

REPLY TO SGX-ST'S QUERIES ON THE FY2021 ANNUAL REPORT

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 annual report for the financial year ended 30 June 2021 (“**FY2021 Annual Report**”) and sets out its responses as follows:-

Question 1:

Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced.

Question 1(a):

Please confirm whether the internal audit function is independent, effective and adequately resourced.

Company’s response to Question 1(a):

The Audit Committee (the “**AC**”) is satisfied that the internal audit function is independent, effective and adequately resourced. For further information, please refer to pages 44-45 of the Company’s FY2021 Annual Report.

Question 1(b):

Please also provide information on the relevant experience of One e-Risk Services Pte Ltd and YYC Advisors Sdn Bhd and their respective engagement team.

Company’s response to Question 1(b):

One e-Risk Services Pte Ltd is an independent internal audit service provider with over 15 years experience. The engagement team has relevant internal audit experience and is led by manager with Certified Internal Audit qualification.

Established in 1974, YYC Advisors Sdn Bhd is one of the top 10 accounting firms in Malaysia with a headcount of 800. The engagement team is led by the Head of YYC Advisors Sdn Bhd, Ms Christine Looi, who is a member of the Institute of Internal Auditors Malaysia.

Question 2:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 and 8.2 of the Code with regards to the disclosure of remuneration , and there were no explanations were provided for in your FY2021 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's response to Question 2:

The Board has decided to provide the aggregate remuneration of key management personnel (including Mr Kwan Chee Seng, Executive Director of the Company and Ms Kwan Yu Wen, Non-Executive Director of the Company) in bands of S\$250,000, together with the percentage breakdown of the components of remuneration. As mentioned in page 34 of the Company's FY2021 Annual Report, for competitive reasons and in view of confidentiality of remuneration matters, the Board is of the opinion that is in the best interests of the Group not to disclose the exact remuneration. The Remuneration Committee is of the view that the level and structure of remuneration are aligned with the Company's long-term interests. More information on the Group's remuneration framework can be found on pages 30-36 of the Company's FY2021 Annual Report.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
18 October 2021