

REPLY TO SGX-ST'S QUERIES ON THE DISCLOSURE REGARDING INDEPENDENT DIRECTOR

The Board of Directors (the "**Board**") of GRP Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform shareholders that the Company has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Company's announcement dated 18 May 2021 on the disclosure regarding Mr Mahtani Bhagwandas, an independent director of the Company and sets out its responses as follows:-

The following announcements on SGXNet are referred to:

- (i) "General Announcement::Disclosure Regarding Independent Director Pursuant To Listing Rule 703(1) Of The Listing Manual" dated 18 May 2021 ("**18 May 2021 Announcement**"); and
- (ii) "Annual Reports and Related Documents" dated 9 October 2019 ("**FY2019 Annual Report**").
- (iii) "Change – Announcement of Appointment::Appointment Of Independent Director" Made By NGSC Limited Dated 8 May 2021 ("**NGSC Announcement**");
- (iv) "Change – Announcement of Appointment::Appointment Of Independent Non-Executive Director" made by Natural Cool Holdings Limited dated 10 December 2018 ("**Natural Cool Announcement**"); and
- (v) "Boon Tat Street death: Lawyer for victim's mistress suspended for 2 years after widow's complaint" released by The Straits Times dated 14 May 2021 ("**Straits Times Article**").

Query 1:

Annexure C in the NGSC Announcement lists out the investigations and disciplinary proceedings where Mr. Mahtani Bhagwandas ("**Mr. Mahtani**") was the subject of, including a disciplinary proceeding under the Law Society which occurred in 2018, and a charge against the board of an SGX-listed company in 2019, of which Mr. Mahtani is one of the directors.

Please disclose if the Nominating Committee and the Board were aware of the list of investigations and disciplinary proceedings against Mr. Mahtani, including those listed down in Annexure C of the NGSC Announcement, when the Company made the 18 May 2021 Announcement.

Company's response to Query 1:

Save for the disciplinary proceedings regarding the Misconduct Charges (as defined in Query 3), the Nominating Committee and the Board were not aware of the other investigations and disciplinary proceedings against Mr. Mahtani at the time when the Company made the 18 May 2021 Announcement.

Query 2:

The Exchange notes, in page 163 of the Company's FY2019 Annual Report, that when seeking re-election as an independent director, the Company provided "No" in the field relating to the question:

"(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".

The Exchange notes that the disclosure in the Company's FY2019 Annual Report differs from the disclosure as set out in the NGSC Announcement and the Natural Cool Announcement, where the response to the same question was "Yes".

Please explain why the Company had not disclosed the disciplinary proceeding(s) against Mr. Mahtani in its FY2019 Annual Report when Mr. Mahtani was up for re-election.

Company's response to Query 2:

As stated in the Company's response to Query 1, the Company was not aware of the investigations and disciplinary proceedings against Mr. Mahtani.

Query 3:

It is stated in the 18 May 2021 Announcement that, “on 14 May 2021, Mr Mahtani was suspended from practice for two years by the Court in relation to professional misconduct issues against Mr Mahtani. The misconduct charges were in relation to (i) acting for a client against a former client who has passed away despite having acquired confidential information about the former client, and (ii) not making a timely disclosure to the administrators of the former client’s estate about his conflict of interest.” (collectively, “**Misconduct Charges**”).

Taking into account the NGSC Announcement, the Natural Cool Announcement, the Straits Times Article and the disclosure made in the Company’s FY2019 Annual Report when Mr. Mahtani sought re-election, please provide the Nominating Committee’s assessment in detail, that despite the various investigations and disciplinary proceedings, including those he has been found guilty of, and the Misconduct Charges where he failed to make timely disclosure on his conflict of interest, Mr. Mahtani continues to have the character and integrity expected of an Independent Director of the Company.

Company’s response to Query 3:

In preparation of the announcement on 18 May 2021, the Nominating Committee excluding Mr. Mahtani (“**NC**”), in consultation with the Board, deliberated extensively and considered the following factors in its assessment:-

- (i) The NC recognised that Mr. Mahtani has more than 25 years of experience as a lawyer and that he also has extensive past and present experience from his directorships for both listed and unlisted companies. With those qualification and experiences, the NC was of the view that Mr. Mahtani will continue to make invaluable contributions to the Company.
- (ii) Since Mr. Mahtani was appointed as an independent director of the Company in June 2013, the NC was of the view that he has shown professionalism and has dutifully discharged his duties and responsibilities as an independent director. Mr. Mahtani has demonstrated his ability to contribute constructively by challenging or raising questions regarding the Group’s proposals and exercising independent judgement on corporate matters, including areas involving conflict of interests. In addition, Mr. Mahtani’s suspension from legal practice for 2 years would not impede him from continuing to carry out his duties and responsibilities as an independent director of the Company.
- (iii) With regard to the Misconduct Charges, Mr. Mahtani had explained to the NC and the Board that he had honestly believed that there was no conflict of interest when he decided to act for the client and there was no intention from him to conceal any disclosure of conflict of interest.

In view of the new information previously not known to the Company (as mentioned in the responses to Query 1 & 2), the NC accepts Mr. Mahtani’s explanation that failure to disclose the information was an oversight on his part, rather than an intentional omission given that he had disclosed the same in the Natural Cool Announcement and the NGSC Announcement .

In consideration of all of the above, the NC and the Board continue to be of the view that Mr. Mahtani continues to have the character and integrity expected of an Independent Director of the Company.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
21 May 2021