February 2019. Ms Kwan Yu Wen is the daughter of Mr Kwan Chee Seng, who is an Executive Director and substantial shareholder of GRP.

(2) Mr Kelvin Kwan is the General Manager of Starland Holdings Limited, a subsidiary of the Company with effect from 18 February 2016. Prior to this, he was the General Manager of the Property Division of the Company. Mr Kelvin Kwan is the brother of Mr Kwan Chee Seng, who is an Executive Director and substantial shareholder of GRP.

(3) Ms Elissa Kwan Ru Hui is a Management Executive of GRP with effect from 1 March 2019. Ms Elissa Kwan Ru Hui is the daughter of Mr Kwan Chee Seng, who is an Executive Director and substantial shareholder of GRP and also sister of Ms Kwan Yu Wen, an Executive Director of GRP.

RISK MANAGEMENT & INTERNAL CONTROLS

Principle 9: Board's Governance of Risk Management System and Internal Controls

Provision 9.1 – Nature and Extent of Risks

The Group recognises the importance of a robust risk management and internal control system to safeguard the Group's assets and Shareholders' interests. The Board has overall responsibility for the governance of risk management and internal controls.

The Board has the overall responsibility for providing leadership, setting the risk appetite and ensuring the compliance with GRP's risk governance framework. The Board is assisted by the RMC, which reports to the Board on material matters, findings and recommendations pertaining to risk management while the Audit Committee provides oversight of the financial reporting risk.

The RMC, which was formed in FY2014 as part of the Company efforts to strengthen its risk management processes and framework, in overseeing the formulation, update and maintenance of an adequate and effective risk management and internal control systems. The RMC is chaired by Mr Mahtani Bhagwandas and its members include Mr Goh Lik Kok and Mr Peter Moe.

The RMC is guided by key terms of reference as follows:

i. Review and recommend to the Board, the type and level of business risks that the Group undertakes on an integrated basis, to achieve its business objectives;
ii. Review and recommend the appropriate framework and policies for managing risks that are consistent with the Group's risk appetite;
iii. Review reports on any material breaches of risk limits and the adequacy of proposed action; and

iv. Consistently review the effectiveness of the Group's internal controls and risk management systems.

The Board regularly reviews and improves the Company's business and operational activities to identify areas of significant risks as well as take appropriate measures to control and mitigate these risks.

The identification and management of risks are delegated to GRP's management, who assumes day-to-day management of these risks. Management is responsible for executing risk management strategies, policies and processes while fulfilling business objectives within the risk appetite of GRP set by the Board.

Management highlights and discusses (if any) salient risk management matters to the Board on half-yearly basis. The management will propose countermeasures to the Board to allow the Board to bring the risks down to an acceptable level. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls.

Internal audit is outsourced to third party professional firms. In FY2020, the Board reviewed reports submitted by the independent internal auditors on pre-selected areas of the operations of the Group and met with the independent internal auditors separately, without the presence of management. The selection process follows a cycle of a few years so that all key operations/units of the Group would be subject to an internal audit in a cycle.

In FY2020, GRP revised its Code of Ethics & Business Conduct Policy.

The Board, with the concurrence of both the AC and the RMC, is of the view that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems of the Group were adequate and effective as of 30 June 2020.

The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on internal auditors' report issued to the Company for FY2020 as assurance that the Company's risk management and internal control systems are effective. It is noted that any significant matters highlighted to the AC and key management personnel were appropriately addressed.

In addition, key management personnel regularly evaluate, monitor and report to the AC on material risks. Discussions were also held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns.

Provision 9.2: Assurance from Group Executive Director, Group Financial Officer ("Group CFO") and Key Management Personnel

The Board has received assurance from the Executive Director and Chief Financial Officer (CFO) that for FY2020:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) the Company's risk management and internal control systems including financial, operational, compliance and information technology controls, and risk management systems are effective.

Principle 10: Audit Committee

Provision 10.1, 10.2 and 10.3: Duties and Composition of the AC

The AC is chaired by Mr Goh Lik Kok and its members include Mr Mahtani Bhagwandas and Mr Peter Moe. All the members of the AC are Non-Executive and Independent Directors.

The Board considers that Mr Goh Lik Kok, who has extensive and practical financial management knowledge and experience, to be well qualified to chair the AC.

The Board is also of the view that the members of the AC, collectively, have expertise or experience in accounting and related financial management and are qualified to discharge the AC's responsibilities.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

The AC has explicit authority to investigate any matter within its terms of reference. The AC also has full access to and full cooperation of management. It has direct access to GRP's internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings.

The AC carried out its roles and responsibilities as defined under its Terms of Reference summarised below:

i. Assisting the Board in discharge of its responsibilities on financial reporting matters;

ii. Reviewing with the external auditors and internal auditors the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management's response, and results of our audit compiled by the external auditors and internal auditors;

iii. Meeting with the internal and external auditors without the presence of management

iv. Reviewing the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as any other statutory/regulatory requirements;

v. Reviewing the effectiveness and adequacy of the Company's internal control and procedures, addressing financial, operational and compliance risks and ensure co-ordination between internal auditors and external auditors, and management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

vi. Reviewing and discussing with any professional, including external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response; and

vii. Reviewing interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's (SGX-ST") Listing Manual.

In addition, the AC is responsible for evaluating the independence and objectivity of the external auditors, evaluating the cost effectiveness of the audits and the nature and extent of the non-audit services provided to ensure that the independence of the external auditors are not compromised. Based on the above, the AC makes recommendations to the Board on the appointment or re-appointment of the external auditors, which is subsequently submitted for shareholders' approval at the AGM.

For FY2020, the AC discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant issues were discussed with management and the External Auditors and reviewed by the AC in respect of FY2020:

Significant matters	How the Audit Committee addressed these issues
Valuation of Properties Held for Sale	The AC reviewed management's approach of estimating the net realisable value of properties held for sale by comparing them to recently transacted prices or prices of comparable properties located in the same vicinity of the property projects and taking into account the prevailing macroeconomic and real estate trend in the PRC.
Valuation of Development Properties	The Group has 3 pieces of development properties in Malaysia. Management engaged an independent professional valuer to value the 3 pieces of development properties in Malaysia. The AC reviewed the valuation report and is satisfied that the value of the development properties are written down to the amount as valued as at 30 June 2020.
Investment in redeemable convertible preference share ("**RCPS**")	The Company has recognised a fair value loss of $2.5 million on the investment in the RCPS as at 30 June 2020. The AC concurred with the management's fair value adjustment as at 30 June 2020. However, despite the adjustment, management will continue to work on recovering the RCPS investment.

The Company has in place a whistle-blowing policy that has been circulated to all staff. The Company's staff may and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the AC Chairman directly. The Policy details the mechanism for which submission of issues or concerns could be made and the means of communication including a dedicated email address, whistleblow@grp.com.sg and the personal emails and contact details of the AC Chairman.

The Policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, protected from reprisal. The AC has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The Company treats all information received confidentially and protects the identity and the interest of all whistle-blowers. Anonymous reporting will also be attended to and anonymity honoured.

All newly recruited employees are briefed of the existence of the Policy and a reminder is sent to all employees annually in the form of an Annual Declaration by the employees requiring them to disclose any instances of conflicts of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is also required for the purpose.

It has also been a standard item in the agenda of the half yearly meeting of the AC to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding.

During FY2020, there were no cases of whistleblowing reported to the management and the Board.

Provision 10.4 – Internal Audit Function

The Company's internal audit function is outsourced to One e-Risk Services Pte Ltd (a certified public accounting firm) and YYC Advisors Sdn Bhd. The Head of Internal Auditors of YYC Advisors Sdn Bhd, Ms Christine Looi Pek San, is a professional member of the Institute of Internal Auditors Malaysia. Both internal audit firms report directly to the Chairman of the AC on audit matters, although the internal auditors may report administratively to the Executive Director and the Chief Financial Officer of GRP.

The appointment, removal, evaluation and compensation of One e-Risk Services Pte Ltd and YYC Advisors Sdn Bhd are determined by the AC. The internal auditors have unfettered access to all the company's documents, records, properties and personnel, including access to the AC.

Provision 10.5 – Meeting Auditors without the Management

In FY2020, the AC met with the internal and external auditors, without the presence of management, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the AC makes reference to best practices and guidance in the Guidebook for Audit Committee in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore. The AC is also continuously briefed and updated by the external auditors on the changes or amendments to the accounting standards which have a direct impact on the financial statements, if any.

Minutes of the AC meetings are routinely tabled at Board meetings for information. When considering the interested person transactions, Directors who are interested in the transactions had recused themselves from the deliberation and approval process in both the AC and Board meetings.

Deloitte & Touche LLP ("**Deloitte**"), the Company's existing external auditors, were re-appointed as auditors at the Company's last annual general meeting on 25 October 2019. Deloitte have served as auditors of the Company for 24 years before our listing on SGX Mainboard in 2002. All the Company's Singapore-incorporated subsidiaries and significant associated companies, except for Starland Holdings Limited (which is listed on the Catalist Board of the Singapore Stock Exchange) together with its subsidiaries, are audited by Deloitte.

As part of its ongoing corporate governance initiatives as well as to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be appropriate and timely to effect a change of auditors for the following financial year ending 30 June 2021 ("**FY2021**"), subject to Shareholders' approval by ordinary resolution 5 proposed in the Notice of AGM. The Board believes that a change of auditors will also enable the Company to benefit from fresh perspectives and views of another professional audit firm to enhance the value of the audit services and accord the Group an opportunity to benchmark audit fees with a view to realising cost efficiencies. The outgoing Auditor, Deloitte, has also indicated that it will not be seeking re-appointment at the forthcoming AGM to be held on 29 December 2020.

The AC has recommended and the Board has accepted the AC's recommendation for the appointment of Baker Tilly TFW LLP ("**Baker Tilly**") in place of Deloitte as external auditors of the Company, subject to the approval of the shareholders at the AGM. Further information on the proposed change of auditors of the Company is set out in the Appendix to this annual report.

The Group has complied with Rules 712 and 716 of the Listing Manual in relation to its auditing firms for FY2020.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

GRP respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. GRP actively ensures that all material and price sensitive information are disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

A dedicated investor relations section on our corporate website provides shareholders and all stakeholders with pertinent financial and non-financial information including financial results announcements, presentation slides and press releases, publications such as circulars and annual reports, shares and dividend information, updates on business and operations, and other relevant information.

Provision 11.1 – Providing opportunity for shareholders to participate and vote at general meetings

GRP promotes fair and equitable treatment to all shareholders. All shareholders enjoy specific rights under the Singapore Companies' Act and GRP's Constitution. These rights include, but are not limited to, the right to participate in dividends and the right to attend and vote at general meetings. Ordinary shareholders are entitled to attend and vote at the AGM by person or proxy.

During the meetings, presentations detailing the Group's of results and business outlook are made to the shareholders. Shareholders are also given the opportunity to engage with the Board during the Question & Answer segment of the meetings.

Shareholders are informed of general meetings at least fourteen days in advance through reports/circulars/letters or notices published in the newspapers, Company's announcements via SGXNet and the Company's website. General meetings are usually held at venues within the central business district and which are easily accessible by the shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at the beginning of the voting in such general meetings.

All shareholders are entitled to vote in accordance with the established voting rules and procedures. In light of the COVID-19 pandemic, GRP's AGM for FY2020 will be held via electronic means. Shareholders will not be able to attend the AGM in person, but they may observe the proceedings of the AGM by audio or audio-visual means. Shareholder may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the Notice of AGM in this Annual Report.

Currently, the Constitution of the Company allows all shareholders (members) to appoint up to two proxies to attend general meeting and vote on their behalf.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Provision 11.2 and 11.4 – Separate Resolutions at General Meeting and Absentia Voting at General Meetings

GRP takes care to ensure separate resolutions on each substantially separate issue. GRP avoids "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Detailed explanatory notes on each item of the agenda is also provided to the Notice of AGM in this Annual Report.

If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings

GRP has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of shareholders' identities through the web are not compromised. The Company will employ electronic polling if necessary.

Provision 11.3 – Attendance at General Meetings

The Company requires all Directors (including the respective Chairman of the Board Committees) to be present at all general meetings of shareholders, unless due to exigencies. This has been practiced over the past years. The external auditors are also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

Provision 11.5 – Minutes of General Meetings

The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET after the conclusion of the general meeting on the same day.

The Company Secretary prepares minutes of general meetings which reflect responses from the Board and management to queries and comments from shareholders. The minutes are available to shareholders upon their request.

Provision 11.6 – Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other relevant factors as the Board may deem appropriate.

The Group is not recommending any dividend for FY2020 in view of the present uncertainty in the market outlook and business environment.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1 – Avenue of communication between the Board and shareholders

The Company engages in regular and effective communication with its shareholders. Feedback mechanisms are in place to solicit the views of shareholders and to address requests and concerns raised by shareholders outside of the AGM. Communication with shareholders is done by the Executive Directors. Meeting with institutional and retail investors can be arranged upon request. All shareholders are welcome to get in touch with GRP through the Contact Us page on GRP's corporate website, www.grp.com.sg or by emailing us directly at investor@grp.com.sg. Through this avenue, GRP maintains a close and active dialogue with its shareholders. Management also uses its meetings with investors and analysts to gather views of GRP.

Provision 12.2 and 12.3 – Investor relations Policy

The Group recognises the importance and is committed to maintaining high standards of disclosure and corporate transparency, although the Group has not formalised this by way of a written policy.

The Group's financial results are released via SGXNET. This information includes the half-year and full-year results which are also freely available to public on GRP's corporate website, www.grp.com.sg. All price-sensitive information is publicly released via SGXNET within the mandatory period prior to any discussions with individual investors and analysts. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them. The Company strives to supply shareholders with reliable and timely information so as to strengthen the relationship with its shareholders based on trust and accessibility.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1, 13.2 and 13.3 – Engagement with material stakeholder groups

The Company values input from all its stakeholder groups and uses a variety of channels and platforms to engage with them as well receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company consider material.

More details on the Company's strategy and key areas of focus in relation to the management of stakeholders' relationships is disclosed on the Sustainability Report dated 27 November 2020.

The Company has a corporate website to communicate and engage with all stakeholders. The Company's corporate website is www.grp.com.sg.

OTHER CORPORATE GOVERNANCE MATTERS

AUDIT COMMITTEE'S COMMENT ON INTERNAL AUDIT FUNCTION'S INDEPENDENCE, EFFECTIVENESS AND ADEQUACY OF RESOURCING

The Company's internal audit function is independent of the external audit. One e-Risk Services Pte Ltd and YYC Advisors Sdn Bhd are staffed with professionals with relevant qualifications and experience. The AC annually reviews the internal audit function and is satisfied that One e-Risk Services Pte Ltd and YYC Advisors Sdn Bhd are adequately qualified (given, inter alia, its adherence to standards set by nationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

Every year, the AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. An annual internal audit plan entails the review of selected functions or business units of the Group is developed and agreed by the AC. The audit plan has been devised in such a way that all the major functions or business units would be audited within an internal-audit cycle.

CONFIRMATION OF ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors and the statutory audit conducted by the External Auditor and reviews performed by management and various Board Committees including the AC and the RMC, the Board with the concurrence of the AC, is of the opinion that the Group has a robust and effective internal control system addressing financial, operations, compliance and information technology controls and risk management system that is adequate to meet the needs of the Group in its current business development.

Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board will ensure that should any significant internal control failings or weaknesses arise; necessary remedial actions will be swiftly taken.

There was no material weakness in risk management and internal controls noted as at 30 June 2020.

DEALING IN SECURITIES

The Group has adopted the best practices stipulated in Rules 1207(19)(b) and 1207(19)(c) of the SGX-ST Listing Manual with respect to the dealings in securities for the guidance of Directors and officers. In line with the guidelines, Directors and executive officers of the Group are not permitted to deal in the Company's shares on short-term considerations and during the period commencing one month before the announcement of the Company's financial results and ending on the date of the announcement of such financial results whilst they are in possession of unpublished material price sensitive information. In addition, the Directors and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations. This has been made known to Directors, officers and staff of the Company and the Group. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

RELATED PARTY TRANSACTIONS

GRP has policies and procedures governing Related Party Transactions ("**RPTs**"). The Board has established the procedure for approval of all related party transactions to ensure that these transactions are undertaken on an arm's length basis. The AC reviewed all material related party transactions and kept the Board informed of such transactions.

As per the RPT procedure, all the Directors having disclosed their interests in any RPTs shall abstain from any discussion and approval of the aforesaid transactions.

The details of all RPTs are disclosed on pages 110 to 111 in the Notes to Financial Statements.

MATERIAL CONTRACTS

The details of material contracts are as follows:

1. The Company had announced on 1 August 2017, 2 October 2017 and 4 October 2017 that the Company had entered into a Subscription Agreement ("**Agreement**") dated 31 July 2017 with Energiser Enterprise Sdn Bhd ("**EESB**"), Chong Yin Peng ("**CYP**"), Chang Kok Kheong ("**CKK**" and together with CYP, the "**Existing Shareholders**"), Luminor Pacific Fund 2 Ltd ("**LPF2**") and Luminor Harbour Fund 1 Pte Ltd ("**LHF1**") for the proposed subscription by subscribers of an aggregate principal amount of RM20 million (or approximately $6.41 million) worth of redeemable convertible preference shares ("**RCPS**") to be issued by EESB at the issue price of RM506.67 (or approximately $162.44) for each RCPS. The Company, being one of the subscribers, has agreed to subscribe for RM7.75 million (or approximately $2.5 million), and together with LPF2 and LHF1, (the "**Subscribers**") had subscribed for an aggregate principal amount of RM20 million worth of redeemable convertible preference shares issued by EESB. Luminor Capital Pte Ltd ("**LCPL**"), being the fund manager of LPF2 and LHF1, is the lead fund manager for the EESB subscription. LCPL charged fees of 2% on the investment amount and 20% on the returns pursuant to the EESB subscription. Mr Kwan Chee Seng, Ms Kwan Yu Wen and Dr Foo Fatt Kah are the Directors and shareholders of LCPL and Mr Kwan is also one of the investors of LHF1.

2. The Company had announced on 10 October 2017 that Multiple Lodge Sdn Bhd ("**MLodge**"), a 67.5%-owned indirect subsidiary of the Company, will appoint EESB as the project manager for the development in Ipoh, Malaysia ("**Appointment**").

3. The Company had announced on 30 June 2020 that EESB was unable to settle the redemption sum for the RCPS ($10,337,060) and late payment interest ($863,784) (the "**Outstanding Sum**"). The Company had, together with LPF2 and LHF1, entered into agreements with the Existing Shareholders, EESB and its wholly owned subsidiary, Energiser Properties Sdn Bhd ("**EPSB**") to restructure and facilitate the repayment of their investment in the RCPS issued by EESB (the "**Restructuring Agreements**"). The Restructuring Agreements include Third Supplemental Agreement, Land Transfer and Option Agreements, Deed of Assignment and Joint Venture Agreement ("**JVDA**").

4. Pursuant to the Third Supplemental Agreement, EESB and its Existing Shareholders shall procure that EPSB effect the following in respect thereof towards settlement of the Outstanding Sum and the Loan Redemption Sum (as defined below), and any late payment interest accrued thereon ("**Accrued Interest**"):

(a) RM12,000,000 (approximately $3,896,000) ("**Transfer Consideration**") shall be fully settled and satisfied by the transfer of the titles of ownership of two plots of land, an office block and an uncompleted office tower in Ipoh (the "**Office Tower**"), Perak (collectively, the "**Land Assets**") to the Subscribers, in accordance with the Land Transfer Agreement dated 17 June 2020. The Land Assets have been used as security by EESB for bank loans ("**EESB Bank Loan**") and it was agreed that the Subscribers will extend a loan to EESB for a sum of up to RM4,571,822 ("**Loan Redemption Sum**") for the purpose of the redemption of the EESB Bank Loan and any amount in relation to the EESB Bank Loan in excess of the Loan Redemption Sum shall be settled by EESB. The Subscribers had also provided a call option to EPSB ("**Call Option**") that allows EPSB to buy back the Land Assets within a period of six months from the date of the Land Transfer Agreement;

(b) RM21,793,689 (approximately $7,076,000) shall be fully settled and satisfied by the receipt of EPSB's monetary entitlements under the Phase 1C Development Agreement upon the terms and conditions of the Deed of Assignment; and

(c) the Company and EPSB shall enter into the JVDA for the joint development of 3 blocks of 500 apartment units of Student Accommodation Phase IC Development in Segi College ("**SEGI Project**"), under a new project joint venture company ("**Project JV**") and for the novation by EPSB, of its rights and obligations relating to the Phase 1C Development Agreement, to the Project JV (the "**Novation**"). The balance of the Outstanding Sum and Accrued Interest shall be settled and satisfied by the receipt of the profits of the JVDA due to EPSB.

Please refer to the Company's announcement on 30 June 2020 for more details on the above.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established a procedure for recording and reporting IPT. The provisions of the Listing Manual have been complied with. The AC has also reviewed all material IPTs and kept the Board informed of such transaction.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000/-)
Luminor Capital Pte Ltd – Rental expenses recovered	239,696	–

The IPT with Luminor Capital Pte Ltd relates to the rental of office space in FY2020. Mr Kwan Chee Seng and Ms Kwan Yu Wen, Executive Directors of the Company, are Directors and shareholders of Luminor Capital Pte Ltd.

The AC has reviewed the terms of the above transactions and is of the view that the transactions were conducted fairly and on an arm's length basis. The AC also confirmed that the transactions commensurate with prevailing market rates and are not prejudicial to the interests of the Company and its minority shareholders.

In relation to the agreements and appointment mentioned under the above heading Material Contracts, the agreements and appointment are IPT as GRP's Executive Director, Mr Kwan Chee Seng is a Director of Luminor Pacific Fund 2 Ltd and Director and investor of Luminor Harbour Fund 1 Pte Ltd.

NON-AUDIT FEE

The AC has reviewed the independence of the external auditors annually. The AC has conducted an annual review of the volume of non-audit services provided by the external auditors to satisfy the AC that the nature and extent of such services will not prejudice the independence of the external auditors. The AC is satisfied with the external auditors' confirmation of their independence.

The AC has reviewed the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors for FY2020.

Fees Paid/Payable to the External Auditor, Deloitte & Touche LLP for FY2020		
	$	**% of total**
Audit fees	253,000	89
Non-audit fees – Tax compliance	32,000	11
Total	285,000	100

USE OF PROCEEDS FROM RIGHTS ISSUE AND EXERCISE OF WARRANTS

As at 10 December 2020, the status of the use of net proceeds from the rights shares is as below.

Use of Net Proceeds	Allocation of Net Proceeds $'000	Net Proceeds utilised as at 10 December 2020	Balance of Net Proceeds as at 10 December 2020
2013 Rights Issues			
Proceeds from rights issue:			
– Proposed new business	28,000	(28,000)	–
– General working capital	5,000	(3,661)	1,339
	33,000	(31,661)	1,339
Proceeds from exercise of warrants:			
– Proposed new business	8,974	(8,974)	–
Total	**41,974**	**(40,635)**	**1,339**
Breakdown of general working capital is as follows:			
– Project construction costs		(2,157)	
– Rental expenses		(34)	
– Professional fees		(125)	
– General administrative expenses		(1,345)	
Total		**(3,661)**	
2016 Rights Issues			
Proceeds from rights issue:			
– Proposed new business	12,348	(6,372)	5,976
– General working capital	841	–	841
	13,189	(6,372)	6,817
Proceeds from exercise of warrants:			
– Proposed new business	6	–	6
Total	**13,195**	**(6,372)**	**6,823**
Cumulative Total	**55,169**	**(47,007)**	**8,162**

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Kwan Chee Seng and Mr Peter Moe are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 December 2020 ("**AGM**") (collectively, the **"Retiring Directors"** and each a **"Retiring Director"**).

Pursuant to Rule 720(6) of the Listing Manual, the information as set out in Appendix 7.4.1 relating to the Retiring Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

	MR KWAN CHEE SENG	**MR PETER MOE**
Date of Appointment	1 March 2013	1 September 2013
Date of last re-appointment	26 October 2018	26 October 2017
Age	62	66
Country of principle residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Kwan Chee Seng for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Kwan Chee Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Peter Moe for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Peter Moe possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Executive Director and Member of the Nominating Committee.	Independent Non-executive Director, Chairman of the Remuneration Committee and Member of the Audit Committee, Nominating Committee and Risk Management Committee.
Professional qualifications	Not applicable	Bachelor of Laws Degree from University of Kent, Canterbury, United Kingdom

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR KWAN CHEE SENG	MR PETER MOE
Working experience and occupation(s) during the past 10 years	2016 to present: Non-Executive Director of Starland Holdings Limited. 2013 to present: Non-Executive Director of Luminor Capital Pte Ltd. 2008 to 2013: Executive Director of Luminor Capital Pte Ltd. 2001 to present: Managing Director of Van Der Horst Holdings Pte Ltd.	2013 to present: Director of Optimus Chambers LLC. 2012 to 2013: Director of CTLC Law Corporation. 2010 to 2012: Consultant of Central Chambers Law Corporation
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 64,064,440 ordinary shares (35.50%)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Yes Ms Kwan Yu Wen, Executive Director of GRP Limited, is the daughter of Mr Kwan Chee Seng. Ms Elissa Kwan Ru Hui, Management Executive of GRP Limited, is the daughter of Mr Kwan Chee Seng. Mr Kelvin Kwan Chee Hong, General Manager of Starland Holdings Limited, is the brother of Mr Kwan Chee Seng. Mr Kwan Chee Seng is the Executive Director and substantial shareholder of GRP Limited.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Directorships: – Variscan Mines Limited Other Principal Commitments: None	Directorships: – Swee Hong Limited Other Principal Commitments: None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR KWAN CHEE SENG	MR PETER MOE
Present	Directorships: – Starland Holdings Limited – GRP Dormitories Pte Ltd – GRP Tangshan Trading Co Ltd – GRP Chongqing Land Pte Ltd – GRP Developments Sdn Bhd – GRP Project Management Sdn Bhd – VDH Land Sdn Bhd – Multiple Lodge Sdn Bhd – Rumah Kami Sdn Bhd – Starland Axis Pte Ltd – Starland Commercial Trading Pte Ltd – Luminor Capital Pte Ltd – Luminor Pacific Fund 1 Ltd – Luminor Pacific Fund 2 Ltd – Luminor Harbour Fund 1 Pte Ltd – Luminor Capital (Malaysia) Sdn Bd – Dalian Van Der Horst Marine Engineering Co Ltd – Van Der Horst Holdings Pte Ltd – Van Der Horst Limited – Van Der Horst Technologies Phils. Inc – VDH Land Inc Other Principal Commitment: None	Directorships: – Optimus Chambers LLC Other Principal Commitments: None

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

		MR KWAN CHEE SENG	MR PETER MOE
a)	Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR KWAN CHEE SENG	MR PETER MOE
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No
c)	Whether there is any unsatisfied judgement against him?	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	Yes. A conviction under Section 157(1) of the Companies Act (Chapter 50) on 6 October 2008.
f)	Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	Yes. A civil proceeding in High Court Suit No. 160/2010/W commenced by Loh Yong Lim and his wife, Lim Siew Juat in February 2010 involving allegations of misrepresentation and misuse of position of trust and confidence. The proceedings were eventually withdrawn on April 2011 upon mediation.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR KWAN CHEE SENG	MR PETER MOE
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	Yes. Mr Peter Moe was fined $5,000/- and in addition, disqualification order was made against him initially for a period of 2 years under Section 154(2)(b) of the Companies Act (Chapter 50) by the Subordinate Courts on 6 October 2008 for failing to use reasonable diligence in the discharge of his duties as an Independent Director of Chuan Soon Huat Industrial Group Ltd (the "Company"), a company listed on the main board of the Singapore Exchange Ltd, by failing to disclose a change in the effective control of the Company. The disqualification period was subsequently reduced to 1 year upon an appeal to the High Court via Magistrate's Appeal No. 253/2008/01 on 17 February 2009.
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR KWAN CHEE SENG	MR PETER MOE
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes. In October 2006, Mr Peter Moe was investigated by Commercial Affair Department regarding his involvement as an Independent Director of Chuan Soon Huat Industrial Group Ltd, which subsequently led to his conviction under Section 157(1) of the Companies Act (Chapter 50) on 6 October 2008.
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR KWAN CHEE SENG	MR PETER MOE
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes. A compliant was lodged against Mr Peter Moe for professional misconduct under Section 85(1) of the Legal Profession Act by Loh Yong Lim (the "Complainant") on 25 February 2010. The Inquiry Committee of the Law Society subsequently dismissed the complaint on 31 January 2011 on the basis that::- a) there was no cogent evidence of any false representation made by Mr Peter Moe to the Complainant b) there was no evidence that Mr Peter Moe had conducted himself in any manner which was unbefitting that of an Advocate and Solicitor.
	Disclosure applicable to the appointment of Director only.		
	Any prior experience as a Director of an issuer listed on the Exchange? (Yes/No)	NA	NA
	If yes, please provide details of prior experience.	NA	NA
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the exchange.	NA	NA
	Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable	NA	NA

Note: NA – Not Applicable

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of GRP Limited (the "company") and its subsidiaries (collectively, the "group") and the statement of financial position and statement of changes in equity of the company for the financial year ended June 30, 2020.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 64 to 151 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at June 30, 2020, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the company in office at the date of this statement are:

Teo Tong How
Kwan Chee Seng
Goh Lik Kok
Mahtani Bhagwandas
Peter Moe
Kwan Yu Wen

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and company in which interests are held	**Shareholdings registered in the name of directors**	
	At beginning of year	**At end of year**
The company	**Ordinary shares**	
Teo Tong How	8,011,600	8,011,600
Kwan Chee Seng	64,064,440	64,064,440
Mahtani Bhagwandas	252,000	252,000

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of directors and company in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year	At end of year
The subsidiary - Starland Holdings Limited	Ordinary shares	
Teo Tong How	1,005,448	1,005,448
Kwan Chee Seng	6,921,713	6,921,713
Mahtani Bhagwandas	42,840	42,840

By virtue of Section 7 of the Singapore Companies Act, Mr Kwan Chee Seng is deemed to have an interest in all the related corporations of the company.

The directors' interests in the shares of the company as at July 21, 2020 were the same as at June 30, 2020.

4 SHARE OPTIONS

a) All options granted to the employees under the GRP Limited Employees' Share Option Scheme (the "Scheme") have either been exercised or cancelled/lapsed since the end of the financial year ended June 30, 2007. No options were granted during the year under the Scheme and there is no option outstanding as at the beginning and end of the financial year.

The Scheme, which had been approved by the shareholders of the company, is administered by the Remuneration Committee. As at June 30, 2020, the members are:

Peter Moe (Chairman)
Goh Lik Kok
Mahtani Bhagwandas

b) In an Extraordinary General Meeting held on July 4, 2014, the shareholders approved the GRP Performance Share Plan (the "Share Plan"), under which awards of fully paid-up ordinary shares in the capital of the company, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the company and/or its subsidiaries, including the directors of the company, and other selected participants.

The directors of the company are authorised to grant awards in accordance with the provisions of the Share Plan and to allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the vesting of awards under the Share Plan, provided the aggregate number of shares to be allocated and issued pursuant to the Share Plan shall not exceed 15% of the total issued capital from time to time.

The Share Plan is administered by the Remuneration Committee and there were no shares issued under the Share Plan during the financial year.

4 SHARE OPTIONS (cont'd)

c) During the financial year, no option to take up unissued shares of the company or any corporation in the group were granted and no shares of the company or any corporation in the group were issued by virtue of the exercise of an option to take up unissued shares.

d) There were no unissued shares of the company or any corporation in the group under option at the end of the financial year.

5 AUDIT COMMITTEE

As at June 30, 2020, the Audit Committee consisted of three non-executive and independent directors:

Goh Lik Kok (Chairman)
Mahtani Bhagwandas
Peter Moe

The financial statements, accounting policies and system of internal accounting controls are the responsibility of the Board of Directors and is guided by recommendations made by the Audit Committee.

During the financial year, the company conducted two Audit Committee meetings. The Audit Committee met as necessary and performed the functions specified in the Singapore Companies Act. In performing its functions, the Audit Committee reviewed the overall scope of the internal and external audits. The Audit Committee met with the company's internal and external auditors to discuss the results of their respective audits. The Audit Committee reviewed the assistance given by the company's officers to the internal and external auditors. The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. The Audit Committee considered the announcement of the company's and the group's half year and full year results prior to their release. The Audit Committee reviewed interested person transactions and potential conflicts of interest, if any. The Audit Committee also reviewed the statement of financial position and statement of changes in equity of the company and the consolidated financial statements of the group for the year ended June 30, 2020 as well as the auditor's report thereon prior to their submission to the Board of Directors for adoption.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed that they will not seek re-appointment as auditors of the company at the forthcoming annual general meeting of the company.

ON BEHALF OF THE DIRECTORS

....
Teo Tong How

....
Kwan Chee Seng

December 9, 2020

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of GRP Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at June 30, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 151.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at June 30, 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company for the year ended on that date.

Basis for Qualified Opinion

Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")

As disclosed in Note 3(i) and Note 7 to the financial statements, during the current financial year, certain PRC banks have frozen certain PRC bank accounts of Tangshan GRP Trading Co., Ltd ("Tangshan GRP"), Chongqing Tianhu Land Co., Ltd ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd ("Gangyuan") of an aggregate amount of $5.4 million (RMB 27.5 million) as at June 30, 2020.

We understand from management that these frozen bank accounts were used for normal business operation and there were fund transfers from these bank accounts made by the abovementioned PRC subsidiaries, aggregating to RMB 114.0 million ($22.8 million) to certain third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent"). Certain of the group's Singapore subsidiaries had also received fund transfers aggregating $21.8 million from the Agent. Management has represented that the receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

Management have appointed Legal Counsels in the PRC to pursue the resolution of the matter. The Legal Counsels have since initiated communications with the banks and have been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC.

Subsequent to the financial year-end, as disclosed in Note 40 of the financial statements, management represented that they have been informed verbally by the OIC that the affected bank accounts have been "unfrozen" and that those bank accounts can be used for "normal business operations". Notwithstanding this, the OIC also indicated that documents requested for the investigation should continue to be provided. As at the date of this report, the matter is still under on-going investigation.

As a result of the matters highlighted above, we are unable to obtain sufficient appropriate audit evidence on:

(a) whether the abovementioned fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the group in the event of any breach of applicable laws and regulations; and

Basis for Qualified Opinion (cont'd)

(b) whether the group has the rights and ability to recover the bank balances contained in the affected bank accounts as mentioned above.

Recoverability of certain assets from the PRC authorities and the receivables from certain subsidiaries

(i) Assets recoverable from the PRC authorities

As disclosed in Note 3 (vi), Note 8.2(iii) and Note 8.2 (iv) to the financial statements, as at June 30, 2020, Tangshan GRP recorded current and non-current receivables from the PRC authorities which amounted to $3.9 million (RMB 20.0 million) and $4.3 million (RMB 21.9 million) respectively. The current receivables of $3.9 million (RMB 20.0 million) arose from repossession of a land parcel located in Tangshan, PRC, in the financial year ended June 30, 2019 by the local PRC authority and the non-current receivable of $4.3 million (RMB 21.9 million) was for the recovery of advances upon repossession of the land made to the same local PRC authority. The advances were made to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender.

As disclosed in Note 3 (ii) and Note 12 to the financial statements, as at June 30, 2020, Gangyuan recorded a development property in Fuling which amounted to $3.7 million (RMB 18.5 million) based on valuation provided by an external PRC valuer appointed by the local PRC authority in connection with an offer made by the authority in the financial year ended June 30, 2019 to repossess a land parcel located in Fuling, PRC which has lapsed at the end of the reporting period. Management represented that they are still in the process of re-negotiating on the repossession value with the local PRC authority.

We were unable to obtain sufficient appropriate audit evidence on the recoverability of these assets and the classification of these current/non-current receivables as there has been no verifiable correspondence with the respective PRC authorities, and we are unable to perform alternative procedures.

(ii) Receivables from certain subsidiaries

As disclosed in Note 3 (vii) and Note 8.2(v) to the financial statements, as at June 30, 2020, the company has receivables due from certain subsidiaries amounting to $39.2 million. The ability to recover these receivables is dependent on the recoverability of the underlying assets as mentioned in (i) above and ability of the group to recover the amounts in the affected bank accounts of Tangshan GRP, Tianhu and Gangyuan. Accordingly, we are unable to obtain sufficient appropriate audit evidence over the recoverability of these receivables.

Consequently, we were unable to determine whether any adjustments to the accompanying financial statements may be necessary in respect of these matters.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis of Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matter was addressed in the audit
Valuation of Properties Held for Sale	
The group has completed properties held for sale in Chongqing, People's Republic of China ("PRC") and Singapore. As at June 30, 2020, the group's properties held for sale in China amounted to $5,539,000 (2019: $8,364,000) which represented 6.4% (2019 : 8.9%) of the group's total assets. The property held in Singapore has been sold subsequent to the financial year-end with no loss to the group. Properties held for sale are stated at the lower of their cost and their net realisable value.	We assessed the reasonableness of the group's estimated future selling prices of the properties by comparing them to the recently transacted prices or prices of comparable properties located in the same vicinity of the properties held for sale. We also performed retrospective review by comparing expected selling prices determined in last financial year and actual selling prices for the current financial year.
The estimation of the net realisable value of these completed properties is largely dependent upon the group's expectation of future selling prices, which is based on the group's experience from the past sales transactions, profile of the unsold units and the market conditions in the real estate industry. The assessment involves significant judgement to be exercised by management. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in losses when properties are sold.	Further, we assessed the adequacy of the disclosures related to properties held for sale in Notes 3(ii) and 11 to the financial statements.
Valuation of development properties	
The group has development properties in Perak, Malaysia. As at June 30, 2020, the group's development properties in Malaysia amounted to $4,078,000 (2019 : $1,360,000) which represented 4.7% (2019 : 1.4%) of the group's total assets. Development properties are stated at the lower of their cost and their net realisable value.	We assessed the reasonableness of the estimation of the net realisable value by obtained the external valuation report and evaluated the work scope, methodology, qualifications, competency, objectivity and independence of the external valuer.
The estimation of the net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. The assessment involves significant judgement to be exercised by management. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in losses when properties are sold.	Further, we assessed the adequacy of the disclosures related to development properties in Notes 3(ii) and 12 to the financial statements.

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
Investment in redeemable convertible preference share ("RCPS")	
In 2018, the group subscribed for 15,295 RCPS, which amounting to $2,500,000, issued by Energiser Enterprise Sdn Bhd ("EESB"). The proceeds from the RCPS were utilised to fund professional and other fees related to EESB's IPO on the Hong Kong Stock Exchange. The IPO was unsuccessful and the RCPS became due in July 2019 and was further extended to April 30, 2020. EESB was unable to repay the redemption amount and both parties have signed an agreement on June 17, 2020 and agreed on an arrangement by which the outstanding amount will be settled in the future, which incorporates the following: • Land transfer from EESB to the Group; • Deed of assignment for the account receivables of EESB; and • Joint development of student accommodation units. As at June 30, 2020, the RCPS is classified as financial assets at fair value through profit or loss amounting to Nil. Fair value loss of $2,500,000 recognised in profit or loss is included in the "other losses" line item in the consolidated statement of profit or loss and other comprehensive income.	Our audit procedures focused on evaluating and challenging the key estimates used by management in the valuation of the RCPS. These procedures include: • obtained the external valuation report and evaluated the work scope, qualifications, competency, objectivity and independence of the external valuer; • discussed with the external valuer to obtain understanding of their work performed on the asset covering amongst others, the valuation methodology, the key unobservable inputs and the significant judgement and appropriateness of assumptions applied; • assessed the reasonableness of the key estimates used by the external valuer in the valuation of the RCPS; • considered the adequacy of the disclosures in the financial statements, about the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values, in conveying the inherent degree of subjectivity in valuations. The key judgement and estimation on the valuation of the RCPS are disclosed in Notes 3(v), 4(v) and 9 to the financial statements Further, we assessed the adequacy of the disclosures related to financial assets at fair value through profit or loss in Note 9 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' statement and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in our report above, we have issued a qualified opinion due the matters highlighted in the *Basis for Qualified Opinion* section.

Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters referred to in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kanagasabai s/o Haridas.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 9, 2020

STATEMENTS OF FINANCIAL POSITION

June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Current assets					
Cash and bank balances	7	44,000	56,626	16,898	23,178
Trade receivables	8	2,199	2,696	380	2,885
Loan receivables	31	2,832	–	–	–
Other receivables	8	5,433	1,416	49,664	44,595
Properties held for sale	11	8,189	11,014	–	–
Development properties	12	7,734	5,084	–	–
Development property expenditures	32	469	260	–	–
Inventories	10	6,442	4,666	–	–
Total current assets		77,298	81,762	66,942	70,658
Non-current assets					
Other receivables	8	4,331	8,850	–	–
Financial assets at fair value through profit or loss	9	–	2,500	–	2,500
Property, plant and equipment	17	1,212	680	67	118
Right-of-use assets	13	2,313	–	826	–
Intangible asset	15	32	31	25	25
Associate	34	157	16	–	–
Subsidiaries	14	–	–	7,051	7,051
Deferred tax assets	16	553	289	–	–
Total non-current assets		8,598	12,366	7,969	9,694
Total assets		85,896	94,128	74,911	80,352
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	20	–	900	–	–
Trade payables	18	1,366	1,221	7	19
Lease liabilities	30	718	–	260	–
Amount due to non-controlling interests	33	1,036	–	–	–
Other payables	19	3,953	4,192	1,089	1,112
Income tax payable		8,679	9,726	49	49
Total current liabilities		15,752	16,039	1,405	1,180
Non-current liabilities					
Lease liabilities	30	1,571	–	579	–
Deferred tax liabilities	16	5,207	4,923	–	–
Total non-current liabilities		6,778	4,923	579	–

STATEMENTS OF FINANCIAL POSITION

June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Capital, reserves and non-controlling interests					
Share capital	21	72,502	72,502	72,502	72,502
Treasury shares	22	(2,343)	(294)	(2,343)	(294)
Currency translation reserve		(1,874)	(1,559)	–	–
Statutory reserve	23	245	245	–	–
Accumulated (losses) profits		(9,873)	(3,207)	2,768	6,964
Equity attributable to owners of the company		58,657	67,687	72,927	79,172
Non-controlling interests		4,709	5,479	–	–
Total equity		63,366	73,166	72,927	79,172
Total liabilities and equity		85,896	94,128	74,911	80,352

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000
Revenue	24	18,410	32,087
Cost of sales		(12,972)	(26,108)
Gross profit		5,438	5,979
Other losses	25	(3,030)	(3,567)
Other operating income	26	1,194	1,121
Distribution costs		(1,928)	(2,123)
Administrative expenses		(6,179)	(5,359)
Finance costs		(215)	(165)
Share of result of associate	34	(9)	(9)
Loss before income tax		(4,729)	(4,123)
Income tax expense	27	(351)	(583)
Loss for the year	28	(5,080)	(4,706)
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(315)	(2,407)
Other comprehensive loss for the year, net of tax		(315)	(2,407)
Total comprehensive loss for the year		(5,395)	(7,113)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000
(Loss) Profit attributable to:			
Owners of the company		(4,787)	(4,738)
Non-controlling interests		(293)	32
		(5,080)	(4,706)
Total comprehensive (loss) income attributable to:			
Owners of the company		(5,102)	(7,145)
Non-controlling interests		(293)	32
		(5,395)	(7,113)
Loss per ordinary share (cents):			
– Basic	29	(2.56)	(2.45)
– Fully diluted	29	(2.56)	(2.45)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2020

	Note	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Statutory reserve $'000	Accumulated losses $'000	Attributable to owners of of company $'000	Non–controlling interests $'000	Total $'000
Group									
Balance at July 1, 2019		72,502	(294)	(1,559)	245	(3,207)	67,687	5,479	73,166
Total comprehensive loss for the year:									
Loss for the year		–	–	–	–	(4,787)	(4,787)	(293)	(5,080)
Other comprehensive loss for the year		–	–	(315)	–	–	(315)	–	(315)
Transactions with owners, recognised directly in equity:									
Share buy-back held as treasury shares	22	–	(2,049)	–	–	–	(2,049)	–	(2,049)
Dividend paid	38	–	–	–	–	(1,879)	(1,879)	(704)	(2,583)
Acquisition of subsidiary	39	–	–	–	–	–	–	227	227
Balance at June 30, 2020		72,502	(2,343)	(1,874)	245	(9,873)	58,657	4,709	63,366

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2020

	Note	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Statutory reserve $'000	Accumulated profits (losses) $'000	Attributable to owners of of company $'000	Non-controlling interests $'000	Total $'000
Group										
Balance at July 1, 2018		72,502	–	2,527	848	119	99	76,095	6,168	82,263
Total comprehensive income for the year:										
(Loss) Profit for the year		–	–	–	–	–	(4,738)	(4,738)	32	(4,706)
Other comprehensive loss for the year		–	–	–	(2,407)	–	–	(2,407)	–	(2,407)
Transfer of revaluation surplus arising from the derecognition of building		–	–	(2,527)	–	–	2,527	–	–	–
Transactions with owners, recognised directly in equity:										
Share buy-back held as treasury shares	22	–	(294)	–	–	–	–	(294)	–	(294)
Dividend paid	38	–	–	–	–	–	(969)	(969)	(721)	(1,690)
Transfer to statutory reserve	23	–	–	–	–	126	(126)	–	–	–
Balance at June 30, 2019		72,502	(294)	–	(1,559)	245	(3,207)	67,687	5,479	73,166

STATEMENTS OF CHANGES IN EQUITY
Year ended June 30, 2020

	Note	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Accumulated profits $'000	Total $'000
Company						
Balance at July 1, 2019		72,502	(294)	–	6,964	79,172
Total comprehensive loss for the year, represented by:						
– Loss for the year		–	–	–	(2,317)	(2,317)
Transactions with owners, recognised directly in equity:						
– Share buy-back held as treasury shares	22	–	(2,049)	–	–	(2,049)
– Dividend paid	38	–	–	–	(1,879)	(1,879)
Balance at June 30, 2020		72,502	(2,343)	–	2,768	72,927
Balance at July 1, 2018		72,502	–	2,527	2,369	77,398
Total comprehensive income for the year, represented by:						
– Profit for the year		–	–	–	3,037	3,037
– Transfer of revaluation surplus arising from the derecognition of building		–	–	(2,527)	2,527	–
Transactions with owners, recognised directly in equity:						
– Share buy-back held as treasury shares	22	–	(294)	–	–	(294)
– Dividend paid	38	–	–	–	(969)	(969)
Balance at June 30, 2019		72,502	(294)	–	6,964	79,172

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000
Operating activities			
Loss before income tax		(4,729)	(4,123)
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of land use rights		227	204
Depreciation of right-of-use assets		1,012	–
Fair value loss on financial assets at fair value throught profit or loss		2,500	733
Interest income		(763)	(923)
Interest expenses		186	122
(Gain) Loss on disposal of property, plant and equipment		(26)	12
Loss on disposal of financial assets measured at fair value through profit or loss		–	50
Write back of allowance for inventories		(31)	(41)
Write back of impairment loss on properties held for sale		(485)	(1,746)
Allowance for doubtful trade receivables		–	20
Write back of doubtful non-trade receivables		(62)	(186)
Impairment loss on development properties		117	2,784
Impairment loss on goodwill		413	–
Unrealised foreign exchange gain		(281)	(2,156)
Share of result of associate		9	9
Operating cash flows before movements in working capital		(1,913)	(5,241)
Trade receivables		586	(316)
Loan receivables		(1,008)	–
Other receivables and prepayments		689	(2,697)
Inventories		(1,742)	(530)
Properties held for sale		3,310	14,578
Development properties		(2,826)	11,664
Development property expenditures		(209)	–
Trade payables		118	409
Other payables		(239)	(1,126)
Cash (used in) generated from operating activities		(3,234)	16,741
Income tax paid		(1,532)	(1,993)
Net cash (used in) generated from operating activities		(4,766)	14,748

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2020

	Note	Group 2020 $'000	Group 2019 $'000
Investing activities			
Proceeds from disposal of property, plant and equipment		43	26
Proceeds from disposal of financial assets measured at fair value through profit or loss		–	148
Purchase of property, plant and equipment		(600)	(77)
Purchase of intangible asset		(1)	–
Payment for club membership		–	(6)
Acquisition of subsidiary	39	–	(1,288)
Cash inflow on acquisition of subsidiary	39	295	–
Purchase of convertible loan	39	(2,333)	–
Investment in associate		–	(25)
Increase in restricted bank balance	7	(5,421)	–
Interest received		763	923
Net cash generated used in investing activities		(7,254)	(299)
Financing activities			
Share buy-back		(2,049)	(294)
Interest paid		(122)	(122)
Dividends paid		(2,583)	(1,690)
Repayment of bank loans		(900)	(4,470)
Proceeds from new loan		–	210
Decrease in pledged deposit		2,104	920
Amount due to non-controlling interests		710	–
Payment of lease liabilites		(1,030)	–
Net cash used in financing activities		(3,870)	(5,446)
Net (decrease) increase in cash and cash equivalents		(15,890)	9,003
Cash and cash equivalents at beginning of year		54,522	46,752
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(53)	(1,233)
Cash and cash equivalents at end of year	7	38,579	54,522

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 197701449C) is incorporated in the Republic of Singapore with its principal place of business and registered office at 8 Marina Boulevard, #13-02 Marina Bay Financial Centre, Singapore 018981. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the company is that of investment holding and rental of property.

The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended June 30, 2020 were authorised for issue by the Board of Directors on December 9, 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards International ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On July 1, 2019, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/ revised SFRS(I) pronouncement does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the group is July 1, 2019.

The group has applied SFRS(I) 16 using the cumulative catch up approach which:

- requires the group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17.

(a) Impact of the new definition of a lease

The group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 will continue to be applied to those leases entered or changed before July 1, 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17.

The group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after July 1, 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off balance sheet.

Applying SFRS(I) 16, for all leases, the group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16.C8(b)(ii);

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion and interest (both presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS(I) 1- 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within administrative expenses in the consolidated statement of profit or loss.

The group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

(d) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on July 1, 2019 is 3%.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at June 30, 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	Group 2020 $'000	Company 2020 $'000
Operating lease commitments at June 30, 2019	2,297	1,562
Less: Effect of discounting the above amounts	(123)	(242)
Add: Present value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	628	–
Lease liabilities recognised at July 1, 2019	2,802	1,320

The group and the company has assessed that the tax impact arising from the application of SFRS(I) 16 is immaterial.

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the group and company were issued but not effective:

Effective for annual periods beginning on or after January 1, 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effective for annual periods beginning on or after June 1, 2020

- Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions*

Effective for annual periods beginning on or after January 1, 2022

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after January 1, 2023

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;

- Potential voting rights held by the company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the company's separate financial statements, investments in subsidiaries and associate are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non- current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income ("FVTOCI"). For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other operating income" line item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other losses" line item (Note 25). Fair value is determined in the manner described in Note 4.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due dependents on the respective segments of the group's businesses and nature of the contractual payments, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The group considers that default has occurred when a financial asset is more than 90 days past due, unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- Nature of business practice and legal framework certain geographic region.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

<u>Derecognition of financial assets</u>

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The group derecognises financial liabilities, when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

LEASES (Before 1 July 2019) - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessee

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

LEASES (From 1 July 2019)

The group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the accounting policy for impairment of non-financial assets.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

PROPERTIES HELD FOR SALE - Completed properties held for sale are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or estimated by management in the absence of comparable transactions taking into consideration prevailing market conditions.

DEVELOPMENT PROPERTIES - Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of development properties comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties held for sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

PROPERTY, PLANT AND EQUIPMENT - Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds any past revaluation gains of the same asset held in the asset revaluation reserve.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Freehold building	50 years
Leasehold building	Over term of lease of 30 and 50 years
Leasehold improvements	5 years
Furniture, fittings and office equipment	3 to 10 years
Plant and machinery	6 to 10 years
Motor vehicles	3 to 10 years
Fenders	3 years

No depreciation is provided on freehold land.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to accumulated profits. No transfer is made from the asset revaluation reserve to accumulated profits except when an asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fully depreciated assets still in use are retained in the financial statements.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as premium arising from acquisition.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSET - Intangible asset comprises corporate club membership held on a long-term basis, and is stated at purchase cost less any accumulated impairment loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS - At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ASSOCIATES - An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - The group recognises revenue from the following major sources:

- sale of properties held for sale and development properties; and
- sale of goods.

Revenue is measured based on the consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of properties held for sale and development properties

Revenue is recognised when control over the property has been transferred to the customer at a point in time. Revenue is measured at the transaction price agreed under the contract.

Sale of goods

The group sells measuring instruments, hoses and related products. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, which is the point when control of goods has transferred to the customer.

Rendering of services

Property management fee income and service income are recognised over the period when services are rendered.

Financial Solutions

The financial solutions division provides trade finance, financing solutions including invoice factoring, corporate finance advisory services and asset management. Interest is charged on annual basis and credited to profit or loss in the period to which it relates. Fee and commission income are recognised as the related services are performed.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Pursuant to the relevant regulations of the PRC government, the PRC subsidiaries of the group ("PRC Subsidiaries") have participated in central pension schemes ("the Schemes") operated by local municipal governments whereby the PRC Subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiaries. The only obligation of the PRC Subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged as an expense when incurred.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised as other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (currency translation reserve).

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Critical judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, management is of the opinion that there are no instances of application of judgements or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than those involving the use of accounting estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Fund transfers relating to certain subsidiaries of the group in PRC

During the current financial year, certain PRC banks have frozen certain PRC bank accounts of Tangshan GRP Trading Co., Ltd ("Tangshan GRP"), Chongqing Tianhu Land Co., Ltd ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd ("Gangyuan") which respectively have a balance of $147,000 (RMB 747,272), $5,143,000 (RMB 26,046,097) and $131,000 (RMB 663,124) as at June 30, 2020. These frozen bank accounts were used for normal business operations and there were fund transfers from these bank accounts made by the abovementioned PRC subsidiaries, aggregating to RMB 114.0 million ($22.8 million) to certain third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent"). Certain of the group's Singapore subsidiaries had also received fund transfers aggregating $21.8 million from the Agent. The receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

Management have appointed Legal Counsels in the PRC to pursue the resolution of the matter. The Legal Counsels have since initiated communications with the banks and have been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC.

Subsequent to the financial year-end, as disclosed in Note 40 of the financial statements, management represented that they have been informed verbally by the OIC that the affected bank accounts have been "unfrozen" and that those bank accounts can be used for "normal business operations". Notwithstanding this, the OIC also indicated that documents requested for the investigation should continue to be provided. As at the date of authorisation of these financial statements, the matter is still under on-going investigation and management intends to cooperate with OIC for submission of documents.

Accordingly, management is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(ii) Estimation of net realisable value of properties held for sale and development properties

As disclosed in Note 12, in March 2019, the group received a repossession notice from the Fuling District local authority to repossess the land parcel, as a result of the development plans by the local authority, which has since lapsed as at June 30, 2020. An allowance of $2,784,000 (RMB 14.1 million) was recognised in 2019 based on valuation provided by an external PRC valuer appointed by the local authority and as at June 30, 2020 is carried at $3,656,000 (RMB 18.5 million). Management is of the view that they will continue to pursue the negotiation and to arrange to meet the local PRC authority to negotiate and are confident of recovery of the value of the property.

Properties held for sale and development properties in the course of development are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

The carrying amount of properties held for sale and development properties are disclosed in Notes 11 and 12 respectively. Allowance for impairment is recognised as "other losses" in profit or loss and disclosed in Note 25 to the financial statements.

(iii) Recoverable amount of trade and other receivables

When measuring ECL, the group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables is disclosed in Note 8 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(iv) Recoverability of investments in subsidiaries in the company's financial statements

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Based on the assessment, management is of view that no additional impairment is necessary as at the end of the reporting period.

The carrying amount of investments in subsidiaries is disclosed in Note 14 to the financial statements.

(v) Fair value of investment in redeemable convertible preference share ("RCPS")

Investment in RCPS is measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the investment in RCPS, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of investment are disclosed in Note 4(v) and Note 9.

(vi) Recoverable amount of current receivable from and non-current advance payment receivable from PRC authority

As at June 30, 2020, the group recorded amount receivable from and advance payment to PRC authorities which amounted to $3,949,000 (RMB 20.0 million) and $4,331,000 (RMB 21.9 million) which has been recorded as current and non-current receivables respectively. The current receivables of $3,949,000 (RMB 20.0 million) arose from repossession of a land parcel located in Tangshan, PRC, in the financial year ended June 30, 2019 by the local PRC authority and the non-current receivable of $4,331,000 (RMB 21.9 million) was for the recovery of advances upon repossession of the land made to the same local PRC authority. The advances were made to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender.

There was repayment of $592,000 (RMB 3.0 million) in the current year and $8,635,000 (RMB 43.8 million) in the prior year. Management is in process of negotiating with the PRC authority and is confident of full recovery of the remaining receivables given the PRC authority has made partial repayment in the current year and prior year.

The carrying amount of the receivables and commitment are disclosed in Note 8.2 (iii) and (iv) to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(vii) Recoverable amount of receivables from subsidiaries

As at June 30, 2020, the company has significant receivables amount due from GRP Development Pte Ltd, Tangshan GRP and GRP Chongqing Land Pte Ltd amounting to $6,592,000, $4,163,000 and $28,413,000 respectively of which the recoverability is dependent on the recoverability of assets located in PRC which includes the receivables from PRC authority due to repossession of land parcel in Tangshan (Note 3 (vi), Note 8.2(iii) and Note 8.2(iv)), development property in Fuling District (Note 3(ii) and Note 12) and the affected bank accounts on Tangshan GRP, Tianhu and Gangyuan (Note 3 (i) and Note 7).

For purpose of impairment assessment, the receivables from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the company taking into account cash flow management within the group and there has been no significant increase in the risk of default on the loan since initial recognition. Accordingly, for the purpose of impairment assessment for this loan, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the related company operates, in estimating the probability of default of the receivables as well as the loss upon default.

The carrying amount of the receivables from subsidiaries are disclosed in Note 8 to the financial statements.

(viii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the end of the reporting period was $Nil after an impairment loss of $413,000 was recognised during the financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Amortised costs:				
Cash and bank balances	44,000	56,626	16,898	23,178
Trade receivables	2,187	2,667	380	2,885
Loan receivables	2,832	–	–	–
Other receivables	5,408	5,274	49,656	44,571
	54,427	64,567	66,934	70,634
Financial assets designated at fair value through profit or loss	–	2,500	–	2,500
Total	54,427	67,067	66,934	73,134

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Financial liabilities				
Amortised cost:				
– Trade payables	1,334	1,207	2	5
– Other payables	2,532	2,962	1,089	1,112
– Amount due to non-controlling interests	1,036	–	–	–
– Loans and borrowings	–	900	–	–
Lease liabilities	2,289	–	839	–
Total	7,191	5,069	1,930	1,117

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives

The group's overall financial risk management policies seek to minimise potential adverse effects of financial performance of the group arising from market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Such policies are reviewed regularly by the management to ensure that they remain pertinent to the group's operations.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The group operates primarily in Singapore, the People Republic of China ("PRC") and Malaysia and as a result, is exposed to foreign exchange risk from transactions denominated in foreign currencies, arising from its normal business activities.

The currencies giving rise to this risk are primarily United States Dollars ("USD"), Malaysian Ringgit ("MYR"), Chinese Yuan ("CNY") and Japanese Yen ("JPY"). Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities.

The group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge against foreign currency risk.

At the end of reporting period, the material carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group				**Company**			
	Liabilities		**Assets**		**Liabilities**		**Assets**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
USD	131	225	1,315	945	–	–	606	587
MYR	535	317	5,713	3,319	–	–	493	–
CNY	903	3,171	8,270	14,670	–	–	429	–
JPY	497	621	114	176	–	–	–	–

The company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at the end of the reporting period.

If the relevant foreign currencies were to strengthen by 5% against the functional currency of each group entity/company, profit/loss of the group/company will increase (decrease) by:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
USD	59	36	30	29
MYR	259	150	25	–
CNY	368	575	21	–
JPY	(19)	(22)	–	–

(ii) Interest rate risk management

Summary quantitative data of the group's interest-bearing financial instruments can be found in Section (iv) of this Note.

Management has assessed that the group's and the company's profit or loss will not be significantly affected by possible changes in interest rates.

(iii) Overview of the group's exposure to credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances is limited as these balances are placed with or transacted with reputable financial institutions. The group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty.

The group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The group uses its trading records to rate its major customers and other debtors. The group does not hold any collateral to cover its credit risks associated with its financial assets.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the group's exposure to credit risk (cont'd)

The group's current credit risk framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 8. The tables below detail the credit quality of the group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
June 30, 2020						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,197	(10)	2,187
Other receivables	8.2	(ii)	Lifetime ECL	1,730	(1,730)	–
Other receivables	8.2	Performing	12-month ECL	5,408	–	5,408
Loan Receivables	31	(ii)	Lifetime ECL	2,832	–	2,832
				12,167	(1,740)	10,427

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the group's exposure to credit risk (cont'd)

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
June 30, 2019						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,687	(20)	2,667
Other receivables	8.2	(ii)	Lifetime ECL	1,792	(1,792)	–
Other receivables	8.2	Performing	12-month ECL	5,274	–	5,274
				9,753	(1,812)	7,941

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
June 30, 2020						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	83	–	83
Trade receivables	8.1	(ii)	Lifetime ECL	3,635	(3,338)	297
Other receivables	8.2	(ii)	Lifetime ECL	1,782	(1,782)	–
Other receivables	8.2	Performing	12-month ECL	49,656	–	49,656
				55,156	(5,120)	50,036

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the group's exposure to credit risk (cont'd)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
June 30, 2019						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,885	–	2,885
Other receivables	8.2	(ii)	Lifetime ECL	1,877	(1,877)	–
Other receivables	8.2	Performing	12-month ECL	44,571	–	44,571
				49,333	(1,877)	47,456

(i) The group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(ii) Loss allowance has been determined after taking into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

The carrying amount of the group's financial assets at fair value through profit or loss as disclosed in Note 9 best represents the respective maximum exposure to credit risk.

The group has adopted a policy of only dealing with creditworthy counterparties. The group's exposure and the creditworthiness of its counterparties are continuously monitored. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management at least annually.

The group and the company do not have any significant concentration of credit risk exposure in any single counterparty or any group of counterparties having similar characteristics except the receivables of the company are from its subsidiaries.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the group's exposure to credit risk (cont'd)

For purpose of impairment assessment, the amounts due from subsidiaries are considered to have low credit risk and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL). In determining the ECL, management has taken into account the financial position of the subsidiary, adjusted for factors that are specific to the subsidiary and general economic conditions of the industry in which the subsidiary operates, in estimating the probability of default of the receivable as well as the loss upon default. Management determines the amounts due from subsidiaries are subjected to immaterial credit loss. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The group's policy is to maintain cash equivalents with reputable financial institutions that have strong financial ratings.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the group's maximum exposure to credit risk. Management has considered the credit quality of the loans and receivables and determined that the amounts are considered recoverable except as disclosed in Note 8 to the financial statements.

Further details of credit risks on trade receivables and other receivables are disclosed in Note 8 to the financial statements.

(iv) Liquidity risk management

The group maintains sufficient cash and cash equivalents to finance its activities as well as to provide resources for any business expansion into real estate activities.

Based on the group's cash flow forecast up to end December 2021 drawn up by management, the management has concluded the group and the company will have sufficient financial resources to enable the group and the company to continue as a going concern for at least the next twelve months up to December 2021 and that there is no material uncertainty regarding the group's and the company's ability to continue as a going concern, taking into consideration the impact posed by Coronavirus Disease ("COVID-19") on its operations as disclosed in Note 40.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses

Financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 year $'000	Adjustment $'000	Total $'000
Group					
June 30, 2020					
Non-interest bearing	–	32,639	–	–	32,639
Fixed interest rate instruments	3.50	22,551	–	(763)	21,788
		55,190	–	(763)	54,427
June 30, 2019					
Non-interest bearing	–	26,865	6,438	–	33,303
Fixed interest rate instruments	1.70	34,337	–	(573)	33,764
		61,202	6,438	(573)	67,067

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 year $'000	Adjustment $'000	Total $'000
Company					
June 30, 2020					
Non-interest bearing	–	56,575	–	–	56,575
Fixed interest rate instruments	2.19	10,586	–	(227)	10,359
		67,161	–	(227)	66,934
June 30, 2019					
Non-interest bearing	–	51,108	2,500	–	53,608
Fixed interest rate instruments	1.00	19,721	–	(195)	19,526
		70,829	2,500	(195)	73,134

Financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and the company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 year	Adjustment $'000	Total $'000
Group					
June 30, 2020					
Non-interest bearing	–	4,902	–	–	4,902
Lease liabilities	3.00%	720	1,695	(126)	2,289
		5,622	1,695	(126)	7,191
June 30, 2019					
Non-interest bearing	–	4,169	–	–	4,169
Variable interest rate instruments	4.03%	936	–	(36)	900
		5,105	–	(36)	5,069

Company

All categories of financial liabilities listed in Note 4(a) do not bear interest and are repayable on demand or within one year, except for lease liabilities as disclosed in Note 30.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of all categories of financial assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments, except for non-current other receivables and lease liabilities as disclosed in Notes 8 and 30 respectively.

As disclosed in Note 2, the group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Fair values of financial assets and financial liabilities (cont'd)

The fair value hierarchy adopted in fair value measurements of the group's and the company's financial assets at fair value through profit or loss is Level 3. The following table gives information about how the fair values of the financial assets at fair value through profit or loss is determined (in particular, the valuation technique and inputs used).

Financial assets	**Fair value as at 2020 \$'000**	**Fair value as at 2019 \$'000**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
Financial assets at fair value through profit or loss (see Note 9)						
Investment in redeemable convertible preference shares ("RCPS")	–	2,500	Level 3	Sum-of-the-Parts approach - in this approach, the present value of the RCPS comprises of the following assets: (i) Fair value of the land transfer from EESB to the group; (ii) Fair value of remaining sum relating to the balance outstanding sum owing to the group.	(i) Market value of the land as at June 30, 2020 obtained from an external property valuer. (ii) The outstanding sum owed by EESB to the investors after offsetting property value and assigned receivables including interest.	A slight increase in the market value of the land and decrease in the credit risk of EESB would result in increase in the fair value.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended June 30, 2020 and 2019.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Capital management policies and objectives

The capital structure of the group comprises issued capital, statutory reserve, currency translation reserve and accumulated profits.

Management reviews the capital structure to ensure that the group will be able to continue as a going concern and to further its business plans.

The group's overall strategy remains unchanged from the preceding year.

5 RELATED COMPANY TRANSACTIONS

Related companies in these financial statements refer to subsidiaries of the company. Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

6 OTHER RELATED PARTY TRANSACTIONS

Some of the group's and the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	Group	
	2020	**2019**
	$'000	**$'000**
Rental expenses recovered from a related party in which a director has interests	(240)	(238)
Acquisition of a subsidiary from family members of a director	–	1,288
Legal services rendered by a firm in which a director is a partner	5	22

6 OTHER RELATED PARTY TRANSACTIONS (cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Group	
	2020	2019
	$'000	$'000
Short-term benefits	2,000	1,795
Post-employment benefits	82	70
	2,082	1,865

The remuneration of the directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trend.

7 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash at bank	22,211	22,862	6,539	3,652
Fixed deposits	21,789	33,764	10,359	19,526
Cash and bank balances	44,000	56,626	16,898	23,178
Less: Restricted bank balances	(5,421)	–	–	–
Less: Deposits pledged	–	(2,104)	–	–
Cash and cash equivalents	38,579	54,522	16,898	23,178

As at June 30, 2020, fixed deposits earned interest at rates ranging from 0.25% to 1.80% (2019 : 0.91% to 2.10%) per annum. The tenure of fixed deposits at year end ranged from 29 days to 13 months (2019 : 28 days to 2 years).

As at June 30, 2020, fixed deposits of $Nil (2019 : $2,090,000) are pledged with the banks to secure bank loans as disclosed in Note 20 to the financial statements.

As announced by the company on June 21, 2020, June 22, 2020, June 25, 2020, August 3, 2020 and August 4, 2020, certain PRC banks had frozen the bank accounts of 3 PRC subsidiaries. The amount of restricted bank balances amounts to $5,421,000 as at June 30, 2020. Subsequently on November 24, 2020, the bank accounts maintained with certain PRC banks by the 3 PRC subsidiaries have been "unfrozen" and the subsidiaries can continue to use the funds in the bank accounts for "normal business operations".

8 TRADE AND OTHER RECEIVABLES

8.1 TRADE RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Outside parties	2,197	2,687	83	–
Subsidiaries	–	–	3,635	2,885
	2,197	2,687	3,718	2,885
Less: Loss allowance				
– Outside parties	(10)	(20)	–	–
– Subsidiaries	–	–	(3,338)	–
	2,187	2,667	380	2,885
Net GST receivables	12	29	–	–
	2,199	2,696	380	2,885

The credit period on sale of goods/rendering of services is between 7 to 90 days (2019 : 7 to 90 days). No interest is charged on overdue trade receivables.

The loss allowance of the group of $10,000 (2019 : $20,000) and the company of $3,338,000 (2019 : $Nil) relate to trade receivables which are past due for more than 360 days and have not responded satisfactorily to repayment demands.

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix.

	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
	%	$'000	$'000	$'000
Group				
June 30, 2020				
Current (not past due)	–	1,747	–	1,747
1 to 90 days past due	–	386	–	386
91 to 180 days past due	–	54	–	54
181 to 360 days past due	45.5	22	(10)	12
		2,209	(10)	2,199

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.1 TRADE RECEIVABLES (cont'd)

	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
	%	$'000	$'000	$'000
<u>Group</u>				
June 30, 2019				
Current (not past due)	–	2,538	–	2,538
1 to 90 days past due	–	–	–	–
91 to 180 days past due	–	–	–	–
181 to 360 days past due	–	144	–	144
More than 360 days past due	58.8	34	(20)	14
		2,716	(20)	2,696

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	**2020**	**2019**
	$'000	**$'000**
Balance at beginning of the year	20	5
Loss allowance recognised in profit or loss during the year	–	20
Bad debt written off	(10)	(5)
Balance at end of the year	10	20

The following table shows the movement in 12-month ECL that has been recognised for trade receivables of the company:

Company	**2020**	**2019**
	$'000	**$'000**
Balance at beginning of the year	–	–
Loss allowance recognised in profit or loss during the year	3,338	–
Balance at end of the year	3,338	–

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Current				
Deposits for property projects	569	913	569	631
Receivable from PRC authority[iii]	3,949	–	–	–
Prepayments	25	80	8	24
Other deposits	592	611	89	91
Sundry receivables	630	443	43	19
Subsidiaries (Note 5) [v]	–	–	49,576	44,546
Associates	237	–	–	–
	6,002	2,047	50,285	45,311
Less: Loss allowances				
– Outside parties [i]	(569)	(631)	(569)	(631)
– Subsidiaries	–	–	(52)	(85)
	5,433	1,416	49,664	44,595
Short term loan receivable [ii]	1,161	1,161	1,161	1,161
Less: Allowance for short term loan receivable [ii]	(1,161)	(1,161)	(1,161)	(1,161)
	5,433	1,416	49,664	44,595
Non-current				
Receivable from PRC authority [iii]	–	3,938	–	–
Advance payment (non-current) [iv]	4,331	4,912	–	–
	4,331	8,850	–	–

[i] Loss allowances related to the deposits for property projects. A reversal of $62,000 (2019 : $186,000) is made resulting from payment received under instalment arrangement during the year.

[ii] Balance as at June 30, 2020 and 2019 related to a loan given to a non-related party of $1,161,000. As the non-related party did not repay the loan as scheduled and management has served a demand notice to recover the loan, a full allowance has been recognised in profit or loss during the year ended June 30, 2018.

[iii] The receivables arose from repossession of a land parcel located in Tangshan, PRC, by the People's Government of Kaiping District in the financial year ended June 30, 2019 amounted to $3,949,000 (2019: $3,938,000) as at June 30, 2020 and the group received a payment of $Nil (2019 : $8,635,000) during the current financial year with the remaining balance of $3,949,000 (2019 : $3,938,000) to be received no later than December 31, 2020 and there is no further obligations by the group to be completed.

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

(iv) Amount relates to part of advance payment in accordance with agreement entered with the People's Government of Kaiping District as disclosed in Note 35. The group received a payment of $592,000 (2019 : $Nil) during the current financial year and the group is expecting the refund of $5,071,000 (2019 : $5,652,000) as compensation to the farmers for the land use rights made in past years. $740,000 (2019 : $740,000) representing the excess of repossession value over the carrying value of the development property, was presented net of the non-current receivable from the local government. Management is of the view that they will continue to pursue the negotiation and to arrange to meet the local PRC authority to negotiate and are confident of full recovery of the remaining receivables which include the current receivables as indicated in Note 8 (iii) above.

(v) As at June 30, 2020, the company has significant receivables amount due from GRP Development Pte Ltd, Tangshan GRP and GRP Chongqing Land Pte Ltd amount to $6,592,000, $4,163,000 and $28,413,000 respectively of which the recoverability is dependent on the recoverability of assets located in PRC which includes the receivables from PRC authority due to repossession of land parcel in Tangshan (Note 3 (vi), Note 8.2(iii) and Note 8.2(iv)), development property in Fuling District (Note 3(ii) and Note 12) and the affected bank accounts on Tangshan GRP, Tianhu and Gangyuan(Note 3 (i) and Note 7).

Management has assessed that the credit risk of the PRC authority in Note 8.2(iii) and Note 8.2(iv) is low as it is a government department. The group has not recognised any loss allowance as management determines that these receivables are subject to immaterial credit loss.

The following table shows the movement in 12-month ECL that has been recognised for other receivables.

Group	**2020**	**2019**
	$'000	**$'000**
Balance at beginning of the year	1,792	1,978
Loss allowance written back to profit or loss during the year	(62)	(186)
Balance at end of the year	1,730	1,792

Company	**2020**	**2019**
	$'000	**$'000**
Balance at beginning of the year	1,877	6,094
Loss allowance written back to profit or loss during the year	(95)	(101)
Reversal due to capitalisation of receivable - subsidiary	–	(4,116)
Balance at end of the year	1,782	1,877

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2020	2019
	$'000	$'000
Financial assets designated as at FVTPL:		
– Investment in redeemable convertible preference shares	–	2,500

The investment relates to the aggregate principal amount for the subscription of 15,250 redeemable convertible preference shares ("RCPS") issued by Energiser Enterprise Sdn Bhd ("EESB").

EESB was unable to repay the redemption amount and both parties have signed an agreement on June 17, 2020 and agreed on an arrangement by which the outstanding amount will be settled in the future, which incorporates land transfer from EESB to the group, deed of assignment for the account receivables of EESB and joint development of student accommodation units.

Due to uncertainties, the land transfer, deed assignment for the account receivables of EESB and joint development of student accommodation units are not foreseeable in the near future. As at June 30, 2020, given the above circumstances, the RCPS amount is assessed at $Nil.

10 INVENTORIES

	Group	
	2020	2019
	$'000	$'000
Finished goods	6,442	4,666

Inventories are stated net of allowance of $2,282,000 (2019 : $2,367,000) to state inventories at the lower of cost and estimated net realisable values.

Movements in allowance for inventories

	Group and Company	
	2020	2019
	$'000	$'000
Balance at beginning of year	2,367	2,730
Decrease in allowance recognised in profit or loss	(31)	(41)
Exchange realignment	(3)	(7)
Inventories written off	(51)	(315)
Balance at end of year	2,282	2,367

11 PROPERTIES HELD FOR SALE

Properties held for sale as at the end of reporting period are as follows:

Location	Description	Gross floor area (sq. meters) 2020	2019	Group's effective interest
89 Julong Avenue Lidu, Fuling District (University Town), Chongqing, PRC	Commercial units and carpark units.	4,650	4,700	83.17%
8 Wubao Road Fuling District (Singapore Garden), Chongqing, PRC	Residential units, commercial units and carpark units.	6,120	9,304	83.17%
Jalan Nipah, Singapore [1]	Residential units.	388	388	83.17%

[1] Property was mortgaged to a bank as security for borrowings as disclosed in Note 20. In 2019, the mortgage was released with repayment of the borrowings. Subsequent to the financial year end, the property has been sold with no loss to the group.

Properties held for sale are stated net of allowance of $11,237,000 (2019 : $11,723,000) to state the properties at the lower of cost and estimated net realisable values. Management is of the view that the impairment allowance is necessary, notwithstanding the historical selling prices have been higher, as the economic environment is uncertain and a reversal of impairment would involve a high degree of certainty. Nonetheless, management has assessed the valuation and is confident of recovering the properties at the current value and as there is no bank loans on these properties, management is also able to hold on for the best possible price.

12 DEVELOPMENT PROPERTIES

	Group 2020 $'000	Group 2019 $'000
Land costs	11,230	8,301
Development cost	237	237
Impairment of a development property	(3,344)	(3,227)
Amortisation of land use rights	(409)	(350)
Exchange realignment	20	123
	7,734	5,084

Development properties as at the end of reporting period are as follows:

Location	Carrying amount ($'000) 2020	Carrying amount ($'000) 2019	Group's effective interest
Dianyi Residential Committee Fuling District, Chongqing PRC [1]	3,656	3,724	83.17%
Lot 2149N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,275	1,360	100%
Lot 2147N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,397	–	100%
Lot 2148N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,406	–	100%
Total	7,734	5,084	

[1] In March 2019, the group received a repossession notice from the Fuling District local authority to repossess the land parcel, as a result of the development plans by the local authority, which has since lapsed as at June 30, 2020. An allowance of $2,784,000 was recognised in 2019 based on valuation provided by an external PRC valuer appointed by the local authority. Management is of the view that they will continue to pursue the negotiation and to arrange to meet the local PRC authority to negotiate and are confident of recovery of the value of the property.

13 RIGHT-OF-USE ASSETS

The Group leases several office premises. The average lease term is 1-3 years (2019: 1-3 years).

	Premises	
	Group	Company
	$'000	$'000
Cost:		
At July 1, 2019	2,802	1,320
Addition	97	–
Arising from acquisition (Note 39)	426	–
At June 30, 2020	3,325	1,320
Accumulated depreciation:		
At July 1, 2019	–	–
Depreciation	1,012	494
At June 30, 2020	1,012	494
Carrying amount:		
At July 1, 2019	2,802	1,320
At June 30, 2020	2,313	826

14 SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	16,678	16,678
Impairment loss	(9,627)	(9,627)
Total	7,051	7,051

14 SUBSIDIARIES (cont'd)

Details of the company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2020	2019	2020	2019	
		%	%	%	%	
Held by the company						
GRP Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Supply and servicing of industrial/marine hoses, fittings and related products.
GRP Suppliers Pte Ltd [i]	Singapore	100.0	–	100.0	–	Investment holding.
Region Suppliers Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Trading of measuring instruments and scientific apparatus.
Region Suppliers Sdn Bhd [1]	Malaysia	100.0	100.0	100.0	100.0	Trading of measuring instruments and scientific apparatus.
GRP Land Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Investment holding.
GRP (China) Pte Ltd [ii]	Singapore	–	74.3	–	74.3	Dormant.
Held by GRP Suppliers Pte Ltd						
Hiflex Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Supply and servicing of industrial marine hoses, fittings and related products.
General Rubber Ptd Ltd[i]	Singapore	100.0	–	100.0	–	Supply and servicing of industrial marine hoses, fittings and related products.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Held by GRP Land Pte Ltd						
GRP Development Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Investment holding.
GRP Projects Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Investment holding.
GRP Chongqing Land Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Investment holding.
GRP Dormitories Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Development and management of dormitories.
Held by GRP Projects Pte Ltd						
GRP Services Myanmar Co., Ltd [2]	Myanmar	100.0	100.0	100.0	100.0	Management of property projects.
GRP Developments Sdn Bhd [1]	Malaysia	100.0	100.0	100.0	100.0	Development and management of properties.
VDH Land Sdn Bhd[1]	Malaysia	100.0	100.0	100.0	100.0	Development and management of properties.
Held by GRP Development Pte Ltd						
Tangshan GRP Trading Co Ltd [3]	PRC	100.0	100.0	100.0	100.0	Trading activities.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest 2020 %	Proportion of ownership interest 2019 %	Proportion of voting power held 2020 %	Proportion of voting power held 2019 %	Principal activities
Held by GRP Chongqing Land Pte Ltd						
Starland Holdings Ltd [4]	Singapore	83.17	83.17	83.17	83.17	Investment holding.
Held by GRP Dormitories Pte Ltd						
GRP Project Management Sdn Bhd [1]	Malaysia	100.0	100.0	100.0	100.0	Development and management of properties.
Held by GRP Developments Sdn Bhd						
Multiple Lodge Sdn Bhd [1]	Malaysia	67.5	51.0	67.5	51.0	Property development.
GRP Hua Kai Sdn Bhd [i]	Malaysia	100.0	–	100.0	–	Trading of infrastructure building materials.
Held by Starland Holdings Limited						
Starland Axis Pte. Ltd. [4]	Singapore	83.17	83.17	83.17	83.17	Property development.
Starland Commercial Trading Pte Ltd. [4]	Singapore	83.17	83.17	83.17	83.17	Investment holding.
Held by Starland Commercial Trading Pte. Ltd.						
Xiamen Starland Trading Limited [4], [5]	PRC	83.17	83.17	83.17	83.17	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2020 %	2019 %	2020 %	2019 %	
<u>Held by Xiamen Starland Trading Limited</u>						
Chongqing Starland Property Services Co., Ltd. [6]	PRC	83.17	83.17	83.17	83.17	Property management service.
<u>Held by Chongqing Starland Property Services Co., Ltd.</u>						
Chongqing Gangyuan Property Development Co., Ltd. [6]	PRC	83.17	83.17	83.17	83.17	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.
Chongqing Tianhu Land Co., Ltd. [6]	PRC	83.17	83.17	83.17	83.17	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2020	2019	2020	2019	
		%	%	%	%	
Held by Starland Axis Pte Ltd						
Luminor Capital (Malaysia) Sdn Bhd[i]	Malaysia	42.42	–	51.00	–	Investment holding and provision of financial solution.
Held by Luminor Capital (Malaysia) Sdn Bhd						
Mornington Assets Sdn Bhd[i]	Malaysia	42.42	–	51.00	–	Financial solution.
Luminor Credit Sdn Bhd (formerly known as Venture Capital Sdn Bhd) [i]	Malaysia	33.93	–	51.00	–	Financial solution.

[i] These entities are newly incorporated/invested during the year ended June 30, 2020.

[ii] This entity has been struck off during the year ended June 30, 2020.

All entities in the group are audited by Deloitte & Touche LLP, Singapore except for subsidiaries that are indicated as follows:

[1] Audited by overseas practice of Deloitte Touche Tohmatsu Limited.
[2] Not audited as the subsidiaries are considered to be insignificant for the purpose of consolidation.
[3] Audited by Deloitte & Touche LLP, Singapore for group consolidation purposes.
[4] Audited by Baker Tilly TFW LLP, Singapore in 2020 and Ernst & Young LLP, Singapore in 2019 for group consolidation purposes.
[5] No audit is required by the law of its country of incorporation.
[6] Audited by member firm of Baker Tilly TFW LLP Associates in China in 2020 and Ernst & Young Global in China in 2019 for group consolidation purposes.

14 SUBSIDIARIES (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the group as at June 30, 2020 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries	
		2020	2019
Investment holdings.	Singapore	5	4
Supply and servicing of industrial/ marine hoses, fittings and related products.	Singapore	3	2
Trading of measuring instruments and scientific apparatus and other trading activities.	Singapore, Malaysia and PRC	4	3
Management of property projects.	Myanmar	1	1
Development and management of dormitories.	Singapore	1	1
Development and management of properties.	Malaysia	3	3

Information about the composition of non-wholly owned subsidiaries of the group as at June 30, 2020 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries	
		2020	2019
Investment holdings/Dormant.	Singapore	3	3
Property development and management service, marketing planning of property.	Singapore, Malaysia and PRC	7	5
Wholesale, import and export of chemical product, office furniture and clothing.	PRC	1	1

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest 2020	2019	(Loss) Profit allocated to non-controlling interests 2020	2019
		%	%	$'000	$'000
Starland Holdings Ltd	Singapore	16.83	16.83	(284)	56
Immaterial subsidiary with non-controlling interests					
– GRP (China) Pte Ltd	Singapore	–	25.7	–	(12)
– Multiple Lodge Sdn Bhd	Malaysia	32.5	49.0	(9)	(12)
				(293)	32

Name of subsidiary	Accumulated non-controlling interests 2020	2019
	$'000	$'000
Starland Holdings Ltd	4,581	5,520
GRP (China) Pte Ltd	–	(178)
Multiple Lodge Sdn Bhd	128	137
	4,709	5,479

Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Starland Holdings Ltd 2020	2019
	$'000	$'000
Current assets	34,152	39,681
Non-current assets	1,167	281
Current liabilities	(10,507)	(10,850)
Non-current liabilities	(944)	(499)
Equity attributable to owners of the company	(19,109)	(23,099)
Non-controlling interests	(4,759)	(5,514)

14 SUBSIDIARIES (cont'd)

	Starland Holdings Ltd 2020 $'000	Starland Holdings Ltd 2019 $'000
Sales	3,124	14,631
Cost of sales	(1,427)	(10,413)
Expenses	(2,466)	(2,097)
Other expenses	–	(747)
Other income	619	813
Tax	(282)	(1,857)
(Loss) Profit for the year, representing total comprehensive (loss) income for the year	(432)	330
Total comprehensive (loss) income attributable to:		
– Owners of the company	(148)	274
– Non-controlling interests	(284)	56
	(432)	330
Net cash (outflow) inflow from operating activities	(579)	3,418
Net cash inflow from investing activities	671	–
Net cash outflow from financing activities	(8,545)	(3,334)
Net cash (outflow) inflow	(8,453)	84

15 INTANGIBLE ASSET

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Club membership				
At beginning of the year	31	25	25	25
Additions	1	6	–	–
At the end of the year	32	31	25	25

16 DEFERRED TAX ASSETS/LIABILITIES

Certain deferred tax assets and liabilities have been offset in accordance with the group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group	
	2020	2019
	$'000	$'000
Deferred tax liabilities	5,207	4,923
Deferred tax assets	(553)	(289)
	4,654	4,634

The movements for the year were as follows:

	Revaluation gains on properties $'000	Provisions $'000	Undistributed retained profits $'000	Pre-levied land appreciation tax ("LAT") $'000	Tax losses $'000	Total $'000
Group						
At July 1, 2018	(7,370)	396	(364)	307	607	(6,424)
Exchange differences	–	–	50	–	–	50
Credited to profit or loss for the year (Note 27)	1,433	594	(156)	(336)	205	1,740
At June 30, 2019	(5,937)	990	(470)	(29)	812	(4,634)
Exchange differences	–	–	65	–	–	65
Credited to profit or loss for the year (Note 27)	–	(100)	(24)	–	39	(85)
At June 30, 2020	(5,937)	890	(429)	(29)	851	(4,654)

Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from January 1, 2008, PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on the profits generated from January 1, 2008 onwards to its "non-resident" investors who do not have an establishment or place of business in the PRC.

In accordance with Announcement of the State Administration of Taxation [2012] No.30, the group has obtained approval for preferential withholding tax rate of 5% for the dividends payable by the PRC subsidiaries.

16 DEFERRED TAX ASSETS/LIABILITIES (cont'd)

Temporary differences relating to pre-levied LAT

In the PRC, LAT is pre-levied based on certain percentage of pre-sale proceeds, which is stipulated by the local taxation bureau. According to "Notice on Adjustment of Pre-levying Rate of LAT" issued by local tax bureau, LAT pre-levying rate for ordinary residential properties is 2% while non-ordinary residential properties is 3.5%.

17 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building $'000	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Fenders $'000	Total $'000
Group								
Cost :								
At July 1, 2018	392	820	610	1,106	937	592	54	4,511
Exchange differences	2	–	(9)	–	(14)	–	–	(21)
Additions	–	–	24	38	15	–	–	77
Disposals	–	(820)	(315)	(444)	(702)	(25)	(53)	(2,359)
At June 30, 2019	394	–	310	700	236	567	1	2,208
Exchange differences	(3)	–	(2)	(1)	–	–	–	(6)
Additions	–	–	457	66	64	13	–	600
Arising from acquisition (Note 39)			122	–	–	–	–	122
Disposals	–	–	(13)	(2)	–	(103)	(1)	(119)
At June 30, 2020	391	–	874	763	300	477	–	2,805

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and building $'000	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Fenders $'000	Total $'000
Group								
Accumulated depreciation:								
At July 1, 2018	146	820	472	975	820	478	14	3,725
Exchange differences	–	–	(1)	(7)	–	(14)	–	(22)
Depreciation	4	–	50	43	27	19	1	144
Disposals	–	(820)	(314)	(445)	(702)	(23)	(15)	(2,319)
At June 30, 2019	150	–	207	566	145	460	–	1,528
Exchange differences	(2)	–	(2)	9	–	(6)	–	(1)
Depreciation	7	–	52	56	34	19	–	168
Disposals	–	–	–	(11)	–	(91)	–	(102)
At June 30, 2020	155	–	257	620	179	382	–	1,593
Carrying amount:								
At June 30, 2019	244	–	103	134	91	107	1	680
At June 30, 2020	236	–	617	143	121	95	–	1,212

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Total $'000
Company					
Cost :					
At July 1, 2018	820	437	532	603	2,392
Additions	–	–	3	–	3
Disposal	(820)	(251)	(348)	(603)	(2,022)
At June 30, 2019	–	186	187	–	373
Additions	–	–	3	–	3
At June 30, 2020	–	186	190	–	376
Accumulated depreciation:					
At July 1, 2018	820	335	488	577	2,220
Depreciation	–	30	2	26	58
Disposals	(820)	(225)	(375)	(603)	(2,023)
At June 30, 2019	–	140	115	–	255
Depreciation	–	30	24	–	54
At June 30, 2020	–	170	139	–	309
Carrying amount:					
At June 30, 2019	–	46	72	–	118
At June 30, 2020	–	16	51	–	67

18 TRADE PAYABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Outside parties	1,334	1,207	2	5
Net GST payable	32	14	5	14
	1,366	1,221	7	19

The credit period on purchases of goods range from 30 to 90 days (2019 : 30 to 90 days).

19 OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Employee benefits	1,140	1,294	675	842
Operating expenses	964	956	288	270
Trade deposits from contractors	206	209	–	–
Rental deposits	72	79	–	–
Advance receipts from the sale of properties	1,421	1,230	–	–
Other current liabilities	150	424	126	–
	3,953	4,192	1,089	1,112

20 LOANS AND BORROWINGS

	Group	
	2020	2019
	$'000	$'000
Bank loan:		
- money market loan	–	900
	–	900

Money Market Loan

The group had a Money Market Loan (the "MML") for general working capital purposes. The loan was drawn down during financial year ended June 30, 2019 and fully repaid in financial year ended June 30, 2020.

Interest is charged at 0.70% per annum over the Singapore Inter Bank Offer Rate prevailing as determined by the bank on the date of transaction, or at such other rate at the sole discretion of the bank. The tenure for the drawdown is 1 month (2019 : 1 month).

20 LOANS AND BORROWINGS (cont'd)

The MML was secured and guaranteed by the following:

a) Standby Letter of Credit ("SBLC") for not less than RMB5,000,000 (approximately $984,700) issued by the bank;

b) Fixed deposit of RMB5,650,000 (approximately $1,112,000) pledged with the bank; and

c) A corporate guarantee for $1,800,000 by Starland Holdings Limited.

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.

	July 1, 2019 $'000	Financing cash flows [i] $'000	Others non cash charges[i] $'000	June 30, 2020 $'000
Bank loans	900	(900)	–	–
Lease liabilities	2,802	(1,030)	517	2,289
	3,702	(1,930)	517	2,289

	July 1, 2018 $'000	Financing cash flows [i] $'000	June 30, 2019 $'000
Bank loans	5,160	(4,260)	900

[i] The cash flows make up the net amount of repayments of borrowings and lease liabilities in the consolidated statement of cash flows.
[ii] Other non cash charges include lease liabilities arising from the acquisition of subsidiary (Note 39) and interest expense on lease liabilities.

21 SHARE CAPITAL

	Group and Company			
	2020	2019	2020	2019
	Number of ordinary shares		$'000	$'000
Issued and paid up capital:				
At beginning and end of the year	193,701,610	193,701,610	72,502	72,502

Fully paid ordinary shares, carry one vote per share and a fixed right to dividends as and when declared by the company.

22 TREASURY SHARES

	Group and Company			
	2020	2019	2020	2019
	Number of ordinary shares		$'000	$'000
At beginning of the year	1,707,200	–	294	–
Repurchased during the year	11,536,400	1,707,200	2,049	294
At the end of the year	13,243,600	1,707,200	2,343	294

The company acquired 11,536,400 (2019 : 1,707,200) shares by way of market acquisition during the year ended June 30, 2020. All the shares acquired are held as treasury shares. The company has 13,243,600 treasury shares as at June 30, 2020 (2019 : 1,707,200). The total amount paid to acquire the shares was $2,049,000 (2019 : $294,000) and has been deducted from shareholders' equity.

23 STATUTORY RESERVE

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

24 REVENUE

	Group	
	2020	2019
	$'000	$'000
Revenue from:		
Real estate development		
– Sale of properties held for sales (at a point of time)	3,189	15,163
Distribution		
– Sale of goods (at a point of time)	15,114	16,924
Financial solution	107	–
	18,410	32,087

25 OTHER LOSSES

	Group	
	2020	2019
	$'000	$'000
Loss on disposal of financial assets measured at fair value through profit or loss	–	(50)
Impairment loss on development properties (Note 12)	(117)	(2,784)
Impairment loss on goodwill	(413)	–
Fair value loss on financial assets at fair value through profit or loss	(2,500)	(733)
	(3,030)	(3,567)

26 OTHER OPERATING INCOME

	Group	
	2020	2019
	$'000	$'000
Rental and related service income	14	11
Interest income	763	923
Government grant income [1]	186	–
Others	231	187
	1,194	1,121

[1] In 2020, the group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income of $186,000 was recognised during the year.

27 INCOME TAX EXPENSE

	Group	
	2020	2019
	$'000	$'000
Current	436	2,323
Deferred	(404)	(1,535)
Overprovision of deferred tax liabilities in prior years	–	(205)
Overprovision of deferred tax assets in prior years	319	–
	351	583

Singapore income tax is calculated at 17% (2019 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On March 16, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No.63 of the President of the PRC, with an effective date of January 1, 2008. On December 28, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing January 1, 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2019 : 25%) for subsidiaries in the PRC.

The group is subject to land appreciation tax ("LAT") in the PRC which has been included in the income tax expense of the group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

The income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2019 : 17%) to (loss) profit before income tax as a result of the following differences:

	Group	
	2020	2019
	$'000	$'000
Loss before income tax	(4,729)	(4,123)
Tax at the domestic income tax rate of 17% (2019 : 17%)	(804)	(701)
Effects of non-deductible expenses	684	710
Overprovision of deferred tax liabilities in prior years	–	(205)
Overprovision of deferred tax assets in prior years	319	–
Effect of land appreciation tax	–	551
Effect of different tax rates of foreign operations	152	228
	351	583

28 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	Group	
	2020	2019
	$'000	$'000
Employee benefits expense (inclusive of directors' remuneration)	4,573	4,720
Cost of defined contribution plans included in employee benefits expense	429	362
Audit fees paid/payable to auditors:		
– Auditors of the company	253	159
– Other auditors	180	180
Non-audit fees paid to auditors:		
– Auditors of the company	32	26
– Other auditors	21	21
Directors' remuneration of the company	775	774
Directors' fees:		
– Provision for the year	267	272
Cost of completed properties for sale included in cost of sales	3,378	15,360
Cost of inventories included in cost of sales	10,109	12,494
Write back of allowance for inventories	(31)	(41)
Depreciation of property, plant and equipment and amortisation	227	204
Depreciation of right-of-use assets	1,012	–
Allowance for doubtful trade receivables	–	20
Net foreign currency exchange adjustment loss	200	197
Write back of impairment loss on properties held for sale included in cost of sales	(485)	(1,746)
Fair value loss on financial assets at fair value throught profit or loss	2,500	733
Writeback of allowance for doubtful non-trade receivables	(62)	(186)

29 LOSS PER ORDINARY SHARE

The calculation of the basic and diluted loss per ordinary share attributable to the ordinary owners of the company is based on the following data:

	Group	
	2020	2019
	$'000	$'000
Net loss attributable to owners of the company	(4,787)	(4,738)

	2020	2019
	Number of shares	
Weighted average number of ordinary shares for purpose of basic loss per share	187,357,933	193,507,657
Weighted average number of ordinary shares for purpose of diluted loss per share	187,357,933	193,507,657

30 LEASE LIABILITIES

The group and the company as lessee:

	Group	Company
	2020	2020
	$'000	$'000
Maturity analysis:		
Within one year	720	266
In the second to fifth year	1,695	607
	2,415	873
Less: Unearned interest	(126)	(34)
	2,289	839
Analysed as:		
Current	718	260
Non-current	1,571	579
	2,289	839

The group and the company does not face a significant liquidity risk with regard to its lease liabilities.

31 LOAN RECEIVABLES

	Group	
	2020	2019
	$'000	$'000
Outside parties	2,832	–

The loan receivables bear interest from 10% to 12% per annum.

Loss allowance for loan receivables from financial solution business has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on loan receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The group has not recognised any loss allowance as management determines that the loan receivables are subject to immaterial credit loss.

32 DEVELOPMENT PROPERTY EXPENDITURE

	Group	
	2020	2019
	$'000	$'000
Balance at beginning of the year	259	–
Additions	210	260
Balance at end of the year	469	260

The group entered into a joint venture development agreement with Karib Tropika Sdn Bhd ("landowner") for the development of a piece of land located in Tambun, Perak, Malaysia. As of the end of the current financial year, the project has not commenced active development.

33 AMOUNT DUE TO NON-CONTROLLING INTERESTS

	Group	
	2020	2019
	$'000	$'000
Balance at end of the year	1,036	–

The amount due to non-controlling interests relates to amount due to non-controlling interests of Luminor Capital (Malaysia) Sdn Bhd.

The amount due to non-controlling interests bear interest of 10% per annum.

34 ASSOCIATE

	Group 2020 $'000	Group 2019 $'000
Cost of investment in associates	175	25
Share of post-acquistion profit	(18)	(9)
	157	16

Details of the group's associates are as follows:

Name of associates	Country of incorporation (or registration) and operations	Proportion of voting power held 2020 %	Proportion of voting power held 2019 %	Principal activities
Rumah Kami Sdn Bhd	Malaysia	30	30	Investment holding and real estate developer
Ratus Nautika Sdn Bhd	Malaysia	30	30	Property Development
Nakhoda Fishery (Sarawak) Sdn Bhd	Malaysia	49	-	Own and operate fishing related infrastructure and facilities
Fiscalab Capital Markets Sdn Bhd	Malaysia	20.78	-	Provision of corporate advisory services

35 COMMITMENTS

	Company	
	2020	2019
	$'000	$'000
Performance guarantees given to a bank for credit facilities given to a subsidiary (unsecured)	600	600
Capital contribution for investment in a subsidiary	–	5,735

(i) In 2015, the group entered into an agreement with the People's Government of Kaiping District ("Kaiping Government"), Tangshan City, PRC, which gives the group first right of refusal to participate in an integrated mixed development project along Xinghua Dong Dao of Tangshan City ("Land") and render the necessary assistance to the group in connection thereto should it become a successful tenderer of the Land. Pursuant to the agreement and subject to further negotiation of terms and conditions, the group will advance a sum of RMB85 million, approximately $18.4 million ("Advance") to Kaiping Government to facilitate land clearance and other incidental processes in order to enable the Land to be ready for public tender. As at June 30, 2020, the group had disbursed RMB28.5 million (approximately $5.7 million) as part of the RMB85 million advance. The commitment has lapsed as at June 30, 2020 after the land was repossessed by the PRC government in 2019 as disclosed in Note 8.2(iv).

36 OPERATING LEASE EXPENSE AND COMMITMENTS

	Group	Company
	2019	2019
	$'000	$'000
Minimum lease payments under operating leases included in profit or loss	735	309

As at June 30, 2019, the commitments in respect of non-cancellable operating leases were as follows:

	Group	Company
	2019	2019
	$'000	$'000
Future minimum lease payments payable:		
Within one year	1,003	584
In the second to fifth year inclusive	1,294	978
Total	2,297	1,562

Operating lease payments represent rentals payable by the group and the company for office premises and warehouses. Leases are for terms ranging from 3 to 16 years and rentals are fixed for periods ranging from 1 to 3 years.

37 SEGMENT INFORMATION

Management organises the group into four major operating divisions - hose and marine, measuring instruments/metrology, property and financial solution. These segments, focusing on the category of goods and services provided by the group, reflect how information is reported to the group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The hose and marine division supplies and services industrial/marine hoses, fittings, marine safety equipment and related products. The assembly facilities are located in Singapore while the products are mainly distributed to markets mainly in Singapore and Indonesia.

The activities of the property division include acquisition, holding of property-related assets, development of properties and trading in properties.

The measuring instruments/metrology division deals in measuring instruments and scientific apparatus and the products are mainly distributed to Singapore and Malaysia.

The financial solution division provides trade finance, financing solutions, including invoice factoring, corporate finance advisory services and asset management.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of corporate expenses and directors' fees. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the group's profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of the carrying amount of operating receivables, inventories and property, plant and equipment. Capital expenditure include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

37 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments

	Hose and marine		Measuring instruments/ metrology		Property		Financial Solution		Inter segment elimination		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue												
External Sales	2,692	2,706	12,422	14,218	3,189	15,163	107	–	–	–	18,410	32,087
Result												
Segment gross contribution	1,079	1,243	3,957	4,525	296	211	106	–	–	–	5,438	5,979
Other losses	–	–	–	–	(117)	(3,567)	(413)	–	–	–	(530)	(3,567)
Other operating income	71	57	196	90	927	974	–	–	–	–	1,194	1,121
Direct expenses	(1,325)	(1,134)	(2,250)	(2,408)	(2,007)	(2,077)	(520)	–	–	–	(6,102)	(5,619)
Segment net contribution	(175)	166	1,903	2,207	(901)	(4,459)	(827)	–	–	–	–	(2,086)
Corporate expenses											(4,720)	(2,028)
Share of result of associate											(9)	(9)
Loss before income tax											(4,729)	(4,123)
Income tax											(351)	(583)
Loss for the year											(5,080)	(4,706)
Other information												
Segment assets	3,665	2,377	9,891	10,376	47,309	55,429	4,496	–	–	–	65,361	68,182
Unallocated corporate assets											20,535	25,946
Consolidated total assets											85,896	94,128
Segment liabilities	1,773	192	1,332	1,448	15,806	18,142	1,717	–	–	–	20,628	19,782
Inter-segment liabilities	3,892	2,874	1,586	2,131	48,038	42,760	–	–	(53,516)	(47,765)	–	–
Unallocated corporate liabilities											1,902	1,180
Consolidated total liabilities											22,530	20,962

37 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments

	Hose and marine		Measuring instruments/ metrology		Property		Financial Solution		Inter segment elimination		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Capital expenditure	102	39	14	15	225	23	259	–	–	–	600	77
Depreciation of property, plant and equipment and amortisation	51	37	47	46	76	121	53	–	–	–	227	204
Depreciation of right-of-use assets	267	–	123	–	600	–	22	–	–	–	1,012	–
Corporate expenses – Write back of allowance for doubtful non-trade receivables	–	–	–	–	–	–	–	–	–	–	(62)	(186)
(Writeback of)/ Allowance for inventories	(22)	(34)	(9)	75	–	–	–	–	–	–	(31)	(41)
Fair value loss on financial assets at fair value through profit or loss – unallocated assets	–	–	–	–	–	–	–	–	–	–	2,500	733
Impairment loss on development properties	–	–	–	–	117	2,784	–	–	–	–	117	2,784
Impairment on goodwill	–	–	–	–	–	–	(413)	–	–	–	(413)	–
Write back of impairment loss on properties held for sale	–	–	–	–	(485)	(1,746)	–	–	–	–	(485)	(1,746)

37 SEGMENT INFORMATION (cont'd)

(b) Analysis by Geographical Segments

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment assets: Segment assets (non-current assets) are analysed based on the location of those assets.

	Revenue	
	2020	**2019**
	$'000	**$'000**
Singapore	7,694	14,612
Malaysia	5,784	6,407
Myanmar	1	12
Indonesia	935	983
Other ASEAN countries	109	113
Other Asia countries	501	833
Middle Eastern countries	30	57
People's Republic of China	3,275	8,806
Others	81	264
	18,410	32,087

	Non-current assets	
	2020	**2019**
	$'000	**$'000**
Singapore	2,430	2,898
Malaysia	1,545	335
People's Republic of China	4,623	9,133
	8,598	12,366

(c) Information about major customers

In 2020 and 2019, no single customer contributed to more than 10% of the group's total revenue.

38 DIVIDENDS

In respect of the prior financial year, the directors proposed that a dividend of $0.01 to be paid to shareholders. The total dividend paid was $1,879,000.

In respect of the current year, no dividend is proposed.

In 2019, dividend of $0.005 are paid to shareholders. The total dividend paid was $969,000.

39 ACQUISITION OF SUBSIDIARIES

Group

2020

On July 22, 2019, the group entered into a convertible loan agreement with a related party, Luminor Capital (Malaysia) Sdn. Bhd. ("Luminor"). The group is to provide a $2,333,000 loan to Luminor (approximately RM7,000,000) with an arrangement fee equivalent to return of 5% per annum to the group. The loan is to be repaid in 12 months from the date of drawdown. The group has the option to convert $1,333,000 (approximately RM4,000,000) of the principal amount for 51% interest in the enlarged share capital of Luminor.

On February 4, 2020, the group exercised the option to convert $653,000 (approximately RM1,960,000) of debt securities for 51% interest in the enlarged share capital of Luminor. The option price has been reduced from $1,333,000 (approximately RM4,000,000) as originally set out in the convertible loan agreement to S$653,000 (approximately RM1,960,000) following further negotiations between the parties. The group acquired Luminor for the primary reason venturing into Financial Solution Business in Malaysia.

39.1 Consideration transferred (at acquisition date fair values)

The total purchase consideration transferred at acquisition date amounted to $653,000.

39 ACQUISITION OF SUBSIDIARIES (cont'd)

39.2 Assets acquired and liabilities assumed at the date of acquisition

	2020 $'000
Current assets	
Cash and bank equivalents	948
Trade receivables	80
Other receivables	125
Loan receivables	1,824
Non-current assets	
Property, plant and equipment	122
Right-of-use assets	426
Deferred tax assets	93
Associate	148
Current liabilities	
Other payables	(2,830)
Lease liabilities	(108)
Income tax payable	(30)
Non-current liabilities	
Lease liabilities	(248)
Deferred tax liabilities	(92)
Net assets acquired	**458**

39.3 Non-controlling interest

The non-controlling interest (49%) in Luminor recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $227,000. This fair value was estimated based on the net assets value of Luminor.

39 ACQUISITION OF SUBSIDIARIES (cont'd)

39.4 Goodwill arising on acquisition

	2020 $'000
Net cash flow arising from acquisition	
Purchase consideration	653
Add: Non-controlling interest	227
Less: Fair value of identifiable net assets acquired	(458)
Less: Exchange difference	(9)
Goodwill arising on acquisition	413

Goodwill arose in the acquisition of Luminor because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of Luminor. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising from the acquisition is expected to be deductible for tax purposes.

Subsequent to the acquisition, the group has treated Luminor as a separate cash-generating unit (CGU) to which the goodwill was assessed for impairment. The CGU identified is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

At the end of the reporting period, management has fully impaired the goodwill arising from the acquisition of Luminor.

39.5 Net cash inflow on acquisition of subsidiaries

	2020 $'000
Consideration paid in cash	653
Less: Cash and cash equivalent balances acquired	(948)
	(295)

39.6 Impact of acquisitions on the results of the group

Included in the loss for the period is $439,000 loss attributable to the additional business generated by Luminor. Revenue in the statement of profit or loss and other comprehensive income represents amount of $107,000 of the total revenue for the period from Luminor and other operating entities within the group.

39 ACQUISITION OF SUBSIDIARIES (cont'd)

39.6 Impact of acquisitions on the results of the group (cont'd)

Had the business combination during the year been effected at July 1, 2019, the revenue of the group would have been $18,535,000, and the loss for the year would have been $5,269,000.

2019

On December 17, 2019, the group acquired 100% of the issued share capital of VDH Land Sdn. Bhd. ("VDH"), an entity incorporated in Malaysia. The group acquired VDH for the primary reason of investment and re-development of land in Perak, Malaysia. The cash consideration of $1,288,000 largely relates to the cost of land.

40 EVENTS AFTER REPORTING PERIOD

On August 4, 2020, the group incorporated a 38.76% indirectly owned associate, VDH Tower (Ipoh) Sdn Bhd ("VDH Tower") on 4 August 2020. The shareholding in VDH Tower is subsequently increased to 86.30% as announced by the group on September 30, 2020.

On September 4, 2020, the group acquired 85% interest in SA Puncak Management Sdn Bhd ("**Puncak**") by the group's 51% owned subsidiary, Luminor Capital (Malaysia) Sdn Bhd ("**Luminor**"), for a total consideration of RM 600,000. Luminor also entered into a call option agreement to purchase the remaining 15% interest for RM 1,000,000. This option may be exercised at any time during the 2 years period commencing from the completion of the acquisition of 85% interest in Puncak. Subsequent to the acquisition, Puncak has changed its name to El Nuwr Capital Sdn Bhd. The group's effective interest in El Nuwr is 36.05%.

On September 9, 2020, the group incorporated a 70% indirectly owned subsidiary in Malaysia, GRP Energiser Sdn Bhd.

On November 24, 2020, the bank accounts maintained with certain PRC banks by Tangshan GRP Trading Co., Ltd, Chongqing Tianhu Land Co Ltd., and Chongqing Gangyuan Property Development Co., Ltd have been "unfrozen" and the subsidiaries can continue to use the funds in the bank accounts for "normal business operations". Further details is disclosed in Note 3(i) and Note 7.

On December 2, 2020, Ratus Nautika Sdn Bhd ("Ratus"), a 30% owned associate of the group in Malaysia, has entered into a Joint Venture Development Agreement (the "JVDA") with the Lembaga Perumahan Dan Hartanah, Perak ("LPHP") to develop an affordable housing project, known as "Proposed Joint Venture Development in Special Program of Perwira Housing of Perak State" (the "Project"). In the JVDA, LPHP, as landowner, has appointed Ratus as the developer to develop (design and build), sell and manage the Project. The Project consists of 1,039 units of single-storey terrace houses and 28 units of terraced shops and the building and construction works of the Project is to be completed within 42 months from the date of the JVDA. A total of RM10,642,129.33 is to be paid to LPHP as compensation for works previously done on site. Additionally, in consideration of LPHP, the landowner, appointing Ratus as the developer to develop the Project, LPHP is entitled to a return of RM5,818,400 in kind, which has been fixed at 41 units of single-storey terrace houses within 30 days from the date of Certificates of Completion and Compliance for the said lots.

40 EVENTS AFTER REPORTING PERIOD (cont'd)

Impact of COVID-19

The COVID-19 outbreak is an event that occurred during the financial reporting period and the impact of COVID-19 outbreak on the group and the company's assets and liabilities have been assessed and recognised in the consolidated financial statements as at June 30, 2020 and for the reporting period ended.

The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the group's operations and its financial performance during the year and subsequent to the financial year end. Governments around the world has since taken strict measures and imposed social restrictions to contain the spread of COVID-19. The group's operations have been disrupted as a result but has progressively resumed its operations as these measures and restrictions were gradually lifted in certain countries.

Arising from the impact of global economic slowdown, the property segment has been one of the most adversely affected segment within the group. The property segment sold 8 residential units and 62 car park lots in Chongqing, PRC and no sales were recorded in Singapore during the year ended June 30, 2020 as compared to sale of 1 unit of semi-detached house in Singapore and sale of 26 residential units, 7 shop units and 43 car park lots in Chongqing, PRC during the year ended June 30, 2019. Subsequent to the year end, the group sold 1 unit of semi-detached house in Singapore, 2 residential units and 3 car park lot in Chongqing, PRC during Q1 of FY2021. The group expects lower demand in FY2021 in property market in PRC due to the economic uncertainty resulted from COVID-19 outbreak.

The hose and marine and measuring instruments/metrology segment has been slightly affected by COVID-19 outbreak. The economic uncertainties have created questions about the uncertainties relating to the impairment allowances for inventories or recoverability of receivables from the hose and marine and measuring instruments/metrology segment. However, after the lifting of the "circuit-breaker" or similar restrictions by the governments, the group's hose and marine and measuring instruments/metrology segment has gradually returned to full operation while sales and marketing activities have ramped up, but it is still an uncertain economic environment for the hose and marine business.

Depending on the duration of the COVID-19 crisis and continued negative impact on the economy, the group may experience further negative results, liquidity constraints as a result and may need to incur additional impairments on its assets in FY2021. The impact on the group's activities for the remainder of FY2021 cannot be predicted with certainty. Nevertheless, the group will continue to monitor the situation and refine its strategies accordingly, while exercising prudent cost management and developing new business opportunities to strengthen its base and position itself for growth as the operating environment improves.

Notwithstanding this, management has assessed that the group and the company can continue to be a going concern for at least up to end December 2021 as set out in Note 4(iv). Management believes that the group is well placed to manage its business risks and able to continue in operational existence for the foreseeable future in face of the challenges posed by COVID-19 outbreak.

41 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's consolidated financial statements to enhance comparability with the current year's consolidated financial statements.

As a result, certain line items have been amended in the statements of financial position and the related notes to the consolidated financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follows:

	Group 2019	
	Previously reported $'000	**After reclassification $'000**
Statements of financial position		
Development properties	5,344	5,084
Development property expenditures	–	260

STATISTICS OF SHAREHOLDINGS

As at 30 November 2020

Number of Shares in Issue	:	193,701,610
Class of shares	:	Ordinary shares
Voting rights	:	On a Poll: 1 vote for each ordinary share
Number of treasury shares	:	13,243,600
Number of Subsidiary Holdings	:	Nil

7.34% of the total number of issued ordinary shares of the Company (excluding treasury shares) were held as treasury shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 30 NOVEMBER 2020

SIZE OF SHAREHOLDINGS	NO. OF SHARES	%	NO. OF SHAREHOLDERS	%
1 – 99	3,898	0.00	148	5.74
100 – 1,000	488,584	0.27	750	29.07
1,001 – 10,000	4,398,175	2.44	1,027	39.81
10,001 – 1,000,000	42,372,393	23.48	635	24.61
1,000,001 and above	133,194,960	73.81	20	0.77
	180,458,010	100.00	2,580	100.00

Note: The percentages are computed based on 180,458,010 ordinary shares (excluding shares held as treasury shares) as at 30 November 2020

TOP TWENTY HOLDERS OF SHARES AS AT 30 NOVEMBER 2020

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	61,124,340	33.87
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	9,313,585	5.16
3	CHENG LIM KONG	7,969,450	4.42
4	ANG CHENG LAM	6,843,340	3.79
5	HASSAN ISSA YAUNIS	5,562,300	3.08
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,723,200	2.62
7	MAYBANK KIM ENG SECURITIES PTE LTD	4,668,960	2.59
8	TAN KOOI JIN	4,456,820	2.47
9	RAFFLES NOMINEES (PTE) LIMITED	4,071,140	2.26
10	OCBC SECURITIES PRIVATE LTD	3,788,850	2.10
11	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	3,240,000	1.80
12	KWAN CHEE SENG	2,990,500	1.66
13	STF INVESTMENTS LTD	2,914,580	1.62
14	DBS NOMINEES PTE LTD	2,324,668	1.29
15	LIM SEE YONG	1,880,800	1.04
16	MORPH INVESTMENTS LTD	1,683,900	0.93
17	CHIK CHOOI WAH	1,500,000	0.83
18	PHILLIP SECURITIES PTE LTD	1,435,747	0.80
19	TAN KAY TOH	1,409,880	0.78
20	KANTILAL S/O CHAMPAKLAL RAMDAS	1,292,900	0.72
	TOTAL:	133,194,960	73.83

Note: The percentages are computed based on 180,458,010 ordinary shares (excluding shares held as treasury shares) as at 30 November 2020

SUBSTANTIAL SHAREHOLDERS AS AT 30 NOVEMBER 2020

	Direct Interest		Indirect Interest	
Name of substantial shareholder	No. of Shares	%	No. of Shares	%
Kwan Chee Seng[1]	64,064,440	35.50	–	–

Notes:

[1] 61,073,940 ordinary shares are registered in the name of Citibank Nominees Singapore Pte Ltd which is holding the said shares as bare trustee.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 30 November 2020, approximately 59.89% of the issued shares of the Company was held in the hand of the public as defined in the Listing Manual. Therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of GRP LIMITED (the "**Company**") will be held by way of electronic means on Tuesday, 29 December 2020 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees amounting to $146,250.00 for the financial year ended 30 June 2020 [FY2019: $150,000.00]. **(Resolution 2)**

3. To re-elect the following Directors, who will be retiring by rotation pursuant to Regulation 89 of the Company's Constitution and who, being eligible, offer themselves for re-election as Directors of the Company:

   a. Mr Kwan Chee Seng *(see explanatory note 1)* **(Resolution 3)**
   b. Mr Peter Moe *(see explanatory note 2)* **(Resolution 4)**

4. To appoint Messrs Baker Tilly TFW LLP as Auditors of the Company in place of the retiring auditors Messrs Deloitte & Touche LLP, to hold office until conclusion of the next AGM of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

   (see explanatory note 3)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

5. **Authority to Allot and Issue Shares** **(Resolution 6)**

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the share capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Rules of SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (ii)(a) and (ii)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note 4)

6. **Authority to allot and issue shares pursuant to the GRP Performance Share Plan (the "Plan")** **(Resolution 7)**

THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of the awards granted under the Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, shall not exceed 15% of the total number of issued shares in the capital of the Company from time to time.
(see explanatory note 5)

7. **Proposed Renewal of Share Buyback Mandate** **(Resolution 8)**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the directors of the Company (the "**Directors**") be authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the share capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Buyback Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company at a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or is required by law to be held;

(ii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(d) for purposes of this Resolution:

"**Maximum Limit**" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution unless the Company has, at any time during the Relevant Period (as hereinafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding applicable brokerage, stamp duty, commission, goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five market day period, and the day on which the purchases are made;

"**day of making of the offer**" means the day on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and "**market day**" means a day on which the SGX-ST is open for trading in securities, and

(e) any of the Directors be authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(see explanatory note 6)

8. That, subject to and contingent upon the passing of Resolution 4 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 10 by shareholders of the Company by appointing the Chairman of AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual): **(Resolution 9)**

(a) the continued appointment of Mr Peter Moe as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Peter Moe as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 2)

9. That, subject to and contingent upon the passing of Resolution 4: **(Resolution 10)**

(a) the continued appointment of Mr Peter Moe as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Peter Moe as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 9 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 2)

10. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Belinda Low
Company Secretary

14 December 2020
Singapore

Explanatory Notes:

1. Mr Kwan Chee Seng will, upon re-election as a Director, remain as the Executive Chairman and a member of the Nominating Committee of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual.

2. Mr Peter Moe will, upon re-election as an independent Director, remain as an Independent Director, Chairman of the Remuneration Committee and a member of the Audit, Nominating and Risk Management Committees of the Company. The Board of Directors has considered him to be independent for the purposes of Rule 704(8) of the Listing Manual. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual.

   Ordinary Resolutions 9 and 10 proposed in items 8 and 9 respectively above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

   Mr Peter Moe is an independent Director who will serve for more than nine years from 1 September 2022. Since Mr Peter Moe is seeking re-election as a Director at the AGM, the Company is proposing to seek, at the same time, the requisite approvals from shareholders for his continued appointment as an independent Director. Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Peter Moe.

3. This is to seek shareholders' approval to appoint Messrs Baker Tilly TFW LLP in place of the retiring Auditors, Messrs Deloitte & Touche LLP. Messrs Deloitte & Touche LLP has elected not to be re-appointed as the Company's auditors at the forthcoming AGM. Please refer to Section 2.3 of the Appendix accompanying this notice for the information required under Rule 1203(5) of the Listing Manual of the SGX-ST.

4. This is to empower the Directors of the Company, effective until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed 20% of the total issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution.

5. This is to authorise the Directors to allot and issue Shares under the Plan up to an amount not exceeding 15% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company.

6. Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater detail in the Appendix accompanying this notice.

Notes:

To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents will be made available to members solely by electronic means via publication on the Company's website at https://grp.com.sg and the SGXNET at https://www.sgx.com/securities/company-announcements.

Alternative arrangements relating to members' participation at the AGM are:

(a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);

(b) submitting questions in advance in relation of the resolutions set out in the notice of AGM; and

(c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Members will be able to participate in the AGM in the manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

In light of the above developments, the Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on 29 December 2020 at 10.00 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

In order to do so, members must pre-register online at https://globalmeeting.bigbangdesign.co/grp/ by 10.00 a.m. on 27 December 2020 (the "**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 10.00 a.m. on 28 December 2020 (being 24 hours before the time appointed for holding the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.00 a.m. on 28 December 2020 may contact the Company's technical support by email at webcast@bigbangdesign.co for assistance.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act, including investors who buy Shares using CPF and SRS monies, and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include CPF Agent Banks and SRS Operators) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the resolutions set out in the notice of AGM in advance by post to the registered office of the Company at 8 Marina Boulevard, #13-02, Marina Bay Financial Centre, Singapore 018981, at https:// globalmeeting.bigbangdesign.co/grp/ or via email to investor@grp.com.sg. All questions must be submitted by 10.00 a.m. on 26 December 2020 (being 72 hours before the time appointed for holding the AGM).

Members who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the office address or email address provided.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one month after the date of the AGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to their manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

(a) by post to the registered office of the Company at 8 Marina Boulevard, #13-02, Marina Bay Financial Centre, Singapore 018981; or

(b) by email to investor@grp.com.sg.

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.00 a.m. on 27 December 2020. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF Agent Banks and SRS Operators) through which they hold such Shares in order to submit their voting instructions at least seven working days before the AGM (i.e. by 10.00 a.m. on 17 December 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.00 a.m. on 27 December 2020.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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PROXY FORM

IMPORTANT:-

(a) To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.

(b) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM dated 14 December 2020.

(c) CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 10.00 a.m. on 17 December 2020.

GRP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197701449C)

I/We*, ______________________ (Name) (NRIC/Passport/Registration number* ____________)

of ______________________________________ (Address) being a Member/members* of **GRP LIMITED** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Tuesday, 29 December 2020 at 10.00 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020 together with the Independent Auditor's Report thereon			
2.	To approve the payment of Directors' fees amounting to $146,250.00 for the financial year ended 30 June 2020			
3.	To re-elect Mr Kwan Chee Seng as a Director of the Company			
4.	To re-elect Mr Peter Moe as a Director of the Company			
5.	To appoint Messrs Baker Tilly TFW LLP as Auditors of the Company in place of the retiring auditors Messrs Deloitte & Touche LLP, to hold office until conclusion of the next AGM of the Company and to authorise the Directors of the Company to fix their remuneration			
SPECIAL BUSINESS				
6.	To authorise the Directors to allot and issue shares and convertible securities			
7.	To authorise the Directors to grant awards and to allot and issue shares in accordance with the provisions of the GRP Performance Share Plan			
8.	To approve the renewal of Share Buyback Mandate			
9.	To approve the continued appointment of Mr Peter Moe as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022)			
10.	To approve the continued appointment of Mr Peter Moe as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022)			

* Delete accordingly
** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [√] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________ 2020.

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.

2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM. Where the members (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. The Chairman of the AGM, being a proxy, need not be a member of the Company.

4. This instrument appointing a proxy, duly executed, must be submitted (a) by post to the registered office of the Company at 8 Marina Boulevard, #13-02, Marina Bay Financial Centre, Singapore 018981 or (b) by email to investor@grp.com.sg, not less than 48 hours before the time appointed for holding the AGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. This instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

6. Where this instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

7. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50, including investors who buy shares using CPF and SRS monies, and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including CPF Banks and SRS Operators, to submit their voting instructions at least seven working days before the AGM (i.e. by 10.00 a.m. on 17 December 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.

9. The Company shall be entitled to reject this instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 14 December 2020.

CORPORATE INFORMATION

Board of Directors

Mr Teo Tong How
Chairman, Independent
Non-Executive Director

Mr Kwan Chee Seng
Executive Director

Ms Kwan Yu Wen
Executive Director

Mr Goh Lik Kok
Independent Non-Executive Director

Mr Mahtani Bhagwandas
Independent Non-Executive Director

Mr Peter Moe
Independent Non-Executive Director

Company Secretary

Ms Belinda Low Chou Yen

Registered Office

8 Marina Boulevard #13-02
Marina Bay Financial Centre
Tower 1, Singapore 018981
Tel: 6636 6056
Fax: 6509 8455

Share Registrar

Tricor Barbinder Share
Registration Services
80 Robinson Road
#02-00
Singapore 068898

Auditors*

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Tel : 6224 8288
Fax: 6538 6166

Audit Partner

Mr Haridas Kanagasabai
(Appointed with effect from
the financial year ended
30 June 2020)

Principal Banker

DBS Bank Ltd

Investor Relations

investor@grp.com.sg

*Deloitte & Touche LLP will not be seeking re-appointment at the forthcoming Annual General meeting.