

GRP LIMITED

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

PROPOSED SHARE CONSOLIDATION OF EVERY FIVE (5) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF GRP LIMITED HELD BY SHAREHOLDERS AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of GRP Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing issued ordinary shares in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”) into one (1) ordinary share (the “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

2. PROPOSED SHARE CONSOLIDATION

2.1 General

Under the Proposed Share Consolidation, every five (5) existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$57,156,490 consisting of 667,035,594 Shares. Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation and assuming that no new Shares will be issued up to the Books Closure Date, following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of approximately S\$57,156,490 consisting of approximately 133,407,118 Consolidated Shares (subject to rounding). Assuming that all the 336,614,806 existing outstanding warrants of the Company (the “**Outstanding Warrants**”) are fully exercised as at the Books Closure Date such that the issued and paid-up share capital of the Company will consist of 1,003,650,400 Shares, following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of approximately S\$84,085,674 consisting of approximately 200,730,080 Consolidated Shares (subject to rounding).

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders’ funds of the Group. Shareholders are not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

The Proposed Share Consolidation will not cause any changes to the percentage shareholding in the Company of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale for the Proposed Share Consolidation

With effect from 2 March 2015, the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) implemented a minimum trading price requirement of S\$0.20 per share for shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement (the “**MTP Requirement**”).

A one-time transition period of 12 months from 2 March 2015 to 1 March 2016 will be given to affected issuers to undertake corporate actions to meet the MTP Requirement, and such issuers will be placed on the watch-list if they are unable to meet the MTP Requirement after this 12-month transition period. Issuers which are unable to take steps to raise its minimum trading price and exit the watch-list will be delisted after a 36-month cure period.

Accordingly, the Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders in facilitating compliance with the MTP Requirement.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 No Adjustment to Outstanding Warrants

The Company had issued 418,221,600 warrants (the “**Warrants**”) to all its Shareholders with the expiry date of the exercise period of the Warrants being 27 November 2015, in accordance with the terms of the offer information statement dated 6 November 2013. The alteration to the number of Shares as a result of the Proposed Share Consolidation will constitute an event giving rise to an adjustment to the number of Warrants and the exercise price payable for each new Share upon the exercise of the Warrants pursuant to the deed poll constituting the Warrants dated 6 November 2013 (the “**Deed Poll**”).

However, as the Proposed Share Consolidation will become effective only after the expiry of the exercise period of the Warrants, no adjustment will be made to the Outstanding Warrants in accordance with the terms and conditions of the Deed Poll. An announcement will be made by the Company to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares as well as the Books Closure Date, after obtaining all the necessary approvals for the Proposed Share Consolidation in due course.

2.4 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*, the following:

- (a) the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Official List of the SGX-ST; and
- (b) the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting of the Company (the “**EGM**”) to be convened.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the Official List of the SGX-ST. An announcement will be made in due course upon receipt of the approval in-principle from the SGX-ST.

3. CIRCULAR

Subject to receipt of the approval in-principle from the SGX-ST, a circular, containing, *inter alia*, further information on the Proposed Share Consolidation and the notice of EGM, will be despatched to Shareholders in due course.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Share Consolidation, other than through their shareholdings in the Company.

5. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their existing Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
17 September 2015