

GRP Limited

AGM

26 October 2021

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2021 Business Review

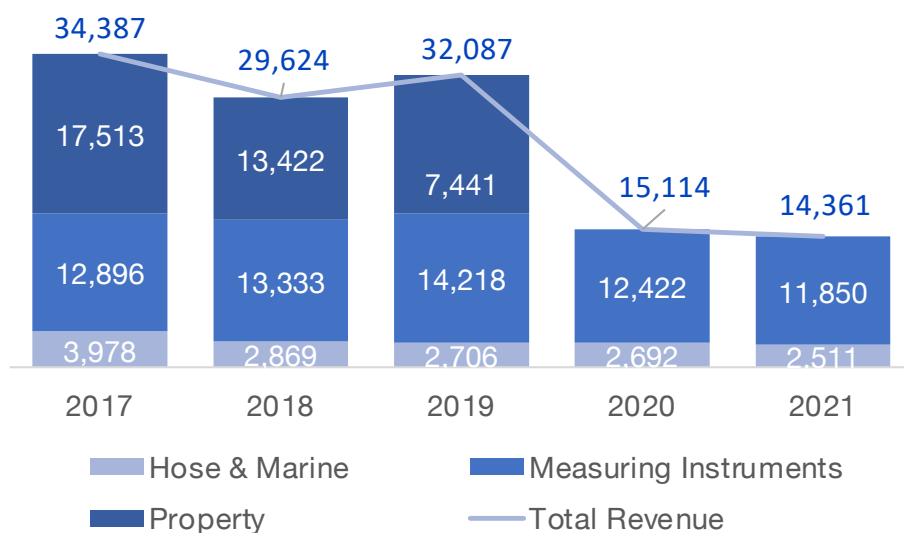
Revenue of \$14.361m excluding Luminor Financial Holdings Limited

Highlights

- Revenue of S\$14.361m excludes contribution from LFHL, versus S\$15.114m in FY2020 (restated to exclude contribution from LFHL)
- Revenue for the Group was ~5% lower than that of FY2020 due to the lower revenue from Measuring Instruments and Hose & Marine
- Loss after tax of S\$1.719m (vs restated loss of S\$4.729m for FY2020) with S\$626,000 cash flow generated from operations.
- Balance sheet remains strong – the Group’s cash & cash equivalents presently at S\$25.688m excluding LFHL
- Distribution-in-Specie (DIS) of LFHL shares to all shareholders

Revenue by Business Segment (\$'000)

NOTE: Revenue for FY2021 excludes contributions from LFHL. FY2020 numbers have been restated to exclude contributions from LFHL.



Property

Nil revenue as revenue from LFHL have been excluded from FY2020 and FY2021 numbers.

Measuring Instruments

4.6% decrease to S\$11.85m due to reduction in capital spending by manufacturing customers

Hose & Marine

6.7% decrease to S\$2.511m due to protracted growth in the oil and marine sector

Key Financial Indicators

Balance sheet remains extremely healthy – High cash levels, extremely low gearing

✓ Cash accounts for 60% of NAV

| (S\$'000) | 2021 | 2020 |
|-------------------------------|---------|--------|
| Cash & Cash Equiv. | 42,257* | 38,579 |
| Total Assets | 86,442 | 85,896 |
| Total Liabilities | 24,530 | 22,530 |
| Net Asset Value (NAV) | 61,912 | 63,366 |
| Cash as % of NAV | 68.25%* | 60.88% |

*FY2021 cash and cash equivalents include those held by LFHL for purposes of this calculation. Cash and cash equivalents figure in Balance Sheet (page 83 of Annual Report for FY2021) exclude those held by LFHL as LFHL has been classified as disposal group assets held for distribution to owners

✓ Extremely low gearing (debt-to-equity ratio - 0.0242)

Debt composition:

– Enterprise Financing Scheme Temporary Bridging Loan. Interest charged at 2% per annum with a tenure of 5 years.

| (S\$'000) | 2021 | 2020 |
|-----------------------------|--------|--------|
| Debt (Bank loans) | 1,500 | 0 |
| Total Equity | 61,912 | 63,366 |
| Debt to Equity Ratio | 0.0242 | NA |

Current Ratio

3.529

Group Business Updates

Strategy to grow through own developments and M&A

Hose & Marine, Measuring Instruments

Will continue to

- Focus on increasing brand agencies and complementary products
- Leverage on existing distribution networks and channels to increase coverage

Property


- Focus will be on developing more affordable housing projects (details on first one secured in next slide)
- Projects in pipeline: Multiple Lodge Sdn Bhd
 - Proposed residential apartments across 19.35 acres of land in Tambun, Perak
 - Status: On hold pending the slowdown and restrictions due to COVID-19
- Land bank:
 - 3 plots of land along Jalan Sultan Abdul Jalil for commercial development
 - 999-year leasehold titles
 - Status: Held as land bank
- Tangshan
 - Due to constant changes in policies on land rights in PRC, the Group has decided not to participate in the tender process when the land is rezoned and ready for tender after the repossession
 - Negotiation to recover RMB25.7m disbursed as a portion of the RMB85m advance to the Kaiping District Government in process

First Affordable Housing Project in Seri Iskandar

1,039 terraces, 28 shops – Official launch on 11 November 2021

Key Details

2020

2 Dec  Ratus Nautika Sdn Bhd (an indirect subsidiary of GRP), entered into a Joint Venture Development Agreement (“**JVDA**”) and was appointed by Lembaga Perumahan Dan Hartanah, Perak (“**LPHP**”) as developer to develop (design and build), sell and manage the Group’s first affordable housing project (the “**Project**”), in Seri Iskandar, Perak, Malaysia

2021

26 Jul  Awarded tender to contractor for Project

25 Aug  Obtained Advertising Permit and Developer’s License (“**APDL**”) required for sale of Project

11 Nov  Expected official sales launch for Project

- The Project consists of 1,039 units of single-storey terrace houses and 28 units of terraced shops on a land size of 100.748 acres.
- The building and construction works of the Project is to be completed within forty-two (42) months from the date of the JVDA.
- The Project will be completed in 3 phases and is expected to contribute positively to the Group’s revenue in the next 3 years.

Photos of Show Flats *Note: Interior treatment done as mock-up for show flat purposes*



Exterior



Living Room



Dining Hall

First Affordable Housing Project in Seri Iskandar

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Photos of Show Flats *Note: Interior treatment done as mock-up for show flat purposes*



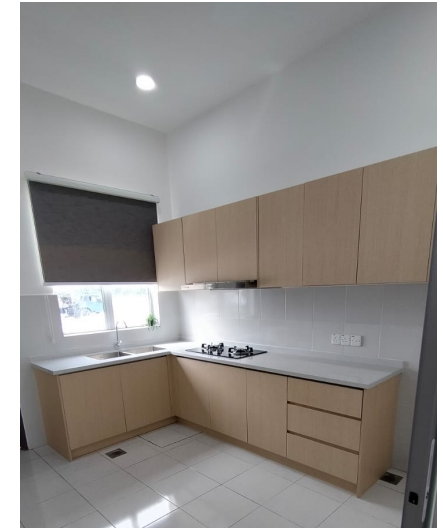
Dry Kitchen



Bedroom 2



Bedroom 2



Wet Kitchen



Master Bedroom



Bedroom 3

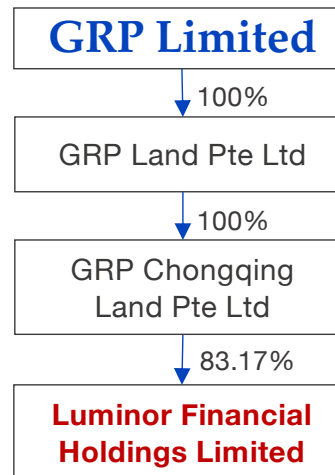


Bedroom 3

Distribution-in-Specie of shares of LFHL

Dividend of 2 LFHL shares for every 3 shares of GRP held

Current Shareholding Structure



Timeline

2016

- Jan **○** Completed acquisition of 120m ordinary shares in LFHL (formerly known as “Starland Holdings Limited”)
- Feb **○** General Offer for all shares of LFHL, before Distribution in Specie (“DIS”) of 23,718,407 ordinary shares to GRP shareholders
- Jun **○** SPA between LFHL and ayondo for a Reverse Takeover (“RTO”)

2017

- Sep **○** Termination of SPA between LFHL and ayondo

2019

- Apr **○** LFHL obtained shareholders’ approval for diversification into the Financial Solutions Business

2020

- Feb **○** Exercised option: converted S\$0.7m of loan for 51% interest in Luminor Capital (Malaysia) Sdn. Bhd, a financial services company

2021

- Apr **○** Name change from Starland Holdings Limited to LFHL to reflect shift in focus to the Financial Solutions Business
- Sep **○** GRP Shareholders approved DIS at EGM

Distribution-in-Specie of shares of LFHL

Dividend of 2 LFHL shares for every 3 shares of GRP held

Strategy Recap & Update.

- Acquisition was part of GRP's plan to grow the property business via M&A opportunities and allowed GRP to takeover "de-risked" completed units as well as an established management team in Fuling, PRC
- With GRP already being a listed company, the intention was to complete an RTO to monetise LFHL's listed shell, creating further value for GRP's shareholders
- Since the acquisition of LFHL, management has managed to turn the bulk of the completed properties into cash
- Following various unsuccessful attempts to sell LFHL's shell via an RTO, LFHL's strategy is now to focus on growing the Financial Solutions Business ("**FSB**")

Merits of Distribution in Specie

For GRP Shareholders

- More reflective valuation when shareholders and potential investors can value the business units independently
- Form of dividend, allowing assets to be distributed equitably to all shareholders
- Gives shareholders option to unlock value in LFHL

For GRP Limited

- Potential cost reduction on all fronts, especially for audit (no more consolidation required)
- Management to focus on core businesses – hose & marine, measuring instruments & property
- No need to put aside capital for LFHL's expansion program

For Luminor Financial Holdings

- New shareholder base may increase flexibility to raise capital for expansion program
- New shareholder structure to ease M&A activities
- Hiring of additional management staff to bring in new ideas and build team