



GRP LIMITED
Annual Report 2023

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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 AND SEEK NEW BUSINESS OPPORTUNITIES AND MARKETS.

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**

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.

The Group has secured its first affordable housing project in Malaysia in December 2020. The project consists of 1,039 units of single-

storey terrace houses and 28 units of terraced shops in Sri Iskandar, Mukim Bota, Perak Tengah District, Malaysia. The land size for the project is 100.748 acres.

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

CORPORATE PROFILE

Hose and Marine

Operating from our factory in Singapore, the Hose and Marine business has been serving the onshore, offshore, pharmaceutical and petrochemical markets for over 40 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 Continental ContiTech, Dunlop, Goodyear, Elaflex, US Hose, Todo-matic Dry-Break coupling, Dixon, and other quality products that 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 our customers.

Measuring Instruments / Metrology

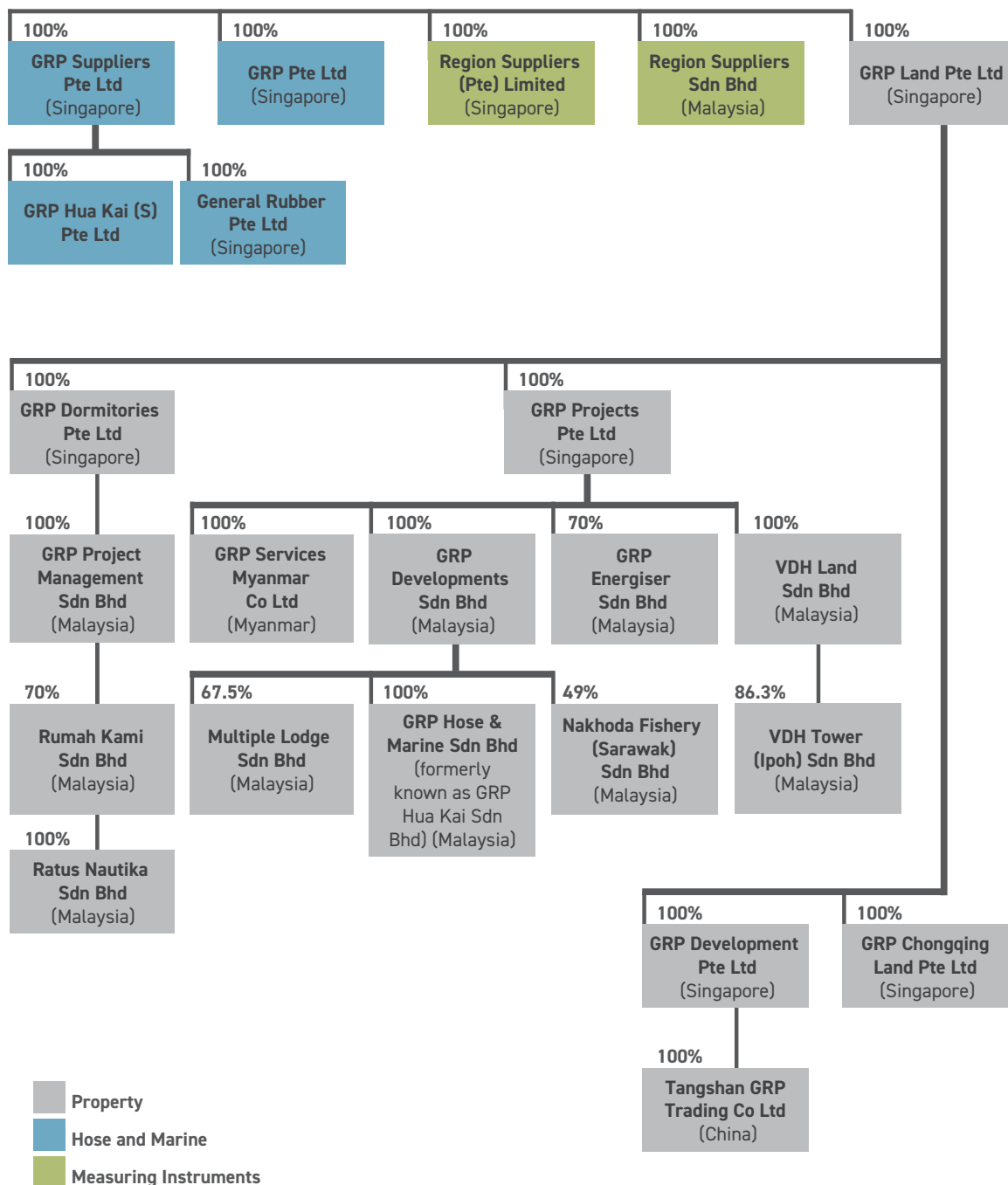
The Measuring Instruments and Metrology division, trading under Region Suppliers, has an established track record in the trading and distribution of precision measuring instruments and equipment. Based in Singapore and with four branch offices in Malaysia, it maintains a cost effective network and has 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.

CORPORATE STRUCTURE

GRP LIMITED



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 2023 (“**FY2023**”).

The Company went through a few major events in FY2023:

Changes in Executive Director

On 6 June 2023, the Company announced that Mr Kwan Chee Seng (“**Mr Kwan**”), the Executive Director and controlling shareholder of the Company, had on 5 June 2023 entered into two conditional sale and purchase agreements to sell 64,887,640 ordinary shares in the capital of the Company. With this conditional sale of shares, Mr Kwan resigned as Executive Director of the Company on 5 June 2023.

Mr David Su Hsieng Loong (“**Mr Su**”), a party to the conditional sale and purchase agreement in relation to the purchase of 53,000,000 ordinary shares in the capital of the Company, was appointed as Chief Executive Officer (“**CEO**”) and Executive Director of the Company on 5 June 2023.

On 2 August 2023, the Company announced the cessation of the powers and duties of Mr Su and relating to his appointment as the CEO of the Company. On 7 August 2023, the Company announced that Mr Kwan had informed the Company of the termination of the conditional sale and purchase agreements with Mr Su due to non-fulfilment of certain contractual obligations on the part of the buyer, Mr Su.

On 22 August 2023, the Company announced that Mr Kwan has on 21 August 2023 entered into a conditional sale and purchase agreement with Mr Colin Tay Yong Lee (“**Mr Tay**”), in relation to the sale of 41,200,360 ordinary shares in the capital of the Company. On 24 August 2023, Mr Tay was appointed as Managing Director of the Company.

Within a short span of 3 months, the Executive Director position changed 3 times.

Inclusion on the Watch-list

The Group was placed on the Watch-list by SGX-ST on 6 June 2023. With this, the Company has to take steps to restore its financial health and meet the requirements of SGX rules within 36 months from 6 June 2023, failing which SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

The Group is now more settled with Mr Tay leading the Group, with the vision of improving the performance of the Group so as to exit the Watch-list within the 36 months period.

The Group is continuing to progress with the development of the affordable housing property project in Perak, Malaysia, undertaken by the Group's 70% indirectly-owned subsidiary, Ratus Nautika Sdn Bhd. 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. It is being developed in 3 phases, and is close to completion of the 1st phase.

We are pleased to note that the Group's Measuring Instruments segment has improved its performance in FY2023 as compared to FY2022.

The Hose and Marine segment continues to face shortages in hose supplies pending for full supply chain recovery.

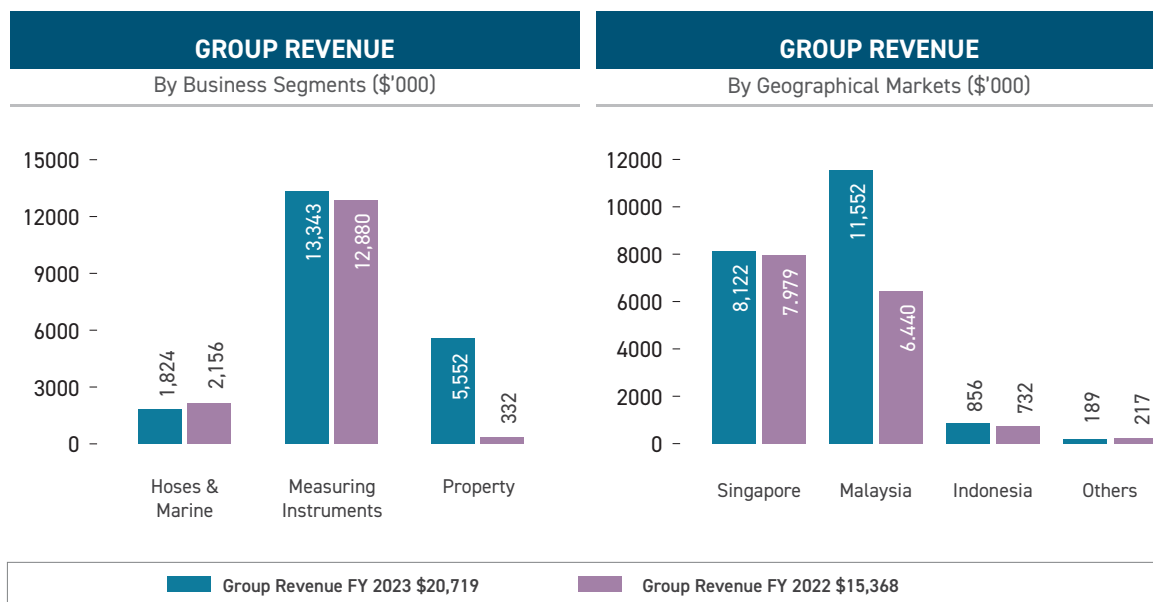
Review of Financial Performance

For the year under review, the revenue for the Group was \$20.72 million, 34.8% higher than revenue of \$15.37 million for FY2022. For the Property segment, with the commencement of recognition of sales, on a percentage of completion basis, the affordable housing project in Malaysia contributed \$5.55 million revenue in FY2023 compared to \$0.33 million for FY2022.

MESSAGE TO SHAREHOLDERS

The Measuring Instruments segment reported revenue of \$13.34 million in FY2023 compared to \$12.88 million in FY2022, it is an increase of 3.6%. Our Hose and Marine segment reported

to the PRC authority on 20 February 2023 requesting for a settlement of the advance payments. On 23 August 2023, the Group issued another letter to the PRC authority



revenue of \$1.83 million in FY2023 compared to \$2.16 million in FY2022, with a decrease of 15.4%.

In terms of revenue by geography, the Group's two core markets of Singapore and Malaysia accounted for 39% and 56% of the Group's revenue respectively, compared to 52% and 42% the year before.

In FY2023, the Group incurred a net loss of \$6.36 million, as compared to a net loss of \$0.95 million incurred in FY2022.

The increase in FY2023 loss is mainly due to the following factors:

- (i) \$4.28 million impairment loss on long term receivable from PRC authority. The Group has been pursuing the recovery of the receivable. The Group had engaged a PRC law firm to issue a legal opinion letter

requesting for the settlement. Despite the full provision in FY2023, the Group will continue to pursue the recovery of the amount and will provide an update as and when there is material information available;

- (ii) \$0.64 million write-off of development property expenditure. This is a result of the termination of joint venture agreement with Karib Tropika Sdn Bhd on 15 November 2022;
- (iii) \$0.40 million higher travelling and professional fees incurred by former Chief Executive Officer, Mr Su, during period of his appointment from 5 June 2023; and
- (iv) \$0.86 million higher exchange loss resulting from the weakening of Malaysia Ringgit against Singapore dollar in FY2023.

MESSAGE TO SHAREHOLDERS

Partially offset by:

- (a) \$0.76 million provision for penalty on fund transferred from PRC in FY2022, which is non-recurring in FY2023.

As at 30 June 2023, the Group has total assets of \$43.64 million and total liabilities of \$9.92 million. Out of the total assets of \$43.64 million, 43.3% comprises \$18.91 million in cash and bank balances. The other main assets are \$4.75 million of inventories, \$3.30 million worth of development properties in Malaysia and \$9.71 million of development property expenditures on the affordable housing project in Perak, Malaysia.

The liabilities of the Group comprise \$0.95 million of bank loan, \$5.70 million of trade and other payables and \$2.48 million of deferred consideration payable pertaining to the affordable housing project in Perak, Malaysia.

The Group's loss per share for FY2023 was 3.39 cents compared with a loss of 0.48 cents for FY2022. Our net asset value per share for FY2023 was 18.83 cents (FY2022: 22.75 cents).

Looking Ahead

The Group will be focusing on operational efficiency to mitigate global inflation pressure and to improve workflow and processes to further improve our productivity. We will also focus on generating cashflows from increasing sales and towards the completion of the various phases of the affordable housing units in Perak, Malaysia.

The Group continues to actively seek new business opportunities to enhance our earnings base and to add value to shareholders.

Dividend

No dividend is proposed for FY2023 as the market conditions remain weak and the Group is continuing to fund the affordable housing project in Malaysia.

Acknowledgements

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 through these unprecedented times. In addition, I wish to acknowledge our appreciation to the management team and all our employees for their hard work and dedication. Together, I am confident that we will navigate through this tough time to emerge as an even stronger company.

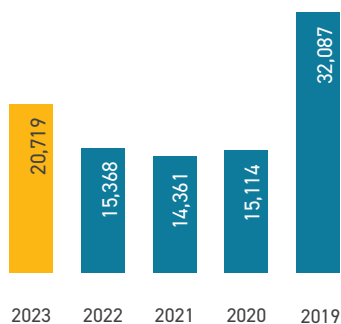
Mr Teo Tong How

Chairman

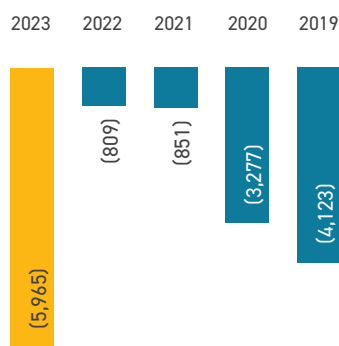
GROUP FINANCIAL HIGHLIGHTS

Financial Year ended 30 June \$'000	FY2023	FY2022	FY2021
FOR THE YEAR			
Revenue	20,719	15,368	14,361
Loss Before Tax, Continuing Operations	(5,965)	(809)	(851)
Profit/(Loss) Before Tax, Discontinued Operations	-	3,135	(668)
Profit/(Loss) Before Tax, Continuing and Discontinued Operations	(5,965)	2,326	(1,519)
Loss on Distribution in specie	-	(7,619)	-
Loss Before Tax, Continuing, Discontinued Operations and Loss on Distribution in specie	(5,965)	(5,293)	(1,519)
Profit/(Loss) After Tax Before Loss on Distribution in specie	(6,361)	2,094	(1,719)
Loss After Tax After Loss on Distribution in specie	(6,361)	(5,525)	(1,719)
AT YEAR END			
Total Tangible Assets	43,609	50,019	86,205
Total Cash and Bank	18,909	22,686	25,688
Shareholders' Funds	33,940	40,989	57,407
Total Loans and Borrowings	951	1,319	1,500

TURNOVER
(\$'000)



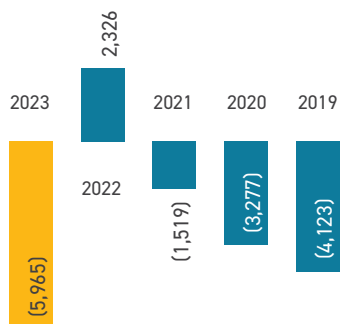
LOSS BEFORE TAX
(Continuing Operations) (\$'000)



GROUP FINANCIAL HIGHLIGHTS

(LOSS)/PROFIT BEFORE TAX

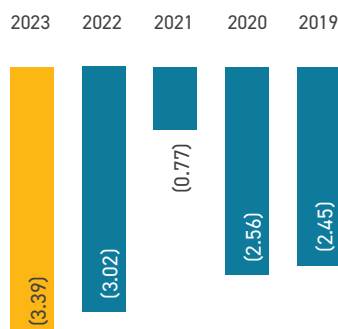
(Continuing and discontinued operations) (\$'000)



Note : The numbers are before Loss on Distribution in specie.

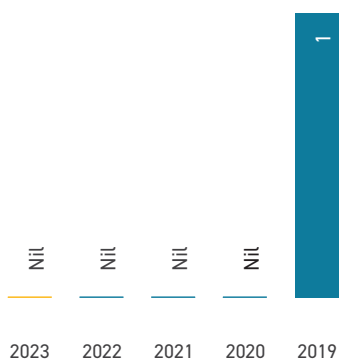
LOSS PER SHARE

(Cents)



DIVIDENDS PER SHARE

(Cents)



Note: The Company distributed 120,130,358 LFHL shares as distribution in specie to the shareholders of the Company on 3 December 2021. The closing price of LFHL share as at 3 December 2021 is \$0.12 per share.

BOARD OF DIRECTORS



Mr Teo Tong How, 80
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, and is a member of the Nominating Committee.

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). He was the World President of International Real Estate Federation ("FIABCI") from 2000 to 2001. Mr Teo was also the President of Real Estate Developers Association of Singapore ("REDAS") for several terms, the last of which was from 1998 to 2001. 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.



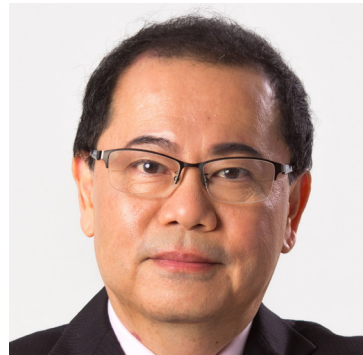
Mr Colin Tay Yong Lee, 59
Executive Director

Mr Colin Tay Yong Lee was appointed as Managing Director on 24 August 2023 and is responsible for the Group's business development.

Mr Tay has extensive experience in private equity industry. He has brought countless projects to fruition by leveraging his extensive experience and network in the funding and private equity industries. Mr Tay has proven track record in driving business growth, establishing strategic partnerships and delivering successful projects across North America, Asia and Latin America.

Mr Tay is a Director and Principal Officer of Boulevard Capital Partners Limited and Boulevard AGC Securities Pty Limited since 2016.

Mr Tay graduated from Singapore Polytechnic with a Diploma in Building in 1984.



Mr Goh Lik Kok, 61
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 and Environmental, Social and Governance Committee.

Mr Goh has over 25 years of experience in engineering services and had held various senior management positions in Singapore Technologies Engineering Group and the NIPSEA Management Company. Mr Goh had also served in various engineering academic advisory and skill qualification technical committee. Since July 2021, Mr Goh is the Executive Vice President of STIE Pte Ltd. He is also appointed as a Parochial Church Council Member of St. Andrew's City Church in April 2022.

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. He has also completed the Asian Business Fellowship 19th Executive Programme at Beijing TsingHua University in China.

BOARD OF DIRECTORS



Mr Mahtani Bhagwandas, 56
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 and Environmental, Social and Governance Committee and a member of the Audit and Remuneration Committee.

Mr Bhagwandas was practicing as an advocate and solicitor of the Supreme Court of Singapore from 1993 to June 2021.

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



Mr Peter Moe, 69
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 and Environmental, Social and Governance Committee.

Mr Moe has been a practicing lawyer in Singapore since 1983 and is currently a Consultant of Tan Kim Seng & Partners. Mr Moe had been a Director of Optimus Chambers LLC from 2013 to May 2022.

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



Mr David Su Hsieng Loong, 59
Non-Executive Director

Mr Su was appointed as Executive Director and CEO on 5 June 2023. On 2 August 2023, upon the cessation of his power and duties, Mr Su was re-designated as Non-executive Director. On 18 September 2023, Mr Su ceased to act as the CEO and Executive Director of the Company. The Board is not proposing Mr Su for re-election in the AGM to be held on 26 October 2023.

Mr Su has extensive experience in corporate investment transactions, largely in global private equities and mergers and acquisitions deals. Currently, Mr Su is active in private equities investments and property asset management with major institution funds in Asia. He manages cross-border mergers and acquisition investment banking activity between Asia and USA, which includes leveraged buy-out advisory work.

Mr Su graduated from National University of Singapore with a Bachelor of Arts and Social Sciences degree in 1987. He received his Master of Arts in International Studies from the University of Washington, Seattle, USA in 1989 and Master of Business Administration from University of California, Irvine, USA in 1999.

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 transferred back to GRP Limited as General Manager of the Property Division in 2022. Mr Kwan was the General Manager of Luminor Financial Holdings Limited from 2016 to 2022 and he was the General Manager of the Property Division of GRP Limited from 2014 to 2016. 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 in 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 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) Limited. 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) Limited.

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

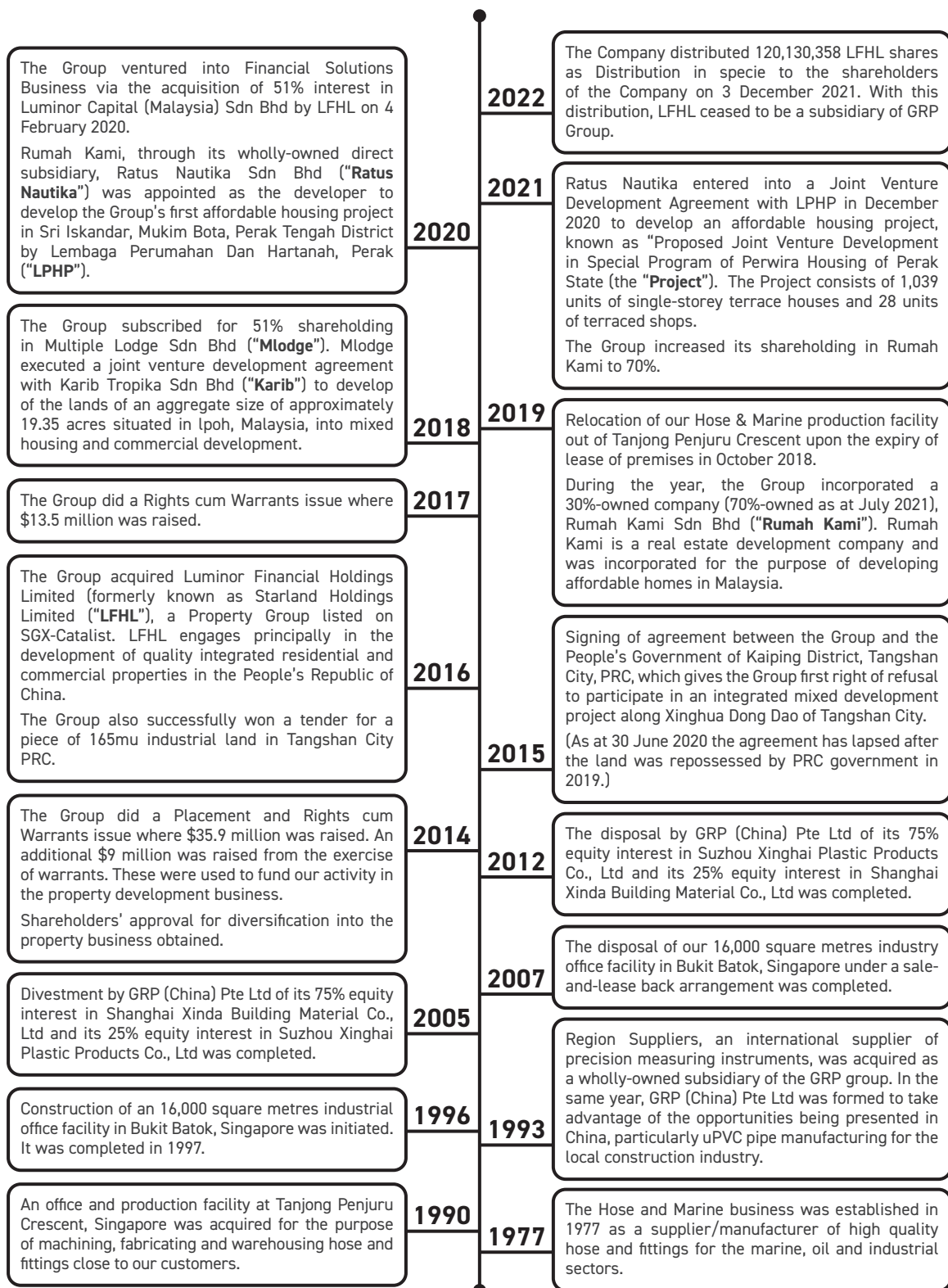
Ms Peng Peck Yen

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



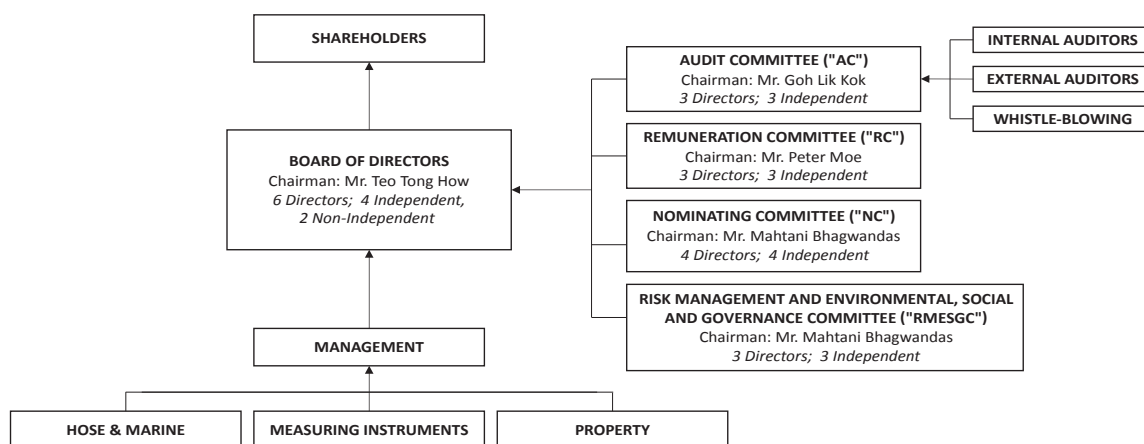
CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) of GRP Limited (“**GRP**” or the “**Company**”) aspires to achieve the highest standards of corporate governance within the Company and its subsidiaries (collectively, the “**Group**”), 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 Code of Corporate Governance 2018 (last amended 11 January 2023) (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 the financial year ended 30 June 2023 (“**FY2023**”) 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 deviations and how the Group’s practices are consistent with the intent of the relevant principle are provided in the sections below.

GRP’S GOVERNANCE 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.

Provisions 1.1 – Directors are fiduciaries who act objectively in the best interests of the company and hold management accountable for performance. The board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board has six members and comprises the following individuals:

Name of Director	Designation
Mr Teo Tong How	Chairman, Independent Non-Executive Director
Mr Colin Tay Yong Lee ¹	Managing Director
Mr Goh Lik Kok	Independent Non-Executive Director
Mr Mahtani Bhagwandas	Independent Non-Executive Director
Mr Peter Moe	Independent Non-Executive Director
Mr David Su Hsieng Loong ²	Non-Executive Non-Independent Director

CORPORATE GOVERNANCE REPORT

Note

1. Mr Tay was appointed as Managing Director (“MD”) of the Company on 24 August 2023.
2. Mr Su was appointed as the CEO and Executive Director of the Company on 5 June 2023. On 2 August 2023, Mr Su has ceased to exercise and perform his powers and duties arising from or relating to his appointment as the CEO of the Company, and was re-designated to a Non-Executive Director of the Company. On 18 September 2023, he ceased to act as the CEO and Executive Director of the Company. The Board is not proposing Mr Su for re-election in the AGM to be held on 26 October 2023.

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, setting corporate strategies and ensuring 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 establishing 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 approving remuneration matters;
- v. Assuming responsibility for corporate governance and ensuring 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, 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.

GRP has processes in place for the authorisation and approval for operating and capital expenditure and the acquisition and disposal of investments. Specific written resolutions by the Board are required on the formation of all new entities, new investments, purchase of land, 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.

Any Director facing an actual, potential or perceived conflict of interest in relation to any matter will declare such interest and will recuse himself from participating in discussions and abstain from making any decisions or voting on resolutions regarding the matter.

Conflict of Interest

Board members who have a potential conflict of interest in any matter being considered are required to disclose such interest, recuse from participating in the relevant Board discussion and decision making, and abstain from voting on resolutions regarding the matter. This policy also applies to all committees of the Board (“**Board Committees**”).

CORPORATE GOVERNANCE REPORT

Provision 1.2 – Directors understand the company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company’s expense. The induction, training and development provided to new and existing directors are disclosed in the company’s annual report.

Continuous Training for Directors

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.

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 FY2023, the Directors received briefings by the Group’s external auditors on the requirements of the Singapore Financial Reporting Standards (International). The Board was also briefed on new releases issued by the SGX-ST which are relevant to the Directors. Such new releases are regularly circulated to the Board by management.

All Directors attended an on-line Webcast on 14 July 2022 on Sustainability Training for Company Directors as required by SGX RegCo to meet SGX Sustainability reporting rules. On 30 August 2022, the AC Chairman, Mr Goh attended an event by “Invitation-only” at AC Chairman’s Conversation 2022 on topic “Sustainability - Evolving Expectations of AC in Singapore” organised by the Singapore Institute of Directors (‘SID’).

On 28 June 2023, Independent Directors, Mr Goh and Mr Moe attended an on-line “ESG and Climate Governance: What Directors Need to Know” panel discussion organised by the SID.

Incoming Directors

A formal letter of appointment is provided to every new Director, setting out his duties, 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’s 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 director of a public listed company in Singapore, will attend professional development courses organised by the Singapore Institute of Directors, within one year from their appointment dates, and other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. One new Director was appointed during FY2023 and one new Director appointed in August 2023, subsequent to year ended 30 June 2023. Mr Tay, the Director appointed on 24 August 2023, will be attending the SGX Listed Entity Director Programme in October 2023.

CORPORATE GOVERNANCE REPORT

Provision 1.3 – The board decides on matters that require its approval and clearly communicates this to management in writing. Matters requiring board approval are disclosed in the company’s annual report.

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 quarterly/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; and
- 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.

Standard agenda items during Board meetings:

- i. Reports of the various Board Committees
- ii. Management business updates on each business unit
- iii. Review and approval of all announcements
- iv. Disclosure of Directors’ interests pursuant to Sections 156/165 of the Companies Act 1967
- v. Formation of new entities

Other key items deliberated during FY2023 include:

- i. Various potential development opportunities
- ii. New business strategies for various subsidiaries
- iii. Appointment of Directors

Material transactions that require the Board’s approval include:

- i. GRP’s strategic plans
- ii. GRP’s dividend policy and payout
- iii. Acquisitions and disposals of subsidiaries
- iv. Acquisitions and disposals of other material assets
- v. Changes relating to the Group’s capital structure, including reduction of capital, share issues and share buy backs
- vi. Major changes to the Group’s corporate structure
- vii. Material investments, divestments or capital expenditure
- viii. Any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, information technology, operational, strategic or reputational, in the ordinary course of business

CORPORATE GOVERNANCE REPORT

Provision 1.4 – Board Committees, including executive committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each committee’s activities, are disclosed in the Company’s annual report.

Board Committees namely the AC, NC, RC and RMESGC have been constituted to assist the Board in the discharge of its responsibilities. The RMESGC was renamed from the Risk Management Committee (“RMC”) on 1 December 2022 to enlarge the scope of the Committee’s responsibilities, taking into account environmental, social and governance issues and concerns. 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 Committees 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	RMESGC
Chairman	Mr Goh Lik Kok	Mr Mahtani Bhagwandas	Mr Peter Moe	Mr Mahtani Bhagwandas
Members	<ul style="list-style-type: none"> • Mr Mahtani Bhagwandas • Mr Peter Moe 	<ul style="list-style-type: none"> • Mr Teo Tong How • Mr Goh Lik Kok • Mr Peter Moe 	<ul style="list-style-type: none"> • Mr Goh Lik Kok • Mr Mahtani Bhagwandas 	<ul style="list-style-type: none"> • Mr Goh Lik Kok • Mr Peter Moe
Composition	Three members – All Independent Non-Executive Directors (“INEDs”)	Four members – All INEDs	Three members – All INEDs	Three members – All INEDs

Provision 1.5 – Directors attend and actively participate in board and board committee meetings. The number of such meetings and each individual director’s attendances at such meetings are disclosed in the company’s annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

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 Committees meetings and Annual General Meeting (“AGM”) of the Company are generally scheduled at least six months in advance and all Board members are notified accordingly. The Company Secretary consults all Directors before fixing the dates of these meetings so as to ensure optimal attendance and participation from the Directors. The Board meets at least quarterly and as warranted by circumstances. Details of how the meetings are conducted can be found under Provision 1.6 of the Report. The Company’s Constitution allows the Directors to participate in a meeting of the Directors by way of tele-conference or other similar communications equipment whereby all persons participating in the meeting

CORPORATE GOVERNANCE REPORT

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 and Board Committees 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 Committees 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 any 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 FY2023, the number of Board and Board Committees 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.

	Board	Board Committee				General Meeting	
		AC	NC	RC	RMESGC	Annual	Extraordinary
Number of meetings held	7	4	2	4	2	1	0
	Number of meetings attended						
Mr Teo Tong How	5	3	1	3	1	1	0
Mr Kwan Chee Seng ¹	3	2	1	NA	1	1	0
Mr Goh Lik Kok	7	4	2	4	2	1	0
Mr Mahtani Bhagwandas	7	4	2	4	2	1	0
Mr Peter Moe	7	4	2	4	2	1	0
Ms Kwan Yu Wen ²	3	2	NA	NA	1	1	0
Mr David Su Hsieng Loong	2	1	0	1	0	NA	0

Notes:

1. Mr Kwan Chee Seng resigned as the Executive Director of the Company, as well as a member of the NC, with effect from 5 June 2023.
2. Ms Kwan Yu Wen resigned as a Non-Executive Non-Independent Director of the Company, with effect from 5 June 2023.

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

CORPORATE GOVERNANCE REPORT

When a Director has multiple board representations, the NC will consider if the Director is able to and has adequately carried out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board has set the maximum number of six listed company board representations which any Director may hold at any one time so as to be able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as Director of the Company.

Provision 1.6 – Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

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

Closer to the date of the meeting, the meeting agenda and relevant materials will be circulated to the Board. The agenda is carefully thought out and allows for flexibility. Board or Board Committee 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 provided to the Directors to enable them 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.

At every Board meeting, the management would present the latest development on GRP's business and operations to the Board. The Chairman promotes open and frank debates. The Directors are well-prepared and would engage the Board and the management in robust discussions regarding the matters 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)	Quarterly
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 any additional information from management.

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

Provision 1.7 – Directors have separate and independent access to management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the board as a whole.

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.

CORPORATE GOVERNANCE REPORT

All Directors have separate and independent access to the Company Secretary at all times through emails, telephone and face-to-face meetings. During FY2023, the Company Secretary and/or the Company Secretary's representative 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 enable it to make decisions in the best interests of the company.

Provision 2.1 – An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

The independence of each independent Director is reviewed annually by the NC based on the guidelines set forth in the Code and the Listing Manual. 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 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. Currently, the Board has six Directors, of which four are Non-Executive Independent Directors, namely Mr Teo, Mr Goh, Mr Bhagwandas and Mr Moe. Mr Tay and Mr Su are Non-Independent Directors.

The Board conducted a rigorous review of the independence of all of the Independent Directors, 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 Director and the Management as well as their role in enhancing and safeguarding the interests of the Company and its shareholders. Each of the Independent Director has each abstained himself from all NC and Board deliberations and decisions relating to his continued independence. Upon review, the NC and the Board have determined that all of the Independent Directors continue to remain objective and independent-minded in Board deliberations. Their respective vast experience enables them to provide the Board and the various Board Committees on which they have been serving, with pertinent experience and competence to facilitate sound decision-making.

CORPORATE GOVERNANCE REPORT

Independence of directors who have served on the board beyond nine (9) years

All of the Independent Directors have served on the Board for more than nine years from their respective dates of appointment. In light of the mandatory nine year tenure limit on Independent Directors imposed by the SGX and pursuant to Rule 210(5)(d)(iv) of the SGX Listing Rules, they are considered independent until the Company's next AGM in 2024. It was noted that their length of service does not in any way interfere with their exercise of independence judgement nor hinder their ability to act in the best interest of the Company.

Provision 2.2 – Independent directors make up a majority of the board where the chairman is not independent.

Provision 2.3 – Non-executive directors make up a majority of the board.

Currently, Mr Teo, Chairman of the Board, is considered to be independent. Mr Teo who is also a Non-Executive Director, is not related to the MD and is not part of the management team. For FY2023, INEDs constitute two-third of the Board, and no individual or small group of individuals dominates the Board's decision-making process. This exceeds the requirements in the Code. The INEDs constructively challenge and contribute 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 – The board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board, through the NC, has examined its size and is of the view that it is of an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. Given the current size of the Group'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 on 18 September 2023 following the introduction of Rule 710A of the Listing Rules (the "**Board Diversity Policy**"), and recognises the importance of having a good balance of industry knowledge, experience and professional qualifications. The Board Diversity Policy provides that, in reviewing the Board composition, the NC will take into account factors such as gender, experience, skills, business experiences, knowledge, and diversity of perspectives. All Board appointments are made based on merit, in the context of gender, skills, experience, independence and knowledge which the Board as a whole requires to be effective. The current Board has diversity in skills, business experience, industry discipline, background, age and ethnicity.

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.

CORPORATE GOVERNANCE REPORT

The NC is of the view that the current members of the Board as a whole possess relevant core competencies to facilitate effective decision-making, and the Board welcomes the selection of female candidates for Director appointments and endeavour to have female representation on the Board in future changes in the Board composition. The current Board members have accumulated deep industry expertise across a broad range of industries. For example, GRP's Chairman, Mr Teo is a veteran in the property sector, the key industry that GRP is in. The profile of each Director and other relevant information are set out under "Board of Directors" section in the Annual Report 2023.

The NC is mindful that candidates should only be included for consideration and be selected based on merit.

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

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 FY2023, the NC was satisfied that the members of the Board as a whole possess the relevant core competencies listed above.

Provision 2.5 – Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of management. The chairman of such meetings provides feedback to the board and/or chairman as appropriate.

The INEDs 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 INEDs 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 Director. The INEDs 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 INEDs have met at least once without the presence of management in FY2023.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Principle 3 – There is 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 – The chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the board for independent decision making.

Provision 3.2 – The board establishes and sets out in writing the division of responsibilities between the chairman and the CEO.

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

Mr Su was appointed as the CEO and Executive Director of the Company on 5 June 2023 and was re-designated to a Non-Executive Director of the Company on 2 August 2023. Mr Kantilal s/o Champaklal Ramdas was appointed as Interim CEO for period from 3 August 2023 to 23 August 2023. Mr Su has subsequently on 18 September 2023 ceased to be the CEO and Executive Director of the Company. The Board is not proposing Mr Su for re-election in the AGM to be held on 26 October 2023. Mr Tay was appointed as MD on 24 August 2023. The responsibilities of the Group's business are undertaken by the MD, Mr Tay who is assisted by the management.

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

Mr Teo is not related to Mr Kwan Chee Seng, Mr Su, Mr Tay and the management.

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

On the other hand, Mr Tay oversees the execution of GRP's strategy and is responsible for managing the operations and spearheading the strategic development of GRP. Mr Tay and the management also ensure that the Directors are kept updated and informed of GRP's business.

The roles of Mr Teo and Mr Tay 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 between Mr Teo and Mr Tay. Mr Teo maintains open lines of communication with Mr Tay and management, and guides and advises them on key issues.

Provision 3.3 – The board has a lead independent director to provide leadership in situations where the chairman is conflicted, and especially when the chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the chairman or management are inappropriate or inadequate.

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.

CORPORATE GOVERNANCE REPORT

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. Nonetheless, the Board will continually examine the need to appoint a Lead Independent Director.

Though the Group has no Lead Independent Director, the Independent Directors meet periodically without the presence of the Executive Director and management. The Independent Directors provide feedback where appropriate to the Chairman of the Board after such meetings.

BOARD MEMBERSHIP

Principle 4 - The Board has 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 - The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the board, its board committees and directors;**
- (c) the review of training and professional development programmes for the board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The NC holds at least one (1) meeting in each financial year and is guided by key terms of reference as follows:

- i. Reviewing Board succession plans for Directors, in particular, the Chairman and Executive Director;
- 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 programmes 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.

In FY2023, the NC reviewed the following:

- i. The independence of Directors and whether any Director has served for more than nine years;
- ii. The size of the Board and its composition;
- iii. The commitment of Directors serving on multiple Boards;
- iv. The performance of the Board as a whole; and
- v. Board succession and renewal plans.
- vi. Appointment of Directors.

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 FY2023.

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

CORPORATE GOVERNANCE REPORT

Provision 4.2 – The NC comprises at least three Directors, the majority of whom, including the NC chairman, are independent. The Lead Independent Director, if any, is a member of the NC.

The NC is chaired by Mr Bhagwandas and its members are Mr Teo, Mr Goh and Mr Moe. All the Directors in the NC, including the Chairman of the NC, are independent.

Provision 4.3 – The Company discloses the process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates in the Company’s annual report.

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.

Thereafter, 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 and Rule 720(5) of the Listing Manual of SGX-ST requires that all Directors must submit themselves for re-nomination and re-appointment at least once every three years. Newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment under the Company’s Constitution.

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

CORPORATE GOVERNANCE REPORT

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	INED and Chairman	4 July 2014	26 October 2021	NA	NA
Mr Colin Tay Yong Lee	Managing Director	24 August 2023	NA	NA	NA
Mr Goh Lik Kok	INED	6 November 2012	26 October 2021	NA	NA
Mr Mahtani Bhagwandas	INED	1 June 2013	26 October 2021	NA	NGSC Limited Natural Cool Holdings Limited
Mr Peter Moe	INED	1 September 2013	27 October 2022	NA	Swee Hong Limited
Mr David Su Hsieng Loong	Non-Executive Director	5 June 2023	NA	NA	NA

Mr Teo is an INED of the Company who has served for more than nine years from 4 July 2023. He shall be considered independent until the Company's AGM in 2024. Based on Article 89 of the Company's Constitution and Rule 720(5) of the Listing Manual, Mr Teo, Mr Su and Mr Tay, shall go for retirement and/or re-election. The NC is of the view that Mr Su is deemed not suitable to remain as a Non-Executive Director of the Company and is not recommending Mr Su for re-election in the coming AGM. The Board accepted the NC's recommendation not to propose Mr Su for re-election in the coming AGM. As a result, only Mr Teo and Mr Tay shall go for retirement and/or re-election.

Each Director had recused himself relating to the recommendation on his re-election as Director of the Company respectively.

CORPORATE GOVERNANCE REPORT

Subject to their re-election:

- (i) Mr Teo shall continue to serve as the INED and Chairman of the Board and member of NC;
- (ii) Mr Tay shall continue to serve as the MD and Member of the Board;

The requisite information required under Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to Mr Teo and Mr Tay can be found on pages 48 to 56 of this Annual Report.

Provision 4.4 – The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the board. If the board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The independence of each Independent Director is reviewed annually, and as and when circumstances require, by the NC based on the guidelines set forth in the Code and the Listing Manual. In FY2023, 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.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company.

The NC has conducted their annual review and confirms the independence of all the Independent Directors, Mr Teo, Mr Goh, Mr Bhagwandas and Mr Moe for FY2023.

Each Independent Director had recused himself in the determination of his own independence.

Provision 4.5 – The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

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

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

CORPORATE GOVERNANCE REPORT

When 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 the NC is satisfied that the Director is able to and has been adequately carrying out his 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 the FY2023.

BOARD PERFORMANCE

Principle 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 – The NC recommends for the board’s approval the objective performance criteria and process for the evaluation of the effectiveness of the board as a whole, and of each board committee separately, as well as the contribution by the chairman and each individual director to the board.

Provision 5.2 – The company discloses in its annual report how the assessments of the board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

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 assess the performance of the Board and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.

For FY2023, 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 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 FY2023 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	<ol style="list-style-type: none">1. Size and composition2. Access to information3. Board processes and accountability4. Strategic planning5. Risk management and Internal Control6. Succession Planning	<ol style="list-style-type: none">1. Commitment of time2. Participation3. Knowledge and abilities4. Independence5. Disclosure of Interested Person Transactions (“IPT”)
Quantitative	<ol style="list-style-type: none">1. Measuring and monitoring performance2. Financial reporting	<ol style="list-style-type: none">1. Attendance at Board and Board Committee meeting

CORPORATE GOVERNANCE REPORT

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 the Board's approval.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 – The Board has a 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. No director is involved in deciding his or her own remuneration.

Provision 6.1 – The board establishes a RC to review and make recommendations to the board on:

- (a) a framework of remuneration for the board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

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 Director's 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 6.2 – The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC chairman, are independent.

The RC is chaired by Mr Moe and its members are Mr Goh and Mr Bhagwandas. The entire RC comprises of INEDs so as to minimise the risk of any potential conflict of interest.

Provision 6.3 – The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

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.

CORPORATE GOVERNANCE REPORT

In FY2023, the RC reviewed and approved the remuneration package of the Executive Director and key management personnel and employees who are immediate family members of Directors. The RC also reviewed and endorsed the management's recommendation of the other employees' bonus for the financial year.

The Company's obligations arising in the event of termination of the Executive Director 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.

Provision 6.4 – The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

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 FY2023, the RC did not engage the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7 – The 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, taking into account the strategic objectives of the company.

Provision 7.1 – A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Provision 7.2 – The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Provision 7.3 – Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

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 MD and 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.

The Board has one MD. The MD 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 MD 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 MD's assessment of and recommendations for bonuses and remuneration.

CORPORATE GOVERNANCE REPORT

For FY2023, 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.

Having reviewed and considered the variable components of the MD 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 MD owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the MD in the event of breach of fiduciary duties.

The INEDs have no service contracts with the Company and their terms are specified in the Constitution and 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 Independent Non-Executive Directors excessively, the RC takes into consideration factors such as frequency of meetings, time spent, responsibilities of INEDs and the need to stay competitive with industry practices.

The Board concurred with the RC's proposal for INED's fees for FY2023 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 FY2023 is appropriate and not excessive. The aggregate fees of the INEDs are subject to approval of the shareholders at the AGM.

DISCLOSURE ON REMUNERATION

Principle 8 - The company is transparent on remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.

Provision 8.1- The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and**
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

Directors' Remuneration

The Board concurred with the RC that the proposed Directors' fees for FY2023 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.

CORPORATE GOVERNANCE REPORT

Performance Assessment of MD 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 MD and key management personnel with those of shareholders.

For MD, 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.

Annual review is carried out by the RC to ensure that the remuneration of the MD 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 MD's 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 MD and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2023. 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 the 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 MD 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 FY2023.

CORPORATE GOVERNANCE REPORT

Having reviewed and considered the variable components of the MD and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

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

In view of the additional responsibilities on the Non-Executive Independent Directors in FY2023 due to cessation of powers and duties of Mr Su as the CEO and Executive Director of the Company on 2 August 2023, and the termination of service agreement with Mr Su on 18 September 2023, a \$50,000 supplement in directors' fees is proposed for FY2023. With this, the total proposed remuneration for the Non-Executive Independent Directors for FY2023 is \$200,000. The breakdown of Directors' remuneration for FY2023 is as follows:

Name	Salary (\$)	Bonus (\$)	Other Benefits (\$)	Directors Fees (\$)	Total (\$)
Mr Kwan Chee Seng (Resigned on 5 June 2023)	396,967	89,115	9,308	-	495,390
Ms Kwan Yu Wen (Resigned on 5 June 2023)	-	-	-	-	-
Mr David Su Hsieng Loong ⁽¹⁾ (Appointed on 5 June 2023)	60,909	-	-	-	60,909
Mr Teo Tong How	-	-	-	62,500	62,500
Mr Goh Lik Kok	-	-	-	47,500	47,500
Mr Mahtani Bhagwandas	-	-	-	47,500	47,500
Mr Peter Moe	-	-	-	42,500	42,500

⁽¹⁾ Mr Su was re-designated from Executive Director to Non-Executive Director with effect from 2 August 2023. He has subsequently on 18 September 2023 ceased to be the CEO and Executive Director of the Company. The Board is not proposing Mr Su for re-election in the AGM to be held on 26 October 2023.

The total remuneration paid to the top 5 key management personnel (aside from the Directors) for FY2023 was \$1,035,673. The breakdown of the remuneration is as follows:

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
\$250,000 to below \$500,000					
Mr Kantilal s/o Champaklal Ramdas ⁽¹⁾	Chief Financial Officer	70	15	15	100
Ms Lim Siok Lin	General Manager ("GM") (Measuring Instrument)	42	42	16	100
Below \$250,000					
Mr Khoo Fredrick Christopher Junior	GM (Hose and Marine)	74	6	20	100
Mr Kelvin Kwan Chee Hong	GM (Property)	52	16	32	100
Ms Peng Peck Yen	Financial Controller	70	15	15	100

⁽¹⁾ Mr Kantilal s/o Champaklal Ramdas was appointed as Interim CEO from 3 August 2023 to 23 August 2023.

* 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.

CORPORATE GOVERNANCE REPORT

There were no termination, retirement or post-employment benefits granted to any Director or key management personnel in FY2023.

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 GRP PSP which has been approved at the extraordinary general meeting held on 4 July 2014. The details of the GRP PSP can be found in the circular 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, namely Mr Moe, Mr Goh and Mr Bhagwandas. The Chairman of the RC is Mr 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 - The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

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\$100,000.

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
Below \$200,000					
Mr Kelvin Kwan Chee Hong ⁽¹⁾	GM (Property)	52	16	32	100

⁽¹⁾ Mr Kelvin Kwan Chee Hong is the GM of Property Division of the Company. Mr Kelvin Kwan Chee Hong is the brother of Mr Kwan Chee Seng, who was the Executive Director resigned on 5 June 2023 and is a substantial shareholder of GRP.

RISK MANAGEMENT & INTERNAL CONTROLS

Principle 9 - The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

CORPORATE GOVERNANCE REPORT

Provision 9.1 – The board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The board sets up a board risk committee to specifically address this, if appropriate.

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 RMESGC, which reports to the Board on material matters, findings and recommendations pertaining to risk management while the AC provides oversight of the financial reporting risk.

The RMC, which was formed in FY2014 was renamed to RMESGC on 1 December 2022, as part of the Company's 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 RMESGC is chaired by Mr Bhagwandas and its members include Mr Goh and Mr Moe.

The RMESGC 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 quarterly basis. The management will propose counter measures 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 FY2023, 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.

The Board, with the concurrence of both the AC and the RMESGC, 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 2023.

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. The Board has additionally relied on internal auditors' report issued to the Company for FY2023 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.

CORPORATE GOVERNANCE REPORT

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 – The board requires and discloses in the company’s annual report that it has received assurance from:

- (a) the CEO and the chief financial officer that 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 CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company’s risk management and internal control systems.**

The Board has received assurance from the Interim CEO and Financial Controller that for FY2023:

- (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 adequate and effective.

Principle 10 – The Board has an AC which discharges its duties objectively.

Provision 10.1 – The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company’s financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company’s internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO/Interim CEO and the chief financial officer/financial controller on the financial records and financial statements;**
- (d) making recommendations to the board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company’s internal audit function; and**
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

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. Review 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 their audit report;
- iii. Meeting with the internal and external auditors without the presence of management;
- iv. Reviewing the quarterly 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, information technology 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 when necessary);

CORPORATE GOVERNANCE REPORT

- vi. Reviewing and discussing with 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. This included addressing the issues and concerns arising after the appointment of Mr Su as the CEO and Executive Director of the Company, and evaluation of the financial implications from the transactions entered into by him, and leading to cessation of his duties and powers; and
- vii. Review interested person transactions in accordance with the requirements of the SGX-ST Listing Manual.

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.

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.

The AC met four times during FY2023.

The Company has in place a whistle-blowing policy (the "**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 Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. The AC is responsible and 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 quarterly meeting of the AC to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding.

During FY2023, there were no cases of whistleblowing reported to the management and the Board.

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.

The Company's external auditor is Baker Tilly TFW LLP ("**Baker Tilly**"). The Company confirms its compliance with Rules 712 and 715 of the SGX-ST Listing Manual in the appointment of its auditors.

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.

CORPORATE GOVERNANCE REPORT

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, and has recommended the re-appointment of the external auditors at the forthcoming AGM.

<i>Fees Paid/Payable to the External Auditor, Baker Tilly for FY2023</i>		
	\$	% of total
Audit fees	213,189	100.0
Non-audit fees	-	-
Total	213,189	100.0

The AC has also reviewed and confirmed that Baker Tilly is a suitable audit firm to meet the Company's audit obligations, after taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA and having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner and Baker Tilly's other audit engagements. Accordingly, the AC recommended to the Board the re-appointment of Baker Tilly as External Auditor of the Group for the year ending 30 June 2024.

Provision 10.2 – The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC chairman, are independent. At least two members, including the AC chairman, have recent and relevant accounting or related financial management expertise or experience.

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

The Board considers that Mr Goh, 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.

Provision 10.3 – The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

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

Provision 10.4 – The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Company's internal audit function is outsourced to One e-Risk Services Pte Ltd, a certified public accounting firm, and Crowe Governance Sdn Bhd (formerly known as Crowe Horwath Governance Sdn Bhd). One e-Risk Services Pte Ltd is an independent internal audit service provider with over 15 years of experience. The engagement team has relevant internal audit experience and is led by Manager with Certified Internal Audit qualification. Crowe Governance Sdn Bhd is part of Crowe Malaysia, one of the largest mid-tier accounting firms in Malaysia. The Partner-in-Charge, Mr Amos Law has more than 26 years of experience and is a Certified Internal Auditor and Chartered Member of the Malaysian Institute of Internal Auditors. Both internal audit firms report directly to the Chairman of the AC on audit matters, although the internal auditors may report administratively to the MD and the Chief Financial Officer of GRP.

CORPORATE GOVERNANCE REPORT

The appointment, removal, evaluation and compensation of One e-Risk Services Pte Ltd and Crowe Governance 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 – The AC meets with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually.

In FY2023, 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.

The AC has reviewed the internal audit reports and the evaluation of the system of internal controls, the audit findings and the management's response to those findings for FY2023. The AC is satisfied that the internal audit functions have been adequately carried out.

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.

It is the Board's priority to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The contents of all announcements (such as the quarterly and annual financial results) are approved by the Board before the Company Secretary publishes them on SGXNET.

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 – The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

GRP promotes fair and equitable treatment to all shareholders. All shareholders enjoy specific rights under the Singapore's 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.

CORPORATE GOVERNANCE REPORT

During general meetings, presentations detailing the Group's 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 the 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.

For the forthcoming AGM, the notice of AGM and the accompanying annual report and proxy form is made available to members solely by electronic means via publication on the Company's website and the SGXNET.

Provision 11.2 - The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

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.

Provision 11.3 - All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

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.

Please refer to Provision 1.5 for details on the Directors' attendance at general meetings held during FY2023.

Provision 11.4 - The company's constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

If shareholders are unable to attend the meetings, the Constitution of the Company allows 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 11.5 - The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the board and management.

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.

CORPORATE GOVERNANCE REPORT

All minutes of general meetings which reflect responses from the Board and management to queries and comments from shareholders will be published on the SGXNET and the Company's website.

Provision 11.6 – The company has a dividend policy and communicates it to shareholders.

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 issue of payment of dividend is deliberated by the Board from time to time. Any dividend payments will be clearly communicated to shareholders via announcements on the SGXNet.

The Board has decided not to declare any dividend for FY2023 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 – The company provides avenues for communication between the board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of 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 MD. 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 – The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3 – The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

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 quarterly 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.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

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 – The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2 – The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3 – The company maintains a current corporate website to communicate and engage with stakeholders.

The Company values input from all its stakeholder groups and uses a variety of channels and platforms to engage with them as well as to 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 section of this Annual Report.

The Company has a corporate website to communicate and engage with all stakeholders. The Company's 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 Crowe Governance 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 Crowe Governance Sdn Bhd are independent, effective and 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 auditors and reviews performed by management and various Board Committees including the AC and the RMESGC, 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

CORPORATE GOVERNANCE REPORT

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 2023. On 5 June 2023, Mr Su was appointed as CEO and Executive Director of the Company. Management and the Board evaluated Mr Su's performance on an ongoing basis and on 2 August 2023, the Board required that Mr Su ceased exercising and performing all powers and duties arising from or relating to his appointment as the CEO of the Company. Mr Su has subsequently on 18 September 2023 ceased to be the CEO and Executive Director of the Company. He is currently a Non-Executive Director of the Company. The Board is not proposing Mr Su for re-election in the AGM to be held on 26 October 2023. With this swift measure, the additional travelling and professional fees incurred by Mr Su during this short duration with the Company is contained at about \$0.4 million. The Company has appointed an audit firm to review and assess the financial implications of the transactions.

DEALING IN SECURITIES

The Group has adopted the best practices stipulated in Listing 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 the Company, Directors and officers. In line with the guidelines, the Company, 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 ("RPTs")

GRP has policies and procedures governing RPTs. The Board has established the procedure for approval of all RPTs to ensure that these transactions are undertaken on an arm's length basis. The AC reviewed all material RPTs 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 page 122 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 RCPS issued by EESB. Luminor Capital Pte Ltd ("**LCPL**"), being the fund manager of LPF2 and

CORPORATE GOVERNANCE REPORT

LHF1, is the lead fund manager for the EESB subscription. LCPL charged fees of 2% on the investment amount 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 Chee Seng is also one of the investors of LHF1.

2. 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"**).
3. 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 1C 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.

4. Pursuant to novation agreements entered into between Mr Kwan Chee Seng, Mr Foo Fatt Kah, LCPL, Luminor Capital (Malaysia) Sdn. Bhd. (**"LCM"**) and Meridian Salute Sdn. Bhd. on 2 December 2020 and 9 December 2020, LCPL had agreed to novate the advances and accrued interest due from LCM to Mr Kwan Chee Seng and Dr Foo Fatt Kah. The amount due to Mr Kwan Chee Seng is unsecured, interest bearing at 10% per annum and repayable by 9 January 2023. The outstanding balance as at 30 June 2021 was S\$819,000.
5. The Company had announced on 19 July 2022 that the investors in the RCPS issued by EESB had decided not to further extend the timeline for the restructuring for the repayment of the RCPS, and that they will pursue actions to recover the redemption sum for the RCPS and late payment interest thereon (the **"Outstanding Sum"**). The Outstanding Sum owed to the Company as at 30 June 2023 is approximately \$5.9 million (RM19.8 million). Please refer also to the Company's announcement on 5 October 2021 and 19 July 2022 for more details on the above.

CORPORATE GOVERNANCE REPORT

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 IPTs 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 IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000/-)
LFHL – Rental expenses paid to LFHL	(73,000)	-
- Management fee income received from LFHL	382,000	-

LFHL ceased to be a subsidiary of the Group, resulting from the dividend in specie distribution on 3 December 2021.

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 IPTs as Mr Kwan Chee Seng, the Executive Director of the Company up to 5 June 2023, is a director of LPF2 and LHF1.

CORPORATE GOVERNANCE REPORT

Use of Proceeds from Rights Issue and Exercise of Warrants

As at 27 September 2023, 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 27 September 2023	Balance of Net Proceeds as at 27 September 2023
2013 Rights Issues			
Proceeds from rights issue:			
– Proposed new business	28,000	(28,000)	-
– General working capital	5,000	(5,000)	-
	33,000	(33,000)	-
Proceeds from exercise of warrants:			
– Proposed new business	8,974	(8,974)	-
Total	41,974	(41,974)	-
2016 Rights Issues			
Proceeds from rights issue:			
– Proposed new business	12,348	(6,372)	5,976
– General working capital	841	(841)	-
	13,189	(7,213)	5,976
Proceeds from exercise of warrants:			
– Proposed new business	6	-	6
Total	13,195	(7,213)	5,982
Cumulative Total	55,169	(49,187)	5,982
Breakdown of general working capital is as follows:			
– Capital contribution		(570)	
– Project construction costs		(2,309)	
– Rental expenses		(34)	
– Professional fees		(125)	
– General administrative expenses		(2,803)	
Total		(5,841)	

The Group had fully utilized the proceeds from the 2013 Rights Issues.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo and Mr Tay are the Directors seeking re-election at the forthcoming AGM of the Company to be convened on 26 October 2023 (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 AGM is disclosed below:

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
Date of Appointment	4 July 2014	24 August 2023
Date of last reappointment	26 October 2021	NA
Age	80	59
Country of principal 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 NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Teo for re-appointment as INED and Chairman of the Company. The Board has reviewed and concluded that Mr Teo possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors, having considered the recommendation of the NC, and having reviewed and assessed qualifications, working experience and suitability of Mr Tay, approved his appointment as Managing Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	The appointment is Executive. Mr Tay will be responsible for managing and overseeing the overall business strategy and development of the Group.
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.	INED, Chairman of the Board and member of NC	Executive Director
Professional qualifications	Bachelor of Architecture (Hons) Degree from University of Melbourne, Australia.	Tertiary Diploma in Building from Singapore Polytechnic.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
Working experience and occupation(s) during the past 10 years	<p>1979 to present: Managing Director / Director of Hong How Corporation Pte Ltd.</p> <p>1968 to present: Director of Tong Eng Brothers (Pte) Ltd.</p>	Over 30 years of international experience in executive leadership, private equity, international corporate finance, and infrastructure project execution.
Shareholding interest in the listed issuer and its subsidiaries	8,215,600 ordinary shares (4.56%) in the Company	<p>On 5 June 2023, Mr Tay entered into a conditional sale and purchase agreement in relation to the acquisition of 11,887,640 ordinary shares in the capital of the Company ("Shares") from Mr Kwan Chee Seng. Completion of the sale and purchase of the 11,887,640 Shares is subject to the fulfilment of certain conditions precedent provided in such sale and purchase agreement dated 5 June 2023.</p> <p>On 21 August 2023, Mr Tay entered into a conditional sale and purchase agreement in relation to the acquisition of 41,200,360 Shares from Mr Kwan Chee Seng. Completion of the sale and purchase of the 41,200,360 Shares, and the transfer of the 41,200,360 Shares thereunder, is subject to the fulfilment of certain conditions precedent provided in such sale and purchase agreement dated 21 August 2023.</p> <p>Accordingly, Mr Tay is deemed to have an interest in an aggregate of 53,088,000 Shares held in the name of Mr Kwan Chee Seng, by virtue of Section 7 of the Companies Act 1967.</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
Conflict of interests (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)	<p>Directorships:</p> <ul style="list-style-type: none"> - Aspire55 Sterling Pte. Ltd. - Bellevue Global Trust Private Limited- Chelsford Green Pte. Ltd. - Feature Green Pte. Ltd. - Feature Investment Pte. Ltd. - Feature Land Pte. Ltd. - Popular Land Pte. Ltd. - Prime Life Management Pte. Ltd. <p>Other principal commitments: Please see "Working experience and occupation(s) during the past 10 years".</p>	<p>Directorships:</p> <ul style="list-style-type: none"> Truss-Net (S) Pte. Ltd. Hydrabaths Asia Pte. Ltd. <p>Other principal commitments: Please see "Working experience and occupation(s) during the past 10 years".</p>
Present	<p>Directorships:</p> <ul style="list-style-type: none"> - 10 Redwood Development Pte. Ltd. - Aspire55 Pte. Ltd. - Cosy Investment Pte. Ltd. - Daniel Teo & Associates Pte. Ltd. - Dankhim Development Pte. Ltd. - Dankhim International Holdings Pte. Ltd. - Dankhim Investment Pte. Ltd. - Dankhim Holdings Sdn Bhd - Dankhim Holdings Ltd, BVI - Dunman Capital Pte. Ltd. - Eight Novena Development Pte. Ltd. - Fairview Developments Private Limited - Feature Development Pte. Ltd. - Fraxtor Gardenia Development Pte. Ltd. - Goh Loo Club Limited - Grove Development Pte. Ltd. - Haig Development Pte. Ltd. 	<p>Directorships:</p> <ul style="list-style-type: none"> - Power Staples Investment Pte. Ltd. - Boulevard Capital Partners Limited - Boulevard AGC Securities Pty Limited <p>Other principal commitments: Please see "Working experience and occupation(s) during the past 10 years".</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
Present	<ul style="list-style-type: none"> - Hillside View Development Pte. Ltd. - Hillside Waterfront Development Pte. Ltd. - Hong How Corporation Pte. Ltd. - Hong How Projects Pte. Ltd. - Hong How Investments Pte. Ltd. - Hong How Land Pte. Ltd. - Instant Yield Sdn Bhd - International City Holdings Pte. Ltd. - Mandai Birds Sanctuary (S) Pte. Ltd. - Maltstore Swanson Street Pty Ltd (VIC) - Merino Development Pte. Ltd. - Mount Rosie Development Pte. Ltd. - Prime Residence Home Pte. Ltd. - Raffles Money Change Pte. Ltd. - Raffles Exchange Pty Ltd (NSW) - Singapore Ballet Limited - Sterling Asia Health Pte. Ltd. - The Maltstore Pte. Ltd. - The Musical Box Museum Limited - The Private Museum Ltd. - Thye San Development Private Limited - Tong Eng Brothers (Pte). Ltd. - Wetterling Teo Gallery Pte. Ltd. - Zanddrift Investments International Pte. Ltd. <p>Other principal commitments: Please see "Working experience and occupation(s) during the past 10 years".</p>	

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MR TEO TONG HOW

MR COLIN TAY YONG LEE

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.

a) Whether at any time during the last 10 years, an application or a 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 at any time within 2 years from the date he ceased to be a partner?	No	No
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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 where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
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DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
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	No
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	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
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 or dishonesty on his part?		
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	No
i) Whether he has ever been the subject of any order, judgement 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 TEO TONG HOW	MR COLIN TAY YONG LEE
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	No
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 government 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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR COLIN TAY YONG LEE
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	No
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	Mr Tay will be attending the requisite training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.
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

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors of the Company (the “**Board**”) is pleased to present the Sustainability Report (“**Report**”) for our Group for FY2023.

GRP engages in the Property, Hose and Marine as well as Measuring Instruments businesses. Our emphasis and priority is to deliver quality product to our customers at all times, and on a timely basis. Whilst being mindful of our profit-oriented objective, we are committed to ensure an appropriate balance between growth, profit, governance, environment, the development of our people and stability of our operating markets and well-being of our communities so as to secure a long-term future of our Group. Additionally, we must build social and environmental resilience in our markets and communities so as to secure our long-term competitive advantage and unlock value for shareholders.

The Board is committed to uphold high standards of corporate governance to safeguard shareholders' interests, and adopts a proactive approach towards environmental as well as health and safety (“**EHS**”) management. We are aware and at the same time in line with the global efforts to focus on environmental, social and governance (“**ESG**”) issues so that the business markets and communities are sustainable which will reinforce the sustainability of our business. With this in mind, the Board has renamed the RMC to RMESGC on 1 December 2022. Policies and guidelines have been established to ensure our Group adopts safety measures and procedures at all times, respect and care for the environment, well-being of the people in our Group and in the community, and have efficient usage of energy, water and all other resources. The Board considers sustainability issues when reviewing the Group's business and strategy.

The Board believes that climate-related risks and opportunities can be material for many companies. Our Board maintains oversight of financial and systemic risks arising from climate change which can impact the value of our operation over the long term and the well-being of employees, suppliers and customers.

The Board's integrated human capital strategy aims to recruit, develop and motivate employees so that the employees grow together with the Group. We believe that our employees are one of the core factors for success in our businesses. The Company is committed to develop a motivated and competent workforce through its human resource strategy, and places emphasis on career development, employee welfare and employee engagement.

Since March 2020 the Group has adopted hybrid work model where staff are allowed to work from home from time to time and meetings between staff, customers or service providers, are conducted via conference calls, whenever possible. This reduces travelling time and increase work efficiency.

When sourcing for external service providers, the Group ensures that we deal with establishments that are identified to have competence and capabilities, and if regulations necessitate, are appropriately authorised or licensed. With immediate effect, we have also included ESG sensitivity/consciousness as a factor to take into account when selecting external service providers.

ABOUT THIS REPORT

Description	Notes and Reference
Reporting period	1 July 2022 to 30 June 2023
Reporting cycle	Annual
Reporting framework and source of reference	<p>This Report is prepared with reference to the Global Reporting Initiative (“GRI”) Standards, and includes the “Core” reporting requirements. The Report covers all primary components as stipulated in SGX-ST Listing Rules.</p> <p>This report also contains the inaugural climate-related disclosure aligned with the recommendations by the Task Force for Climate-related Financial Disclosures (“TCFD”), which aims to provide stakeholders on the Company's approach towards managing climate-related risks and opportunities.</p>

SUSTAINABILITY REPORT

Reporting boundary	Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company and our subsidiaries in FY2023.
External assurance	We have not sought external assurance for FY2023, but may consider doing so when the need arises or when deemed appropriate.

OUR APPROACH AND STRATEGY

Sustainability Commitment

This Report encapsulates our commitment to grow sustainably as a forward-looking corporate entity. Our Report adheres to the SGX-ST Listing Rules – Sustainability Reporting Guide and it reflects the Company's efforts in gearing towards the SGX mandated requirement for listed entities to report their sustainability performance.

Commencing from 2017, steps were taken towards our formal sustainability reporting. The Senior Management of the Company has established a Sustainability Committee (the “**Sustainability Committee**”), and they have the responsibility of overseeing the Company's sustainability agenda on data collection and performance. The Board oversees and assesses the conduct and efforts on Sustainability Management, which includes determining and monitoring of material ESG factors, and also identifying areas that have significant risk and impact on our business strategy. In addition, the Board also determines control, assess and review, publish performance indicators and identify areas for improvements.

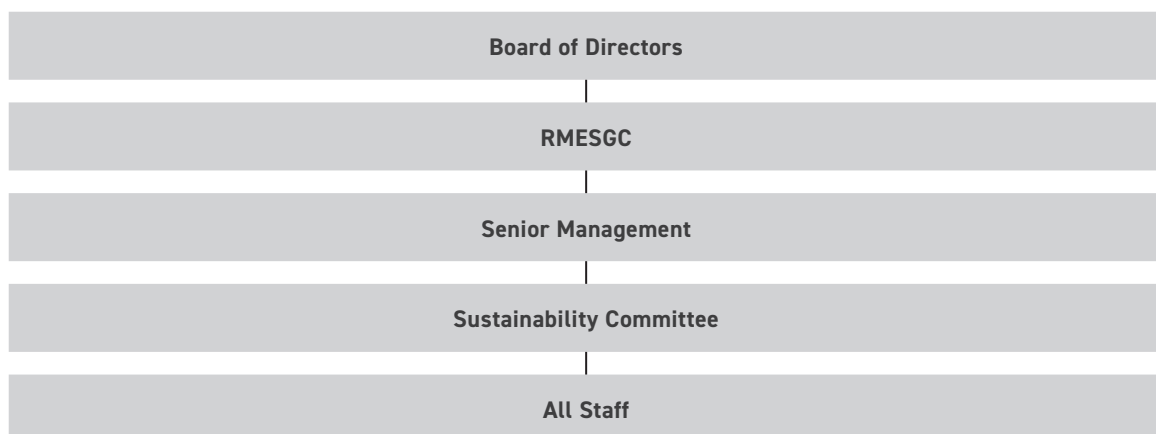
We invite you to learn more about our Sustainability Management, and the measures we have taken to make the Group resilient and responsive to fulfil the international GRI Standards sustainability reporting framework, and to create value for the Group and our stakeholders. We have chosen the GRI Standards as it is an internationally recognised reporting framework.

This Report covers data and information from 1 July 2022 to 30 June 2023 (“**FY2023**” or “**Reporting Period**”) and discusses the Group's achievements and performance towards ESG issues.

Management and Staff Involvement

GRP adheres to the Code of Corporate Governance 2018 (the “**Code**”). The Code provides the framework for controls, checks and accountability and requires the Board to consider and be mindful to address sustainability issues in its business decisions.

GRP's senior management, involves the senior officers of the Company, who are members of the Sustainability Committee, who lead, coordinate and participate to accomplish the set targets, collect data, analyse trends and adopt measures to address sustainability issues. The issues are reported and addressed with the Board. The Board has renamed the RMC to RMESGC on 1 December 2022. The structure is as follows:



SUSTAINABILITY REPORT

The Sustainability Committee comprises of the Managing Director, Chief Financial Officer, General Managers and the Financial Controller. The Sustainability Committee leads the Company's sustainability efforts, and is responsible for on-going communication with the RMESGC of the Board in considering sustainability issues in its business decisions. Accordingly, sustainability and risk management are duly addressed in the evaluation of any project or investment opportunity.

The members of the Sustainability Committee have an on-going and regular review, to identify, assess, and obtain feedback on ESG relevant matters in the various business and operations activities. The review is a continual process. Key to this is the annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include EHS and human capital risks, which are ESG relevant.

The RMESGC will have an oversight of setting the strategic objectives and targets focusing on value creation and innovation on sustainability, whereas the Sustainability Committee will manage data collection and analyse trends so that ROI can be measured and reviewed with respect to the targets set. Both the RMESGC structure and the Management Sustainability Committee structure will have the collective responsibilities for the long-term success of the Group on risk and opportunity arising from Sustainability.

Focusing also on Climate Change

The Board also recognises that there is a need for identifying and assessing for solutions that support and protect the natural environment, and assessing potential climate risks/hazards, that may affect our environment, natural resources and longer-term sustainable activity and living conditions for people and business activity. While we are new to this field, we are committed to addressing the matters, and the Sustainability Committee has commenced the process of better understanding the impact of climate change on our individual businesses and the overall economy. The Sustainability Committee will be working with external party to assess the impact of our businesses on the environment where we operate in.

For the current year, we have identified and tabulated the costs incurred in respect of Climate sensitive resources such as Electricity, Water and Petrol as data for analysis. The costs are about 0.6% of the total operating costs of the Group.

Materiality Consideration

Based on a Group-wide materiality assessment, we have identified and outlined our strategic sustainability priorities through the following steps:

1. Define key issues which have impact on the execution of our business strategy.
2. Identify critical areas that affect our businesses and stakeholders.
3. Prioritise these critical factors and validate their importance internally.
4. Embed these validated critical factors within our business operation processes, where applicable.
5. Review resources adequacy.

The Sustainability Committee identified the specific ESG factors which are material to the Group based on set targets in alignment with their knowledge of their respective business areas, the challenges faced by the industry we are involved with, and the corresponding implications for our business and operations.

The Sustainability Committee members also considered the insights they gain from their day-to-day engagement with various stakeholders to establish the performance of sustainability efforts and reporting. The Sustainability Committee members also engaged in regular dialogue and feedback sessions with the management and employees. In addition, the key members of the Sustainability Committee have regular management and board meetings where relevant business risk and opportunity, operational and financial issues and performance are discussed.

SUSTAINABILITY REPORT

The Sustainability Committee has examined, identified the various ESG factors, and ranked their priority towards fulfilling the interest of the internal and external stakeholders.

The following materiality matrix presents the identified material ESG factors. Our sustainability efforts and reporting are focused on these factors. The materiality assessment has been set and endorsed by the Board, and these priorities are reviewed on a yearly basis.



Material ESG Matters	Category	Corresponding GRI Topic-specific Standards
1 Customer Satisfaction	Social	GRI 3: Material Topics 2021 3-3
2 Economic Performance	Economic	GRI 201: Economic Performance
3 Human Capital	Social	GRI 404: Employment
4 Legal Compliance	Governance	GRI 2: Compliance with laws and regulations
5 Anti-corruption and anti-fraud	Governance	GRI 205: Anti-corruption
6 Product quality and responsibility	Social	No relevant GRI topic-specific disclosure
7 Market presence	Social	GRI 2-6: Activities, value chain and other business relationships
8 Energy Usage and Associated Greenhouse Gas ("GHG") Emissions	Environment	- GRI 302 Energy - GRI 305 Emissions

The above ranking and assessment are based on the information collected for FY2023.

Engaging Stakeholders

While the Group pursues for and progresses on our sustainability efforts, we also strive to have our business and operation activities align to the interests of our stakeholders, both internal and external. The care and consideration for their interests are important as they are the people who will be impacted by our actions in the businesses and operational environment.

Having identified the various stakeholders, and assessing the relationship between our business operational activity and how this will impact the interest of the stakeholders, we have to align to the interests of six (6) key stakeholder groups.

SUSTAINABILITY REPORT

The Company believes that regular communication is the key to healthy stakeholder relations. Over the years, we have been engaging our stakeholders regularly to ensure that we identify and address the key material issues, and provide continual information updates through various engagement platforms. They are summarised as follows:

Stakeholders	Key Issues	Engagement Platforms	GRP's Commitment
Suppliers	<ul style="list-style-type: none"> - Product quality assurance - On time completion of project or delivery of products - Supply chain management 	<ul style="list-style-type: none"> - Supplier's Code of Conduct - Regular supplier visits and meetings 	Cultivate and strengthen relationships with our suppliers and monitor the supply chain to achieve product excellence and maintain a high EHS standard.
Customers	<ul style="list-style-type: none"> - Customer satisfaction - Quality products and services - Available feedback platforms 	<ul style="list-style-type: none"> - Regular dialogue and feedback with customers 	Provide customers with excellent service and deliver products on time, with emphasis on high standard of quality, reliability and safety.
Employees	<ul style="list-style-type: none"> - Employee engagement - Talent retention and attraction - Employee safety and well-being 	<ul style="list-style-type: none"> - Regular dialogue with staff - Whistle-blowing policy - Employee Code of Conduct 	Develop our employees to their full potential by offering training and staff development. We do believe in the benefits of re-employing older workers. We provide a fair and equitable reward system and a safe working environment.
Community	<ul style="list-style-type: none"> - Doing our part as a corporate citizen 	<ul style="list-style-type: none"> - Organise work and feedback sessions to ensure proper disposal of all waste arising from business activities. 	To minimise any adverse impact on the environment as a good corporate citizen.
Investors	<ul style="list-style-type: none"> - Financial stability - Risk management & Compliance - Corporate governance - Sustainability efforts 	<ul style="list-style-type: none"> - Investor relations website - Quarterly financial results, announcements & disclosures - Annual General Meeting 	Maximise shareholder return on investment by providing excellent services and products at all times.
Regulators	<ul style="list-style-type: none"> - Compliance 	<ul style="list-style-type: none"> - Maintain relationships and communication channels with the relevant government agencies and regulators 	Equip our business to meet the legislative and regulators' requirement at all times.

Through the above platforms, we seek to understand the views of the key stakeholders, communicate effectively with them and respond to their concerns.

SUSTAINABILITY REPORT

OUR FOCUS, COMMITMENTS AND TARGETS

For the material factors identified, we continue to set targets and monitor their effectiveness into the subsequent year(s). Details are as follows:

Focus	Impact on Stakeholders	FY2023 Performance	FY2024 Commitment and targets
Supply Chain Management <ul style="list-style-type: none"> Engaging our suppliers Customer satisfaction 	<p>Property purchase is a significant investment for most individuals. Being a significant investment, quality of the property is of ultimate importance for our customers.</p> <p>Our hoses are supplied to the onshore, offshore, marine, pharmaceutical and petrochemical companies, where quality and safety of products is a vital component towards meeting customers' product quality / standards.</p> <p>Similarly, our measuring instruments segment, provides precision in the measuring instruments is of ultimate importance to our customers.</p>	<p>Hold regular dialogue and feedback sessions with customers and potential customers so as to address their concerns and areas for improvement.</p> <p>Organise regular dialogue and feedback sessions with key suppliers and principals to address customers and potential customers' concerns and areas for improvement.</p>	<p>Continue to enhance customer satisfaction level with improved product quality, delivery time and service and also bearing in mind ESG considerations.</p>
Corporate Governance <ul style="list-style-type: none"> Corporate governance Risk management ESG governance 	<p>Compliance with legislation as well as corporate governance, anti-corruption, risk management, environmental, safety, product and social responsibility.</p>	<p>Results released on 10 November 2022 (First Quarter FY2023), 9 February 2023 (Second Quarter FY2023), 11 May 2023 (Third Quarter FY2023) and 25 August 2023 (Full Year FY2023).</p>	<p>Ensure compliance of all legislation and corporate governance requirements at all times.</p>

SUSTAINABILITY REPORT

SUPPLY CHAIN MANAGEMENT

GRP proactively engages customers, suppliers and contractors on areas relating to quality of our work, products and our commitment to EHS. We have also started to embark on discussion on EGS factors with customers, suppliers and contractors in the new financial year, FY2024.

GRP also adopts a zero-tolerance approach towards corrupt business practices and regulatory non-compliance. We are steadfast in our commitment to maintain high standards of corporate governance – comprising anti-corruption, fraud prevention and for compliance with rules and regulations that safeguard the interests of our stakeholders. This commitment also hinges on establishing channels for monitoring and receiving feedback on non-compliance. Accordingly, we have established channels for all stakeholders, including third-party service providers and contractors to provide feedback via a dedicated whistle-blower email address, in addition to the regular feedback channels.

Product quality and responsibility

GRP has 3 main activities, (a) Property development, (b) Hose and Marine and (c) Measuring Instruments. We are committed to ensuring that quality products and services are delivered and that in the process we also comply with all regulatory, safety and quality requirements.

Customer satisfaction is an indication of our success as an organisation. Our future depends on having strong customer relationship, which we strive to reinforce by providing reliable services, possessing adequate product knowledge and supplying a good variety of quality products. All our customers have easy access to feedback platforms or make direct inquiries through our sales and marketing personnel and senior management.

We hold regular dialogue and feedback sessions with customers and potential customers. We continuously engage our customers to ensure that we receive their feedback, in order that we can at all times, continue to address their concerns and fulfil their requirements, and provide them with a high level of satisfaction when we supply our products and services to them.

Our suppliers are carefully selected based on their track record. In addition, our suppliers are also assessed on their ability to complement our commitment to deliver high quality products and services to our customers, and adhere to high standards of environmental and social practices, which are in line with the Company's governing principles.

We hold regular meetings with key suppliers and principals so as to understand their needs and challenges. We take on their feedback and formulate action plans where possible to enhance the sustainability of our partnership.

Our Business and our Market presence

In the property development business, we recognise that a property purchase is a significant investment decision for most individuals, and accordingly quality of the property is of ultimate importance to our customers. We are committed to be a responsible developer, and focused towards delivering a quality product timely so that our customers enjoy the use of their property, and this also hinges on the after-sales services and maintenance of the development. The Company's intent will also be reflected in the affordable homes that we will build and deliver in Malaysia.

Among the matters, we also design for ways to reduce energy consumption such as for air-conditioning, by improving natural ventilation and using materials to reflect heat, increase vegetation in the surroundings and provide facility to encourage community living. The Company recognises that the failure to responsibly meet customers' demand on product quality will have significant impact on our reputation and future property sales.

SUSTAINABILITY REPORT

GRP has been in the Hose and Marine business for more than 40 years and in the Measuring Instruments business for more than 30 years. We enjoy a good reputation and we are committed to continue to grow these 2 businesses, and we are committed to ensure that we meet the expectations of our customers at all times by delivering to them quality products and services, and on a timely basis.

ENVIRONMENTAL INITIATIVES

Recommendations of Task Force on Climate-Related Financial Disclosures (“TCFD”)

With the introduction of SGX’s enhanced requirements on Sustainability Reporting Guidelines in December 2021, all listed companies are required to provide climate-related disclosures on a ‘comply or explain’ basis. To ensure continued compliance with the sustainability reporting requirements, GRP has adopted a phased approach recommended by SGX for Year 1 reporters.

We understand the impact climate change can have on the business and strive to address the key risks to operations. The climate-related disclosures are outlined under the four key pillars of TCFD’s recommendations below.

TCFD Recommended Disclosures	GRP’s Response
<p><u>Governance</u></p> <p>Board oversight of climate-related risk and opportunities</p> <p>Management’s role in assessing and managing climate-related risks and opportunities</p>	<p>As disclosed in section “Management and Staff involvement” on page 60, the Board has overall responsibility for the governance of all ESG matters, as well as risk matters. The Board also has responsibility for determining, managing and monitoring GRP’s selected material matters and performance including its climate-related risks and opportunities.</p> <p>The Board is supported by RMESGC and Sustainability Committee which sets the direction for GRP’s sustainability-related targets and execution of initiatives via regular communication with the various business units. The Sustainability Committee and RMESGC report on its progress to the Board once a year.</p>
<p><u>Strategy</u></p> <p>Climate-related risks and opportunities that the organisation has identified over the short, medium and long term</p> <p>Impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.</p> <p>The resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>For FY2023, the costs incurred in respect of climate sensitive resources such as Electricity, Water and Petrol are about 0.6% of total operating costs of the Group. Qualitative impacts from climate-related risks have been detailed below.</p> <p><u>Physical risks:</u></p> <p>Increased frequency of extreme weather events, such as flooding, which may damage buildings and cause disruptions in operations. Increase in average temperature, leading to increased expenditure on cooling costs. Failure to mitigate these risks could potentially result in higher operational costs to repair buildings and also higher volume of electricity consumption.</p>

SUSTAINABILITY REPORT

	<p><u>Transition risks:</u> Carbon taxes, resulting in increase in operating costs associated with utility providers passing carbon tax down to businesses through higher electricity tariffs. More stringent national regulations regarding reporting of environmental performance. Expectations from stakeholders and customers to reduce GHG emissions and be more environmentally friendly, which may potentially result in lower revenue and increased costs associated with transitioning to lower emissions technology.</p>
<p><u>Risk Management</u> Risk identification and assessment processes. Risk management process. Integration of processes for identifying, assessing and managing climate-related risks into overall risk management.</p>	<p>The Board is responsible for the governance of risks and has responsibility to ensure that the Group is appropriately managing risks. GRP also has put in place appropriate risk management policies and processes to evaluate the various risks to the Group.</p> <p>GRP will work towards incorporating climate-related risks and opportunities as part of the existing risk management processes to better enable assessment, monitoring and management of these climate-related risks alongside other existing risks identified.</p>
<p><u>Metrics and Targets</u> Climate-related metrics in line with strategy and risk management process. Scope 1,2,3 GHG metrics and the related risks. Climate-related targets and performing against targets</p>	<p>GRP has reported the costs of climate sensitive resources such as Electricity, Water and Petrol on the sustainability report since FY2022.</p> <p>Moving forward, GRP will be working with external party to determine the Scope 1,2,3 GHG metrics and related risks.</p>

Energy Usage and Associated GHG Emissions

Given the growing importance of climate change and the reduction of greenhouse emissions, energy conservation efforts are central to GRP's operations. We manage the carbon footprint through efficient energy usage and regular monitoring, even though the cost of the climate sensitive resources such as Electricity, Water and Petrol are about 0.6% of the total operating costs of the Group. Moving forward, GRP will be working with external party to determine the Scope 1,2,3 GHG metrics and related risks.

Environment, Health and Safety (EHS)

GRP is committed to protecting the environment and upholding the occupational health and safety of its employees. Our Hose and Marine business are Bizsafe certified. This certification demonstrates our commitment to achieving workplace safety and health.

The management of our Property segment in Malaysia is focused on ensuring that waste materials are properly disposed in designated areas and to maximise natural ventilation and increase greeneries in our building design.

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The management has also taken the initiative to stop serving plastic bottle drinks since September 2019, in support of green movement so as to reduce the use of plastics.

For energy and climate affecting resources, we have identified and provided below data tabulating the comparison of the Group's electricity, water and petrol consumption:

	Hose and Marine		Measuring instruments/ metrology		Property		Group Head Quarter		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Water consumption										
Value (\$)	851	817	666	754	-	-	-	-	1,517	1,571
Quantity (Cubic metres)	398	372	301	283	-	-	-	-	699	655
Electricity consumption										
Value (\$)	15,900	8,636	19,328	18,766	2,127	1,664	867	1,571	38,222	30,637
Quantity (Kilowatts)	42,546	42,402	109,703	109,160	12,986	10,395	2,999	8,036	168,234	169,993
Petrol consumption										
Value (\$)	5,520	5,195	28,352	25,846	-	-	-	-	33,872	31,041
Quantity (Liters)	2,559	2,664	33,264	31,207	-	-	-	-	35,823	33,871
Total value (\$)	22,215	14,576	48,346	45,366	2,183	1,736	867	1,571	73,611	63,249

LABOUR PRACTICES & CONDUCIVE WORKPLACE

Human Capital

GRP has a human capital strategy to recruit, develop and motivate employees. We treat all employees with respect and dignity and give fair treatment, irrespective of nationality, race or religion. We are committed to abide by labour laws and appropriate guidelines that embrace the principles of fair employment and promote fair employment practices. Employees are sent for training as and when required. The Company's remuneration policy consists of both fixed and variable portions which seeks to attract, retain and motivate employees to achieve the Company's long-term growth and prosperity on a sustainable basis. We also believe in the benefits of re-employing older workers to retain and tap into their wealth of experience. For FY2023, we have a total staff force of 79 headcount, out of which 59% is male and 41% is female.

Anti-corruption and anti-fraud

The Group takes corruption and fraud very seriously. Management has put in place effective monitoring and management control processes to detect bribery or fraud directly at the source. The Company has strict policies on Ethics and Business Conduct and implemented the policies in order to promote ethical conduct in all our business and operation activities. We have also issued a Whistleblowing Policy, and have established a whistleblowing channel for reporting of complaints and grievances via email directly to the AC Chairman. Complaints and grievances can be lodged to our AC Chairman, by any employee, and including any other concerned stakeholders such as customers, suppliers, competitors and contractors.

SUSTAINABILITY REPORT

By establishing this direct email channel, our stakeholders are assured that all reports or suspicions of potential breaches of our Code of Ethics are taken seriously by the Group. Our stakeholders can reach our AC Chairman, Mr Goh Lik Kok via his email at whistleblow@grp.com.sg.

COMPLIANCE WITH LAWS AND REGULATIONS

GRP takes pride in having established good corporate governance practices, and abiding by the Code. We also diligently comply with the listing rules and regulations of the SGX-ST, the Securities and Futures Act, as well as all other applicable laws and regulations of the countries we operate in. This commitment has been established by the issue of various policies and codes of ethical conduct, and monitoring for their compliance.

The Group has always ensured that we only deal with authorised/regulated agents, suppliers, customers and other service providers. In line with this policy, the Group has engaged a remittance agent in Singapore, who is licensed by Monetary Authority of Singapore, to manage any transfer of funds from China subsidiaries to Singapore subsidiaries. Additionally, in September 2020, we have also negotiated and established a legal services retainer agreement, to facilitate and enhance our corporate governance and compliance. In September 2023 we have employed a General Counsel to further enhance our corporate governance compliance.

To further strengthen and ensure our compliance processes, we ensure that our employees are kept abreast of the dynamic regulatory landscape. We regularly receive or request updates or clarifications from our professional service providers, being our corporate secretaries, our internal and external auditors and our lawyers.

ECONOMIC PERFORMANCE

For more information on our economic performance, please refer to our Chairman's message.

BOARD OF DIRECTORS

The Board comprise six Directors of which four are Independent Directors and one is Executive Director and the other is Non-Executive Director. Please see "GRP's Governance Framework" in Corporate Governance Report.

INVESTORS AND MEDIA

GRP being an SGX-listed company, has various policies and guidelines to ensure compliance and to timely disclose all material and/or price sensitive information and transaction. Such information is available on the SGX website, and on a dedicated investor relations webpage where we publish materials related to our financial results and announcements. We are committed to ensuring that our stakeholders are informed fully and promptly and fulfilling the requirements stipulated by the SGX-ST.

GRI 2: GENERAL DISCLOSURES 2021

GRI Standards	Disclosure	Page Reference
The organisation and its reporting practices		
2-1	Organisation details	Page 2-4
2-2	Entities included in the organisation's sustainability reporting	All entities in the organisation in the financial reporting are included.

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Page Reference
The organisation and its reporting practices		
2-3	Reporting period, frequency and contact point	Page 57, IBC
2-5	External assurance	Page 57-58
Activities and workers		
2-6	Activities, value chain and other business relationships	Page 2-3, 63-64
2-7	Employees	Page 66
2-8	Workers who are not employees	All employees of the Group are permanent employees
Governance		
2-9	Governance structure and composition	Page 14, 17-18, 58-59
2-10	Nomination and selection of the highest governance body	Page 14, 17-18
2-11	Chair of the highest governance body	Page 17-18
2-12	Role of the highest governance body in overseeing the management of impacts	Page 14-18, 58-59
2-13	Delegation of responsibility for managing impacts	Page 17-18
2-14	Role of the highest governance body in sustainability reporting	Page 57-59
2-15	Conflicts of interest	Page 15
2-16	Communication of critical concerns	Concerns are raised at quarterly or ad hoc Board meetings.
2-17	Collective knowledge of the highest governance body	Page 22-23
2-18	Evaluation of performance of the highest governance body	Page 29-30
2-19	Remuneration policies	Page 30-32
2-20	Process to determine remuneration	Page 31-32
2-21	Annual total compensation ratio	Page 32-35
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 57-61
2-23	Policy commitments	Page 57-59

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Page Reference
Strategy, policies and practices		
2-26	Mechanisms for seeking advice and raising concerns	Page 57-64
2-27	Compliance with laws and regulations	Page 67
2-28	Membership associations	Singapore Business Federation
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Page 60-61

CRI 3: MATERIAL TOPICS 2021

The organisation and its reporting practices		
3-1	Process to determine material topics	Page 58-60
3-2	List of material topics	Page 60
Economic Performance		
GRI 3: Material Topics 2021	Management of material topics	Page 67
Energy, Usage and Associated GHG Emissions		
GRI 3: Material Topics 2021	Management of material topics	Page 64-66
GRI 302: Energy 2016 302-1	Energy consumption within the organisation	Page 64-66
302-3	Energy intensity	Page 64-66
GRI 305: Emissions 2016 305-1	Direct (Scope 1) GHG Emission	Page 64-66
305-2	Energy indirect (Scope 2) GHS Emission	Page 64-66
Talent, Management and Development		
GRI 3: Material Topics 2021 3-3	Management of material topics	Page 66
GRI 404: Training and Education 404-1	Average hours of training per year per employee	Page 66

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Page Reference
Customer Satisfaction		
GRI 3: Material Topics 2021 3-3	Management of material topics	Page 63-64
Health and Safety of The Stakeholders		
GRI 3: Material Topics 2021 3-3	Management of material topics	Page 65-66
GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Page 65
Corporate Governance		
GRI 3: Material Topics 2021 3-3	Management of material topics	Page 67
GRI 205: Anti-corruption 2016 205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption and actions taken

Note:

GRP takes a phased approach to the adoption of the GRI indicators and will review annually for their relevancy.

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, 2023.

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 81 to 155 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, 2023, 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
Goh Lik Kok
Mahtani Bhagwandas
Peter Moe
David Su Hsieng Loong (appointed on June 5, 2023)
Colin Tay Yong Lee (appointed on August 24, 2023)

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 Companies Act 1967 (the "Act") except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which the director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The company	Ordinary shares		Ordinary shares	
Teo Tong How	8,115,600	8,215,600	-	-
Mahtani Bhagwandas	252,000	252,000	-	-
Goh Lik Kok	50,000	50,000	-	-
David Su Hsieng Loong	-	-	-	53,000,000
Colin Tay Yong Lee	-	-	-	11,887,640

On June 5, 2023, the controlling shareholder, Mr Kwan Chee Seng ("Mr Kwan") has entered into a conditional sale and purchase agreements to sell an aggregate of 64,887,640 ordinary shares in the capital of the company to Mr David Su Hsieng Loong ("Mr Su") and Mr Colin Tay Yong Lee ("Mr Colin Tay").

DIRECTORS' STATEMENT

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

As announced by the company on August 7, 2023, Mr Kwan had informed the company that the Sales and Purchase agreement with Mr Su ("DS SPA") has been terminated on August 7, 2023 due to non-fulfilment of certain contractual obligations on the part of the buyer, Mr Su and therefore Mr Kwan has not transferred any shares under the DS SPA to the buyer.

The directors' interests in the shares of the company as at July 21, 2023 were the same as at June 30, 2023.

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 financial year under the Scheme and there is no option outstanding as at the beginning and end of the financial year.

The Scheme approved by the shareholders of the company is administered by the Remuneration Committee. As at June 30, 2023, 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.

DIRECTORS' STATEMENT

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, 2023, 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 four Audit Committee meetings. The Audit Committee met as necessary and performed the functions specified in the Singapore Companies Act 1967. 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 financial year ended June 30, 2023 as well as the auditor's report thereon prior to their submission to the Board of Directors for adoption.

DIRECTORS' STATEMENT

6 AUDITORS

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Teo Tong How

.....
Colin Tay Yong Lee

October 10, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying 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, 2023, 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 financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 155.

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 1967 (the "Act") and Singapore Financial Reporting Standards (International) ["SFRS(I)"] 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, 2023, 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 financial year ended on that date.

Basis for Qualified Opinion

1. Transactions and agreements entered into by former CEO

As disclosed in Note 26 and Note 8 to the financial statements, in June 2023, the group engaged several service providers ("the Service Providers") located in Singapore, People's Republic of China ("PRC"), and United States of America ("USA") as initiated by the former CEO. The group made payments totalling \$291,370 for retainer fees related to mergers and acquisitions ("M&A") and related advisory services ("the Corporate M&A services") to the above-mentioned Service Providers. The group recognised \$223,570 within expenses (Note 26 to the financial statements) and \$67,800 as Other Receivables (Note 8 to the financial statements). These services encompassed real estate investment consultation service, debt recovery, project management, strategy management, strategy consultation and legal services. These engagements were governed by five service agreements (collectively referred to as "the Consultancy Agreements"). As disclosed in Note 36 to the financial statements, subsequent to the financial year end, the Service Providers submitted further claims for professional fees and out-of-pocket disbursements amounting to \$197,101 which relate to the financial year ended June 30, 2023. These claims were not recognised in the financial statements as of and during the financial year ended June 30, 2023 as the group is still reviewing these claims to ascertain if the services from the Service Providers were related to the group's business, or related to personal affairs of the former CEO.

On August 2, 2023, the group announced it has required the former CEO to henceforth cease, and the former CEO has henceforth ceased, exercising and performing all powers and duties as CEO. In August 2023, management formally wrote to the Service Providers, requesting the termination of further services under the Consultancy Agreements and requested for return of previously paid retainer fees. As of the date of this report, we understand from management that the group has not received confirmation from the Service Providers regarding the acceptance of these return requests, except for one Service Provider that refunded \$67,800 subsequent to the financial year.

We are unable to corroborate the services or deliverables rendered by the Service Providers in relation to the Consultancy Agreements and whether the services provided by the Service Providers align with what was outlined in the Consultancy Agreements. Additionally, we noted the out-of-pocket disbursements claims by certain Service Providers related to travel expenses reportedly incurred by the

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements (cont'd)

Basis for Qualified Opinion (cont'd)

1. Transactions and agreements entered into by former CEO (cont'd)

group's former CEO and were paid by the said Service Providers. We are unable to satisfactorily assess and conclude whether any of the Corporate M&A services are related party transactions and whether the Consultancy Agreements were entered into on normal commercial terms.

Subsequent to the financial year end, the group appointed an independent party to review and assess the potential financial implications of the Consultancy Agreements. As of the date of this report, the independent party has not completed its review.

Consequently, we were unable to conclude if any adjustments and further disclosures are required on the accompanying consolidated financial statements with respect to the Consultancy Agreements.

2. Non-current advance payment recoverable from the PRC authority

As disclosed in Note 3(i) and Note 8.2(ii), as at June 30, 2023, the group recorded non-current advance payment recoverable from the PRC authority amounted to \$Nil [2022: \$4.6 million (RMB21.9 million)]. This amount relates to the recovery of advances made to the PRC authority in consideration for the group to obtain the first right of refusal to participate in an integrated mixed development project in Tangshan City, PRC. The advances were used to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender.

During the current financial year, the group recognised a full impairment loss of \$4.3 million (RMB21.9 million) on these balances. Management has assessed the remaining advance payment recoverable to determine the recoverable amount of these balances. Despite legal opinion letters and various correspondences sent by the group to the PRC authority in both the current and previous financial years, management has assessed that these balances are long outstanding, and there is no clear indication of recovery from the PRC authority. There was no repayment received from the PRC authority in the current and previous financial year.

In the prior financial year, we were unable to obtain sufficient appropriate audit evidence on the recoverability of the above asset as at June 30, 2022. Since opening balances affect the determination of the current year's consolidated profit or loss, we are unable to determine whether adjustments to the current year's consolidated profit or loss and opening retained earnings might be necessary in respect of the full impairment loss of \$4.3 million (RMB21.9 million) recognised during the current financial year ended June 30, 2023.

The extract for the basis for qualified opinion for the financial year ended June 30, 2022 is disclosed in Note 35 to the financial statements.

Our opinion on the current year's consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

3. Receivables from certain subsidiaries

As disclosed in Note 3(ii) and Note 8.2(iii), as at June 30 2023, the company has receivables due from GRP Development Pte Ltd ("GRP Development") and Tangshan GRP Trading Co Ltd ("Tangshan GRP") of \$6.7 million (2022: \$6.7 million) and \$4.1 million (2022: \$4.2 million) respectively.

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements (cont'd)

Basis for Qualified Opinion (cont'd)

3. *Receivables from certain subsidiaries (cont'd)*

During the current financial year, the company has recognised additional expected credit losses of \$4.9 million (2022: \$0.9 million) on these receivables and the cumulative expected credit loss allowance as at the end of the financial year was \$7.8 million (2022: \$2.9 million). In determining the expected credit losses, management has taken into account the financial position of the subsidiaries and Tangshan GRP's ability to recover non-current advance payment recoverable from the PRC authority of \$Nil [2022: \$4.6 million (RMB21.9 million)] as disclosed in the basis for qualified opinion (2) above.

In the prior financial year, we were unable to obtain sufficient appropriate audit evidence on the recoverability of the remaining receivables from GRP Development Pte Ltd and Tangshan GRP as at June 30, 2022. Since opening balances affect the determination of the current year's profit or loss, we are unable to determine whether adjustments to the current year's profit or loss and opening retained earnings might be necessary in respect of the additional expected credit loss allowance recognised of \$4.9 million (2022: \$0.9 million) during the current financial year.

The extract for the basis for qualified opinion for the financial year ended June 30, 2022 is disclosed in Note 35 to the financial statements.

Our opinion on the current year's consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

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. Except for the matters described in the Basis of Qualified Opinion section, we have determined that there are no other key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements (cont'd)

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, 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 to 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), 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.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements (cont'd)

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

- (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.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of GRP Limited

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 Lee Chee Sum Gilbert.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

October 10, 2023

STATEMENTS OF FINANCIAL POSITION

June 30, 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	7	18,909	22,686	11,230	12,801
Trade receivables	8.1	2,720	2,509	1,110	824
Other receivables	8.2	1,014	1,106	15,820	19,170
Financial assets at fair value through profit or loss	9	19	33	-	-
Contract asset	8.3	1,972	2	-	-
Development properties	11	3,304	3,592	-	-
Development property expenditures	29	9,712	9,444	-	-
Inventories	10	4,752	4,585	-	-
Income tax recoverable		66	-	-	-
Total current assets		42,468	43,957	28,160	32,795
Non-current assets					
Other receivables	8.2	-	4,557	-	-
Property, plant and equipment	16	582	720	79	96
Right-of-use assets	12	459	686	161	-
Intangible asset	14	30	32	24	25
Associates	30	4	3	-	-
Subsidiaries	13	-	-	4,776	6,627
Deferred tax assets	15	96	96	-	-
Total non-current assets		1,171	6,094	5,040	6,748
Total assets		43,639	50,051	33,200	39,543

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

June 30, 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	19	375	367	-	-
Trade payables	17	2,755	1,479	19	21
Lease liabilities	28	364	399	84	-
Other payables	18	2,944	2,658	870	827
Deferred consideration payable	29	2,478	2,698	-	-
Income tax payable		327	178	-	49
Total current liabilities		9,243	7,779	973	897
Non-current liabilities					
Lease liabilities	28	99	301	79	-
Deferred tax liabilities	15	1	1	-	-
Loans and borrowings	19	576	952	-	-
Total non-current liabilities		676	1,254	79	-
Total liabilities		9,919	9,033	1,052	897
Capital, reserves and non-controlling interests					
Share capital	20	44,093	44,093	44,093	44,093
Treasury shares	21	(2,382)	(2,382)	(2,382)	(2,382)
Currency translation reserve		1,049	1,986	-	-
Accumulated losses		(8,820)	(2,708)	(9,563)	(3,065)
Equity attributable to owners of the company		33,940	40,989	32,148	38,646
Non-controlling interests		(220)	29	-	-
Total equity		33,720	41,018	32,148	38,646
Total liabilities and equity		43,639	50,051	33,200	39,543

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2023

		Group	
	Note	2023 \$'000	2022 \$'000
<u>Continuing operations</u>			
Revenue	22	20,719	15,368
Cost of sales		(14,574)	(10,321)
Gross profit		6,145	5,047
Other gains	23	-	77
Other operating income	24	448	607
Net impairment reversal on financial assets		-	38
Distribution costs		(1,886)	(1,880)
Administrative expenses		(10,629)	(4,621)
Finance costs		(42)	(76)
Share of result of associate		(1)	(1)
Loss before income tax		(5,965)	(809)
Income tax expense	25	(396)	(144)
Loss from continuing operations, net of tax	26	(6,361)	(953)
Loss from discontinued operations, net of tax	34	-	(4,572)
Loss for the financial year		(6,361)	(5,525)
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(937)	515
Realisation of reserve upon distribution in specie of LFHL shares		-	2,920
Other comprehensive (loss)/income for the financial year, net of tax		(937)	3,435
Total comprehensive loss for the financial year		(7,298)	(2,090)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Loss attributable to:			
Owners of the company		(6,112)	(5,437)
Non-controlling interests		(249)	(88)
		<u>(6,361)</u>	<u>(5,525)</u>
Loss attributable to owners of the company relates to:			
Loss from continuing operations, net of tax		(6,112)	(865)
Loss from discontinued operations, net of tax		-	(4,572)
		<u>(6,112)</u>	<u>(5,437)</u>
Loss attributable to non-controlling interests of the company relates to:			
Loss from continuing operations, net of tax		(249)	(88)
Loss from discontinued operations, net of tax		-	-
		<u>(249)</u>	<u>(88)</u>
Total comprehensive loss attributable to:			
Owners of the company		(7,049)	(2,002)
Non-controlling interests		(249)	(88)
		<u>(7,298)</u>	<u>(2,090)</u>
Loss per ordinary share from continuing and discontinued operations (cents)			
- Basic	27	<u>(3.39)</u>	<u>(3.02)</u>
- Fully diluted	27	<u>(3.39)</u>	<u>(3.02)</u>
Loss per ordinary share from continuing operations (cents)			
- Basic	27	<u>(3.39)</u>	<u>(0.48)</u>
- Fully diluted	27	<u>(3.39)</u>	<u>(0.48)</u>
Loss per ordinary share from discontinued operations (cents)			
- Basic	27	<u>-</u>	<u>(2.54)</u>
- Fully diluted	27	<u>-</u>	<u>(2.54)</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2023

Group	Share capital	Treasury shares	Currency translation reserve	Accumulated losses	Attributable to owners of company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at July 1, 2022	44,093	(2,382)	1,986	(2,708)	40,989	29	41,018
Total comprehensive loss for the financial year:	-	-	(937)	(6,112)	(7,049)	(249)	(7,298)
Loss for the financial year	-	-	-	(6,112)	(6,112)	(249)	(6,361)
Other comprehensive loss:							
Currency translation differences on consolidation	-	-	(937)	-	(937)	-	(937)
Balance at June 30, 2023	44,093	(2,382)	1,049	(8,820)	33,940	(220)	33,720

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2023

Group	Note	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Accumulated losses	Reserve of disposal group classified as held for owners	Attributable to owners of company	Non-controlling interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at July 1, 2021		72,502	(2,382)	1,471	245	(11,264)	(3,165)	57,407	4,505	61,912
<i>Total comprehensive loss for the financial year:</i>		-	-	515	(245)	(5,437)	3,165	(2,002)	(88)	(2,090)
Loss for the financial year		-	-	-	-	(5,437)	-	(5,437)	(88)	(5,525)
Other comprehensive income/(loss):										
Realisation of reserve upon distribution in specie of LFHL shares		-	-	-	(245)	-	3,165	2,920	-	2,920
Currency translation differences on consolidation		-	-	515	-	-	-	515	-	515
<i>Transactions with owners, recognised directly in equity:</i>										
Capital reduction		(28,409)	-	-	-	28,409	-	-	-	-
Dividend distribution in specie (Note 33)		-	-	-	-	(14,416)	-	(14,416)	-	(14,416)
Disposal of non-controlling interest in LFHL		-	-	-	-	-	-	-	(4,388)	(4,388)
Balance at June 30, 2022		44,093	(2,382)	1,986	-	(2,708)	-	40,989	29	41,018

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2023

	Share capital	Treasury shares	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
Balance at July 1, 2022	44,093	(2,382)	(3,065)	38,646
<i>Total comprehensive loss for the financial year, represented by:</i>				
- Loss for the financial year	-	-	(6,498)	(6,498)
Balance at June 30, 2023	44,093	(2,382)	(9,563)	32,148
Balance at July 1, 2021	72,502	(2,382)	(11,728)	58,392
<i>Total comprehensive loss for the financial year, represented by:</i>				
- Loss for the financial year	-	-	(5,330)	(5,330)
<i>Transactions with owners, recognised directly in equity:</i>				
- Capital reduction	(28,409)	-	28,409	-
- Dividend distribution in specie (Note 33)	-	-	(14,416)	(14,416)
Balance at June 30, 2022	44,093	(2,382)	(3,065)	38,646

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2023

	Group	
	2023	2022
	\$'000	\$'000
Operating activities		
Loss before income tax from continuing operations	(5,965)	(809)
Loss before income tax from discontinued operations	-	(4,484)
Loss before income tax	(5,965)	(5,293)
Adjustments for:		
Depreciation of property, plant and equipment	178	236
Depreciation of right-of-use assets	458	785
Amortisation of intangible asset	2	-
Loss on distribution in specie	-	7,619
Fair value loss on financial assets at fair value through profit or loss	14	11
Interest income	(347)	(98)
Interest expenses	42	71
Finance income	(3)	(433)
Loss on disposal of property, plant and equipment	-	4
Gain on repossession of development property land	-	(3,479)
Allowance for inventories	176	159
Write off of development property expenditure	640	-
Impairment loss for non-current advance payment recoverable from the PRC authority	4,277	-
Write back of doubtful trade receivables	-	(38)
Write back of development properties	-	(77)
Unrealised foreign exchange loss/(gain)	270	(582)
Share of result of associates	1	5
Operating cash flows before movements in working capital	(257)	(1,110)
Trade receivables	(211)	(551)
Other receivables and prepayments	(1,880)	19
Inventories	(316)	353
Development property expenditures	(1,379)	(2,641)
Trade payables	1,276	954
Other payables	66	964
Cash used in operating activities	(2,701)	(2,012)
Income tax paid	(309)	(226)
Net cash used in operating activities	(3,010)	(2,238)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2023

	Group	
	2023	2022
	\$'000	\$'000
Investing activities		
Proceeds from disposal of property, plant and equipment	-	81
Purchase of property, plant and equipment	(70)	(246)
Interest received	347	98
Distribution in specie, net of cash in LFHL	-	(16,178)
Net cash generated from/(used in) investing activities	277	(16,245)
Financing activities		
Interest paid	(42)	(71)
Repayment of bank loans	(368)	(181)
Payment of lease liabilities	(468)	(731)
Net cash used in financing activities	(878)	(983)
Net decrease in cash and cash equivalents	(3,611)	(19,466)
Cash and cash equivalents at beginning of financial year	22,686	42,257
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(166)	(105)
Cash and cash equivalents at end of financial year (Note 7)	18,909	22,686

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

1 GENERAL

The company (Registration No. 197701449C) is incorporated in the Republic of Singapore with its principal place of business and registered office at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712. 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 comprise of investment holding and rental of property.

The principal activities of the subsidiaries are disclosed in Note 13 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 financial year ended June 30, 2023 were authorised for issue by the Board of Directors on October 10, 2023.

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 Companies Act 1967 and Singapore Financial Reporting Standards (International) ["SFRS(I)"].

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On July 1, 2022, the group and the company adopted all the new and revised and SFRS(I) and Interpretations of SFRS(I) ["Int SFRS(I)"] that are relevant to its operations. Changes to the group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new/revise SFRS(I) and INT SFRS(I) did not have any material effect on the amounts reported for the current or prior years.

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended June 30, 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the group and the company.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 *Financial Instruments*, 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 accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are 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.

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;

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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).

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS - Non-current assets (or disposal groups) are classified as assets held for distribution to owners and stated at the lower of carrying amount and fair value less costs to distribute. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to distribute (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for distribution to owners. In addition, equity accounting of associates and joint ventures ceases once classified as held for distribution to owners.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for distribution to owners and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for distribution to owners, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

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 ("FVTPL")) 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 FVTPL are recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 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 ("ECL"), 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. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL.

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 Note 26. Fair value is determined in the manner described in Note 4.

Impairment of financial assets

The group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost and financial guarantee contracts. The amount of ECL 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 ECL 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 ECL 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, 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.

For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the group considers changes in the risk that the specified debtor will default on the contract.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Measurement and recognition of ECL

The measurement of ECL 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 guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For a financial guarantee contract, as the group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the group expects to receive from the holder, the debtor or any other party.

For financial assets, the ECL 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 loan receivables are each assessed as a separate group. Loans to related parties are assessed for ECL 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Derecognition of financial assets

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the group's cash management, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

LEASES - 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 statements 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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;
- 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 *Provisions, Contingent Liabilities and Contingent Assets*. 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 statements of financial position.

The group applies SFRS(I) 1-36 *Impairment of Assets* 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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 – Property, 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 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

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.

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 gain on bargain purchase.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 *Non-current Assets Held for Sale and Discontinued Operations*. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 *Impairment of Assets* 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 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

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 *Financial Instruments*. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

ORDINARY SHARES - Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

TREASURY SHARES - When any entity within the group purchases the company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of the capital of the company, or against the retained earnings of the company if the shares are purchased out of earnings of the company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the company.

DIVIDEND - Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the group's financial statements in the period in which they are approved by the company's shareholders.

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

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. No element of financing is deemed present as the sales are made with a credit term of 7 to 90 days, which is consistent with market practice.

Sale of development properties

The group is in the business of constructing and developing residential and commercial properties. The group recognises revenue either at a point in time or over time, depending on the contractual terms. For development properties where the group is restricted contractually from directing the properties for another use and has enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

For development properties where the group does not have enforceable right to payment commensurate with performance completed to date, revenue is recognised when the customer obtains control of the asset, usually upon transfer of legal title.

Progress billings to customer are based on a payment schedule in the contract and are based upon achievement of specified construction milestones. A contract asset is recognised when the group has performed under the contract but has not yet billed the customer. A contract liability is recognised when the group has not yet performed under the contract but has received advanced payment from the customer. Contract assets are transferred to receivables when the right to consideration become unconditional. Contract liabilities are recognised as revenue as the group performs under the contract.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Dividend income

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

Management fee

Management fee income is recognised when services are rendered. A contract asset is recognised when the company has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the right to consideration become unconditional.

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 over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

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 and Employee Provident Fund in Malaysia, 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

SEGMENT REPORTING - An operating segment is a component of the group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the group. Operating segments are reported in a manner consistent with the internal reporting provided to the group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

3 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 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.

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) Recoverable amount of non-current advance payment recoverable from the PRC authority

As at June 30, 2023, the group recorded non-current advance payment recoverable from the PRC authority amounted to \$Nil [2022: \$4.6 million (RMB21.9 million)]. This amount relates to the recovery of advances made to the PRC authority in consideration for the group to obtain the first right of refusal to participate in an integrated mixed development project in Tangshan City, PRC. The advances were used to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender.

There was no repayment in the current and previous financial year. During the current financial year, the group has recognised a full impairment loss of \$4.3 million (RMB21.9 million) on these balances.

Management has assessed the remaining advance payment recoverable to determine the recoverable amount of these balances. Despite legal opinion letters and various correspondences sent by the group to the PRC authority in both the current and previous financial years, management has assessed that these balances are long outstanding, and there is no clear indication of recovery from the PRC authority. The carrying amount of the non-current advance payment recoverable from the PRC authority is disclosed in Note 8.2(ii) to the financial statements.

(ii) Recoverable amount of receivables from subsidiaries

Receivable from GRP Development Pte Ltd and Tangshan GRP

As at June 30, 2023, the company has receivables due from GRP Development Pte Ltd and Tangshan GRP amounting to \$6.7 million (2022: \$6.7 million) and \$4.1 million (2022: \$4.2 million) respectively. During the current financial year, the company has recognised additional ECL of \$4.9 million (2022: \$0.9 million) on these receivables and the cumulative ECL allowance as at the end of the financial year was \$7.8 million (2022: \$2.9 million). In determining the ECL, management has taken into account the financial position of the subsidiaries and Tangshan GRP's ability to recover non-current advance payment recoverable from the PRC authority of \$Nil (2022: \$4.6 million) (RMB21.9 million) as disclosed in Note 3(i) and Note 8.2(iii).

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

3 KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(ii) Recoverable amount of receivables from subsidiaries (cont'd)

Receivable from other subsidiaries

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month 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. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

(iii) ECL on 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.

(iv) Estimation of net realisable value of development properties and development property expenditures

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 development properties and development property expenditures are disclosed in Note 11 and Note 29 respectively. The write back on development properties is recognised as "other gains" in profit or loss and disclosed in Note 23 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

3 KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(v) Impairment 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, additional impairment of \$1,851,000 on investment in subsidiaries was made during the financial year.

The carrying amount of investments in subsidiaries is disclosed in Note 13 to the financial statements.

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Amortised cost:				
Cash and bank balances	18,909	22,686	11,230	12,801
Trade receivables	2,720	2,509	1,110	824
Other receivables	993	1,063	15,820	19,149
Financial assets at FVTPL	19	33	-	-
Total	22,641	26,291	28,160	32,774
<u>Financial liabilities</u>				
Amortised cost:				
Trade payables	2,713	1,430	-	10
Other payables	2,944	2,658	870	827
Loans and borrowings	951	1,319	-	-
Lease liabilities	463	700	163	-
Total	7,071	6,107	1,033	837

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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"), Euro Dollar ("EUR"), Great Britain Pound ("GBP"), 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	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
USD	24	4	310	342	-	-	48	49
MYR	-	-	-	-	-	-	-	552
EUR	3	12	-	-	-	-	-	-
GBP	19	-	53	52	-	-	9	9
CNY	-	-	5	5	-	-	1	1
JPY	85	49	7	19	-	-	-	-

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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 of the group/company will increase (decrease) by:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
USD	14	17	2	2
MYR	-	-	-	28
EUR	-	(1)	-	-
GBP	2	3	-	-
JPY	(4)	(2)	-	-

(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 creditworthiness and limiting the aggregate use to any individual counterparty.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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 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.

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

Category	Description	Basis for recognising 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, 2023						
Trade receivables (outside parties)	8.1	(i)	Lifetime ECL (simplified approach)	2,720	-	2,720
Other receivables	8.2	(iii)	Lifetime ECL	1,161	(1,161)	-
Other receivables	8.2	Performing	12-month ECL	993	-	993
Contract assets	8.3	(ii)	Lifetime ECL (simplified approach)	1,972	-	1,972
				6,846	(1,161)	5,685

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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, 2022						
Trade receivables (outside parties)	8.1	(i)	Lifetime ECL (simplified approach)	2,509	-	2,509
Other receivables	8.2	(iii)	Lifetime ECL	1,161	(1,161)	-
Other receivables	8.2	Performing	12-month ECL	1,063	-	1,063
				4,733	(1,161)	3,572

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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, 2023						
Trade receivables (subsidiaries)	8.1	(iii)	Lifetime ECL (simplified approach)	6,240	(5,130)	1,110
Other receivables	8.2	(iii)	Lifetime ECL	26,117	(10,469)	15,648
Other receivables	8.2	Performing	12-month ECL	171	-	171
				32,528	(15,599)	16,929
June 30, 2022						
Trade receivables (outside parties)	8.1	(i)	Lifetime ECL (simplified approach)	37	-	37
Trade receivables (subsidiaries)	8.1	(iii)	Lifetime ECL (simplified approach)	5,487	(4,700)	787
Other receivables	8.2	(iii)	Lifetime ECL	16,727	(5,086)	11,641
Other receivables	8.2	Performing	12-month ECL	7,508	-	7,508
				29,759	(9,786)	19,973

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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)

- (i) The group has applied the simplified approach in SFRS(I) 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The group determines the ECL 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) Contract assets relate to the group's rights to consideration for work completed but not billed at the reporting date, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.
- (iii) 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 FVTPL as disclosed in Note 9 best represents their 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.

For the purpose of impairment assessment, the loss allowance on the amounts due from subsidiaries (except for balance due from Tangshan GRP and GRP Development Pte Ltd) is measured at an amount equal to lifetime 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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)

In determining the lifetime ECL on the receivables due from Tangshan GRP and GRP Development Pte Ltd amounting to \$4.1 million and \$6.7 million, management has taken into account the financial position of the subsidiary, the recoverability of non-current advance payment recoverable from the PRC authority [Note 3(i) and Note 8.2(ii)].

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 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.

In addition, the group is exposed to credit risk in relation to financial guarantees given to banks. The group's maximum exposure in this respect is the maximum amount the group could have to pay if the guarantee is called on. Management has assessed that there is immaterial credit loss as the subsidiary has strong financial capacity to make repayments of the outstanding loan.

(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.

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 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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)

Financial assets (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 year	Interest expense	Total
	%	\$'000	\$'000	\$'000	\$'000
Group					
June 30, 2023					
Non-interest bearing	-	8,380	-	-	8,380
Fixed interest rate instruments	4.03	14,816	-	(574)	14,242
		23,196	-	(574)	22,622
June 30, 2022					
Non-interest bearing	-	12,945	-	-	12,945
Fixed interest rate instruments	0.85	13,428	-	(113)	13,315
		26,373	-	(113)	26,260
Company					
June 30, 2023					
Non-interest bearing	-	18,012	-	-	18,012
Fixed interest rate instruments	4.03	10,555	-	(408)	10,147
		28,567	-	(408)	28,159
June 30, 2022					
Non-interest bearing	-	23,614	-	-	23,614
Fixed interest rate instruments	1.30	9,279	-	(119)	9,160
		32,893	-	(119)	32,774

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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)

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 liabilities on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 year	Interest expense	Total
	%	\$'000	\$'000	\$'000	\$'000
Group					
June 30, 2023					
Non-interest bearing	-	5,657	-	-	5,657
Fixed interest rate instruments	2.00	391	585	(25)	951
Lease liabilities	3.00	382	92	(11)	463
		<u>6,430</u>	<u>677</u>	<u>(36)</u>	<u>7,071</u>
June 30, 2022					
Non-interest bearing	-	4,088	-	-	4,088
Fixed interest rate instruments	2.00	391	976	(48)	1,319
Lease liabilities	3.00	415	306	(21)	700
		<u>4,894</u>	<u>1,282</u>	<u>(69)</u>	<u>6,107</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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)

Financial liabilities (cont'd)

Company

All categories of financial liabilities listed in Note 4(a) do not bear interest and are repayable on demand or within one financial year, except for lease liabilities as disclosed in Note 28. Under the financial guarantee contract (Note 31), the maximum amount that the company could be forced to settle is \$1,500,000 within 2 to 5 years if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(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 lease liabilities as disclosed in Note 28 and loans and borrowings as disclosed in Note 19.

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.

The fair value hierarchy adopted in fair value measurements of the group's and the company's financial assets at FVTPL is as follows:

- (a) Level 1 for investment in Luminor Financial Holdings Limited ("LFHL"), which are quoted shares in active markets, and;
- (b) Level 3 and valued at zero as the land transfer, deed assignment for the account receivables of Energiser Enterprise Sdn Bhd ("EESB") and joint development of student accommodation units are not foreseeable in the near future (Note 9).

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial years ended June 30, 2023 and 2022.

(vi) Capital management policies and objectives

The capital structure of the group comprises issued capital, statutory reserve, currency translation reserve, reserve of disposal group classified as held for distribution to owners and accumulated losses.

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 financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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	
	2023	2022
	\$'000	\$'000
Rental income from a related party in which a director is a key management personnel and has significant influence	-	(172)
Management fee income from a related party in which a director is a key management personnel and has significant influence	(382)	(248)
Rental expense paid to a related party in which a director is a key management personnel and has significant influence	73	-
Interest expense paid on amount due to a director of subsidiary	-	28

Compensation of directors and key management personnel

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

	Group	
	2023	2022
	\$'000	\$'000
Short-term benefits	1,684	1,862
Post-employment benefits	58	74
	1,742	1,936

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

7 CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank	4,667	9,371	1,083	3,641
Fixed deposits	14,242	13,315	10,147	9,160
Cash and cash equivalents	18,909	22,686	11,230	12,801

As at June 30, 2023, fixed deposits earned interest at rates ranging from 3.80% to 4.25% (2022: 1.05% to 1.50%) per annum. The tenure of fixed deposits at financial year end ranged from 89 days to 366 days (2022: 60 days to 150 days).

Cash and bank balances of \$3,741,000 (2022: \$4,241,000) are held in the PRC and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

8 TRADE AND OTHER RECEIVABLES

8.1 TRADE RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Outside parties	2,720	2,509	-	37
Subsidiaries	-	-	6,240	5,487
	2,720	2,509	6,240	5,524
Less: Loss allowance				
- Outside parties	-	-	-	-
- Subsidiaries	-	-	(5,130)	(4,700)
	2,720	2,509	1,110	824

The credit period on sale of goods/rendering of services is between 7 to 90 days (2022: 7 to 90 days). No interest is charged on overdue trade receivables.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

8. TRADE AND OTHER RECEIVABLES (cont'd)

8.1 TRADE RECEIVABLES (cont'd)

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 \$'000	Lifetime ECL \$'000	Total \$'000
Group				
June 30, 2023				
Current (not past due)	-	1,254	-	1,254
1 to 90 days past due	-	1,326	-	1,326
91 to 180 days past due	-	131	-	131
181 to 360 days past due	-	9	-	9
		2,720	-	2,720
June 30, 2022				
Current (not past due)	-	1,829	-	1,829
1 to 90 days past due	-	473	-	473
91 to 180 days past due	-	194	-	194
181 to 360 days past due	-	13	-	13
		2,509	-	2,509

The ECL of trade receivables of the company is described in Note 4(b)(iii).

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

Group	2023 \$'000	2022 \$'000
Balance at beginning of the financial year	-	38
Loss allowance reversed during the financial year	-	(38)
Balance at end of the financial year	-	-

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

8. TRADE AND OTHER RECEIVABLES (cont'd)

8.1 TRADE RECEIVABLES (cont'd)

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

<u>Company</u>	2023	2022
	\$'000	\$'000
Balance at beginning of the financial year	4,700	3,960
Loss allowance recognised in profit or loss during the financial year	430	740
Balance at end of the financial year	5,130	4,700

8.2 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Prepayments	21	43	1	21
Other deposits	143	627	23	27
Sundry receivables	782	436	80	34
Consultancy service fees – refundable retainer fees ^(iv)	68	–	68	–
Subsidiaries (Note 5) ⁽ⁱⁱⁱ⁾	–	–	24,956	23,013
	1,014	1,106	25,128	23,095
Less: Loss allowances				
- Subsidiaries	–	–	(9,308)	(3,925)
	1,014	1,106	15,820	19,170
Short term loan receivable ⁽ⁱ⁾	1,161	1,161	1,161	1,161
Less: Allowance for short term loan receivable ⁽ⁱ⁾	(1,161)	(1,161)	(1,161)	(1,161)
	1,014	1,106	15,820	19,170
<u>Non-current</u>				
Advance payment recoverable from the PRC authority ⁽ⁱⁱ⁾	4,557	4,557	–	–
Less: Impairment losses ⁽ⁱⁱ⁾	(4,557)	–	–	–
	–	4,557	–	–

⁽ⁱ⁾ Balance as at June 30, 2023 and 2022 pertains to a loan given to a company owned by Mr Su, who was appointed as CEO on June 5, 2023. On August 2, 2023, the group announced it has required the former CEO to henceforth cease, and the former CEO has henceforth ceased, exercising and performing all powers and duties as CEO. As the company 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 since the financial year ended June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

- (iii) Amount relates to part of advance payment in accordance with agreement entered with the People's Government of Kaiping District to obtain the first right of refusal to participate in an integrated mixed development project in Tangshan City, PRC. The group received no payment during the current and previous financial year.

During the current financial year, the group recognised a full impairment loss of \$4.3 million (RMB21.9 million) on these balances in the Property segment. Management has assessed the remaining advance payment recoverable to determine the recoverable amount of these balances. Despite legal opinion letters and various correspondences sent by the group to the PRC authority in both the current and previous financial years, management has assessed that these balances are long outstanding, and there is no clear indication of recovery from the PRC authority. There was no repayment received from the PRC authority in the current and previous financial year.

The impairment loss of \$4,557,000 consists of a full impairment loss of \$4,277,000 recognised in the current financial year ended June 30, 2023 and the foreign exchange effects from RMB to SGD.

- (iii) As at June 30, 2023, the company has receivables amount due from GRP Development Pte Ltd and Tangshan GRP of \$6.7 million (2022: \$6.7 million) and \$4.1 million (2022: \$4.2 million) respectively. During the current financial year, the company has recognised additional ECL of \$4.9 million (2022: \$0.9 million) on these receivables and the cumulative ECL allowance as at the end of the financial year was \$7.8 million (2022: \$2.9 million). In determining the ECL, management has taken into account the financial position of the subsidiaries and Tangshan GRP's ability to recover non-current advance payment recoverable from the PRC authority of \$Nil (2022: \$4.6 million) (RMB21.9 million) as disclosed in Note 3(i) and Note 8.2(ii).

- (iv) In June 2023, the group engaged several service providers ("the Service Providers") located in Singapore, People's Republic of China, and United States of America as initiated by the former CEO. The group made payments totalling \$291,370 for retainer fees related to mergers and acquisitions and related advisory services to the above-mentioned Service Providers. These engagements were governed by five service agreements ("the Consultancy Agreements"). In August 2023, management formally wrote to the Service Providers, requesting the termination of further services under the Consultancy Agreements and requested for return of previously paid retainer fees. As of the date of this report, the group has not received confirmation from the Service Providers regarding the acceptance of these return requests, except for one Service Provider that refunded \$67,800 subsequent to the financial year.

Subsequent to the financial year end, the group appointed an independent party to review and assess the potential financial implications of the Consultancy Agreements. As of the date of this report, the independent party has not completed its review.

The following table shows the movement in lifetime ECL that has been recognised for other receivables.

Group	2023	2022
	\$'000	\$'000
Balance at beginning of the financial year	1,161	1,730
Loss allowance written off during the financial year	-	(569)
Balance at end of the financial year	<u>1,161</u>	<u>1,161</u>
Company		
Balance at beginning of the financial year	5,086	16,033
Loss allowance written off during the financial year	-	(12,832)
Loss allowance recognised in profit or loss during the financial year	5,383	1,885
Balance at end of the financial year	<u>10,469</u>	<u>5,086</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.3 CONTRACT ASSETS

Contract assets relate to the group's rights to consideration for work completed but not billed at the reporting date on the group's property development businesses.

The following table provides information about contract assets from contracts with customers.

Group	2023	2022	July 1, 2021
	\$'000	\$'000	\$'000
Trade receivables from contracts with customers	846	290	-
Contract assets	1,972	2	-

Contract asset balance increased significantly as the group provided more property development services ahead of the agreed payment schedules.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2023	2022
	\$'000	\$'000
Financial assets measured at FVTPL:		
- Investment in LFHL	19	33
- Investment in redeemable convertible preference shares ("RCPS")	-	-
	19	33

The investment in RCPS relate to the aggregate principal amount for the subscription of 15,250 RCPS issued by 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, the fair value of the RCPS is assessed at \$Nil during the previous financial year.

As announced by the company on July 19, 2022, the land transfer agreement and its supplemental agreement had expired on June 30, 2022. The company had decided not to further extend the timeline for the restructuring and will pursue actions to recover the outstanding amount. The company and the other RCPS holders are in negotiation with EESB to reach new settlement terms. Due to uncertainties in recoverability, the RCPS amount remained at \$Nil as at June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

10 INVENTORIES

	Group	
	2023	2022
	\$'000	\$'000
Finished goods	4,752	4,585

Inventories are stated net of write down of \$2,654,000 (2022: \$2,505,000) to state inventories at the lower of cost and estimated net realisable values.

11 DEVELOPMENT PROPERTIES

	Group	
	2023	2022
	\$'000	\$'000
Land costs	3,736	4,062
Write down of development properties	(470)	(488)
Exchange realignment	38	18
	3,304	3,592

The write-down of development properties of \$Nil (2022: \$77,000) was made during the financial year due to changes in net realisable value of development properties.

Development properties as at the end of reporting period are as follows:

Location	Carrying amount (\$'000)		Group's effective interest
	2023	2022	
Lot 2149N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,062	1,154	100.00%
Lot 2147N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,118	1,215	100.00%
Lot 2148N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,124	1,223	100.00%
Total	3,304	3,592	

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

12 RIGHT-OF-USE ASSETS

The group leases several office premises. The average lease term is 2-3 years (2022: 1-3 years).

In addition, the group leases certain office space with contractual terms of less than 12 months. These leases are short term (Note 26). The group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 28 and the movement in financing cash flow for leases is disclosed in Note 19.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cost:				
Balance at beginning of financial year	1,189	2,525	-	1,320
Addition	231	-	231	-
Termination of leases	(345)	(1,336)	-	(1,320)
Balance at end of financial year	1,075	1,189	231	-
Accumulated depreciation:				
Balance at beginning of financial year	503	1,124	-	996
Depreciation	458	713	70	324
Termination of leases	(345)	(1,334)	-	(1,320)
Balance at end of financial year	616	503	70	-
Carrying value	459	686	161	-

Leases not yet commenced to which the lessee is committed

On March 23, 2023, the group entered into a 3-year lease to rent an office premise, of which the lease period will only commence in July 2023. The aggregate future cash outflows to which the company is exposed is fixed payment of \$126,792 per year for the first year and \$129,684 per year for the next two years. There are no extension or termination options on the lease.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

13 SUBSIDIARIES

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity shares, at cost	7,135	7,135
Impairment loss	(2,359)	(508)
Total	4,776	6,627
Movement in impairment loss:		
Balance at beginning of the financial year	508	84
Impairment loss recognised in profit or loss	1,851	424
Balance at end of the financial year	2,359	508

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired.

During the financial year, the management performed an impairment test for an investment in a specific subsidiary in the hose segment, as this subsidiary had been persistently making losses and in a net liability position. The recoverable amount of this subsidiary has been determined to be \$Nil, based on its fair value less cost of disposal. The fair value was determined as the adjusted value of assets upon disposal and realisation of liabilities, and the measurement is categorised in Level 3 of the fair value hierarchy. A full impairment charge of \$1,851,000 was recognised in the current financial year ended June 30, 2023 for this investment in subsidiary.

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
		2023	2022	2023	2022	
		%	%	%	%	
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	Singapore	100.0	100.0	100.0	100.0	Investment holding.
Region Suppliers (Pte) Limited	Singapore	100.0	100.0	100.0	100.0	Trading of measuring instruments and scientific apparatus.

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13 SUBSIDIARIES (cont'd)

Details of the company's subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
<u>Held by the company (cont'd)</u>						
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.
<u>Held by GRP Suppliers Pte Ltd</u>						
GRP Hua Kai (S) Pte Ltd (formerly known as 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 Pte Ltd	Singapore	100.0	100.0	100.0	100.0	Supply and servicing of industrial/marine hoses, fittings and related products.
<u>Held by GRP Land Pte Ltd</u>						
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.

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13 SUBSIDIARIES (cont'd)

Details of the company's subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
<u>Held by GRP Projects Pte Ltd</u>						
GRP Services Myanmar Co., Ltd ⁽³⁾	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.
GRP Energiser Sdn Bhd ⁽¹⁾	Malaysia	70.0	70.0	70.0	70.0	Property construction, development and management.
<u>Held by GRP Development Pte Ltd</u>						
Tangshan GRP Trading Co Ltd ⁽²⁾	PRC	100.0	100.0	100.0	100.0	Trading activities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

13 SUBSIDIARIES (cont'd)

Details of the company's subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
<u>Held by GRP Dormitories Pte Ltd</u>						
GRP Project Management Sdn Bhd ⁽¹⁾	Malaysia	100.0	100.0	100.0	100.0	Development and management of properties.
<u>Held by GRP Developments Sdn Bhd</u>						
Multiple Lodge Sdn Bhd ⁽¹⁾	Malaysia	67.5	67.5	67.5	67.5	Property development.
GRP Hose & Marine Sdn. Bhd. (formerly known as GRP Hua Kai Sdn. Bhd.) ⁽¹⁾	Malaysia	100.0	100.0	100.0	100.0	Trading of infrastructure building materials.
<u>Held by VDH Land Sdn Bhd</u>						
VDH Tower (Ipoh) Sdn Bhd ⁽¹⁾	Malaysia	86.3	86.3	86.3	86.3	Development and management of properties.
<u>Held by GRP Project Management Sdn Bhd</u>						
Rumah Kami Sdn Bhd ⁽¹⁾	Malaysia	70.0	70.0	70.0	70.0	Development and management of properties and investment holding.
<u>Held by Rumah Kami Sdn Bhd</u>						
Ratus Nautika Sdn Bhd ⁽¹⁾	Malaysia	70.0	70.0	70.0	70.0	Development and management of properties.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

13 SUBSIDIARIES (cont'd)

All entities in the group are audited by Baker Tilly TFW LLP except for subsidiaries that are indicated as follows:

- ⁽¹⁾ Audited by independent overseas member firm of Baker Tilly International.
- ⁽²⁾ Audited by Baker Tilly TFW LLP for purpose of consolidation.
- ⁽³⁾ Not audited as the subsidiaries are considered to be insignificant for the purpose of consolidation.

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the group as at June 30, 2023 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries	
		2023	2022
Investment holdings.	Singapore	5	5
Supply and servicing of industrial/marine hoses, fittings and related products.	Singapore	3	3
Trading of measuring instruments and scientific apparatus and other trading activities.	Singapore, Malaysia and PRC	4	4
Management of property projects.	Myanmar	1	1
Development and management of dormitories.	Singapore	1	1
Development and management of properties.	Malaysia	3	3

Non-wholly-owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the group as at June 30, 2023 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries	
		2023	2022
Investment holdings.	Singapore and Malaysia	1	1
Property development and management service, marketing planning of property.	Malaysia	4	4

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

14 INTANGIBLE ASSET

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Club membership</u>				
Balance at beginning of the financial year	32	32	25	25
Amortisation	(2)	-	(1)	-
Balance at end of the financial year	30	32	24	25

15 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	
	2023	2022
	\$'000	\$'000
Deferred tax liabilities	(1)	(1)
Deferred tax assets	96	96
	95	95

The movements for the financial year were as follows:

	Provisions	Tax losses	Total
	\$'000	\$'000	\$'000
<u>Group</u>			
At July 1, 2021	-	274	274
Credited to profit or loss for the financial year (Note 25)	(189)	-	(189)
Exchange differences	10	-	10
At June 30, 2022	(179)	274	95
Debited to profit or loss for the financial year (Note 25)	9	-	9
Exchange differences	(9)	-	(9)
At June 30, 2023	(179)	274	95

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Total \$'000
Group						
Cost:						
At July 1, 2021	389	586	661	306	315	2,257
Exchange differences	(10)	(7)	(5)	-	-	(22)
Additions	-	94	10	-	142	246
Disposals	-	(187)	(38)	-	(153)	(378)
At June 30, 2022	379	486	628	306	304	2,103
Exchange differences	(30)	(22)	(17)	(1)	(2)	(72)
Additions	-	-	32	-	38	70
Disposals	-	-	(20)	(2)	-	(22)
At June 30, 2023	349	464	623	303	340	2,079
Accumulated depreciation:						
At July 1, 2021	161	320	566	216	250	1,513
Exchange differences	(4)	(2)	(4)	(1)	-	(11)
Depreciation	6	67	35	38	28	174
Disposals	-	(187)	(37)	-	(69)	(293)
At June 30, 2022	163	198	560	253	209	1,383
Exchange differences	(13)	(12)	(15)	(1)	(1)	(42)
Depreciation	6	76	32	32	32	178
Disposals	-	-	(20)	(2)	-	(22)
At June 30, 2023	156	262	557	282	240	1,497
Carrying amount:						
At June 30, 2022	216	288	68	53	95	720
At June 30, 2023	193	202	66	21	100	582

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

16 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Total \$'000
Company			
Cost:			
At July 1, 2021	186	191	377
Additions	73	2	75
Disposals	(186)	(39)	(225)
At June 30, 2022	73	154	227
Additions	-	5	5
At June 30, 2023	73	159	232
Accumulated depreciation:			
At July 1, 2021	186	161	347
Depreciation	5	3	8
Disposals	(186)	(38)	(224)
At June 30, 2022	5	126	131
Depreciation	13	9	22
At June 30, 2023	18	135	153
Carrying amount:			
At June 30, 2022	68	28	96
At June 30, 2023	55	24	79

17 TRADE PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Outside parties	2,713	1,430	-	10
Net GST payable	42	49	19	11
	2,755	1,479	19	21

The credit period on purchases of goods range from 30 to 90 days (2022: 30 to 90 days).

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

18 OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Employee benefits	834	984	414	518
Operating expenses ⁽ⁱ⁾	1,720	1,339	446	191
Trade deposits from contractors	163	26	-	-
Other current liabilities	227	309	10	118
	<u>2,944</u>	<u>2,658</u>	<u>870</u>	<u>827</u>

⁽ⁱ⁾ Operating expenses as at June 30, 2023 and June 30, 2022 included provision for penalty on funds transferred from PRC by a subsidiary, Tangshan GRP, amounting to \$748,000.

19 LOANS AND BORROWINGS

	Group	
	2023	2022
	\$'000	\$'000
Bank loan:		
- Current	375	367
- Non-current	576	952
	<u>951</u>	<u>1,319</u>

The bank loan relates to an Enterprise Financing Scheme Temporary Bridging loan granted to a wholly owned subsidiary. It is unsecured and guaranteed by the company.

Interest is charged at 2% per annum. The tenure for the loan is 5 years.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

19 LOANS AND BORROWINGS (cont'd)

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.

	Bank loans	Lease liabilities	Amount due to non-controlling interests
	\$'000	\$'000	\$'000
At July 1, 2021	1,500	1,622	17
Financing cashflow ⁽ⁱ⁾	(210)	(765)	-
Non-cash changes:			
Effect of distribution in specie of LFHL shares	-	(191)	-
Reclassification	-	-	(17)
Interest expense	29	34	-
At June 30, 2022	1,319	700	-
Financing cashflow (i)	(391)	(487)	-
Non-cash changes:			
Addition	-	231	-
Interest expense	23	19	-
At June 30, 2023	951	463	-

⁽ⁱ⁾ The cash flows are made up of receipts from bank loans, the net amount of repayments of borrowings, advances from non-controlling interests and lease liabilities in the consolidated statement of cash flows.

20 SHARE CAPITAL

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	\$'000
Issued and paid up capital:				
At beginning of the financial year	193,701,610	193,701,610	44,093	72,502
Capital reduction	-	-	-	(28,409)
At the end of the financial year	193,701,610	193,701,610	44,093	44,093

In the previous financial year, the company reduced its issued and paid-up share capital by \$28,409,000 following the approval of shareholders.

Fully paid ordinary shares, carry one vote per share and a fixed right to dividends as and when declared by the company.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

21 TREASURY SHARES

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	\$'000
At the beginning and end of the financial year	13,504,600	13,504,600	2,382	2,382

22 REVENUE

	Group	
	2023	2022
	\$'000	\$'000
Sale of goods (at a point of time)	15,167	15,035
Sale of development properties (over time)	5,552	333
	20,719	15,368

23 OTHER GAINS

	Group	
	2023	2022
	\$'000	\$'000
Write back of development properties	-	77

24 OTHER OPERATING INCOME

	Group	
	2023	2022
	\$'000	\$'000
Rental and related service income	9	15
Interest income	347	54
Finance income	3	433
Government grant income	-	3
Others	89	102
	448	607

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

25 INCOME TAX EXPENSE

	Group	
	2023	2022
	\$'000	\$'000
<u>From continuing operations</u>		
Current	405	(45)
Deferred	(9)	189
	396	144
<u>From discontinued operations (Note 34)</u>		
Current	-	88
Deferred	-	-
	-	88
	396	232

Singapore income tax is calculated at 17% (2022: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2022: 17%) to loss before income tax as a result of the following differences:

	Group	
	2023	2022
	\$'000	\$'000
Loss before income tax from:		
Continuing operations	(5,965)	(809)
Discontinued operations	-	(4,484)
	(5,965)	(5,293)
Tax at the domestic income tax rate of 17% (2022: 17%)	(1,014)	(900)
Effects of non-deductible expenses	2,008	1,208
Effect of different tax rates of foreign operations	(598)	(76)
	396	232

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

26 LOSS FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS

Loss for the financial year has been arrived at after charging (crediting):

	Group	
	2023	2022
	\$'000	\$'000
Employee benefits expense (inclusive of directors' remuneration)	4,122	4,331
Cost of defined contribution plans included in employee benefits expense	370	427
Audit fees paid/payable to auditors:		
- Auditors of the company	180	196
- Other auditors	33	23
Non-audit fees paid/payable to auditors:		
- Auditors of the company	-	-
- Other auditors	-	1
Directors' remuneration of the company	556	898
Directors' fees - Provision for the financial year	150	150
Cost of inventories included in cost of sales	9,468	10,039
Allowance for inventories	176	159
Cost of construction	4,930	282
Lease expense – short term leases	45	38
Amortisation of intangible asset	2	-
Depreciation of property, plant and equipment and amortisation	178	174
Depreciation of right-of-use assets	458	713
Fair value loss on financial assets at FVTPL	14	11
Impairment loss for non-current advance payment recoverable from the PRC authority	4,277	-
Write back of allowance for doubtful trade receivables	-	(38)
Write-off of development property expenditure	640	-
Net foreign currency exchange adjustment loss	1,083	223
Consultancy service fees – Retainer fees ⁽ⁱ⁾	224	-

⁽ⁱ⁾ As disclosed in Note 8 to the financial statements, in June 2023, the group engaged the Service Providers located in Singapore, People's Republic of China, and United States of America as initiated by the former CEO. The group made payments totalling \$291,370 for retainer fees related to the Corporate M&A services to the above-mentioned Service Providers. These services encompassed real estate investment consultation service, debt recovery, project management, strategy consultation and legal services. These engagements were governed by the Consultancy Agreements. Subsequent to the financial year end, the Service Providers submitted further claims for professional fees and out-of-pocket disbursements amounting to \$197,101 which relate to the financial year ended June 30, 2023. Out-of-pocket disbursements claims were made by certain Service Providers related to travel expenses reportedly incurred by the group's former CEO and were paid by the said Service Providers.

In August 2023, management formally wrote to the Service Providers, requesting the termination of further services under the Consultancy Agreements and requested for return of previously paid retainer fees. As of the date of this report, the group has not received confirmation from the Service Providers regarding the acceptance of these return requests, except for one Service Provider that refunded \$67,800 subsequent to the financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

26 LOSS FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS (cont'd)

Subsequent to the financial year end, the group appointed an independent party to review and assess the potential financial implications of the Consultancy Agreements. As of the date of this report, the independent party has not completed its review.

27 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	
	2023 \$'000	2022 \$'000
Net loss attributable to owners of the company:		
From continuing operations	(6,112)	(865)
From discontinued operations	-	(4,572)
	<u>(6,112)</u>	<u>(5,437)</u>
	Number of shares	
Weighted average number of ordinary shares for purpose of basic loss per share	<u>180,197,010</u>	<u>180,197,010</u>
Weighted average number of ordinary shares for purpose of diluted loss per share	<u>180,197,010</u>	<u>180,197,010</u>

28 LEASE LIABILITIES

The group and the company as lessee:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Maturity analysis:				
Within one financial year	382	415	88	-
In the second to fifth financial year	92	306	80	-
	<u>474</u>	<u>721</u>	<u>168</u>	<u>-</u>
Less: Future interest payment	(11)	(21)	(5)	-
	<u>463</u>	<u>700</u>	<u>163</u>	<u>-</u>
Analysed as:				
Current	364	399	84	-
Non-current	99	301	79	-
	<u>463</u>	<u>700</u>	<u>163</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

The group and the company do not face a significant liquidity risk with regard to its lease liabilities.

29 DEVELOPMENT PROPERTY EXPENDITURE AND DEFERRED CONSIDERATION PAYABLE

	Group	
	2023	2022
	\$'000	\$'000
<i>Development property expenditure</i>		
Balance at beginning of the financial year	9,444	6,370
Additions	6,312	3,356
Exchange realignment	(474)	-
Write-off of development property expenditure (Note 26)	(640)	-
Recognised in profit or loss during the financial year	(4,930)	(282)
Balance at end of the financial year	9,712	9,444
Comprising development agreement with:		
- Karib Tropika Sdn Bhd ⁽ⁱ⁾	-	615
- Lembaga Perumahan Dan Hartanah, Perak ⁽ⁱⁱ⁾	9,712	8,829
	9,712	9,444
<i>Deferred consideration payable</i>		
Development agreement with		
Lembaga Perumahan Dan Hartanah, Perak ⁽ⁱⁱⁱ⁾	2,478	2,698

⁽ⁱ⁾ The group entered into a development agreement with Karib Tropika Sdn Bhd ("landowner") for the development of a piece of land located in Tambun, Perak, Malaysia. As announced by the group on November 16, 2022, the development agreement was terminated on November 15, 2022. During the current financial year, the total development property expenditure of \$640,000 has been written off with this termination.

⁽ⁱⁱ⁾ The group acquired Rumah Kami Sdn Bhd and its wholly owned subsidiary, Ratus Nautika Sdn Bhd during the financial year ended June 30, 2021. Ratus Nautika Sdn Bhd entered into a development agreement with Lembaga Perumahan Dan Hartanah, Perak ("LPHP") to develop an affordable housing project, known as "Proposed Development in Special Program of Perwira Housing of Perak State" (the "Project").

⁽ⁱⁱⁱ⁾ Deferred consideration relates to the consideration payable in kind to LPHP as compensation for access right to the land and work previously done on the land. The consideration will be paid by way of completed commercial and/or residential lots of the Project within thirty (30) days from the date of Certificates of Completion and Compliance ("CCCs") for the said lots.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

30 ASSOCIATES

	Group	
	2023	2022
	\$'000	\$'000
Share of post-acquisition profits	4	3

Details of the group's associates are as follows:

Name of associates	Country of incorporation (or registration) and operations	Proportion of voting power held		Principal activities
		2023	2022	
		%	%	
Nakhoda Fishery (Sarawak) Sdn Bhd	Malaysia	49	49	Own and operate fishing related infrastructure and facilities

31 GUARANTEES

	Company	
	2023	2022
	\$'000	\$'000
Performance guarantees given to a bank for credit facilities given to a subsidiary (unsecured)	200	300
Corporate guarantee given to a bank for loan given to a subsidiary (unsecured)	1,500	1,500

The Company has provided corporate guarantees of \$1,500,000 to a bank for bank borrowings of \$1,500,000 drawn down by its subsidiaries at the end of the reporting period (Note 19).

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

32 SEGMENT INFORMATION

Management organises the group into the following operating divisions - hose and marine, measuring instruments/metrology and property under continuing operations (property in Malaysia) and discontinued operations (financial solution in Malaysia and property in Singapore and PRC). 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 measuring instruments/metrology division deals in measuring instruments and scientific apparatus and the products are mainly distributed to Singapore and Malaysia.

The activities of the property division include acquisition, holding of property-related assets, development of properties and trading in properties.

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. Corporate expenses are attributable to the expenses of the company after intercompany elimination.

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. Unallocated corporate assets and liabilities comprise the assets and liabilities of the company after intercompany elimination.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

32 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments

	Hose and marine		Measuring instruments/ metrology		Property		Total continuing operations		Total discontinued operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue												
External sales	1,824	2,156	13,343	12,880	5,552	332	20,719	15,368	-	3,402	20,719	18,770
Result												
Segment gross contribution	649	805	4,874	4,192	622	50	6,145	5,047	-	2,923	6,145	7,970
Other gains	-	-	-	-	-	77	-	77	-	-	-	77
Other operating income	26	73	66	33	356	501	448	607	-	3,533	448	4,140
Loss on distribution in specie	-	-	-	-	-	-	-	-	-	(7,619)	-	(7,619)
Direct expenses	(1,315)	(1,438)	(2,249)	(2,129)	(6,812)	(1,204)	(10,376)	(4,771)	-	(3,317)	(10,376)	(8,088)
Segment net contribution	(640)	(560)	2,691	2,096	(5,834)	(576)	(3,783)	960	-	(4,480)	(3,783)	(3,520)
Corporate expenses							(2,181)	(1,768)	-	-	(2,181)	(1,768)
Share of result of associates							(1)	(1)	-	(4)	(1)	(5)
Loss before income tax							(5,965)	(809)	-	(4,484)	(5,965)	(5,293)
Income tax expense							(396)	(144)	-	(88)	(396)	(232)
Loss for the financial year							(6,361)	(953)	-	(4,572)	(6,361)	(5,525)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

32 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments (cont'd)

	Hose and marine		Measuring instruments/metrology				Property		Total continuing operations				Total discontinued operations				Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	38	22	26	148	6	76	70	246	-	-	-	-	-	-	70	246	-	-
Depreciation of property, plant and equipment and amortisation	61	72	47	44	70	58	178	174	-	-	62	178	236	-	178	236	-	-
Depreciation of right-of-use assets	273	273	115	115	70	325	458	713	-	-	72	458	785	-	458	785	-	-
Allowance for inventories	123	22	53	137	-	-	176	159	-	-	-	176	159	-	176	159	-	-
Loss on distribution in specie	-	-	-	-	-	-	-	-	-	-	(7,619)	-	(7,619)	-	-	(7,619)	-	-
Impairment loss for non-current advance payment recoverable from the PRC authority	-	-	-	-	4,277	-	4,277	-	-	-	-	4,277	-	-	4,277	-	-	-
Write-off of development property expenditure	-	-	-	-	640	-	640	-	-	-	-	640	-	-	640	-	-	-
Write back of development properties	-	-	-	-	-	(77)	-	(77)	-	-	-	-	(77)	-	-	(77)	-	-
Write back of allowance for doubtful trade receivables	-	(38)	-	-	-	-	-	(38)	-	-	-	-	(38)	-	-	(38)	-	-

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

32 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments (cont'd)

	Hose and marine \$'000	Measuring instruments/ metrology \$'000	Property \$'000	Inter segment elimination \$'000	Total \$'000
2023					
Other information					
Segment assets ⁽ⁱ⁾	2,536	7,780	21,659	-	31,975
Unallocated corporate assets					11,664
Consolidated total assets					43,639
Segment liabilities	1,251	1,950	5,674	-	8,875
Inter-segment liabilities	5,697	-	28,496	(34,193)	-
Unallocated corporate liabilities					1,044
Consolidated total liabilities					9,919
2022					
Other information					
Segment assets	2,646	10,342	24,015	-	37,003
Unallocated corporate assets					13,048
Consolidated total assets					50,051
Segment liabilities	1,007	2,660	4,468	-	8,135
Inter-segment liabilities	4,989	552	25,228	(30,769)	-
Unallocated corporate liabilities					898
Consolidated total liabilities					9,033

⁽ⁱ⁾ Unallocated corporate assets consists of fixed deposits.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

33 DIVIDENDS

The company distributed 120,130,358 LFHL shares as distribution in specie to the shareholders of the company on December 3, 2021.

Based on the closing price of LFHL share of \$0.12 traded on Catalist on December 3, 2021, the total value of the distribution was recorded as \$14,416,000.

34 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNERS

Following the announcement by the company on June 4, 2021 on the proposed distribution in specie of shares in LFHL to shareholders of the company by way of capital reduction, the assets and liabilities related to LFHL have been presented as a disposal group held for distribution to owner and results from LFHL is presented separately on the consolidated statement of profit or loss and other comprehensive income as "discontinued operations". Accordingly, the consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

An analysis of the results of discontinued operations, and the result recognised on the remeasurement of disposal group is as follows:

	Group 2022 \$'000
Revenue	3,402
Gain on repossession of development property land	3,479
Expenses	(3,742)
Share of results of associates	(4)
Profit before tax from discontinued operations	<u>3,135</u>
Income tax expense	(88)
Loss on distribution in specie	<u>(7,619)</u>
Loss after tax from discontinued operations	<u>(4,572)</u>
 <u>Revenue from:</u>	
Sale of properties held for sales (at a point of time)	332
Interest income from financial solution (over time)	3,070
	<u>3,402</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

34 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNERS (cont'd)

	Group 2022 \$'000
	<hr/>
The impact of the discontinued operations on the cash flows of the group are as follows:	
Operating cash flows	(308)
Investing cash flows	(16,134)
Financing cash flows	(8)
Total cash flows	<hr/> (16,450) <hr/>

The company distributed 120,130,358 LFHL shares as distribution in specie to the shareholders of the company on December 3, 2021.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

34 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNERS (cont'd)

The financial effects arising from the distribution in specie are as follows:

	2022
	\$'000
Property, plant and equipment	256
Right-of-use assets	141
Intangible assets	14
Trade and other receivables	17,899
Deferred tax assets	311
Associates	9
Properties held for sale	5,391
Development properties	3,786
Fixed deposits	3,180
Bank	12,998
Total assets	<u>43,985</u>
Trade and other payables	6,781
Lease liabilities	140
Current tax payable	8,388
Deferred tax liabilities	5,173
Total liabilities	<u>20,482</u>
Net assets distributed	23,503
Less: Non-controlling interest	(4,388)
Realisation of reserve upon distribution	2,920
Distribution in specie (Note 33)	<u>(14,416)</u>
Loss on distribution in specie	<u>(7,619)</u>
Consideration received	-
Less: cash of LFHL distributed	(16,178)
Net cash outflow on distribution in specie	<u>(16,178)</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

34 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNERS (cont'd)

Loss before tax from discontinued operations has been arrived at after charging (crediting):

	Group 2022 \$'000
Employee benefits expense	568
Cost of defined contribution plans included in employee benefits expense	56
Audit fees paid/payable to auditors:	
- Auditors of the company	71
- Other auditors	-
Cost of completed properties for sale included in cost of sales	118
Depreciation of property, plant and equipment and amortisation	62
Depreciation of right-of-use assets	72
Gain on repossession of development property land	3,479
Loss on distribution in specie	(7,619)
Net foreign currency exchange adjustment gain	(67)

35 BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2022

The independent auditor's report dated October 10, 2022 contained a qualified opinion on the financial statements for the financial year ended June 30, 2022. The extract of the basis for qualified opinion is as follows:

Non-current advance payment recoverable from the PRC authority

During the financial year ended June 30, 2022, the group recorded non-current advance payment recoverable from the PRC authority amounted to \$4.6 million (2021: \$4.6 million) (RMB21.9 million). The non-current advance payment recoverable from the PRC authority amounted to \$4.6 million (2021: \$4.6 million) (RMB21.9 million) was for the recovery of advances made to the PRC authority in consideration for the group to obtain the first right of refusal to participate in an integrated mixed development project in Tangshan City, PRC. The advances were used to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender. Management represented that they are in the process of negotiating with the PRC authority for full recovery of the remaining advance payment recoverable.

We were unable to obtain sufficient appropriate audit evidence on the recoverability of the above asset.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

35 BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2022 (cont'd)

Receivables from certain subsidiaries

As at June 30, 2022, the company has receivables due from GRP Development Pte Ltd and Tangshan GRP of \$6.7 million (2021: \$6.6 million) and \$4.2 million (2021: \$4.2 million) respectively. During the financial year, the company has recognised an estimated credit loss allowance of \$0.9 million (2021: \$2.0 million) on these receivables and the cumulative ECL allowance as at the end of the financial year was \$2.9 million (2021: \$2.0 million). In determining the ECL, management has taken into account the financial position of the subsidiaries and the subsidiary's ability to recover non-current advance payment recoverable from the PRC authority of \$4.6 million (2021: \$4.6 million) (RMB21.9 million).

We were unable to obtain sufficient appropriate evidence on the adequacy and appropriateness of the ECL allowance recognised of \$0.9 million (2021: \$2.0 million) during the financial year, and the recoverability of the remaining receivables from GRP Development Pte Ltd and Tangshan GRP of \$8 million as at June 30, 2022.

Opening balances

The independent auditor's report on the consolidated financial statement of the group and the statement on financial position and statement of changes in equity of the company for the financial year ended June 30, 2021 included a qualified opinion on the following matters:

- Whether the fund transfers were in compliance with applicable laws and regulation in the PRC and Singapore. It was not practicable to estimate the potential financial impact, if any, to the group in the event of any breach of applicable laws and regulations.
- Recoverability of certain assets from the PRC authorities and the receivables from certain subsidiaries.
- Whether the disposal group held for distribution to owners is stated at the lower of carrying amount and fair value less cost to distribute.

Consequently, we were unable to determine whether any adjustments to the financial statements for the financial year ended June 30, 2022 may be necessary in respect of these matters.

36 CONTINGENT LIABILITIES

Claims for professional fees and out-of-pocket disbursements by Service Providers

As disclosed in Note 26, subsequent to the financial year end, the Service Providers submitted further claims for professional fees and out-of-pocket disbursements amounting to \$197,101 which relate to the financial year ended June 30, 2023. Out-of-pocket disbursements claims were made by certain Service Providers related to travel expenses reportedly incurred by the group's former CEO and were paid by the said Service Providers. These claims were not recognised in the financial statements as of and during the financial year ended June 30, 2023 as the group is still reviewing these claims to ascertain if the services from the Service Providers were related to the group's business, or related to personal affairs of the former CEO.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2023

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	:	13,504,600
Number of Subsidiary Holdings	:	Nil

7.49% 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 20 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHARES	%	NO. OF SHAREHOLDERS	%
1 – 99	3,939	0.00	148	6.12
100 – 1,000	471,549	0.26	730	30.16
1,001 – 10,000	4,047,438	2.25	945	39.05
10,001 – 1,000,000	38,621,154	21.43	574	23.72
1,000,001 and above	137,052,930	76.06	23	0.95
	180,197,010	100.00	2,420	100.00

Note: The percentages are computed based on 180,197,010 ordinary shares (excluding shares held as treasury shares) as at 20 September 2023.

TWENTY LARGEST SHAREHOLDER AT 20 SEPTEMBER 2023

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	61,074,340	33.89
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	9,148,585	5.08
3	CHENG LIM KONG	7,969,450	4.42
4	ANG CHENG LAM	6,843,340	3.80
5	OCBC SECURITIES PRIVATE LTD	6,329,450	3.51
6	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	6,326,100	3.51
7	HASSAN ISSA YAUNIS	5,562,300	3.09
8	RAFFLES NOMINEES (PTE) LIMITED	4,996,658	2.77
9	GOH KENG HUAY	3,345,400	1.86
10	TAN KOOI JIN	3,089,620	1.71
11	KWAN CHEE SENG	2,990,500	1.66
12	MAYBANK SECURITIES PTE. LTD.	2,775,480	1.54
13	STF INVESTMENTS LTD	2,514,580	1.40
14	LIM SEE YONG	1,880,800	1.04
15	DBS NOMINEES PTE LTD	1,746,730	0.97
16	MORPH INVESTMENTS LTD	1,683,900	0.93
17	CHIK CHOOI WAH	1,500,000	0.83
18	YU HEA RYEONG	1,494,880	0.83
19	KANTILAL S/O CHAMPAKLAL RAMDAS	1,292,900	0.72
20	PHILLIP SECURITIES PTE LTD	1,269,936	0.70
	TOTAL:	133,834,949	74.26

Note: The percentages are computed based on 180,197,010 ordinary shares (excluding shares held as treasury shares) as at 20 September 2023.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2023

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2023

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Kwan Chee Seng ⁽¹⁾	64,064,440	35.55	823,200	0.46
Colin Tay Yong Lee ⁽²⁾	-	-	53,088,000	29.46

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. The deemed interest of 823,200 ordinary shares are owned by spouse of Mr Kwan.

⁽²⁾ On 5 June 2023, Mr Tay entered into a conditional sale and purchase agreement in relation to the acquisition of 11,887,640 ordinary shares in the capital of GRP Limited ("Shares") from Mr Kwan. Completion of the sale and purchase of the 11,887,640 Shares is subject to the fulfilment of certain conditions precedent provided in such sale and purchase agreement dated 5 June 2023.

On 21 August 2023, Mr Tay entered into a conditional sale and purchase agreement in relation to the acquisition of 41,200,360 Shares from Mr Kwan. Completion of the sale and purchase of the 41,200,360 Shares, and the transfer of the 41,200,360 Shares thereunder, is subject to the fulfilment of certain conditions precedent provided in such sale and purchase agreement dated 21 August 2023.

Accordingly, Mr Tay is deemed to have an interest in an aggregate of 53,088,000 Shares held in the name of Mr Kwan, by virtue of Section 7 of the Companies Act 1967.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 20 September 2023, the percentage of shareholdings held in the hands of the public was approximately 64.53% and accordingly, Rule 723 of the Listing Manual 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 at Esplanade 1 & 2, Level 3 of the Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Thursday, 26 October 2023 at 10.30 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 2023 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees amounting to S\$200,000 for the financial year ended 30 June 2023 [FY2022: S\$150,000]. **(Resolution 2)**
3. To re-elect Mr Teo Tong How, a Director retiring pursuant to Article 89 of the Company's Constitution (*see explanatory note 1*). **(Resolution 3)**
4. To re-elect Mr Colin Tay Yong Lee, a Director retiring pursuant to Article 89 of the Company's Constitution (*see explanatory note 2*). **(Resolution 4)**
5. To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) which will be proposed as Ordinary Resolutions:

6. **Authority to Allot and Issue Shares** **(Resolution 6)**

THAT pursuant to Section 161 of the Companies Act 1967 (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

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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 3)

NOTICE OF ANNUAL GENERAL MEETING

7. Authority to allot and issue shares pursuant to the GRP Performance Share Plan (Resolution 7) (“GRP PSP”)

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 GRP PSP, 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 4)

8. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong
Company Secretary

11 October 2023
Singapore

Explanatory Notes:

1. Mr Teo Tong How, if re-elected as Director of the Company, will continue to serve as the Independent Non-Executive Director, the Chairman of the Board of Directors and as a member of the NC 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.

Rule 210(5)(d)(iv) of the Listing Manual provides that a director will not be independent if he has been a director of the company for an aggregate period of more than 9 years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next AGM of the issuer. Mr Teo Tong How is an Independent Non-Executive Director of the Company who has served for more than nine years from 4 July 2023. He shall be considered independent until the Company’s AGM in 2024.

2. Mr Colin Tay Yong Lee, if re-elected as Director of the Company, will continue to serve as the Managing Director 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.
3. 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

NOTICE OF ANNUAL GENERAL MEETING

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.

4. This is to authorise the Directors to allot and issue Shares under the GRP PSP 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.

Notes:

1. 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 SGXNET and the Company's website at <https://grp.com.sg/>.
2. Members may submit questions relating to the Annual Report, Addendum and resolutions set out in the notice of AGM in advance:
 - (a) by email to investor@grp.com.sg; or
 - (b) by post to the office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712.

All questions must be submitted by 18 October 2023.

Members, including CPF and SRS investors, 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. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from members soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from members will be posted on the SGXNET and the Company's website. Any subsequent clarifications sought by the members after [18 October 2023] will be addressed at the AGM. The minutes of the AGM will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified in Proxy Form.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Act.

4. A proxy needs not be a member of the Company.
5. 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:

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- a) by email to sg.is.proxy@sg.tricorglobal.com; or
- b) by post to the office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712,

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.30 a.m. on 24 October 2023.

- 6. 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.
- 7. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and 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 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.
- 8. 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 Depository to be entitled to attend and vote at the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

PROXY FORM

GRP LIMITED

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

IMPORTANT:-

- CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote may approach their respective CPF agent banks and SRS operators at least 7 working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, CPF and SRS investors shall be precluded from attending the AGM.
- This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to this Proxy Form. By submitting an instrument appointing proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2023.

I/We*, _____ (Name) (NRIC/Passport/Registration Number* _____)

of _____ (Address) being a Member/members* of **GRP LIMITED** (the "Company"), hereby appoint:-

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholding	
		Number of Shares	%
Address			

or failing him, the Chairman of the 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 at Esplanade 1 & 2, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Thursday, 26 October 2023 at 10.30 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof. All resolutions put to vote at the AGM shall be decided by way of poll.

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 2023 together with the Independent Auditor's Report thereon.			
2.	To approve the payment of Directors' fees amounting to \$200,000 for the financial year ended 30 June 2023 [FY2022: \$150,000].			
3.	To re-elect Mr Teo Tong How, a Director retiring pursuant to Article 89 of the Company's Constitution.			
4.	To re-elect Mr Colin Tay Yong Lee, a Director retiring pursuant to Article 89 of the Company's Constitution.			
5.	To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
	SPECIAL BUSINESS			
6.	Authority to allot and issue shares.			
7.	Authority to allot and issue shares pursuant to the GRP Performance Share Plan.			

* 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 _____ 2023

Total Number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

**Notes:
IMPORTANT**

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 Proxy Form will be deemed to relate to all the shares held by the member.
2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints two proxies, the proportion of his shareholding to be represented by each proxy shall be specified in this Proxy Form. If the proportion of his shareholding is not specified, the first named proxy shall be deemed to represent 100% of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.

“relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. This Proxy Form, duly executed must be submitted (a) by email to sg.is.proxy@sg.tricorglobal.com; or (b) by post to the office of the Company at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.30 a.m. on 24 October 2023.
5. The appointment of a proxy or proxies shall not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.
6. This 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.
7. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
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 1967.
9. Persons who hold shares through relevant intermediaries (including CPF and SRS investors) and 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 in order to allow sufficient time for their respective relevant intermediaries to in turn submit this Proxy Form to appoint the Chairman of the AGM to vote on their behalf.
10. The Company shall be entitled to reject this Proxy Form 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 Proxy Form (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 Proxy Form 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 proxy form 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 dated 11 October 2023.

CORPORATE INFORMATION

Board of Directors

Mr Teo Tong How

Chairman, Independent
Non-Executive Director

Mr Colin Tay Yong Lee

Managing Director

Mr Goh Lik Kok

Independent Non-Executive Director

Mr Mahtani Bhagwandas

Independent Non-Executive Director

Mr Peter Moe

Independent Non-Executive Director

Mr David Su Hsieng Loong

Non-Executive Director

Company Secretary

Ms Wee Hoon Hong

Registered Office

30 Cecil Street
#10-01/02, Prudential Tower
Singapore 049712
Tel: 6266 1622
Fax: 6266 6263

Share Registrar

Tricor Barbinder Share
Registration Services
80 Robinson Road
#02-00
Singapore 068898

Auditors

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants,
Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Audit Partner

Mr Lee Chee Sum Gilbert
(Appointed with effect from
the financial year ended
30 June 2021)

Principal Banker

DBS Bank Ltd

Investor Relations

investor@grp.com.sg



GRP LIMITED

(Company Registration No: 197701449C)

30 Cecil Street
#10-01/02, Prudential Tower
Singapore 049712
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