

GRP LIMITED

(Company Registration No: 197701449C)
(Incorporated in the Republic of Singapore)

MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

The Board of Directors (the “**Board**”) of GRP Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 30 June 2020 (“**FY2020**”) released on 23 October 2020 (“**Unaudited Results**”). Further reference is made to the audited financial statements of the Group for FY2020 (“**Audited Financial Statements**”) contained in the Company’s annual report for FY2020 which will be released via the SGXNET shortly.

Pursuant to Rule 704(6) of the Singapore Exchange Securities Trading Limited, the Company would like to announce that subsequent to the release of the Unaudited Results, certain material adjustments were made to the Unaudited Results.

The material variances for FY2020 between the Audited Financial Statements and the Unaudited Results and the explanations thereon are set out as follows:

1) Consolidated Statement of Comprehensive Income for FY2020

	Audited Financial Statements \$'000	Unaudited Results \$'000	Variance \$'000	Variance %
Other losses	(3,030)	(530)	(2,500)	(>100.00)
Loss before income tax expense	(4,729)	(2,229)	(2,500)	(>100.00)
Loss for the year	(5,080)	(2,580)	(2,500)	(96.90)
Loss per ordinary share (cents)	(2.56)	(1.22)	(1.34)	(>100.00)

Explanation for the variances:

The Company recognised a fair value loss of \$2.5 million on financial assets at fair value through profit or loss, being the investment in Redeemable Convertible Preference Share (“**RCPS**”) issued by Energiser Enterprise Sdn Bhd (“**EESB**”).

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 recognized a fair value loss of \$2.5 million on this RCPS investment as at 30 June 2020.

2) Statement of Financial Position as at 30 June 2020

Group Financial Position

	Audited Financial Statements \$'000	Unaudited Results \$'000	Variance \$'000	Variance %
Non-current assets				
-Financial assets at fair value through profit or loss	-	2,500	(2,500)	(100.00)
Capital and reserves				
-Accumulated losses	(9,873)	(7,373)	(2,500)	(33.91)

Explanation for the variances:

The Company recognised a fair value loss of \$2.5 million on financial assets at fair value through profit or loss, being the investment in RCPS issued by EESB.

Company Financial Position

	Audited Financial Statements \$'000	Unaudited Results \$'000	Variance \$'000	Variance %
Current assets				
-Trade receivables	380	3,718	(3,338)	(89.78)
Non-current assets				
-Financial assets at fair value through profit or loss	-	2,500	(2,500)	(100.00)
Capital and reserves				
-Accumulated profits	2,768	8,606	(5,838)	(67.84)

Explanation for the variances:

Trade receivables

The Company has made an allowance of \$3.3 million on amount receivable from its wholly owned subsidiary, GRP Pte Ltd. GRP Pte Ltd is in the Hose and Marine segment and it has been affected by the weak demand in the offshore and marine industry in recent years.

Financial assets at fair value through profit or loss

The Company recognised a fair value loss of \$2.5 million on financial assets at fair value through profit or loss, being the investment in RCPS issued by EESB.

3) **Consolidated Statement of Cash Flows for FY2020**

	Audited Financial Statements \$'000	Unaudited Results \$'000	Variance \$'000	Variance %
Operating activities				
Loss before income tax	(4,729)	(2,229)	(2,500)	(>100.00)
Adjustments for -				
-Fair value loss on financial assets at fair value through profit or loss	2,500	-	2,500	100.00

Explanation for the variances:

The Company recognised a fair value loss of \$2.5 million on financial assets at fair value through profit or loss, being the investment in RCPS issued by EESB.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
10 December 2020