



GRP LIMITED
Annual Report 2021

EMERGING STRONGER

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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, EXTEND OUR REACH TO PENETRATE NEW MARKETS AND TO DEVELOP AND GROW THE PROPERTY DEVELOPMENT BUSINESS.

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.

Through its 83.17% - owned indirect subsidiary, Luminor Financial Holdings Limited (formerly known as Starland Holdings Limited), listed on Singapore's Catalist Board, the Group most recently completed its largest development of total Gross Floor Area 105,350 sqm at Singapore Garden in Fuling, Chongqing, the People's Republic of China.

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 the 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 its 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.

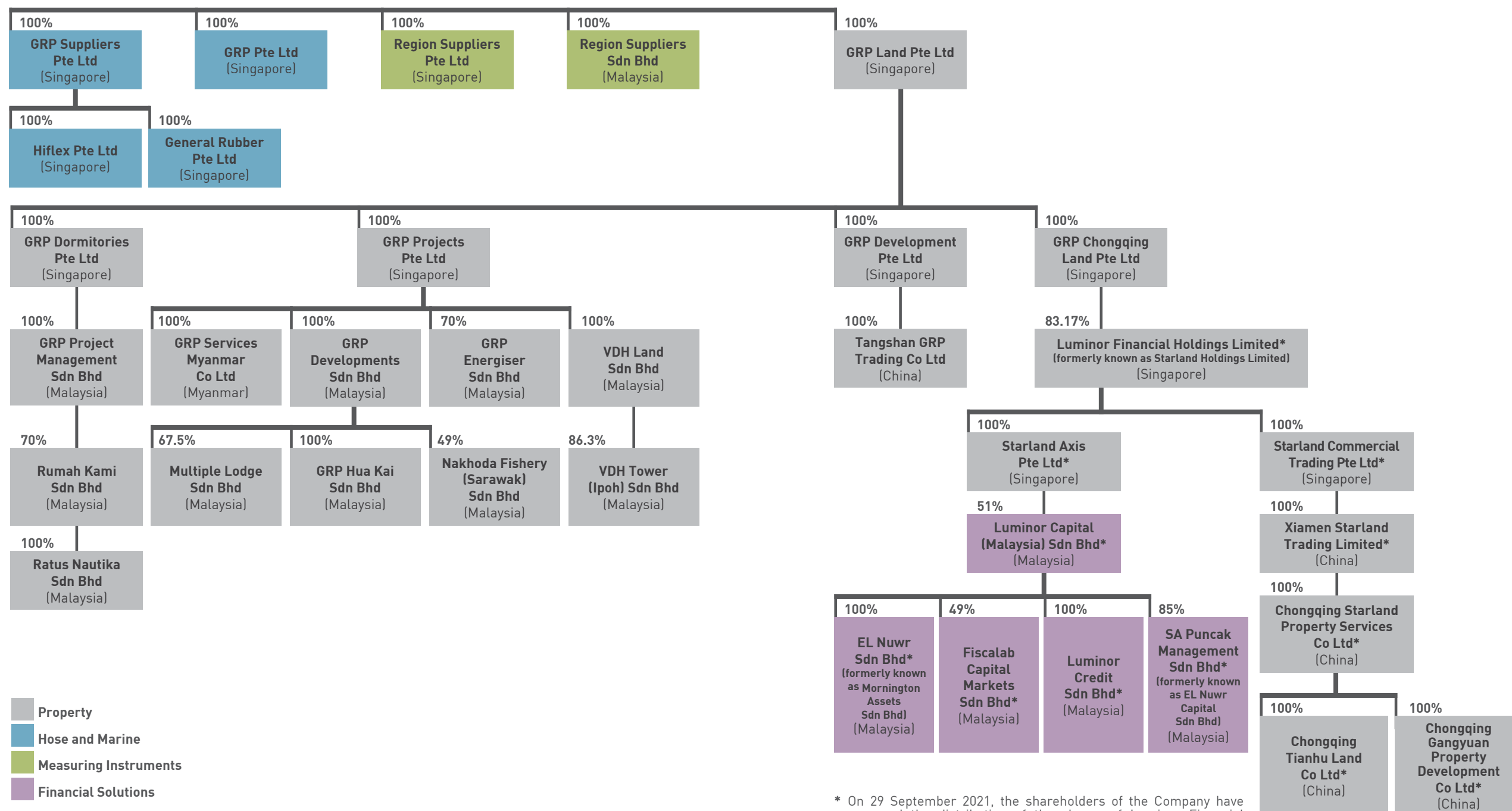
Leveraging on the extensive range of measuring products carried, the business is able to market measuring products to a wide range of industries including machine makers, biomedical, oil and gas, institutional, laboratory as well as electronic OEM.

Note:

On 29 September 2021, the shareholders of the Company have approved the distribution of the shares of Luminor Financial Holdings Limited (“**LFHL**”) to the shareholders of the Company via a distribution in specie. Upon completion of the distribution, Financial Solutions Business will cease to be a focus of our activities and LFHL will cease to be a subsidiary of the Company.

CORPORATE STRUCTURE

GRP LIMITED



* On 29 September 2021, the shareholders of the Company have approved the distribution of the shares of Luminor Financial Holdings Limited to the shareholders of the Company via a distribution in specie.

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 2021 (“**FY2021**”).

It has been almost two years since COVID-19 first emerged, bringing about previously unimaginable and unprecedented challenges and changes for countries, economies, businesses, operations, and livelihoods worldwide. As such, FY2021 was undoubtedly another challenging year for the Group.

Against this difficult backdrop, there were two major developments in the year under review:

1. First Affordable Housing Project

On 2 December 2020, Ratus Nautika Sdn Bhd, was appointed by Lembaga Perumahan Dan Hartanah, Perak (“**LPHP**”) as developer, to develop (design and build), sell and manage the Group’s first affordable housing project (the “**Project**”) in Perak, Malaysia. The Project consists of 1,039 units of single-storey terrace houses and 28 units of terraced shops, on a land size of 100.748 acres. The project is to be developed in 3 phases and is to be completed within forty-two (42) months from the date of appointment.

2. Distribution in Specie (“**DIS**”) of Luminor Financial Holdings Limited (“**LFHL**”) shares

On 4 June 2021, the Group announced a proposed distribution of its interests in LFHL (formerly known as Starland Holdings Limited) to shareholders via a distribution in specie (“**DIS**”) of LFHL shares on the basis of 2 LFHL shares for every 3

shares of the Company held. The DIS was subsequently approved by shareholders at the Extraordinary General Meeting held on 29 September 2021. The rationale for the DIS is as follows:

- More reflective valuation when shareholders and potential investors can value the various business units independently
- Unlock shareholder value by providing shareholders with direct ownership of the LFHL shares, giving them flexibility to deal with shares of both GRP and LFHL
- Allow management to focus time and capital on core business, leaving LFHL flexibility to raise capital for its own expansion program
- Potential audit cost savings

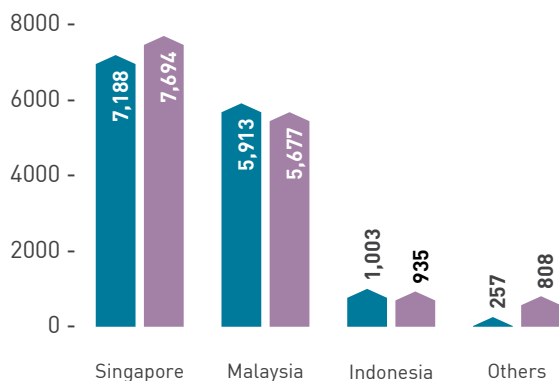
We believe that this restructuring would be beneficial for both GRP and LFHL and marks the latest step to transform and grow the Group’s businesses in the long term. For more details, please refer to the Circular announced on 6 September 2021.

Review of Financial Performance

For the year under review, the revenue for the Group’s continuing operations was \$14.4 million, 5.0% lower than revenue of \$15.1 million for FY2020. The Hose and Marine segment reported revenue of \$2.5 million in FY2021 compared to \$2.7 million in FY2020, a decrease of 6.7%. Our Measuring Instrument segment reported revenue of \$11.9 million in FY2021 compared to \$12.4 million in FY2020, a decrease of 4.6%. The Property segment, excluding LFHL, reported Nil revenue in FY2021 and FY2020 (Note: With the DIS, the FY2021 financial results were prepared and classified on the basis that LFHL was held for distribution to owners).

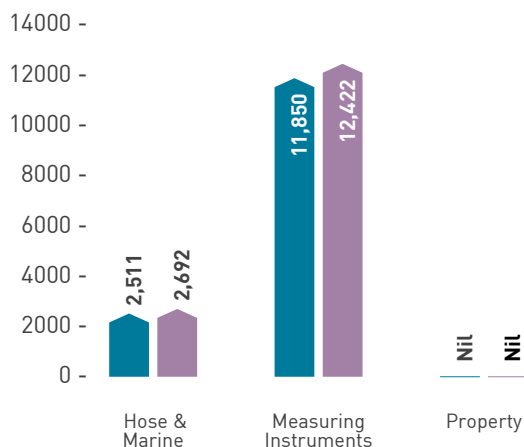
GROUP REVENUE

By Geographical Markets (\$'000)



GROUP REVENUE

By Business Segments (\$'000)



Note: The Group Revenue for FY2021 and FY2020 excluded revenue from LFHL due to the impending DIS.

Group Revenue FY 2021 \$14,361

Group Revenue FY 2020 (Restated) \$15,114

In terms of revenue by geography, the Group's two core markets of Singapore and Malaysia accounted for 50% and 41% of the Group's revenue from continuing operations respectively, compared to 51% and 38% the year before.

In FY2021, the Group incurred a net loss of \$1.7 million, as compared to a net loss of \$5.1 million incurred in FY2020. The reduced loss in FY2021 as compared to FY2020 was mainly due to non-recurring \$2.5 million impairment allowance on investment in Redeemable Convertible Preference Shares issued by Energiser Enterprise Sdn Bhd and \$0.4 million impairment of goodwill arising from acquisition of Luminor Capital (Malaysia) Sdn Bhd.

As at 30 June 2021, the Group had cash and bank balances of \$25.7 million. The cash and bank balance is \$18.3 million lower than the balance as at 30 June 2020. The decrease is mainly due to \$16.6 million of cash and bank balances re-classified as disposal group assets as at 30 June 2021 ahead of the DIS.

With the proposed DIS to the shareholders, the Group's total current assets as at 30 June 2021, excluding the disposal assets of LFHL, was \$43.8 million, while total long term assets was \$7.0 million. The main assets comprise \$25.7 million of cash and bank balances, \$5.1 million of inventory, \$6.4 million of development property expenditures and \$3.6 million of development properties. The development

MESSAGE TO SHAREHOLDERS

property expenditures refers to the Project in Perak, Malaysia and the development properties refers to 3 plots of land in Ipoh, Malaysia, held as part of the Group's land bank.

The long term assets mainly comprise a \$4.6 million advance payment recoverable from Kaiping Government, Tangshan City, PRC, \$0.7 million property, plant and equipment and \$1.4 million right-of-use assets.

Our financial position remains strong. As at 30 June 2021, the Group had total current liabilities, excluding the disposal group liabilities of LFHL, of \$6.3 million and total long term liabilities of \$2.0 million.

The Group's loss per share from continuing operations for FY2021 was 0.66 cents compared with a loss of 2.03 cents for FY2020. Our net asset value per share for FY2021 was 31.86 cents (FY2020: 32.50 cents).

Looking Ahead

We are cautiously optimistic that the worst of the pandemic is behind us. Having secured our first affordable housing project in Perak, Malaysia, the Group is confident of growing its foothold in the affordable housing space, and to become a leading developer in good quality, next generation affordable homes to make affordable housing a reality in Malaysia, in line with the strategic direction set by the Malaysian Government.

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

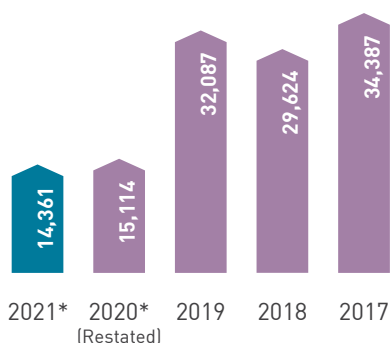
Financial Year ended 30 June
\$'000

FOR THE YEAR	2021	(Restated) 2020	2019
Revenue	14,361	15,114	32,087
(Loss)/Profit Before Tax	(851)	(3,277)	(4,123)
(Loss)/Profit After Tax	(1,719)	(5,080)	(4,706)
AT YEAR END			
Total Tangible Assets	86,205	85,864	94,097
Total Cash and Bank	25,688*	44,000	56,626
Shareholders' Funds	57,407	58,657	67,687
Total Loans and Borrowings	1,500	-	900

* Excludes cash and bank balances of \$16,569,000 included in disposal group assets

TURNOVER

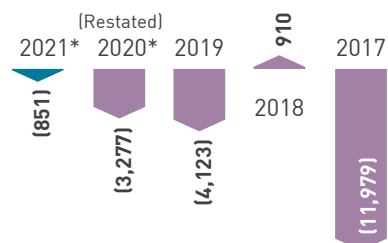
(\$'000)



* The Group Revenue and loss before tax for FY2021 and FY2020 excluded revenue and loss before tax from LFHL due to the impending DIS.

(LOSS)/PROFIT BEFORE TAX

(\$'000)



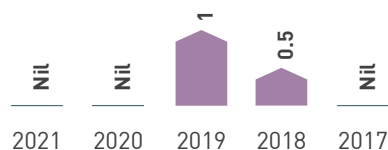
(LOSS)/EARNINGS PER SHARE

(Cents)



DIVIDENDS PER SHARE

(Cents)



BOARD OF DIRECTORS



1

Mr Teo Tong How, 78
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.

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). From 2000 to 2001, he was the World President (Singapore) of the International Real Estate Federation (FIABCI). From 1998 to 1999, he was the President of the Real Estate Developers Association of Singapore. 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.

2

Mr Kwan Chee Seng, 63
Executive Director

Mr Kwan Chee Seng was appointed as an Executive Director on 1 March 2013 and is responsible for the Group's business development. Mr Kwan is a member of the Nominating Committee.

Mr Kwan has extensive experience in management and investment, particularly in the area of Mergers and Acquisitions (M&A). Besides being the Chairman of Van der Horst Holdings Pte Ltd, his investment holding company, Mr Kwan has been a substantial shareholder of ASX-listed Variscan Mines Ltd since 2008. Mr Kwan is also a Non-Executive Director of Luminor Financial Holdings Limited (Formerly known as Starland Holdings Limited), a 83.17% indirect-owned subsidiary of GRP Limited.

In 2009, Mr Kwan began his fund management business with Luminor Capital Pte Ltd, a manager of private equity funds, as a founding director. Thus, he brings to the Board a unique set of skills with an M&A angle.

3

Ms Kwan Yu Wen, 30
Non-Executive Director

Ms Kwan Yu Wen was appointed as Executive Director on 13 February 2019 and re-designated to Non-Executive Director on 21 December 2020.

Ms Kwan is appointed as Executive Director of Luminor Financial Holdings Limited, a 83.17% indirect-owned subsidiary of GRP Limited on 21 December 2020. She was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019. She was also the Consultant of GRP Limited from January 2017 to February 2019.

Ms Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015.

Ms Kwan is the daughter of Mr Kwan Chee Seng, Executive Director and Substantial Shareholder of GRP Limited.

4

Mr Mahtani Bhagwandas, 54
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 Committee and a member of the Audit and Remuneration Committee.

Mr Bhagwandas has been practicing as an advocate and solicitor of the Supreme Court of Singapore from 1993 to June 2021. He is an independent Director of NGSC Limited.

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

5

Mr Goh Lik Kok, 59
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 Committee.

Mr Goh has over 20 years of experience in engineering services and had held various senior management positions in Singapore Technologies Engineering Group. 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.

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.

6

Mr Peter Moe, 67
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 Committee.

Mr Moe has been a practicing lawyer in Singapore since 1983 and is currently a Director of Optimus Chambers LLC.

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

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 appointed as General Manager of Luminor Financial Holdings Limited in 2016. Prior to this, Mr Kwan was the General Manager of the Property Division of GRP Limited since 2014. 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 on 1 October 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 an 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 Ltd. 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 Ltd.

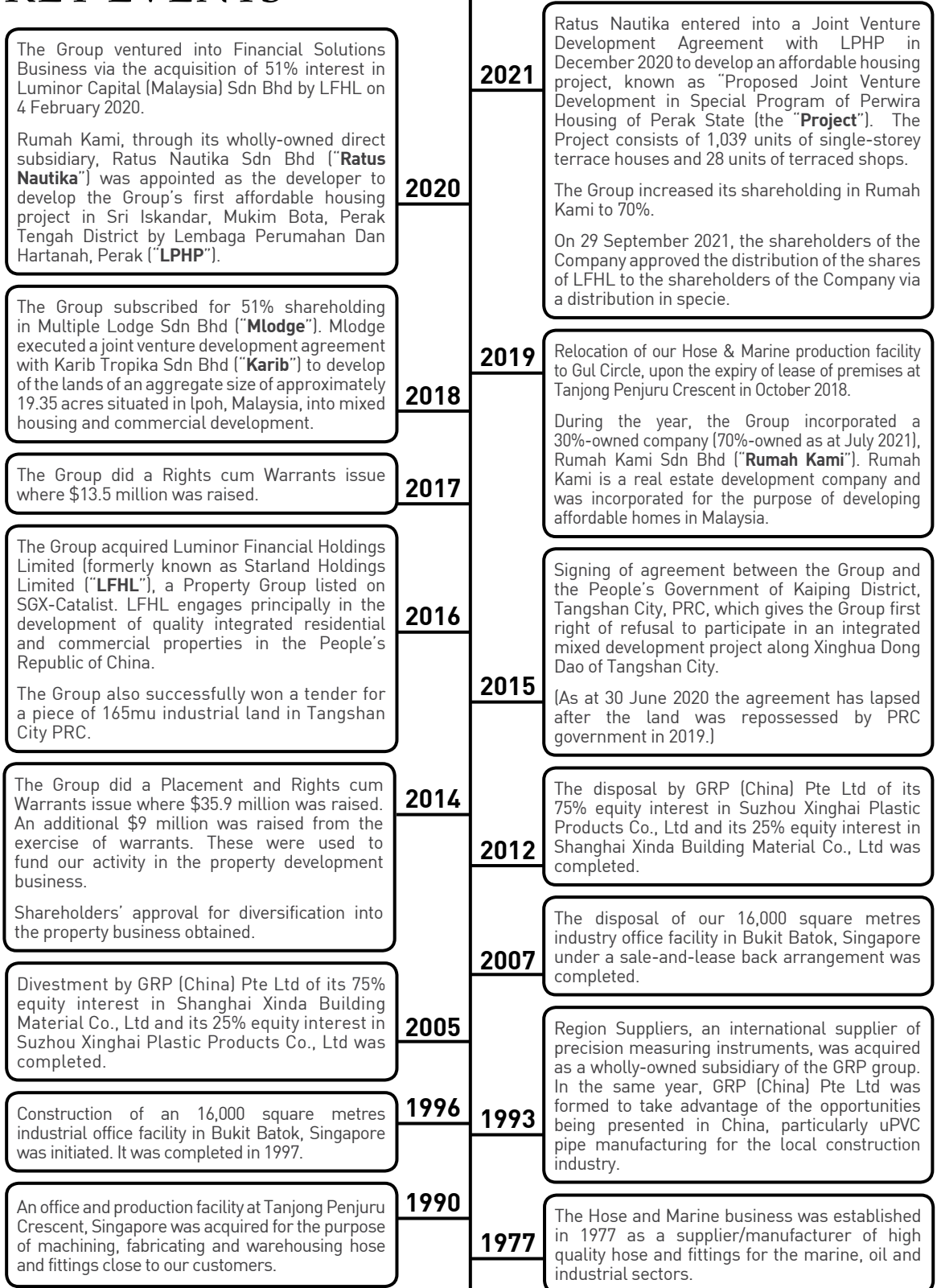
Ms Lim holds a Diploma in Finance and Management from Productivity and Standards Board, Singapore.

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



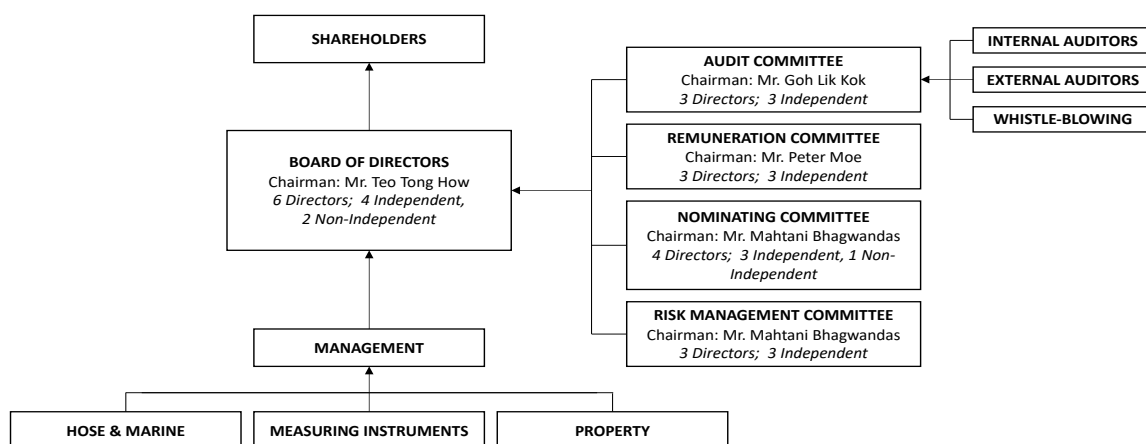
CORPORATE GOVERNANCE REPORT

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 revised Code of Corporate Governance 2018 (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 2021 (“**FY2021**”) 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 Kwan Chee Seng	Executive Director
Mr Goh Lik Kok	Independent Non-Executive Director
Mr Mahtani Bhagwandas	Independent Non-Executive Director
Mr Peter Moe	Independent Non-Executive Director
Ms Kwan Yu Wen	Non-Executive Non-Independent Director

CORPORATE GOVERNANCE REPORT

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.

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**").

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.

CORPORATE GOVERNANCE REPORT

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.

In addition, the Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. 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 FY2021, the Directors received briefings by the Group's external auditors on changes and amendments to the Singapore Financial Reporting Standards (International). The Board was also briefed on new releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors. Such new releases are regularly circulated to the Board by management.

In FY2021, the Directors have attended courses and seminars including the Listed Entity Directors Programme conducted by the Singapore Institute of Directors.

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.

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 half yearly/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

CORPORATE GOVERNANCE REPORT

- 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, Cap. 50
- v. Formation of new entities

Other key items deliberated during FY2021 include:

- i. Various potential development opportunities
- ii. New business strategies for various subsidiaries

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

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 Audit Committee (“AC”), Nominating Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”) have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set

CORPORATE GOVERNANCE REPORT

out in their respective terms of reference as shown on 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	RMC
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 Goh Lik Kok Mr Peter Moe Mr Kwan Chee Seng 	<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 (“INED”)	Four members – Three INEDs and one Executive Director (“ED”)	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 half-yearly 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 means of tele-conference or other similar communications equipment whereby all persons participating in the meeting 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.

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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 a 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 FY2021, 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	RMC	Annual	Extraordinary
Number of meetings held	7	6	4	1	1	1	Nil
		Number of meetings attended					
Mr Teo Tong How	7	NA	NA	NA	NA	1	NA
Mr Kwan Chee Seng	7	NA	4	NA	NA	1	NA
Mr Goh Lik Kok	7	6	4	1	1	1	NA
Mr Mahtani Bhagwandas	7	6	4	1	1	1	NA
Mr Peter Moe	7	6	4	1	1	1	NA
Ms Kwan Yu Wen	7	NA	NA	NA	NA	1	NA

The Independent Directors also meet amongst themselves and/or with the Executive Directors 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.

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

CORPORATE GOVERNANCE REPORT

approval is sought, the relevant background and explanatory information on the specific matter is provide to enable Directors 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 matter 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)	Half-yearly
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 dinners 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.

All Directors have separate and independent access to the Company Secretary at all times through emails, telephone and face-to-face meetings. During FY2021, the Company Secretary and/or her 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

CORPORATE GOVERNANCE REPORT

- 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: 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.

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. Mr Kwan Chee Seng and Ms Kwan Yu Wen are Non-Independent Directors.

There is currently no independent Director who has served on the Board for more than 9 years. Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas would have served on the Board for more than nine years, from the dates of their first appointments, on 4 July 2023, 6 November 2021 and 1 June 2022 respectively. In anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will come into effect from 1 January 2022, the re-appointments of Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas, will be subject to the mandatory two-tier shareholders’ voting at the AGM. Under the mandatory two-tier shareholders’ voting, each re-appointment of Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas as Independent Director is subject to approval in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who are Directors or Chief Executive Officer (“CEO”) of the Company, and their respective associates.

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 Tong How, Chairman of the Board, is considered to be independent. Mr Teo Tong How who is also a Non-Executive Director, is not related to the Executive Director and is not part of the management team. For FY2021, Independent and Non-Executive Directors 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.

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The Independent and Non-Executive Directors 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, and recognises the importance of having a good balance of industry knowledge, experience and professional qualifications. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

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.

The NC is satisfied that the members of the Board as a whole possess relevant core competencies required to be effective. The Board members have accumulated deep industry expertise across a broad range of industries. For example, GRP's Chairman, Mr Teo Tong How is a veteran in the property sector, the key industry that GRP is focusing on for its long-term growth. The profile of each Director and other relevant information are set out under "Board of Directors" section in the Annual Report 2021.

The NC believes in the merits of having gender diversity on the Board. However, the NC is also mindful that candidates should only be included for consideration and be selected based on merit rather than for the sake of representation. In FY2021, there was one female Director out of a total of six Directors on the Board, namely Ms Kwan Yu Wen. This amounts to approximately 17% of the total Board membership, which is close to the average of 18% based on the top 100 primary-listed companies on SGX-ST (taken from Diversity Action Committee, 1 September 2021).

CORPORATE GOVERNANCE REPORT

A summary of the Board's core competencies are 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
Gender		
- Male	5	83
- Female	1	17

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 FY2021, 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.

Non-Executive Directors 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 Non-Executive Directors 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 Non-Executive Directors 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 Non-Executive Directors have met at least once without the presence of management in FY2021.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Principle 3: There should be 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 Tong How.

The Group does not have a CEO in place, the responsibilities of the Group's business are undertaken by the Executive Director, Mr Kwan Chee Seng who is assisted by the management.

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

Mr Teo Tong How is not related to Mr Kwan Chee Seng and the management.

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

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

The roles of Mr Teo Tong How and Mr Kwan Chee Seng 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 Tong How and Mr Kwan Chee Seng. Mr Teo Tong How maintains open lines of communication with Mr Kwan Chee Seng and management, and guides and advises them on key issues. Mr Teo Tong How and Mr Kwan Chee Seng meet outside of the boardroom regularly to discuss on matters.

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 Directors and management. The Independent Directors provide feedback where appropriate to the Chairman of the Board after such meetings.

BOARD MEMBERSHIP

Principle 4: There should be 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 programs 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 FY2021, 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.

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 FY2021.

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 Mahtani Bhagwandas and its members are Mr Goh Lik Kok, Mr Kwan Chee Seng and Mr Peter Moe. The majority of the Directors in the NC, including the Chairman, 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	Independent Non-Executive Director and Chairman	4 July 2014	26 October 2018	NA	NA
Mr Kwan Chee Seng	Executive Director	1 March 2013	29 December 2020	Luminor Financial Holdings Limited (formerly known as Starland Holdings Limited)	Variscan Mines Limited
Mr Goh Lik Kok	Independent Non-Executive Director	6 November 2012	25 October 2019	NA	NA
Mr Mahtani Bhagwandas	Independent Non-Executive Director	1 June 2013	25 October 2019	NGSC Limited	Natural Cool Holdings Limited Alita Resources Limited SBI Offshore Limited
Mr Peter Moe	Independent Non-Executive Director	1 September 2013	29 December 2020	NA	Swee Hong Limited
Ms Kwan Yu Wen	Non-Executive Director	13 February 2019	25 October 2019	Luminor Financial Holdings Limited (formerly known as Starland Holdings Limited)	NA

The directors longest in office since their last re-appointment are Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas. After assessing the contribution and performance of the retiring Directors, the NC has recommended that Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas be re-elected at the forthcoming AGM. The Board has accepted the recommendation of the NC.

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

CORPORATE GOVERNANCE REPORT

Subject to their re-election:

- (i) Mr Teo Tong How shall continue to serve as Independent Non-Executive Director and Chairman of the Board;
- (ii) Mr Goh Lik Kok shall continue to serve as Independent Non-Executive Director and Chairman of AC, and a member of NC, RC and RMC.
- (iii) Mr Mahtani Bhagwandas shall continue to serve as Independent Non-Executive Director, Chairman of NC and RMC, and a member of AC and NC.

The requisite information required under Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas can be found on pages 49 to 57 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 FY2021, 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 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 Tong How, Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Mr Peter Moe for FY2021.

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/her 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/her 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 FY2021.

BOARD PERFORMANCE

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

For FY2021, 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 FY2021 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 board approval.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: 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.

Provision 6.1 – The board establishes a remuneration committee 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 Directors' 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 Peter Moe and its members are Mr Goh Lik Kok and Mr Mahtani Bhagwandas. The entire RC comprises of Independent Non-Executive Directors 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.

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In FY2021, 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 FY2021, the RC did not engage the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7: 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.

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 Executive Directors 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 Executive Director. The Executive Director 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 Executive Director 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

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executives (excluding those employed by the listed subsidiary, which has its own remuneration committee), after taking into consideration the Executive Director's assessment of and recommendations for bonuses and remuneration.

For FY2021, 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 Executive Director 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 Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of breach of fiduciary duties.

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

The Board concurred with the RC's proposal for Non-Executive Independent Directors' fees for FY2021 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 FY2021 is appropriate and not excessive. The aggregate fees of the Non-Executive Independent Directors are subject to approval of the shareholders at the AGM.

DISCLOSURE ON REMUNERATION

Principle 8: Transparency 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 FY2021 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.

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Performance Assessment of Executive Director 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 Executive Director and key management personnel with those of shareholders.

For Executive Director, 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 and Directors' fees.

Annual review is carried out by the RC to ensure that the remuneration of the Executive Director 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 Executive Director'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 Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2021. 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 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 Executive Director 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 FY2021.

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

The total remuneration paid to the Non-Executive Independent Directors for FY2021 was \$146,250. The breakdown of Directors' remuneration for FY2021 is as follows:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Directors Fees (S\$)	Total (%)
\$500,000 to below \$750,000					
Mr Kwan Chee Seng	79	16	5	-	100
\$250,000 to below \$500,000					
Ms Kwan Yu Wen	75	16	9	-	100
Below \$250,000					
Mr Teo Tong How	-	-	-	48,750	100
Mr Goh Lik Kok	-	-	-	34,125	100
Mr Mahtani Bhagwandas	-	-	-	34,125	100
Mr Peter Moe	-	-	-	29,250	100

The total remuneration paid to the top 5 key management personnel (aside from the Directors) for FY2021 was \$1,021,680.

The breakdown of remuneration of the Company's key executive officers (who are not Directors) for FY2021 are as follows:

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
\$250,000 to below \$500,000					
Mr Kantilal s/o Champaklal Ramdas	Chief Financial Officer	70	15	15	100
Below \$250,000					
Ms Lim Siok Lin	General Manager ["GM"] (Measuring Instrument)	44	39	17	100
Mr Khoo Fredrick Christopher Junior	GM (Hose and Marine)	73	6	21	100
Mr Kelvin Kwan Chee Hong	GM (Property)	56	12	32	100
Ms Peng Peck Yen	Financial Controller	69	14	17	100

* 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.

There was no termination, retirement or post-employment benefits granted to any Director or key management personnel in FY2021.

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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 Performance Share Plan known as 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 Peter Moe, Mr Goh Lik Kok and Mr Mahtani Bhagwandas. The Chairman of the RC is Mr Peter 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\$50,000.

Name	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
\$250,000 to below \$500,000					
Ms Kwan Yu Wen ⁽¹⁾	Non-Executive Director	75	16	9	100
Below \$250,000					
Mr Kelvin Kwan Chee Hong ⁽²⁾	GM (Property)	56	12	32	100
Ms Elissa Kwan Ru Hui ⁽³⁾	Management Executive	69	14	17	100

(1) Ms Kwan Yu Wen ("Ms Kwan") was re-designated as Non-Executive Director of the Company with effect from 21 December 2020. Ms Kwan was appointed as Executive Director of the Company on 13 February 2019. Ms Kwan is also the Executive Director of Luminor Financial Holdings Limited, a 83.17% indirectly owned subsidiary of the Company. Prior to this, Ms Kwan was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd. Ms Kwan was also a Consultant of the Company from January 2017 to February 2019. Ms Kwan is the daughter of Mr Kwan Chee Seng, who is the Executive Director and substantial shareholder of GRP.

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- (2) Mr Kelvin Kwan is the General Manager of Luminor Financial Holdings Limited, a 83.17% indirectly owned subsidiary of the Company with effect from 18 February 2016. Prior to this, he was the General Manager of the Property Division of the Company. Mr Kelvin Kwan is the brother of Mr Kwan Chee Seng, who is the Executive Director and substantial shareholder of GRP.
- (3) Ms Elissa Kwan Ru Hui, the daughter of Mr Kwan Chee Seng, who is the Executive Director and substantial shareholder of GRP, was a Management Executive of GRP from 1 March 2019 to 31 July 2021. With effect from 1 August 2021, Ms Elissa Kwan is a Consultant of GRP Limited. Ms Elissa Kwan Ru Hui is also the sister of Ms Kwan Yu Wen, the Non-Executive Director of GRP.

RISK MANAGEMENT & INTERNAL CONTROLS

Principle 9: Board's Governance of Risk Management System and Internal Controls

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 RMC, 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 as part of the Company 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 RMC is chaired by Mr Mahtani Bhagwandas and its members include Mr Goh Lik Kok and Mr Peter Moe.

The RMC 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 half-yearly basis. The management will propose countermeasures 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.

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Internal audit is outsourced to a third party professional firm. In FY2021, 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.

In FY2021, GRP revised its Continuous Disclosure Policy.

The Board, with the concurrence of both the AC and the RMC, 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 2021.

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 FY2021 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.

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 Executive Director and Chief Financial Officer ("CFO") that for FY2021:

- (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 effective.

Principle 10: Audit Committee

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 and the chief financial officer on the financial records and financial statements;**

CORPORATE GOVERNANCE REPORT

- (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;**
- (c) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (d) 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 interim 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);
- 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; and
- vii. Review interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's ("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 six times during FY2021. The executive Directors, Chief Financial Officer and Company Secretary attended all the scheduled meetings.

For FY2021, the AC discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant issues were discussed with management and the External Auditors and reviewed by the AC in respect of FY2021:

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Significant matters	How the Audit Committee addressed these issues
Valuation of Development Properties	The Group has 3 pieces of development properties in Malaysia. Management has engaged an independent professional valuer to value the 3 pieces of development properties in Malaysia.

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 AC 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 half yearly meeting of the AC to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding.

During FY2021, 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.

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.

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<i>Fees Paid/Payable to the External Auditor, Baker Tilly for FY2021</i>		
	\$	% of total
Audit fees	252,000	100
Non-audit fees	-	-
Total	252,000	100

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 2022.

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 Lik Kok and its members include Mr Mahtani Bhagwandas and Mr Peter Moe. All the members of the AC are Non-Executive and Independent Directors.

The Board considers that Mr Goh Lik Kok, 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 YYC Advisors Sdn Bhd. The Head of Internal Auditors of YYC Advisors Sdn Bhd, Ms Christine Looi Pek San, is a professional member of the Institute of Internal Auditors Malaysia. Both internal audit firms report directly to the Chairman of the AC on audit matters, although the internal auditors may report administratively to the Executive Director and the Chief Financial Officer of GRP.

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The appointment, removal, evaluation and compensation of One e-Risk Services Pte Ltd and YYC Advisors 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 FY2021, 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 FY2021. 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 half-year 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

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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.

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 notices published in the newspapers, 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.

In line with the safe-distancing measures and regulations imposed by the Singapore Government to curb the further spread of COVID-19, the Company strongly encourages shareholders' participation at the forthcoming AGM for FY2021 which is to be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Alternative Arrangements Order**").

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, pursuant to the Alternative Arrangements Order. Although the AGM will be conducted by electronic means, shareholders may appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at that AGM if such shareholders wished to exercise their voting rights, and may submit their questions relating to the resolutions set out in the notice of the AGM in advance.

The Company has specified in the notice of AGM the detailed information on attending the AGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM proceedings, (ii) access the annual report and proxy form, (iii) submit their questions in advance of the AGM electronically (e.g. via email) and (iv) vote by appointing the Chairman of the AGM as proxy and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

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 FY2021.

CORPORATE GOVERNANCE REPORT

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

In light of the Alternative Arrangements Order, shareholders who wish to vote at the forthcoming AGM for FY2021 must submit a proxy form to appoint the Chairman of the AGM as their proxy and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions. The detailed information regarding how shareholders may vote by appointing the Chairman of the AGM as proxy and submission of questions has been specified in the Notice of AGM.

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.

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 Group is not recommending any dividend for FY2021 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 Executive Director. Meeting with institutional and retail investors can be arranged upon request. All shareholders are welcome to get in touch

CORPORATE GOVERNANCE REPORT

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 half-year 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.

MANAGING STAKEHOLDERS RELATIONSHIPS

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 YYC Advisors 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 YYC Advisors Sdn Bhd are 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.

CORPORATE GOVERNANCE REPORT

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 Auditor and reviews performed by management and various Board Committees including the AC and the RMC, 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 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 2021.

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 Directors and officers. In line with the guidelines, 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

GRP has policies and procedures governing Related Party Transactions ("**RPTs**"). The Board has established the procedure for approval of all related party transactions to ensure that these transactions are undertaken on an arm's length basis. The AC reviewed all material related party transactions 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 127 in the Notes to Financial Statements.

CORPORATE GOVERNANCE REPORT

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 redeemable convertible preference shares issued by EESB. Luminor Capital Pte Ltd ("**LCPL**"), being the fund manager of LPF2 and LHF1, is the lead fund manager for the EESB subscription. LCPL charged fees of 2% on the investment amount and 20% on the returns 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 is also one of the investors of LHF1.
2. The Company had announced on 10 October 2017 that Multiple Lodge Sdn Bhd ("**MLodge**"), a 67.5% indirect-owned subsidiary of the Company, will appoint EESB as the project manager for the development in Ipoh, Malaysia ("**Appointment**").
3. 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**").
4. 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

CORPORATE GOVERNANCE REPORT

- (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.

5. Pursuant to novation agreements entered into between Mr Kwan Chee Seng (“**KCS**”), Mr Foo Fatt Kah (“**FFK**”), Luminor Capital Pte. Ltd. (“**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 KCS and FKK. The amount due to KCS is unsecured, interest bearing at 10% per annum and repayable by 9 January 2023. The outstanding balance as at 30 June 2021 is S\$819,000.

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 interested person transactions 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 interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000/-)
Luminor Capital Pte Ltd (“ LCPL ”) – Rental expenses recovered	227,331	–
Kwan Chee Seng – Interest expense paid on amount due to director of subsidiary	34,284	–

The IPT with Luminor Capital Pte Ltd relates to the rental of office space in FY2021. Mr Kwan Chee Seng, Executive Director is the director of LCPL. Both Mr Kwan and Ms Kwan Yu Wen, Non-executive Director of the Company, are shareholders of LCPL.

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 IPT as GRP’s Executive Director, Mr Kwan Chee Seng is a director of Luminor Pacific Fund 2 Ltd and Luminor Harbour Fund 1 Pte Ltd.

CORPORATE GOVERNANCE REPORT

Use of Proceeds from Rights Issue and Exercise of Warrants

As at 27 September 2021, 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 2021	Balance of Net Proceeds as at 27 September 2021
2013 Rights Issues			
Proceeds from rights issue:			
- Proposed new business	28,000	(28,000)	-
- General working capital	5,000	(4,508)	492
	33,000	(32,508)	492
Proceeds from exercise of warrants:			
- Proposed new business	8,974	(8,974)	-
Total	41,974	(41,482)	492
Breakdown of general working capital is as follows:			
- Capital contribution		(570)	
- Project construction costs		(2,157)	
- Rental expenses		(34)	
- Professional fees		(125)	
- General administrative expenses		(1,622)	
Total		(4,508)	
2016 Rights Issues			
Proceeds from rights issue:			
- Proposed new business	12,348	(6,372)	5,976
- General working capital	841	-	841
	13,189	(6,372)	6,817
	13,189	(6,372)	6,817
Proceeds from exercise of warrants:			
- Proposed new business	6	-	6
Total	13,195	(6,372)	6,823
Cumulative Total	55,169	(47,854)	7,315

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo Tong How, Mr Goh Lik Kok and Mr Mahtani Bhagwandas are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 October 2021 ("AGM") (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 Annual General Meeting is disclosed below:

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
Date of Appointment	4 July 2014	6 November 2012	1 June 2013
Date of last re-appointment	26 October 2018	25 October 2019	25 October 2019
Age	78	59	54
Country of principal residence	Singapore	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 Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Teo Tong How for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Teo Tong How possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	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 Goh Lik Kok for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Goh Lik Kok possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	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 Mahtani Bhagwandas for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Mahtani Bhagwandas possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Non-executive Director, Chairman of the Board.	Independent Non-executive Director, Chairman of the Audit Committee, and Member of Nominating Committee, Remuneration Committee and Risk Management Committee.	Independent Non-executive Director, Chairman of the Nominating Committee and Risk Management Committee, and Member of the Audit Committee and Remuneration Committee.
Professional qualifications	Bachelor of Architecture (Hons) Degree from University of Melbourne, Australia.	Bachelor of Mechanical Engineering (Hons) Degree from National University of Singapore.	Bachelor of Laws (Hons) Degree from National University of Singapore.
Working experience and occupation(s) during the past 10 years	1979 to present: Managing Director/Director of Hong How Corporation Pte Ltd. 1968 to present: Director of Tong Eng Brothers (Pte) Ltd.	July 2021 to present: Executive Vice President of STIE Pte Ltd. November 2016 to September 2021: Service Consultant to Nippon Paint Holdings SG Pte Ltd. December 2014 to November 2016: Managing Director of Resources Oil & Gas Pte Ltd. September 2012 to February 2013: Executive Director & Chief Operating Officer of Koyo International Limited. February 1994 to September 2012: Vice President and General Manager of Singapore Technologies Engineering Limited.	1993 to June 2021: Partner of Legal Standard LLP.
Shareholding interest in the listed issuer and its subsidiaries	8,115,600 ordinary shares (4.50%) in GRP Limited 1,005,448 ordinary shares (0.69%) in Luminor Financial Holdings Limited	50,000 ordinary shares (0.03%) in GRP Limited	252,000 ordinary shares (0.14%) in GRP Limited 42,840 ordinary shares (0.03%) in Luminor Financial Holdings Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	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	Yes
Other Principal Commitments including Directorships Past (for the last 5 years)	Directorships: None	Directorships: - Resources Oil & Gas Pte. Ltd.	Directorships: - Agrasol Pte. Ltd. - Agro Commtrade Pte. Ltd. - Agrogo Inspections Pte. Ltd. - Agrogo Logistics Pte. Ltd. - Agrogo Market Pte. Ltd. - Agrogo Secure Pte. Ltd. - Agrogo Trades Pte. Ltd. - Alliance Mineral Assets Limited - Elsemore Maritime Singapore Pte. Ltd. - Filago Pte. Ltd. - Fortis Bulkiers Pte. Ltd. - FVG Singapore Pte. Ltd. - Good Lord Pte. Ltd. - Ginger Pte. Ltd. - Hon Corporation Limited - Kundanmals' Holdings Pte. Ltd. - Legal Standard-Acies LLC - Natural Cool Holdings Limited - Samjin Singapore Pte. Ltd. - SBI Offshore Limited - Superbound Investment Inc. Pte. Ltd. - Vertic Hydro Pte. Ltd.
	Other Principal Commitments: None	Other Principal Commitments: None	Other Principal Commitments: None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
Other Principal Commitments including Directorships (Present)	Directorships: - Aspire55 Sterling Pte. Ltd. - Aspire55 Pte. Ltd. - Bellevue Global Trust Private Limited- Chelsford Green 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 - Fairview Developments Private Limited - Feature Development Private Limited - Feature Green Pte. Ltd. - Feature Investment Pte. Ltd. - Feature Land Pte. Ltd. - Fractor Gardenia Development Pte. Ltd. - Goh Loo (2012) Limited - Haig 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 Development Pte. Ltd. - Maltstore Swanston Street Pty Ltd (VIC) - Popular Land Pte. Ltd. - Prime Life Management Pte. Ltd. - Prime Residence Home Pte. Ltd. - Raffles Money Change Pte. Ltd. - Raffles Exchange Pty. Ltd. (NSW) - Singapore Dance Theatre Limited - Sterling Asia Health Pte. Ltd. - Tai Kim Company 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. - Zandrif Investments International Pte. Ltd.	Directorships: None	Directorships: - NGSC Limited - AP2KP Worldwide Pte. Ltd. - Arcus Carriers Pte. Ltd. - Asa Shipping & Energy Pte. Ltd. - Azee Communications Pte. Ltd. - DSSG Consulting Pte. Ltd. - Evergreen Global QSR Pte. Ltd. - Forpro Pte. Ltd. - Homing Fu International Pte. Ltd. - Kraainem Holdings Pte. Ltd. - Mikat Trading & Investment Pte. Ltd. - Misha Pte. Ltd. - PH Investments Pte. Ltd. - Phoenix Solar Pte. Ltd. - Quantum Impex Pte. Ltd. - Repsol Singapore Pte. Ltd. - Summit 29K Pte. Ltd. - SMB Holdings Pte. Ltd. - TBT Pte. Ltd.
	Other Principal Commitments: None	Other Principal Commitments: None	Other Principal Commitments: None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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.

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
a) Whether at any time during the last 10 years, an application or 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 any time within 2 years from the date he ceased to be a partner?	No	No	No
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 whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No
c) Whether there is any unsatisfied judgement against him?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or 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	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	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 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?	No	No	No
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	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
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	No
i) Whether he has ever been the subject of any order, judgment 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	Yes. Please refer to Annexure A.
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	Yes. Please refer to Annexure B.
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	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO TONG HOW	MR GOH LIK KOK	MR MAHTANI BHAGWANDAS
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	No
v. 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	No
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	Yes. Please refer to Annexures A and B.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Annexure A

1. In 2018, Mr Mahtani Bhagwandas (“**Mr Mahtani**”) was the subject of disciplinary proceedings under the Law Society for having allegedly acted for a client whilst he was in a position of conflict of interest, and/or allegedly for having preferred the interest of another party over the client, both of which were denied. The Disciplinary Tribunal dismissed the complaint against him.
2. In 2019, SGX imposed 5 Charges against all the directors (Mr Mahtani was one of the directors) of a company listed on SGX for not having consulted with the SGX prior to the disposal of a subsidiary company and for not holding an extraordinary general meeting for the disposal of a factory property. SGX proceeded with 4 Charges and the Listings Disciplinary Committee found the independent directors guilty of 2 Charges and imposed a private reprimand (the executive director was given a public reprimand and a 2 years’ prohibition from holding directorships in Singapore). It was also ruled that the matter was to be kept private and confidential in so far as the independent directors were concerned (i.e. any publication of the ruling will have the names of the company and the independent directors redacted/ removed). SGX has since filed an appeal against the ruling, and similarly, the executive director has filed an appeal against the ruling on him.
3. In 2020, there were Disciplinary Proceedings under the Law Society against Mr Mahtani for having acted for a client (who was the mistress/partner of the former client, and who bore 2 children to him) against the former client (now his Estate as he passed away) whilst he was aware of this confidential information during his lifetime (i.e. his assets), and further, for not disclosing that he was acting for the client against the Estate to the administrators in a timely manner, who then allegedly provided him with further confidential information (as the former client was not divorced at the time of his death, the Estate/administration went to his wife and her sister and his ex-wife – requirement to have a minimum of 2 administrators as there are minority interests to the Estate). The Disciplinary Tribunal has found against Mr Mahtani and referred the matter to the Court of 3 judges, whom made the ruling that he be suspended from practice for two years from 14 June 2021 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.

Annexure B

Mr Mahtani has attended an interview on 17 May 2021 conducted by the Commercial Affairs Department in relation to an investigation involving certain private companies unrelated to GRP Limited, in which Mr Mahtani is/was a nominee director.

As at the date of this Annual Report, the aforesaid investigation is still ongoing and remains confidential and no charges have been made against any person or entity. Mr Mahtani is not the subject of the investigation and was assisting in the investigation. There are no restrictions or conditions imposed by the Commercial Affairs Department on him and his travel document was not required to be retained by the Commercial Affairs Department.

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 FY2021.

GRP engages in the Property, Hoses and Marine, and Measuring Instruments businesses. Our emphasis and priority are to deliver quality product to our customers at all times, 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 well-being of our communities so as to secure a long-term future of our Group.

GRP 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. Policies and guidelines have been established to ensure our Group adopts safety measures and procedures at all times, respect and care for the well-being of the people in our Group and in the community, and have efficient usage of energy, water and all other resources.

GRP’s integrated human capital strategy aims to recruit, develop and motivate employees so that the employees can 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. The Company places emphasis on career development, employee welfare and employee engagement.

GRP has activated its business continuity plan since the outbreak of COVID-19 in March 2020 and has established appropriate measures to comply with government social distancing requirements and other measures so as to minimise impact within the Group. This includes measures to have staff working from home. Where working in office is essential, the staff are organised into 2 teams so as to have minimal staff contact between the 2 teams. In addition, meetings between staff, customers or service providers, are conducted via conference calls, whenever possible.

When sourcing for external service providers, the Group ensures that we deal with establishments that are identified with competence and capabilities, and are authorised and/or regulated, where required.

ABOUT THIS REPORT

Description	Notes and Reference
Reporting period	1 July 2020 to 30 June 2021
Reporting cycle	Annual
Reporting framework and source of reference	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.
Reporting boundary	Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company and our subsidiaries in FY2021.
External assurance	We have not sought external assurance for FY2021, but may consider doing when the need arises or when deemed appropriate.

SUSTAINABILITY REPORT

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 “**Committee**”), and they have the responsibility of overseeing the Company’s sustainability agenda and performance. The Board oversees and assesses the conduct and efforts on Sustainability Management, which includes identifying areas that have significant impact on our business strategy. In addition, we also assess our performance and identify for any improvements, if applicable.

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.

This report covers data and information from 1 July 2020 to 30 June 2021 (“**FY2021**” or “**Reporting Period**”) and discusses the Group’s achievements and performance towards environmental, social and governance (“**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 sustainability management involves the senior officers of the Company, and the sustainability issues are reported and addressed with the Board. The structure is as follows:



SUSTAINABILITY REPORT

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

The members of the Committee have an on-going and regular review, to assess on inputs and 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.

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.

The Committee identified the specific ESG factors which are material to the Group based on 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 Committee members also considered the insights they gain from their day-to-day engagement with various stakeholders to establish the direction for sustainability reporting. The Committee members also engaged in regular dialogue and feedback sessions with the management and employees. In addition, the key members of the Committee have regular management and board meetings where relevant business, operational and financial issues and performance are discussed.

The 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 is endorsed by the Board, and these priorities are reviewed on a yearly basis.

SUSTAINABILITY REPORT



Material ESG Matters		Corresponding GRI Topic-specific Standards
1	Customer Satisfaction	GRI 102: General Disclosure
2	Economic Performance	GRI 201: Economic Performance
3	Human Capital	GRI 401: Employment
4	Legal Compliance	GRI 102: General Disclosure
5	Anti-corruption and anti-fraud	GRI 205: Anti-corruption
6	Product quality and responsibility	No relevant GRI topic-specific standard on this
7	Market presence	GRI 202: Market Presence

The above ranking and assessment are based on the information collected for FY2021.

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.

SUSTAINABILITY REPORT

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. 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 environmental, health and safety 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 believe in the benefits of re-employing older workers. To 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 - Half-yearly 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 have set targets for the subsequent year and details are as follows:

Focus	Impact on Stakeholders	FY2021 Performance	FY2022 Commitment and targets
<p>Supply Chain Management</p> <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 are of vital importance.</p> <p>For our measuring instruments segment, precision in the measuring instruments is of ultimate importance.</p> <p>As for our financial solutions business, offering financial solutions well suited to the needs of our customers is important.</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. In view of the COVID-19 outbreak, more meetings had been held with the Malaysian suppliers via conference calls in FY2021.</p> <p>Dialogue with our customers on a regular basis, to be aware of their needs, and also being assured of their financial position and performance.</p>	<p>Continue to enhance customer satisfaction level with improved product quality and service.</p> <p>On 29 September 2021, the shareholders of the Company have approved the distribution of the shares of Luminor Financial Holdings Limited ("LFHL"). Upon the distribution, the Company will cease to focus on the activity.</p>
<p>Corporate Governance</p> <ul style="list-style-type: none"> • Corporate governance • Risk management 	<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 February 2021 (First Half FY2021) and 17 August 2021 (Full Year FY2021).</p>	<p>Ensure compliance of all legislation and corporate governance requirement 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.

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

On 29 September 2021, the shareholders of the Company had approved the distribution of the shares of LFHL. Upon completion of the distribution, the financial solutions business will cease to be a focus of our activity. GRP will then have 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 requirement.

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 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 in consideration are 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 to ensure that we meet the expectations of our customers at all times by delivering to them quality products services, and on a timely basis.

ENVIRONMENTAL INITIATIVES

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 China and Malaysia is focused on ensuring that renovation waste materials are properly disposed in designated areas.

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.

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. 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.

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 Audit Committee ("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.

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.

SUSTAINABILITY REPORT

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.

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.

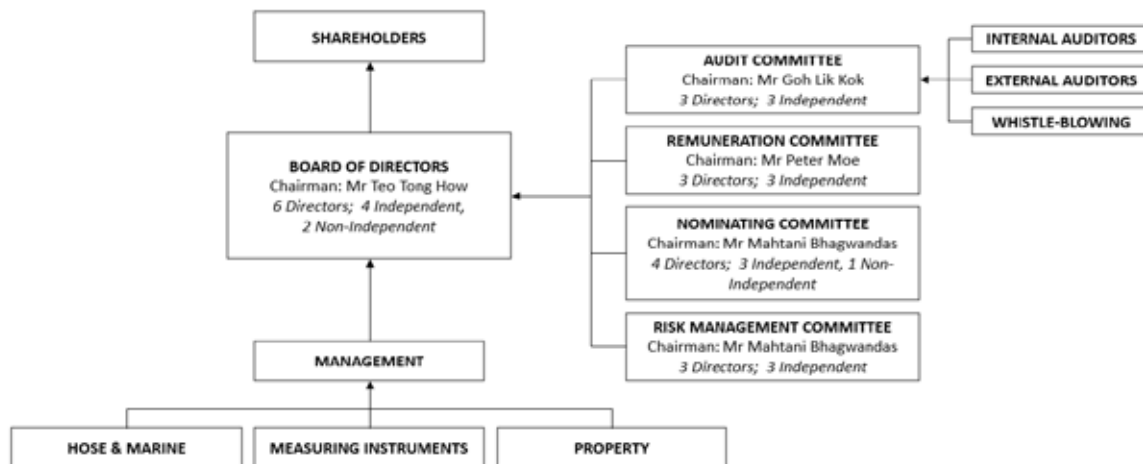
To further strengthen and ensure our compliance processes, we ensure that our employees are kept abreast of the dynamic regulatory landscape. We regularly receive or request updates or clarifications from our professional service providers, being our corporate secretaries, our external auditors and our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

ECONOMIC PERFORMANCE

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

BOARD OF DIRECTORS ("Board")

The Board comprise six Directors of which four are Independent Directors and two are Executive Directors. Below is GRP's governance framework:



INVESTORS AND MEDIA

GRP being an SGX-listed company, has various policies and guidelines to ensure compliance and to 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.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Organisation Profile		
102-1	Name of Organisation	GRP Limited
102-2	Activities, brands, products, and services	Page 1-3
102-3	Location of headquarters	GRP Limited 8 Marina Boulevard #13-02 Marina Bay Financial Centre, Tower 1 Singapore 018981
102-4	Location of operations	Singapore, Malaysia, and China
102-5	Ownership and legal form	Page 92
102-6	Markets served	Page 2-3
102-7	Scale of the organisation	Page 2-3
102-8	Information on employees and other workers	Page 60-65
102-9	Supply chain	Page 64-65
102-10	Significant changes to the organisation and its supply chain	N.A.
102-11	Precautionary principle or approach	N.A.
102-12	External initiatives	Page 58, GRP has not adopted any external initiatives.
102-13	Membership of associations	N.A.
Strategy		
102-14	Statement from senior decision-maker	Page 58
102-15	Key impacts, risks, and opportunities	Page 59-61
Ethics and Integrity		
102-16	Values, principle Values, principles, standards and norms of behaviour	Page 58-62
102-17	Mechanisms for advice and concerns about ethics	Page 65-66

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Governance		
102-18	Governance structure	Page 14-48
102-19	Delegating authority	Page 59
102-20	Executive-level responsibility for economic, environmental	Page 59
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 59-62
102-22	Composition of the highest governance body and its committees	Page 16-18
102-23	Chair of the highest governance body	Page 17-18
102-24	Nominating and selecting the highest governance body	Page 18, 25-29
102-25	Conflicts of interest	Page 15, 45-47
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 17-40
102-27	Collective knowledge of highest governance body	Page 17-29
102-28	Evaluating the highest governance body's performance	Page 29-30
102-29	Identifying and managing economic, environmental, and social impacts	Page 58-66
102-30	Effectiveness of risk management processes	Page 36-41
102-31	Review of economic, environmental, and social topics	Page 58-66
102-32	Highest governance body's role in sustainability reporting	Page 58-60
102-33	Communicating critical concerns	N.A.
102-34	Nature and total number of critical concerns	N.A.
102-35	Remuneration policies	Page 30-36
102-36	Process for determining remuneration	Page 30-36
102-37	Stakeholders' involvement in remuneration	N.A.
102-38	Annual total compensation ratio	Page 33-36

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Governance		
102-39	Percentage increase in annual total compensation ratio	Not disclosed due to commercial sensitivity given the highly competitive human resource environment.
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 61-62
102-41	Collective bargaining agreements	GRP has not adopted any collective bargaining agreement
102-42	Identifying and selecting stakeholders	Page 61-62
102-43	Approach to stakeholder engagement	Page 62-63
102-44	Key topics and concerns raised	Page 62-66
102-45	Entities included in the consolidated financial statements	Page 4-5
102-46	Defining report content and topic boundaries	Page 58-61
102-47	List of material topics	Page 61
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	Page 58
102-51	Date of most recent report	Page 58
102-52	Reporting cycle	Page 58
Stakeholder Engagement		
102-53	Contact point for questions	IBC
102-54	Claims for reporting in accordance with the GRI standards	Page 58
102-55	GRI content index	Page 67-71
102-56	External assurance	N.A.

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Management approach		
103-1	Explanation of the material topic and its boundary	Page 59-61
103-2	The management approach and its components	Page 58-59
103-3	Evaluation of the management approach	N.A.
Specific Standard Disclosures		
Category: Economic		
Topic: Economic Performance		
201-1	Direct economic value generated and distributed	N.A.
201-2	Financial implications and other risks and opportunities due to climate change	N.A.
201-3	Defined benefit plan obligations and other retirement plans	Page 30-36
201-4	Financial assistance received from government	N.A.
Topic: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N.A.
202-2	Proportion of senior management hired from the local community	Most senior managers are hired from the local community
Topic: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	N.A.
203-2	Significant indirect economic impacts	N.A.
Topic: Procurement Practices		
204-1	Proportion of spending on local suppliers	N.A.
Topic: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Page 65
205-2	Communication and training about anti-corruption policies and procedures.	Page 65
205-3	Confirmed incidents of corruption and actions taken	N.A.

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Topic: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N.A.
Topic: Effluents and Waste		
306-2	Waste by type and disposal method	Page 65
Topic: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Page 64-65
Topic: Employment and Labour Practices		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N.A.
Aspect: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no known incidents of complaints from our customers concerning breaches of privacy and lose of data.

Note:

GRP takes a phased approach to the adoption of the GRI indicators and will review annually for their relevance/applicability indicators marked "NA".

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, 2021.

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 83 to 174 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, 2021, 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
Kwan Chee Seng
Goh Lik Kok
Mahtani Bhagwandas
Peter Moe
Kwan Yu Wen

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 Singapore Companies Act except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year	At end of year
The company	Ordinary shares	
Teo Tong How	8,011,600	8,115,600
Kwan Chee Seng	64,064,440	64,064,440
Mahtani Bhagwandas	252,000	252,000
Goh Lik Kok	–	50,000

DIRECTORS' STATEMENT

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

Name of directors and company in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year	At end of year
The subsidiary – Luminor Financial Holdings Limited	Ordinary shares	
Teo Tong How	1,005,448	1,005,448
Kwan Chee Seng	6,921,713	6,921,713
Mahtani Bhagwandas	42,840	42,840

By virtue of Section 7 of the Singapore Companies Act, Mr Kwan Chee Seng is deemed to have an interest in all the related corporations of the company.

The directors' interests in the shares of the company as at July 21, 2021 were the same as at June 30, 2021.

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, 2021, 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, 2021, 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 six Audit Committee meetings. The Audit Committee met as necessary and performed the functions specified in the Singapore Companies Act. 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, 2021 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 appointment.

ON BEHALF OF THE DIRECTORS

.....
Teo Tong How

.....
Kwan Chee Seng

October 8, 2021

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, 2021, 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 83 to 174.

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, Chapter 50 (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, 2021, 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. Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")

As disclosed in Note 3(iii) to the financial statements, certain PRC banks have frozen certain PRC bank accounts of Tangshan GRP Trading Co., Ltd ("Tangshan GRP"), Chongqing Tianhu Land Co., Ltd ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd ("Gangyuan") during the financial year ended June 30, 2020.

We understand from management that these frozen bank accounts were used for normal business operations and there were fund transfers from these bank accounts made by the abovementioned PRC subsidiaries, aggregating to RMB114.0 million (\$22.8 million) to certain third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent") in the previous financial years. Certain of the group's Singapore subsidiaries had also received fund transfers aggregating \$21.8 million from the Agent. Management has represented that the receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

Management represented that Legal Counsels were appointed in the PRC to pursue the resolution of the matter and these Legal Counsels had initiated communications with the banks and were referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC. On November 24, 2020, management was informed verbally by the OIC that the affected bank accounts have been "unfrozen" and that those bank accounts can be used for "normal business operations".

The affected PRC bank accounts balance as at June 30, 2021 are disclosed in Note 7 and Note 39 to the financial statements. Status of the matter is disclosed in Note 3(iii) to the financial statements.

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. *Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC") (cont'd)*

As a result of the matters highlighted above and in Note 3(iii), we are unable to obtain sufficient appropriate audit evidence on whether the abovementioned fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. It is also not practicable to estimate the potential financial impact, if any, to the group in the event of any breach of applicable laws and regulations.

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

As disclosed in Note 3(vi) and Note 8.2(iv) to the financial statements, the group recorded non-current advance payment recoverable from the PRC authority amounted to \$4.6 million (2020: \$4.3 million) (RMB21.9 million). The non-current advance payment recoverable from the PRC authority of \$4,565,000 (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 are unable to obtain sufficient appropriate audit evidence on the recoverability of the above asset.

3. *Disposal group assets and liabilities classified as held for distribution*

As disclosed in Note 3(i) to the financial statements, on June 4, 2021, the company announced its proposal to distribute the group's interests in Luminor Financial Holdings Limited ("LFHL" or "disposal group") to the shareholders of the company via a distribution in specie by way of a capital reduction.

Management has assessed that the criteria to be classified as disposal group held for distribution to owners and discontinued operations has been met as at June 30, 2021. Accordingly, the carrying value of the disposal group held for distribution to owners is required to be stated at the lower of carrying amount and fair value less costs to distribute.

Management is satisfied that the fair value less cost to distribute is not materially different from the carrying amount of the disposal group of \$19.4 million. The shares of LFHL were traded on the Singapore Stock Exchange at \$0.109 per share ("quoted price") on June 30, 2021 and the computed market capitalisation is \$15.8 million. Management had assessed that adjustments to the quoted price were required to faithfully represent the fair value of the shares in the disposal group as there had been a significant decrease in the activity for LFHL's shares since it was acquired by the group and the quoted price does not represent the fair value of the disposal group.

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. Disposal group assets and liabilities classified as held for distribution (cont'd)

As disclosed in Note 3(iv) and Note 39 to the financial statements, as at June 30, 2021, included in disposal group assets classified as held for distribution to owners of the group of \$35.6 million is a development property in Fuling which amounted to \$3.7 million (2020: \$3.7 million) (RMB18.5 million) based on valuation provided by an external PRC valuer appointed by the local PRC authority in connection with an offer made by the authority during the financial year ended June 30, 2019 to repossess a land parcel located in Fuling, PRC which has lapsed as at June 30, 2020. During the current financial year, management received a letter from the local PRC authority requesting for the return of the land use permit and to recommence negotiation for the repossession value and other land repossession related matters. Management represented that they are still in the process of re-negotiating on the repossession value with the local PRC authority.

We are unable to obtain sufficient appropriate audit evidence on the carrying amount of the disposal group as it is dependent on the recoverability of the development property and the potential financial impact to Tianhu and Gangyuan arising from the matters as highlighted in our qualification on "Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")".

We are also unable to obtain sufficient appropriate audit evidence to enable us to conclude whether the disposal group held for distribution to owners is stated at the lower of carrying amount and fair value less costs to distribute. Consequently, we are unable to determine whether any adjustments might be necessary in respect of the following:

- (i) the loss from discontinued operations (net of tax) of \$0.5 million and related information as disclosed in Note 39;
- (ii) the disposal group assets and liabilities directly associated with disposal group classified as held for distribution to owners of the company of \$35.6 million and \$16.2 million respectively as disclosed in Note 39; and
- (iii) the basic and diluted loss per ordinary share attributable to owners of the company for loss from discontinued operations.

4. Receivables from certain subsidiaries

As disclosed in Note 3(vii) and Note 8.2(v), the company has receivables due from GRP Development Pte Ltd and Tangshan GRP of \$6.6 million (2020: \$6.6 million) and \$2.2 million (2020: \$4.2 million) respectively. The company has recognised an estimated credit loss allowance of \$2.0 million during the current financial year on these receivables. The ability to recover these receivables is dependent on the recoverability of the \$4.6 million (RMB21.9 million) non-current advance payment recoverable from the PRC authority and the potential financial impact to Tangshan GRP arising from the matters as highlighted in our qualification on "Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")".

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)

4. Receivables from certain subsidiaries (cont'd)

As disclosed in Note 3(vii) and Note 8.2(v), the company has receivables due from GRP Chongqing Land Pte Ltd ("GRP Chongqing") amounted to \$16.1 million (2020: \$28.4 million). The company recognised an impairment loss of \$12.3 million during the financial year ended June 30, 2021, based on the estimated recoverable amount upon completion of the distribution of LFHL shares. The estimated recoverable amount of the receivable is dependent on the fair value of the shares that will be received from GRP Chongqing on the date of distribution.

We are unable to obtain sufficient appropriate audit evidence on the adequacy and appropriateness of the credit loss allowance recognised of \$14.3 million in the current financial year, and the recoverability of the remaining receivables from GRP Development Pte Ltd, Tangshan GRP and GRP Chongqing of \$24.9 million as at June 30, 2021.

5. Opening balances

The independent auditor's report on the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the financial year ended June 30, 2020 included a qualified opinion on the following matters:

- Whether the fund transfers as disclosed in Note 3(iii) were in compliance with applicable laws and regulations 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.
- Whether the group had the rights and ability to recover the bank balances contained in the affected PRC bank accounts as disclosed in Note 7.
- Recoverability of certain assets from the PRC authorities and the receivables from certain subsidiaries.

The extract for the basis for qualified opinion is disclosed in Note 41 to the financial statements.

In view of the matters described in the basis for qualified opinion paragraphs on the financial statements for the financial year ended June 30, 2020, we are unable to determine whether the opening balances of the group and the company as at July 1, 2020 are fairly presented. Since the opening balances as at July 1, 2020 entered into the determination of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year ended June 30, 2021, we are unable to determine whether adjustments might have been found necessary in respect of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year ended June 30, 2021.

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.

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)

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.

Other Matter

The financial statements for the financial year ended June 30, 2020 were audited by another independent auditor whose report dated December 9, 2020 expressed a qualified opinion on the consolidated financial statements of the group and the company as detailed in Note 41 to the financial statements.

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.

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)

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.
- (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.

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)

- (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.

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 8, 2021

STATEMENTS OF FINANCIAL POSITION

June 30, 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	7	25,688	44,000	15,644	16,898
Trade receivables	8	1,920	2,199	495	380
Loan receivables	31	-	2,832	-	-
Other receivables	8	1,133	5,433	35,945	49,664
Properties held for sale	11	-	8,189	-	-
Development properties	12	3,607	7,734	-	-
Development property expenditures	32	6,370	469	-	-
Inventories	10	5,088	6,442	-	-
		43,806	77,298	52,084	66,942
Disposal group assets classified as held for distribution to owners	39	35,619	-	-	-
Total current assets		79,425	77,298	52,084	66,942
Non-current assets					
Other receivables	8	4,565	4,331	-	-
Financial assets at fair value through profit or loss	9	-	-	-	-
Property, plant and equipment	17	744	1,212	30	67
Right-of-use assets	13	1,401	2,313	324	826
Intangible asset	15	32	32	25	25
Associates	34	-	157	-	-
Subsidiaries	14	-	-	7,051	7,051
Deferred tax assets	16	275	553	-	-
Total non-current assets		7,017	8,598	7,430	7,969
Total assets		86,442	85,896	59,514	74,911

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	20	188	-	-	-
Trade payables	18	526	1,366	34	7
Lease liabilities	30	720	718	341	260
Amount due to non-controlling interests	33	-	1,036	-	-
Other payables	19	1,612	3,953	698	1,089
Deferred consideration	32	2,780	-	-	-
Income tax payable		446	8,679	49	49
		6,272	15,752	1,122	1,405
Liabilities directly associated with disposal group classified as held for distribution to owners	39	16,234	-	-	-
Total current liabilities		22,506	15,752	1,122	1,405
Non-current liabilities					
Lease liabilities	30	711	1,571	-	579
Deferred tax liabilities	16	1	5,207	-	-
Loans and borrowings	20	1,312	-	-	-
Total non-current liabilities		2,024	6,778	-	579
Total liabilities		24,530	22,530	1,122	1,984
Capital, reserves and non-controlling interests					
Share capital	21	72,502	72,502	72,502	72,502
Treasury shares	22	(2,382)	(2,343)	(2,382)	(2,343)
Currency translation reserve		1,471	(1,874)	-	-
Statutory reserve	23	245	245	-	-
Accumulated (losses) profits		(11,264)	(9,873)	(11,728)	2,768
Reserve of disposal group classified as held for distribution to owners	39	(3,165)	-	-	-
Equity attributable to owners of the company		57,407	58,657	58,392	72,927
Non-controlling interests		4,505	4,709	-	-
Total equity		61,912	63,366	58,392	72,927
Total liabilities and equity		86,442	85,896	59,514	74,911

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2021

		Group	
	Note	2021 \$'000	Restated 2020 \$'000
<u>Continuing operations</u>			
Revenue	24	14,361	15,114
Cost of sales		(9,539)	(10,079)
Gross profit		4,822	5,035
Other losses	25	(448)	(2,617)
Other operating income	26	651	596
Distribution costs		(1,833)	(1,851)
Administrative expenses		(3,909)	(4,347)
Finance costs		(63)	(91)
Share of result of associate		(71)	(2)
Loss before income tax		(851)	(3,277)
Income tax expense	27	(343)	(518)
Loss from continuing operations, net of tax	28	(1,194)	(3,795)
Loss from discontinued operations, net of tax	39	(525)	(1,285)
Loss for the financial year		(1,719)	(5,080)
Other comprehensive income (loss), net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		180	(315)
Other comprehensive income (loss) for the financial year, net of tax		180	(315)
Total comprehensive loss for the financial year		(1,539)	(5,395)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2021

	Note	Group	
		2021 \$'000	Restated 2020 \$'000
Loss attributable to:			
Owners of the company		(1,391)	(4,787)
Non-controlling interests		(328)	(293)
		<u>(1,719)</u>	<u>(5,080)</u>
Loss attributable to owners of the company relates to:			
Loss from continuing operations, net of tax		(1,191)	(3,786)
Loss from discontinued operations, net of tax		(200)	(1,001)
		<u>(1,391)</u>	<u>(4,787)</u>
Loss attributable to non-controlling interests of the company relates to:			
Loss from continuing operations, net of tax		(3)	(9)
Loss from discontinued operations, net of tax		(325)	(284)
		<u>(328)</u>	<u>(293)</u>
Total comprehensive loss attributable to:			
Owners of the company		(1,211)	(5,102)
Non-controlling interests		(328)	(293)
		<u>(1,539)</u>	<u>(5,395)</u>
Loss per ordinary share from continuing and discontinued operations (cents)			
- Basic	29	<u>(0.77)</u>	<u>(2.56)</u>
- Fully diluted	29	<u>(0.77)</u>	<u>(2.56)</u>
Loss per ordinary share from continuing operations (cents)			
- Basic	29	<u>(0.66)</u>	<u>(2.03)</u>
- Fully diluted	29	<u>(0.66)</u>	<u>(2.03)</u>
Loss per ordinary share from discontinued operations (cents)			
- Basic	29	<u>(0.11)</u>	<u>(0.53)</u>
- Fully diluted	29	<u>(0.11)</u>	<u>(0.53)</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2021

Group	Note	Share capital \$'000	Treasury shares \$'000	Currency translation reserve		Statutory reserve \$'000	Accumulated losses \$'000	Reserve of disposal group classified as held for distribution to owners \$'000	Attributable to owners of company \$'000	Non-controlling interests \$'000	Total equity \$'000
				\$'000	\$'000						
Balance at July 1, 2020		72,502	(2,343)	(1,874)	245	(9,873)	-	58,657	4,709	63,366	
<i>Total comprehensive loss for the financial year:</i>											
Loss for the financial year		-	-	-	-	(1,391)	-	(1,391)	(328)	(1,719)	
Other comprehensive income for the financial year		-	-	180	-	-	-	180	-	180	
<i>Transactions with owners, recognised directly in equity:</i>											
Share buy-back held as treasury shares	22	-	(39)	-	-	-	-	(39)	-	(39)	
Acquisition of subsidiary	38	-	-	-	-	-	-	-	124	124	
Reserve attributable to disposal group classified as held for distribution to owners	39	-	-	3,165	-	-	(3,165)	-	-	-	
Balance at June 30, 2021		72,502	(2,382)	1,471	245	(11,264)	(3,165)	57,407	4,505	61,912	

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2021

Group	Note	Share capital \$'000	Treasury shares \$'000	Currency translation reserve		Statutory reserve \$'000	Accumulated losses \$'000	Attributable to owners of company \$'000	Non-controlling interests \$'000	Total equity \$'000
				\$'000	\$'000					
Balance at July 1, 2019		72,502	(294)	(1,559)	245	(3,207)	67,687	5,479	73,166	
<i>Total comprehensive loss for the financial year:</i>										
Loss for the financial year		-	-	-	-	(4,787)	(4,787)	(293)	(5,080)	
Other comprehensive loss for the financial year		-	-	(315)	-	-	(315)	-	(315)	
<i>Transactions with owners, recognised directly in equity:</i>										
Share buy-back held as treasury shares	22	-	(2,049)	-	-	-	(2,049)	-	(2,049)	
Dividend paid	37	-	-	-	-	(1,879)	(1,879)	(704)	(2,583)	
Acquisition of subsidiary	38	-	-	-	-	-	-	227	227	
Balance at June 30, 2020		72,502	(2,343)	(1,874)	245	(9,873)	58,657	4,709	63,366	

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2021

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits (losses) \$'000	Total equity \$'000
Company					
Balance at July 1, 2020		72,502	(2,343)	2,768	72,927
<i>Total comprehensive loss for the financial year, represented by:</i>					
- Loss for the financial year		-	-	(14,496)	(14,496)
<i>Transactions with owners, recognised directly in equity:</i>					
- Share buy-back held as treasury shares	22	-	(39)	-	(39)
Balance at June 30, 2021		72,502	(2,382)	(11,728)	58,392
Balance at July 1, 2019		72,502	(294)	6,964	79,172
<i>Total comprehensive loss for the financial year, represented by:</i>					
- Loss for the financial year		-	-	(2,317)	(2,317)
<i>Transactions with owners, recognised directly in equity:</i>					
- Share buy-back held as treasury shares	22	-	(2,049)	-	(2,049)
- Dividend paid	37	-	-	(1,879)	(1,879)
Balance at June 30, 2020		72,502	(2,343)	2,768	72,927

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2021

	Note	Group	
		2021 \$'000	Restated 2020 \$'000
Operating activities			
Loss before income tax from continuing operations		(851)	(3,277)
Loss before income tax from discontinued operations		(668)	(1,452)
Loss before income tax		(1,519)	(4,729)
Adjustments for:			
Depreciation of property, plant and equipment and amortisation expenses		390	227
Depreciation of right-of-use assets		1,111	1,012
Fair value loss on financial assets at fair value through profit or loss		-	2,500
Interest income		(274)	(763)
Interest expenses		75	186
Gain on disposal of property, plant and equipment		-	(26)
Allowance for (write back of) inventories		76	(31)
Inventories written off		35	-
Write back of impairment loss for properties held for sale		(618)	(485)
Allowance for doubtful trade receivables		33	-
Write back of doubtful non-trade receivables		-	(62)
Bad debts written off		7	-
Write down of development properties		448	117
Impairment loss on goodwill		-	413
Unrealised foreign exchange gain		(1,071)	(281)
Share of result of associates		88	9
Operating cash flows before movements in working capital		(1,219)	(1,913)
Trade receivables		(446)	586
Loan receivables		(4,521)	(1,008)
Other receivables and prepayments		4,169	689
Inventories		1,232	(1,742)
Properties held for sale		3,837	3,310
Development properties		-	(2,826)
Development property expenditures		(170)	(209)
Trade payables		(875)	118
Other payables		(804)	(239)
Cash generated from (used in) operating activities		1,203	(3,234)
Income tax paid		(577)	(1,532)
Net cash generated from (used in) operating activities		626	(4,766)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Investing activities			
Proceeds from disposal of property, plant and equipment		16	43
Purchase of property, plant and equipment		(194)	(600)
Purchase of intangible asset		-	(1)
Cash (outflow) inflow on acquisition of subsidiaries	38	(150)	295
Purchase of convertible loan	38	-	(2,333)
Decrease (increase) in restricted bank balance	7	5,421	(5,421)
Advances to former associate turned subsidiary, Rumah Kami Sdn. Bhd.		(3,172)	-
Interest received		273	763
Net cash generated from (used in) investing activities		2,194	(7,254)
Financing activities			
Share buy-back		(39)	(2,049)
Interest paid		(75)	(122)
Dividends paid		-	(2,583)
Repayment of bank loans		-	(900)
Proceeds from bank loans		1,500	-
Decrease in pledged deposit		-	2,104
Amount due to non-controlling interests		38	710
Payment of lease liabilities		(1,062)	(1,030)
Net cash generated from (used in) financing activities		362	(3,870)
Net increase (decrease) in cash and cash equivalents		3,182	(15,890)
Cash and cash equivalents at beginning of financial year		38,579	54,522
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		496	(53)
Cash and cash equivalents at end of financial year		42,257	38,579
Cash and cash equivalents			
Continuing operations	7	25,688	38,579
Discontinued operations	39	16,569	-
Cash and cash equivalents per consolidated statement of cash flows		42,257	38,579

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

1 GENERAL

The company (Registration No. 197701449C) is incorporated in the Republic of Singapore with its principal place of business and registered office at 8 Marina Boulevard, #13-02 Marina Bay Financial Centre, Singapore 018981. 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 14 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, 2021 were authorised for issue by the Board of Directors on October 8, 2021.

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 Singapore Companies Act 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, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On July 1, 2020, 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/revised 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, 2021 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, 2021

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 any impairment in net recoverable value that has been 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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;
- 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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) 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 fair value through profit or loss are recognised immediately in profit or loss.

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 fair value through profit or loss ("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, 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 the “other losses” (Note 25). Fair value is determined in the manner described in Note 4.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost and financial guarantee contracts. The amount of expected credit losses 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 expected credit losses 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Lifetime ECL represents the expected credit losses 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.

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 dependents on the respective segments of the group's businesses and nature of the contractual payments, 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 expected credit losses

The measurement of expected credit losses 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 expected credit loss 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 expected credit losses 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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 statement 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.

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 statement 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

PROPERTIES HELD FOR SALE - Completed properties held for sale are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or estimated by management in the absence of comparable transactions taking into consideration prevailing market conditions.

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.

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
Fenders	3 years

No depreciation is provided on freehold land.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

- sale of goods;
- sale of properties held for sale and development properties; and
- financial solutions services.

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.

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 30 to 90 days, which is consistent with market practice.

Sale of properties held for sale

Revenue is recognised when control over the property has been transferred to the customer at a point in time. Revenue is measured at the transaction price agreed under the contract. Advances receipts from the sale of properties are recognised as revenue when control of the property has been transferred to the customer. No element of financing is deemed present as the property transfer to the customer is completed within 90 days from the date the consideration has been received.

Financial solutions services

The financial solutions division provides trade financing, financing solutions and corporate finance advisory services. Interest is charged on monthly basis and credited to profit or loss in the period to which it relates. Fee and commission income are recognised as the related services are performed and are due from the customer upon completion of the service.

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.

Dividend income

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, 2021

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, 2021

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND 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 judgements, 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.

Critical judgement in applying the group's accounting policies

In the process of applying the group's accounting policies, management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the subsequent paragraphs).

(i) Disposal group held for distribution to owners and discontinued operations

On June 4, 2021, the company announced its proposal to distribute the group's interests in Luminor Financial Holdings Limited ("LFHL") to the shareholders of the company via a distribution in specie by way of a capital reduction. The proposal to distribute LFHL interest has been approved by shareholders of the company at an extraordinary general meeting convened on September 29, 2021.

Significant judgement is required to assess whether LFHL has met the criteria to be classified as disposal group held for distribution to owners and discontinued operations. Management has assessed that the criteria is met as at June 30, 2021 because the interest in LFHL are available for distribution in its present condition and the distribution is highly probable as management assessed that shareholders are likely to support the distribution.

The carrying value of the disposal group held for distribution to owners is stated at the lower of carrying amount and fair value less cost to distribute. Management is satisfied that the fair value less cost to distribute is not materially different from the carrying amount of the disposal group of \$19.4 million. The shares of LFHL were traded on the Singapore Stock Exchange at \$0.109 per share ("quoted price") on June 30, 2021 and the computed market capitalisation is \$15.8 million. Management had assessed that adjustments to the quoted price were required to faithfully represent the fair value of the shares in the disposal group as there had been a significant decrease in the activity for LFHL's shares since it was acquired by the group and the quoted price does not represent the fair value of the disposal group.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Critical judgement in applying the group's accounting policies (cont'd)

(ii) 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, management is of the view that there are no indicators of impairment for the company's investment in subsidiaries and therefore no additional impairment is necessary as at the end of the reporting period.

The carrying amount of investments in subsidiaries is disclosed in Note 14 to the financial statements.

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:

(iii) Fund transfers relating to certain subsidiaries of the group in PRC

During the financial year ended June 30, 2020, certain PRC banks have frozen certain PRC bank accounts of Tangshan GRP Trading Co., Ltd ("Tangshan GRP"), Chongqing Tianhu Land Co., Ltd ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd ("Gangyuan").

These frozen bank accounts were used for normal business operations and there were fund transfers from these bank accounts made by the abovementioned PRC subsidiaries, aggregating to RMB114.0 million (\$22.8 million) to certain third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent"). Certain of the group's Singapore subsidiaries had also received fund transfers aggregating \$21.8 million from the Agent. The receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

Management has appointed Legal Counsels in the PRC to pursue the resolution of the matter. The Legal Counsels have since initiated communications with the banks and have been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC. On November 24, 2020, management was informed verbally by the OIC that the affected bank accounts have been "unfrozen" and that those bank accounts can be used for "normal business operations". Management had since started using these affected PRC bank accounts for their business operations in the PRC.

As at June 30, 2021, the amounts included in the affected PRC bank accounts which had been unfrozen amounted to \$2,819,000, of which \$2,726,000 is included under disposal group assets held for distribution to owners (Note 39).

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

(iii) Fund transfers relating to certain subsidiaries of the group in PRC (cont'd)

As at the date of authorisation of these financial statements, all documents requested by the OIC had been submitted and no further requests for documents or for information have been received from the OIC.

Management is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the group relating to this matter as the group has yet to receive any correspondence from the OIC confirming the conclusion on the investigations.

(iv) Estimation of net realisable value of properties held for sale and development properties

Properties held for sale and 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.

During the current financial year ended June 30, 2021, the group reclassified a development property in Fuling carried at \$3,730,000 (RMB18.5 million) into disposal group assets classified as held for distribution to owners. As disclosed in Note 39, in March 2019, the group received a repossession notice from the Fuling District local authority to repossess the land parcel, as a result of the development plans by the local authority. An allowance of \$2,784,000 (RMB14.1 million) was recognised in 2019 based on valuation provided by an external PRC valuer appointed by the local authority in connection with the offer made by the authority to repossess this land parcel, which has since lapsed as at June 30, 2020. During the current financial year, management received a letter from the local PRC authority requesting for the return of the land use permit and to recommence negotiation for the repossession value and other land repossession related matters. As at the date of authorisation of these financial statements, the negotiation process is still ongoing and management has assessed that the carrying value of the development property is not materially different from its fair value.

The carrying amount of properties held for sale and development properties are disclosed in Notes 11, 12 and 39 respectively. The write down on development properties is recognised as "other losses" in profit or loss and disclosed in Note 25 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Expected credit loss 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 and 39 to the financial statements.

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

As at June 30, 2021, the group recorded non-current advance payment recoverable from the PRC authority amounted to \$4,565,000 (RMB21.9 million). The non-current advance payment recoverable from the PRC authority of \$4,565,000 (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.

There was repayment of \$Nil (RMBNil) in the current financial year and \$592,000 (RMB3.0 million) in the previous financial year. Management is in the process of negotiating with the PRC authority and is confident of full recovery of the remaining advance payment recoverable given the PRC authority has made partial repayment in the previous financial year.

The carrying amount of the non-current advance payment recoverable from the PRC authority is disclosed in Note 8.2(iv) to the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

(vii) Recoverable amount of receivables from subsidiaries

Receivable from GRP Development Pte Ltd and Tangshan GRP

As at June 30, 2021, the company has significant receivables due from GRP Development Pte Ltd and Tangshan GRP amounting to \$6,634,000 and \$2,174,000 respectively. The company has recognised an estimated credit loss allowance of \$2.0 million during the current financial year on these receivables. In determining the ECL, 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(vi) and Note 8.2(iv)].

Receivable from GRP Chongqing Land Pte Ltd

As at June 30, 2021, the company has significant receivables due from GRP Chongqing Land Pte Ltd ("GRP Chongqing") amounting to \$16,100,000. An impairment loss of \$12,263,000 was recognised during the financial year ended June 30, 2021, based on the estimated recoverable amount upon completion of the distribution of LFHL shares. The estimated recoverable amount of the receivable is dependent on the fair value of the shares that will be received from GRP Chongqing on the date of distribution.

Receivable from other subsidiaries

For purpose of impairment assessment, the amounts due from other subsidiaries are considered to have low credit risk and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month expected credit losses (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. Management determines the amounts due from subsidiaries are subjected to immaterial credit loss. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial assets</u>				
Amortised cost:				
Cash and bank balances	25,688	44,000	15,644	16,898
Trade receivables	1,897	2,187	495	380
Loan receivables	-	2,832	-	-
Other receivables	1,110	5,408	35,937	49,656
Disposal group assets classified as held for distribution to owners	25,466	-	-	-
	<u>54,161</u>	<u>54,427</u>	<u>52,076</u>	<u>66,934</u>
Financial assets measured at fair value through profit or loss				
	-	-	-	-
Total	<u>54,161</u>	<u>54,427</u>	<u>52,076</u>	<u>66,934</u>
<u>Financial liabilities</u>				
Amortised cost:				
Trade payables	486	1,334	21	2
Other payables	1,612	2,532	698	1,089
Amount due to non-controlling interests	-	1,036	-	-
Loans and borrowings	1,500	-	-	-
Lease liabilities	1,431	2,289	341	839
Liabilities directly associated with disposal group classified as held for distribution to owners	2,822	-	-	-
Total	<u>7,851</u>	<u>7,191</u>	<u>1,060</u>	<u>1,930</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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"), 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	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
USD	39	131	846	1,227	-	-	584	606
MYR	-	-	-	-	-	-	1,148	1,644
CNY	-	-	5	4	-	-	-	-
JPY	116	497	87	114	-	-	-	-

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, 2021

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
USD	33	45	24	25
MYR	-	-	48	68
CNY	-	-	-	-
JPY	(1)	(16)	-	-

(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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (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, 2021						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	1,935	(38)	1,897
Other receivables	8.2	(ii)	Lifetime ECL	1,730	(1,730)	-
Other receivables	8.2	Performing	12-month ECL	1,110	-	1,110
<i>Included in disposal group assets classified as held for distribution to owners</i>						
Trade receivables	39	(i)	Lifetime ECL (simplified approach)	708	(5)	703
Other receivables	39	Performing	12-month ECL	588	-	588
Loan receivables	39	Performing	12-month ECL	7,606	-	7,606
				13,677	(1,773)	11,904

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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, 2020						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,197	(10)	2,187
Other receivables	8.2	(ii)	Lifetime ECL	1,730	(1,730)	-
Other receivables	8.2	Performing	12-month ECL	5,408	-	5,408
Loan Receivables	31	(ii)	Lifetime ECL	2,832	-	2,832
				<u>12,167</u>	<u>(1,740)</u>	<u>10,427</u>

Company

June 30, 2021

Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	131	-	131
Trade receivables	8.1	(ii)	Lifetime ECL (simplified approach)	4,324	(3,960)	364
Other receivables	8.2	(ii)	Lifetime ECL	41,022	(16,033)	24,989
Other receivables	8.2	Performing	12-month ECL	10,948	-	10,948
				<u>56,425</u>	<u>(19,993)</u>	<u>36,432</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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, 2020						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	83	-	83
Trade receivables	8.1	(ii)	Lifetime ECL (simplified approach)	3,635	(3,338)	297
Other receivables	8.2	(ii)	Lifetime ECL	1,782	(1,782)	-
Other receivables	8.2	Performing	12-month ECL	49,656	-	49,656
				55,156	(5,120)	50,036

(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 expected credit losses 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) 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 fair value through profit or loss 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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 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 purpose of impairment assessment, the amounts due from subsidiaries (except for balance due from Tangshan GRP, GRP Development Pte Ltd and GRP Chongqing Land Pte Ltd) are considered to have low credit risk and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month expected credit losses (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. Management determines the amounts due from subsidiaries (except for balance due from Tangshan GRP, GRP Development Pte Ltd and GRP Chongqing Land Pte Ltd) are subjected to immaterial credit loss.

In determining the lifetime ECL on the receivables due from Tangshan GRP and GRP Development Pte Ltd amounting to \$6,634,000 and \$2,174,000, 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(vi) and Note 8.2(iv)].

In determining the lifetime ECL on the receivables due from GRP Chongqing Land Pte Ltd amounting to \$16,100,000, management has relied on their best estimate of the fair value of LFHL shares that will be received from GRP Chongqing on the date of distribution.

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 considered recoverable except as disclosed in Note 8 and Note 39 to the financial statements.

Further details of credit risks on trade receivables and other receivables are disclosed in Note 8 and Note 39 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(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 below 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.

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 year \$'000	Adjustment \$'000	Total \$'000
Group					
June 30, 2021					
Non-interest bearing	-	14,176	-	-	14,176
Fixed interest rate instruments	0.76	14,630	-	(111)	14,519
<i>Included in disposal group assets classified as held for distribution to owners</i>					
Non-interest bearing	-	13,989	-	-	13,989
Fixed interest rate instruments	3.97	11,989	-	(512)	11,477
		<u>54,784</u>	<u>-</u>	<u>(623)</u>	<u>54,161</u>
June 30, 2020					
Non-interest bearing	-	32,638	-	-	32,638
Fixed interest rate instruments	3.50	22,552	-	(763)	21,789
		<u>55,190</u>	<u>-</u>	<u>(763)</u>	<u>54,427</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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 \$'000	Within 2 to 5 year \$'000	Adjustment \$'000	Total \$'000
Company					
June 30, 2021					
Non-interest bearing	-	41,719	-	-	41,719
Fixed interest rate instruments	0.36	10,394	-	(37)	10,357
		52,113	-	(37)	52,076
June 30, 2020					
Non-interest bearing	-	56,575	-	-	56,575
Fixed interest rate instruments	2.19	10,586	-	(227)	10,359
		67,161	-	(227)	66,934

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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)

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.

Group	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 year \$'000	Adjustment \$'000	Total \$'000
June 30, 2021					
Non-interest bearing	-	2,098	-	-	2,098
Fixed interest rate instruments	2.00	219	1,378	(97)	1,500
Lease liabilities	3.00	748	732	(49)	1,431
<i>Included in liabilities directly associated with disposal group classified as held for distribution to owners</i>					
Non-interest bearing	-	1,812	-	-	1,812
Fixed interest rate instruments	10.00	901	-	(82)	819
Lease liabilities	5.00	132	66	(7)	191
		5,910	2,176	(235)	7,851
June 30, 2020					
Non-interest bearing	-	4,902	-	-	4,902
Lease liabilities	3.00	720	1,695	(126)	2,289
		5,622	1,695	(126)	7,191

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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 30. Under the financial guarantee contract (Note 35), 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 30.

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 fair value through profit or loss is Level 3 and is 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, 2021 and 2020.

(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, 2021

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	
	2021	2020
	\$'000	\$'000
Rental expenses recovered from a related party in which a director is a key management personnel and has significant influence	(227)	(240)
Legal services rendered by a firm in which a director is a partner	-	5
Interest expense paid on amount due to a director of subsidiary	34	-

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	
	2021	2020
	\$'000	\$'000
Short-term benefits	1,919	2,000
Post-employment benefits	81	82
	<u>2,000</u>	<u>2,082</u>

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, 2021

7 CASH AND BANK BALANCES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank	11,169	22,211	5,287	6,539
Fixed deposits	14,519	21,789	10,357	10,359
Cash and bank balances	25,688	44,000	15,644	16,898
Less: Restricted bank balances	-	(5,421)	-	-
Cash and cash equivalents	25,688	38,579	15,644	16,898

As at June 30, 2021, fixed deposits earned interest at rates ranging from 0.2% to 1.80% (2020: 0.25% to 1.80%) per annum. The tenure of fixed deposits at financial year end ranged from 60 days to 150 days (2020 : 29 days to 13 months).

As announced by the company on June 21, 2020, June 22, 2020, June 25, 2020, August 3, 2020 and August 4, 2020, certain PRC banks had frozen the bank accounts of 3 PRC subsidiaries. The amount of restricted bank balances amounts to \$5,421,000 as at June 30, 2020. On November 24, 2020, the bank accounts maintained with certain PRC banks by the 3 PRC subsidiaries have been "unfrozen" and the subsidiaries may continue to use the funds in the bank accounts for "normal business operations".

As at June 30, 2021, affected PRC bank accounts balances held by Tangshan GRP which had been unfrozen amounted to \$93,000.

Cash and bank balances of \$4,306,000 (2020: \$8,251,000) 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

8 TRADE AND OTHER RECEIVABLES

8.1 TRADE RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Outside parties	1,935	2,197	131	83
Subsidiaries	-	-	4,324	3,635
	1,935	2,197	4,455	3,718
Less: Loss allowance				
- Outside parties	(38)	(10)	-	-
- Subsidiaries	-	-	(3,960)	(3,338)
	1,897	2,187	495	380
Net GST receivables	23	12	-	-
	1,920	2,199	495	380

The credit period on sale of goods/rendering of services is between 7 to 90 days (2020: 7 to 90 days). No interest is charged on overdue trade receivables.

The loss allowance of the group of \$38,000 (2020: \$10,000) relate to trade receivables which are past due for more than 360 days and have not responded satisfactorily to repayment demands.

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, 2021				
Current (not past due)	-	1,406	-	1,406
1 to 90 days past due	-	339	-	339
91 to 180 days past due	-	-	-	-
181 to 360 days past due	17.8	213	(38)	175
		1,958	(38)	1,920

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.1 TRADE RECEIVABLES (cont'd)

	Expected weighted credit loss rate %	Estimated total gross carrying amount at default \$'000	Lifetime ECL \$'000	Total \$'000
Group				
June 30, 2020				
Current (not past due)	–	1,747	–	1,747
1 to 90 days past due	–	386	–	386
91 to 180 days past due	–	54	–	54
181 to 360 days past due	45.5	22	(10)	12
		2,209	(10)	2,199

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

Group	2021 \$'000	2020 \$'000
Balance at beginning of the financial year	10	20
Loss allowance recognised in profit or loss during the financial year	28	–
Bad debts written off	–	(10)
Balance at end of the financial year	38	10

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

Company	2021 \$'000	2020 \$'000
Balance at beginning of the financial year	3,338	–
Loss allowance recognised in profit or loss during the financial year	622	3,338
Balance at end of the financial year	3,960	3,338

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Deposits for property projects	569	569	569	569
Receivable from PRC authority ⁽ⁱⁱⁱ⁾	-	3,949	-	-
Prepayments	23	25	8	8
Other deposits	1,100	592	89	89
Sundry receivables	10	630	4	43
Subsidiaries (Note 5) ^(iv)	-	-	50,147	49,576
Associates	-	237	-	-
	1,702	6,002	50,817	50,285
Less: Loss allowances				
- Outside parties ⁽ⁱ⁾	(569)	(569)	(569)	(569)
- Subsidiaries	-	-	(14,303)	(52)
	1,133	5,433	35,945	49,664
Short term loan receivable ⁽ⁱⁱⁱ⁾	1,161	1,161	1,161	1,161
Less: Allowance for short term loan receivable ⁽ⁱⁱⁱ⁾	(1,161)	(1,161)	(1,161)	(1,161)
	1,133	5,433	35,945	49,664
Non-current				
Advance payment recoverable from the PRC authority ^(iv)	4,565	4,331	-	-

⁽ⁱ⁾ Loss allowances relates to the deposits for property projects. A reversal of \$Nil (2020: \$62,000) was made resulting from payment received under instalment arrangement during the financial year.

⁽ⁱⁱ⁾ Balance as at June 30, 2021 and 2020 pertains to a loan given to a non-related party of \$1,161,000. As the non-related party 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 during the financial year ended June 30, 2018.

⁽ⁱⁱⁱ⁾ The receivables arose from the repossession of a land parcel located in Tangshan, PRC, by the People's Government of Kaiping District in the financial year ended June 30, 2019 which amounted to \$3,949,000 as at June 30, 2020. The group received a payment of \$3,949,000 during the current financial year.

^(iv) 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 a payment of \$Nil (2020: \$592,000) during the current financial year and the group is expecting the refund of \$5,305,000 (2020: \$5,071,000). \$740,000 (2020: \$740,000) representing the excess of repossession value over the carrying value of the development property, was presented net of the non-current advance payment recoverable from the PRC authority. Management is in the process of negotiating with the PRC authority and is confident of full recovery of the remaining amounts.

^(v) As at June 30, 2021, the company has significant receivables amount due from GRP Development Pte Ltd and Tangshan GRP of \$6,634,000 and \$2,174,000 respectively of which the recoverability is dependent on the recoverability of the \$4.6 million (RMB21.9 million) non-current advance payment recoverable from the PRC authority [Note 3(vi) and Note 8.2(iv)].

In addition, the company has significant receivables amount due from GRP Chongqing of \$16,100,000 of which the estimated recoverable amount is dependent on the fair value of LFHL shares that will be received from GRP Chongqing on the date of distribution.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

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

Group	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	1,730	1,792
Loss allowance written back to profit or loss during the financial year	-	(62)
Balance at end of the financial year	1,730	1,730

Company	2021	2020
	\$'000	\$'000
Balance at beginning of the financial year	1,782	1,877
Loss allowance written back to profit or loss during the financial year	-	(95)
Loss allowance recognised in profit or loss during the financial year	14,251	-
Balance at end of the financial year	16,033	1,782

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2021	2020
	\$'000	\$'000
Financial assets measured at FVTPL:		
- Investment in redeemable convertible preference shares	-	-

The investment relates to the aggregate principal amount for the subscription of 15,250 redeemable convertible preference shares ("RCPS") issued by Energiser Enterprise Sdn Bhd ("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. There was no change in circumstances during the current financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

10 INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
Finished goods	5,088	6,442

Inventories are stated net of allowance of \$2,355,000 (2020: \$2,282,000) to state inventories at the lower of cost and estimated net realisable values.

Movements in allowance for inventories

	Group	
	2021 \$'000	2020 \$'000
Balance at beginning of financial year	2,282	2,367
Increase (decrease) in allowance recognised in profit or loss	76	(31)
Exchange realignment	(3)	(3)
Inventories written off	-	(51)
Balance at end of financial year	2,355	2,282

11 PROPERTIES HELD FOR SALE

Properties held for sale as at the end of reporting period are as follows:

Location	Description	Gross floor area (sq. meters)		Group's effective interest
		2021	2020	
89 Julong Avenue Lidu, Fuling District (University Town), Chongqing, PRC ⁽¹⁾	Commercial units and carpark units.	-	4,650	83.17%
8 Wubao Road Fuling District (Singapore Garden), Chongqing, PRC ⁽¹⁾	Residential units, commercial units and carpark units.	-	6,120	83.17%
Jalan Nipah, Singapore ⁽²⁾	Residential units.	-	388	83.17%

⁽¹⁾ These 2 properties were transferred to disposal group assets held for distribution to owners during the current financial year.

⁽²⁾ This property had been sold with no loss and no gain during the current financial year.

Properties held for sale are stated net of allowance of \$Nil (2020: \$11,237,000) to state the properties at the lower of cost and estimated net realisable values. Management is of the view that the impairment allowance is necessary, notwithstanding the historical selling prices have been higher, as the economic environment is uncertain and a reversal of impairment would involve a high degree of certainty. Nonetheless, management has assessed the valuation and is confident of recovering the properties at the current value and as there is no bank loans on these properties, management is also able to hold on for the best possible price.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

12 DEVELOPMENT PROPERTIES

	Group	
	2021 \$'000	2020 \$'000
Land costs	4,168	11,230
Development cost	–	237
Write down of development properties	(565)	(3,344)
Amortisation of land use rights	–	(409)
Exchange realignment	4	20
	3,607	7,734

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

Location	Carrying amount (\$'000)		Group's effective interest
	2021	2020	
Diany Residential Committee Fuling District, Chongqing PRC ⁽¹⁾	–	3,656	83.17%
Lot 2149N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,184	1,275	100.00%
Lot 2147N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,208	1,397	100.00%
Lot 2148N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,215	1,406	100.00%
Total	3,607	7,734	

⁽¹⁾ In March 2019, the group received a repossession notice from the Fuling District local authority to repossess the land parcel, as a result of the development plans by the local authority. An allowance of \$2,784,000 was recognised in 2019 based on valuation provided by an external PRC valuer appointed by the local authority in connection with the offer made by the authority to repossess this land parcel, which has since lapsed as at June 30, 2020. Management is in the process to negotiate on the repossession value of the property and are confident of recovery of the value of the property. The development property was transferred to disposal group assets held for distribution to owners during the current financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

13 RIGHT-OF-USE ASSETS

The group leases several office premises and warehouse. The average lease term is 1-3 years (2020: 1-3 years). The lease for one warehouse contains an extension option for 3 years, for which the related lease payments had not been included in the lease liabilities as the group is not reasonably certain to extend the lease. This lease is used to maximise operational flexibility in terms of managing the asset used in the group's operations.

The maturity analysis of the lease liabilities is disclosed in Note 30 and the movement in financing cash flow for leases is disclosed in Note 20.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cost:				
Balance at beginning of financial year	3,325	2,802	1,320	1,320
Exchange realignment	12	-	-	-
Addition	1,272	97	-	-
Arising from acquisition of subsidiaries	-	426	-	-
Reclassified to disposal group assets held for distribution to owners	(475)	-	-	-
Termination of leases	(1,609)	-	-	-
Balance at end of financial year	2,525	3,325	1,320	1,320
Accumulated depreciation:				
Balance at beginning of financial year	1,012	-	494	-
Exchange realignment	9	-	-	-
Depreciation	1,111	1,012	502	494
Reclassified to disposal group assets held for distribution to owners	(262)	-	-	-
Termination of leases	(746)	-	-	-
Balance at end of financial year	1,124	1,012	996	494
Carrying value	1,401	2,313	324	826

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Unquoted equity shares, at cost	7,135	16,678
Impairment loss	(84)	(9,627)
Total	7,051	7,051
Movement in impairment loss:		
Balance at beginning of the financial year	9,627	9,627
Impairment loss written off against cost due to struck off of subsidiary ⁽¹⁾	(9,543)	-
Balance at end of the financial year	84	9,627

⁽¹⁾ GRP China Pte Ltd had been struck off during the financial year ended June 30, 2020.

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
		2021	2020	2021	2020	
		%	%	%	%	
<u>Held by the company</u>						
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 Ltd	Singapore	100.0	100.0	100.0	100.0	Trading of measuring instruments and scientific apparatus.
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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

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
		2021	2020	2021	2020	
		%	%	%	%	
<u>Held by GRP Suppliers Pte Ltd</u>						
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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

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
		2021	2020	2021	2020	
		%	%	%	%	
<u>Held by GRP Projects Pte Ltd</u>						
GRP Services Myanmar Co., Ltd ⁽⁴⁾	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 ^{(i), (1)}	Malaysia	70.0	-	70.0	-	Property construction, development and management.
<u>Held by GRP Development Pte Ltd</u>						
Tangshan GRP Trading Co Ltd ⁽³⁾	PRC	100.0	100.0	100.0	100.0	Trading activities.
<u>Held by GRP Chongqing Land Pte Ltd</u>						
Luminor Financial Holdings Limited (formerly known as Starland Holdings Ltd)	Singapore	83.2	83.2	83.2	83.2	Investment holding.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

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
		2021	2020	2021	2020	
		%	%	%	%	
<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 Hua Kai Sdn Bhd ⁽¹⁾	Malaysia	100.0	100.0	100.0	100.0	Trading of infrastructure building materials.
<u>Held by Luminor Financial Holdings Limited</u>						
Starland Axis Pte. Ltd.	Singapore	83.2	83.2	100.0	100.0	Property development.
Starland Commercial Trading Pte Ltd.	Singapore	83.2	83.2	100.0	100.0	Investment holding.
<u>Held by Starland Commercial Trading Pte. Ltd.</u>						
Xiamen Starland Trading Limited ^{(2), (5)}	PRC	83.2	83.2	100.0	100.0	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

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
		2021	2020	2021	2020	
		%	%	%	%	
<u>Held by Xiamen Starland Trading Limited</u>						
Chongqing Starland Property Services Co., Ltd. ⁽²⁾	PRC	83.2	83.2	100.0	100.0	Property management service.
<u>Held by Chongqing Starland Property Services Co., Ltd.</u>						
Chongqing Gangyuan Property Development Co., Ltd. ⁽²⁾	PRC	83.2	83.2	100.0	100.0	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.
Chongqing Tianhu Land Co., Ltd. ⁽²⁾	PRC	83.2	83.2	100.0	100.0	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.
<u>Held by Starland Axis Pte Ltd</u>						
Luminor Capital (Malaysia) Sdn Bhd ⁽¹⁾	Malaysia	42.4	42.4	51.0	51.0	Investment holding and provision of financial solution.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

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
		2021	2020	2021	2020	
		%	%	%	%	
<u>Held by Luminor Capital (Malaysia) Sdn Bhd</u>						
EL Nuwr Sdn Bhd (formerly known as Mornington Assets Sdn Bhd) ⁽¹⁾	Malaysia	42.4	42.4	100.0	100.0	Financial solution.
Luminor Credit Sdn Bhd (formerly known as Venture Capital Sdn Bhd) ⁽¹⁾	Malaysia	33.9	33.9	80.0	80.0	Financial solution.
Sa Puncak Management Sdn Bhd (formerly known as EL Nwur Capital Sdn Bhd) ^{(i), (1)}	Malaysia	36.0	–	85.00	–	Financial solution.
<u>Held by VDH Land Sdn Bhd</u>						
VDH Tower Malaysia (Ipoh) Sdn Bhd ^{(i), (1)}	Malaysia	86.3	–	86.3	–	Development and management of properties
<u>Held by GRP Project Management Sdn Bhd</u>						
Rumah Kami Sdn Bhd ^{(i), (ii)}	Malaysia	70.0	30.0	70.0	30.0	Development and management of properties and investment holding
<u>Held by Rumah Kami Sdn Bhd</u>						
Ratus Nautika Sdn Bhd ^{(i), (ii)}	Malaysia	70.0	30.0	70.0	30.0	Development and management of properties.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

⁽ⁱ⁾ These entities are newly incorporated/invested during the financial year ended June 30, 2021.

⁽ⁱⁱ⁾ These entities were associates of the group during the financial year ended June 30, 2020.

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 independent overseas member firm of Baker Tilly International for purpose of consolidation.

⁽³⁾ Audited by Baker Tilly TFW LLP for purpose of consolidation.

⁽⁴⁾ Not audited as the subsidiaries are considered to be insignificant for the purpose of consolidation.

⁽⁵⁾ No audit is required by the law of its country of incorporation.

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the group as at June 30, 2021 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries	
		2021	2020
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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

14 SUBSIDIARIES (cont'd)

Information about the composition of non-wholly owned subsidiaries of the group as at June 30, 2021 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries	
		2021	2020
Investment holdings.	Singapore and Malaysia	3	3
Property development and management service, marketing planning of property.	Singapore, Malaysia and PRC	9	5
Wholesale, import and export of chemical product, office furniture and clothing.	PRC	1	1
Financial solution.	Malaysia	3	2

The group has the following subsidiaries that have NCI that are considered by management to be material to the group:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest	
		2021	2020
Luminor Financial Holdings Limited (formerly known as Starland Holdings Ltd)	Singapore	16.83	16.83

As the group has announced its proposal to distribute the group's interests in Luminor Financial Holdings Limited ("LFHL") to the shareholders of the company via a distribution in specie by way of a capital reduction on June 4, 2020, the group has presented the current financial year summarised financial information of LFHL separately in Note 39.

Summarised financial information in respect of LFHL for the previous financial year is set out below and in Note 39. The summarised financial information below represents amounts before intragroup eliminations.

	Luminor Financial Holdings Limited 2020 \$'000
Current assets	34,152
Non-current assets	1,167
Current liabilities	(10,507)
Non-current liabilities	(944)
Equity attributable to owners of the company	(19,109)
Non-controlling interests	(4,759)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

15 INTANGIBLE ASSET

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Club membership				
At beginning of the financial year	32	31	25	25
Additions	-	1	-	-
At the end of the financial year	32	32	25	25

16 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	
	2021 \$'000	2020 \$'000
Deferred tax liabilities	(1)	(5,207)
Deferred tax assets	275	553
	274	(4,654)

The movements for the year were as follows:

	Revaluation gains on properties \$'000	Provisions \$'000	Undistributed retained profits \$'000	Pre-levied land appreciation tax ("LAT") \$'000	Tax losses \$'000	Total \$'000
Group						
At July 1, 2019	(5,937)	990	(470)	(29)	812	(4,634)
Exchange differences	(170)	-	65	-	-	(105)
Credited to profit or loss for the financial year (Note 27)	170	(100)	(24)	-	39	85
At June 30, 2020	(5,937)	890	(429)	(29)	851	(4,654)
Credited to profit or loss for the financial year (Note 27)	237	-	-	-	-	237
Exchange differences	(154)	-	31	-	-	(123)
Reclassified to disposal group held for distribution to owners	5,854	(890)	398	29	(577)	4,814
At June 30, 2021	-	-	-	-	274	274

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

16 DEFERRED TAX ASSETS/LIABILITIES (cont'd)

Temporary differences relating to undistributed retained profits

In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from January 1, 2008, PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on the profits generated from January 1, 2008 onwards to its "non-resident" investors who do not have an establishment or place of business in the PRC.

In accordance with Announcement of the State Administration of Taxation [2012] No.30, the group has obtained approval for preferential withholding tax rate of 5% for the dividends payable by the PRC subsidiaries.

Temporary differences relating to pre-levied LAT

In the PRC, LAT is pre-levied based on certain percentage of pre-sale proceeds, which is stipulated by the local taxation bureau. According to "Notice on Adjustment of Pre-levying Rate of LAT" issued by local tax bureau, LAT pre-levying rate for ordinary residential properties is 2% while non-ordinary residential properties is 3.5%.

17 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	Fenders \$'000	Total \$'000
Group							
Cost :							
At July 1, 2019	394	310	700	236	567	1	2,208
Exchange differences	(3)	(2)	(1)	-	-	-	(6)
Additions	-	457	66	64	13	-	600
Arising from acquisition (Note 38)	-	122	-	-	-	-	122
Disposals	-	(13)	(2)	-	(103)	(1)	(119)
At June 30, 2020	391	874	763	300	477	-	2,805
Exchange differences	(2)	17	4	-	9	-	28
Additions	-	96	92	6	-	-	194
Disposals	-	(18)	(48)	-	-	-	(66)
Reclassified to disposal group held for distribution to owners	-	(383)	(150)	-	(171)	-	(704)
At June 30, 2021	389	586	661	306	315	-	2,257

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and building \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Fenders \$'000	Total \$'000
Group							
Accumulated depreciation:							
At July 1, 2019	150	207	566	145	460	-	1,528
Exchange differences	(2)	(2)	9	-	(6)	-	(1)
Depreciation	7	52	56	34	19	-	168
Disposals	-	-	(11)	-	(91)	-	(102)
At June 30, 2020	155	257	620	179	382	-	1,593
Exchange differences	(1)	-	2	-	9	-	10
Depreciation	7	231	63	37	21	-	359
Disposals	-	(7)	(43)	-	-	-	(50)
Reclassified as held for distribution to owners	-	(161)	(76)	-	(162)	-	(399)
At June 30, 2021	161	320	566	216	250	-	1,513
Carrying amount:							
At June 30, 2020	236	617	143	121	95	-	1,212
At June 30, 2021	228	266	95	90	65	-	744

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Total \$'000
Cost :			
At July 1, 2019	186	187	373
Additions	–	3	3
At June 30, 2020	186	190	376
Additions	–	1	1
At June 30, 2021	186	191	377
Accumulated depreciation:			
At July 1, 2019	140	115	255
Depreciation	30	24	54
At June 30, 2020	170	139	309
Depreciation	16	22	38
At June 30, 2021	186	161	347
Carrying amount:			
At June 30, 2020	16	51	67
At June 30, 2021	–	30	30

18 TRADE PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Outside parties	486	1,334	21	2
Net GST payable	40	32	13	5
	526	1,366	34	7

The credit period on purchases of goods range from 30 to 90 days (2020: 30 to 90 days).

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

19 OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Employee benefits	800	1,140	413	675
Operating expenses	747	964	285	288
Trade deposits from contractors	-	206	-	-
Rental deposits	-	72	-	-
Advance receipts from the sale of properties (i)	-	1,421	-	-
Other current liabilities	65	150	-	126
	<u>1,612</u>	<u>3,953</u>	<u>698</u>	<u>1,089</u>

⁽ⁱ⁾ Advance receipts from customers for the sale of properties are recognised as revenue when control of the property has been transferred to the customer. The balance as at July 1, 2019 was \$1,230,000. There were no significant changes in the contract liability balance during the financial year ended June 30, 2020. Advance receipts from the sales of properties were reclassified to liabilities directly associated with disposal group classified as held for distribution to owners (Note 39) during the financial year ended June 30, 2021.

20 LOANS AND BORROWINGS

	Group	
	2021 \$'000	2020 \$'000
Bank loan:		
- Current	188	-
- Non-current	1,312	-
	<u>1,500</u>	<u>-</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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

20 LOANS AND BORROWINGS

	Bank loans \$'000	Lease liabilities \$'000	Amount due to non- controlling interests \$'000
At July 1, 2019	900	2,802	-
Financing cashflow (i)	(925)	(1,127)	710
Non-cash changes:			
Acquisition of subsidiary	-	356	326
Exchange difference	-	97	-
Interest expense	25	161	-
At June 30, 2020	-	2,289	1,036
Financing cashflow (i)	1,485	(1,122)	38
Non-cash changes:			
Reclassified to amount due to director and to other payables (ii)	-	-	(1,040)
Termination of leases	-	(888)	-
Lease addition	-	1,272	-
Exchange difference	-	11	(17)
Interest expense	15	60	-
At June 30, 2021	1,500	1,622	17
Balances as at June 30, 2021 are represented by:			
Continuing operations	1,500	1,431	-
Discontinued operations (Note 39)	-	191	17
	1,500	1,622	17

(i) The cash flows make 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.

(ii) The amount of \$1,040,000 due to non-controlling interests was novated to a director and a third party arising from a novation agreement between the non-controlling interest with these parties.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

21 SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		\$'000	\$'000
Issued and paid up capital:				
At beginning and end of the financial year	193,701,610	193,701,610	72,502	72,502

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

22 TREASURY SHARES

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		\$'000	\$'000
At beginning of the financial year	13,243,600	1,707,200	2,343	294
Repurchased during the financial year	261,000	11,536,400	39	2,049
At the end of the financial year	13,504,600	13,243,600	2,382	2,343

The company acquired 261,000 (2020: 11,536,400) shares by way of market acquisition during the financial year ended June 30, 2021. All the shares acquired are held as treasury shares. The total amount paid to acquire the shares was \$39,000 (2020: \$2,049,000) and has been deducted from shareholders' equity.

23 STATUTORY RESERVE

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

24 REVENUE

	Group	
	2021	Restated 2020
	\$'000	\$'000
Sale of goods (at a point of time)	14,361	15,114

25 OTHER LOSSES

	Group	
	2021	Restated 2020
	\$'000	\$'000
Write down on development properties	448	117
Fair value loss on financial assets at fair value through profit or loss	-	2,500
	448	2,617

26 OTHER OPERATING INCOME

	Group	
	2021	Restated 2020
	\$'000	\$'000
Rental and related service income	15	14
Interest income	158	242
Government grant income ⁽¹⁾	313	186
Others	165	154
	651	596

⁽¹⁾ In 2021 and 2020, the group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income of \$313,000 (2020: \$186,000) was recognised during the financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

27 INCOME TAX EXPENSE

	Group	
	2021	Restated 2020
	\$'000	\$'000
<u>From continuing operations</u>		
Current	343	289
Deferred	-	(90)
Overprovision of deferred tax assets in prior years	-	319
	<u>343</u>	<u>518</u>
<u>From discontinued operations</u>		
Current	94	147
Deferred	(237)	(314)
	<u>(143)</u>	<u>(167)</u>
	<u>200</u>	<u>351</u>

Singapore income tax is calculated at 17% (2020: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On March 16, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No.63 of the President of the PRC, with an effective date of January 1, 2008. On December 28, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing January 1, 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2020: 25%) for subsidiaries in the PRC.

The group is subject to land appreciation tax ("LAT") in the PRC which has been included in the income tax expense of the group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

27 INCOME TAX EXPENSE (cont'd)

The income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2020: 17%) to loss before income tax as a result of the following differences:

	Group	
	2021	Restated 2020
	\$'000	\$'000
Loss before income tax from:		
Continuing operations	(851)	(3,277)
Discontinued operations	(668)	(1,452)
	<u>(1,519)</u>	<u>(4,729)</u>
Tax at the domestic income tax rate of 17% (2020: 17%)	(258)	(804)
Effects of non-deductible expenses	399	684
Overprovision of deferred tax assets in prior years	–	319
Effect of different tax rates of foreign operations	59	152
	<u>200</u>	<u>351</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

28 LOSS FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS

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

	Group	
	2021	Restated 2020
	\$'000	\$'000
Employee benefits expense (inclusive of directors' remuneration)	3,729	3,922
Cost of defined contribution plans included in employee benefits expense	397	373
Audit fees paid/payable to auditors:		
– Auditors of the company	178	253
– Other auditors	34	15
Non-audit fees paid to auditors:		
– Auditors of the company	–	32
– Other auditors	–	–
Directors' remuneration of the company	679	775
Directors' fees:		
– Provision for the financial year	152	149
Cost of inventories included in cost of sales	9,651	10,109
Allowance for (Write back of allowance) for inventories	76	(31)
Inventories written off	35	–
Depreciation of property, plant and equipment and amortisation	189	155
Depreciation of right-of-use assets	903	925
Allowance for doubtful trade receivables	28	–
Bad debts written off	7	–
Net foreign currency exchange adjustment loss	134	200
Fair value loss on financial assets at fair value through profit or loss	–	2,500
Write back of allowance for doubtful non-trade receivables	–	(62)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

29 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	
	2021	Restated 2020
	\$'000	\$'000
Net loss attributable to owners of the company:		
From continuing operations	(1,191)	(3,786)
From discontinued operations	(200)	(1,001)
	<u>(1,391)</u>	<u>(4,787)</u>
	2021	2020
	Number of shares	
Weighted average number of ordinary shares for purpose of basic loss per share	<u>180,385,868</u>	<u>187,357,933</u>
Weighted average number of ordinary shares for purpose of diluted loss per share	<u>180,385,868</u>	<u>187,357,933</u>

30 LEASE LIABILITIES

The group and the company as lessee:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Maturity analysis:				
Within one financial year	748	720	345	266
In the second to fifth financial year	732	1,695	–	607
	<u>1,480</u>	<u>2,415</u>	<u>345</u>	<u>873</u>
Less: Unearned interest	(49)	(126)	(4)	(34)
	<u>1,431</u>	<u>2,289</u>	<u>341</u>	<u>839</u>
Analysed as:				
Current				
Non-current	720	718	341	260
	711	1,571	–	579
	<u>1,431</u>	<u>2,289</u>	<u>341</u>	<u>839</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

31 LOAN RECEIVABLES

	Group	
	2021 \$'000	2020 \$'000
Outside parties	–	2,832

The loan receivables bear interest from 10% to 12% per annum. The loan receivables were reclassified to disposal group assets classified as held for distribution to owners during the current financial year.

Loss allowance for loan receivables from financial solution business has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on loan receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The group has not recognised any loss allowance as management determines that the loan receivables are subject to immaterial credit loss.

32 DEVELOPMENT PROPERTY EXPENDITURE AND DEFERRED CONSIDERATION

	Group	
	2021 \$'000	2020 \$'000
<i>Development property expenditure</i>		
Balance at beginning of the financial year	469	259
Additions	165	210
Acquisition of subsidiary	5,736	–
Balance at end of the financial year	6,370	469
Comprising joint venture development agreement with:		
– Karib Tropika Sdn Bhd ⁽ⁱ⁾	634	469
– Lembaga Perumahan Dan Hartanah, Perak ⁽ⁱⁱⁱ⁾	5,736	–
	6,370	469
<i>Deferred consideration</i>		
Joint venture development agreement with Lembaga Perumahan Dan Hartanah, Perak ⁽ⁱⁱⁱ⁾	2,780	–

⁽ⁱ⁾ The group entered into a joint venture development agreement with Karib Tropika Sdn Bhd ("landowner") for the development of a piece of land located in Tambun, Perak, Malaysia. As of the end of the current financial year, the project has not commenced active development.

⁽ⁱⁱ⁾ As disclosed in Note 38, 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 Joint Venture Development Agreement (the "JVDA") with Lembaga Perumahan Dan Hartanah, Perak ("LPHP") to develop an affordable housing project, known as "Proposed Joint Venture 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, 2021

33 AMOUNT DUE TO NON-CONTROLLING INTERESTS

	Group	
	2021 \$'000	2020 \$'000
Balance at end of the financial year	-	1,036

The amount due to non-controlling interests relates to amount due to non-controlling interests of Luminor Capital (Malaysia) Sdn Bhd. The amount due to non-controlling interests were reclassified to liabilities directly associated with disposal group classified as held for distribution to owners during the current financial year.

The amount due to non-controlling interests bore interest of 10% per annum.

34 ASSOCIATES

	Group	
	2021 \$'000	2020 \$'000
Cost of investment in associates	-	175
Share of post-acquisition losses	-	(18)
	-	157

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
		2021	2020	
		%	%	
Rumah Kami Sdn Bhd ⁽ⁱ⁾	Malaysia	-	30	Investment holding and real estate developer
Ratus Nautika Sdn Bhd ⁽ⁱ⁾	Malaysia	-	30	Property development
Nakhoda Fishery (Sarawak) Sdn Bhd	Malaysia	49	49	Own and operate fishing related infrastructure and facilities
Fiscalab Capital Markets Sdn Bhd ⁽ⁱⁱⁱ⁾	Malaysia	20.78	20.78	Provision of corporate advisory services

⁽ⁱ⁾ The group subscribed for additional shares in these entities during the current financial year which resulted in the group gaining control over these associates.

⁽ⁱⁱⁱ⁾ The associate was reclassified to disposal group assets classified as held for distribution to owner during the current financial year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

35 GUARANTEES

	Company	
	2021 \$'000	2020 \$'000
Performance guarantees given to a bank for credit facilities given to a subsidiary (unsecured)	300	600
Corporate guarantee given to a bank for loan given to a subsidiary (unsecured)	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 20).

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

The measuring instruments/metrology division deals in measuring instruments and scientific apparatus and the products are mainly distributed to Singapore and Malaysia.

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, 2021

36 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments

	Hose and marine		Measuring instruments/metrology		Property		Inter segment elimination		Total continuing operations		Total discontinued operations		Total	
	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue														
External sales	2,511	2,692	11,850	12,422	-	-	-	-	14,361	15,114	7,511	3,295	21,872	18,409
Result														
Segment gross contribution	953	1,079	3,869	3,956	-	-	-	-	4,822	5,035	2,203	403	7,025	5,438
Other losses	-	-	-	-	(448)	(117)	-	-	(448)	(117)	-	(413)	(448)	(530)
Other operating income	182	71	140	196	329	329	-	-	651	596	367	597	1,018	1,193
Direct expenses	(1,321)	(1,325)	(2,098)	(2,250)	(537)	(877)	-	-	(3,956)	(4,452)	(3,221)	(2,032)	(7,177)	(6,484)
Segment net contribution	(186)	(175)	1,911	1,902	(656)	(665)	-	-	1,069	1,062	(651)	(1,445)	418	(383)
Corporate expenses									(1,849)	(4,337)	-	-	(1,849)	(4,337)
Share of result of associate									(71)	(2)	(17)	(7)	(88)	(9)
Loss before income tax									(851)	(3,277)	(668)	(1,452)	(1,519)	(4,729)
Income tax (expense) credit									(343)	(518)	143	167	(200)	(351)
Loss for the financial year									(1,194)	(3,795)	(525)	(1,285)	(1,719)	(5,080)
Capital expenditure	932	102	371	14	32	298	-	-	1,335	414	131	831	1,466	1,245
Depreciation of property, plant and equipment and amortisation	56	51	48	47	85	57	-	-	189	155	201	72	390	227
Depreciation of right-of-use assets	267	267	115	123	521	535	-	-	903	925	208	87	1,111	1,012
Corporate expenses - Write back of allowance for doubtful non-trade receivables	-	-	-	-	-	-	-	-	-	(62)	-	-	-	(62)
(Write back of) allowance for inventories	13	(22)	63	(9)	-	-	-	-	76	(31)	-	-	76	(31)
Inventories written off	35	-	-	-	-	-	-	-	35	-	-	-	-	35

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

36 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments (cont'd)

	Hose and marine		Measuring instruments/metrology		Property		Inter segment elimination		Total continuing operations		Total discontinued operations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other information														
Segment assets	3,151	10,396		21,025		-		34,572		35,619		70,191		
Unallocated corporate assets								16,251		-		16,251		
Consolidated total assets								50,823		35,619		86,442		
Segment liabilities	1,285	2,727		3,183		-		7,195		16,234		23,429		
Inter-segment liabilities	4,296	2,148		49,605		(56,049)		-		-		-		
Unallocated corporate liabilities								1,101		-		1,101		
Consolidated total liabilities								8,296		16,234		24,530		
Other information														
Segment assets	3,665		9,891		49,809			4,496		-		67,861		
Unallocated corporate assets												18,035		
Consolidated total assets												85,896		
Segment liabilities	1,773		1,332		15,806			1,717		-		20,628		
Inter-segment liabilities	3,892		1,586		48,038			-		(53,516)		-		
Unallocated corporate liabilities												1,902		
Consolidated total liabilities												22,530		

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

36 SEGMENT INFORMATION (cont'd)

(b) Analysis by Geographical Segments

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment assets: Segment assets (non-current assets) are analysed based on the location of those assets.

	Revenue	
	2021	Restated 2020
	\$'000	\$'000
<u>Continuing operations</u>		
Singapore	7,188	7,694
Malaysia	5,913	5,677
Myanmar	1	1
Indonesia	1,003	935
Other ASEAN countries	42	109
Other Asia countries	68	501
Middle Eastern countries	25	30
People's Republic of China	90	86
Others	31	81
	<u>14,361</u>	<u>15,114</u>
<u>Discontinued operations</u>		
Singapore	4,777	-
Malaysia	1,495	107
People's Republic of China	1,239	3,188
	<u>7,511</u>	<u>3,295</u>
Total	<u>21,872</u>	<u>18,409</u>
<u>Non-current assets</u>		
	2021	2020
	\$'000	\$'000
<u>Continuing and discontinued operations</u>		
Singapore	1,713	2,262
Malaysia	1,339	1,435
People's Republic of China	4,578	4,348
	<u>7,630</u>	<u>8,045</u>

Non-current assets information presented above are non-current assets as presented on the consolidated statement of financial position excluding financial instruments and deferred tax assets.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

36 SEGMENT INFORMATION (cont'd)

(c) Information about major customers

In 2021 and 2020, no single customer contributed to more than 10% of the group's total revenue.

37 DIVIDENDS

In respect of the current financial year, no dividend is proposed.

In respect of the prior financial year, the directors proposed that a dividend of \$0.01 to be paid to shareholders. The total dividend paid was \$1,879,000.

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES

Group

2021– Acquisition of SA Puncak Management Sdn Bhd (“Puncak”)

On September 4, 2020, the group acquired 85% interest in Puncak through the group's 51% owned subsidiary, Luminor Capital (Malaysia) Sdn Bhd (“Luminor”), for a total consideration of \$200,000 (approximately RM600,000). Luminor also entered into a call option agreement to purchase the remaining 15% interest for \$333,000 (approximately RM1,000,000). This option may be exercised at any time during the 2 years period commencing from the completion of the acquisition of 85% interest in Puncak. The group's effective interest in Puncak is 36.05%. As at June 30, 2021, the fair value of the call option was determined to be immaterial.

Consideration transferred (at acquisition date fair values)

The total purchase consideration transferred at acquisition date amounted to \$200,000 which includes \$150,000 paid in cash and \$50,000 payable on September 4, 2021.

Assets acquired and liabilities assumed at the date of acquisition

The net identifiable assets acquired amounted to less than \$1,000.

Non-controlling interest

The non-controlling interest (15%) in Puncak recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$Nil. This fair value was estimated based on the net assets value of Puncak.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2021– Acquisition of SA Puncak Management Sdn Bhd (“Puncak”) (cont'd)

Goodwill arising on acquisition

	<u>2021 \$'000</u>
Purchase consideration representing goodwill arising on acquisition	<u>200</u>

Goodwill arising from the acquisition of Puncak is attributable to the infrastructure put in place to facilitate factoring services in Malaysia. The goodwill acquired is not expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	<u>2021 \$'000</u>
Consideration paid in cash representing net cash outflow on acquisition of Puncak	<u>150</u>

Impact of acquisitions on the results of the group

Included in the loss from discontinued operations for the period is \$285,000 profit attributable to the additional business generated by Puncak. Revenue of \$803,000 included in the revenue from discontinued operation was contributed by Puncak for the period since September 4, 2020 to June 30, 2021.

Had the business combination during the financial year ended June 30, 2021 been effected at July 1, 2020, the group's revenue and total loss would not be materially changed as Puncak's revenue and loss prior to the acquisition were negligible.

2021 – Acquisition of Rumah Kami Sdn Bhd (“Rumah Kami”)

On April 30 2021, the group injected further capital of \$540,000 (approximately RM1,674,000) into its 30.00% indirectly owned associate, Rumah Kami which resulted in the increase of shareholding to 70.00%. Rumah Kami's wholly owned subsidiary, Ratus Nautika Sdn. Bhd., was appointed as developer to develop an affordable housing project, known as “Proposed Joint Venture Development in Special Program of Perwira Housing of Perak State” (the “Project”). The Project consists of 1,039 units of single-storey terrace houses and 28 units of terraced shops, and the building and construction is set to be completed within forty-two (42) months from December 2, 2020.

Consideration transferred (at acquisition date fair values)

The total purchase consideration transferred at acquisition date amounted to \$567,000 which includes \$540,000 paid in cash and \$27,000 being the fair value of the shares held by the group prior to the acquisition.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2021 – Acquisition of Rumah Kami Sdn Bhd (“Rumah Kami”) (cont'd)

Assets acquired and liabilities assumed at the date of acquisition

	2021
	\$'000
Current assets	
Cash and cash equivalents	540
Development property expenditure	5,736
Other receivables	271
Current liabilities	
Other payables	(3,200)
Deferred consideration	(2,780)
Net assets acquired	567

Non-controlling interest

The non-controlling interest (30%) in Rumah Kami of \$124,000 recognised at the acquisition date was measured by reference to the non-controlling interest's proportionate share of the recognised amounts of the Rumah Kami's identifiable net assets at the acquisition date.

Goodwill arising on acquisition

There is no goodwill arising from the acquisition.

Net cash inflow on acquisition of subsidiaries

	2021
	\$'000
Consideration paid in cash	540
Less: Cash and cash equivalents acquired	(540)
	-

Impact of acquisitions on the results of the group

No profit or loss was recognised in the current financial year as the acquisition was deemed to be completed on June 30, 2021.

Had the business combination during the financial year ended June 30, 2021 been effected at July 1, 2020, the group's revenue and total loss would not be materially changed as Rumah Kami group's revenue and loss prior to the acquisition were negligible.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2021- Acquisition of other entities

On August 4, 2020, the group incorporated a 38.76% indirectly owned associate, VDH Tower (Ipoh) Sdn Bhd ("VDH Tower"). The shareholding in VDH Tower is subsequently increased to 86.30% as announced by the group by acquiring shares from the other shareholders of the VDH Tower at par value of shares. The total cost of acquisition was \$2,877 (approximately RM 8,630). VDH Tower is dormant since it was acquired.

On September 9, 2020, the group incorporated a 70% indirectly owned subsidiary in Malaysia, GRP Energiser Sdn Bhd with an initial paid-up capital of \$3 (approximately RM 10). GRP Energiser Sdn Bhd is dormant since it was incorporated.

2020 - Acquisition of Luminor Capital (Malaysia) Sdn Bhd ("Luminor")

On July 22, 2019, the group entered into a convertible loan agreement with a related party, Luminor. The group is to provide a \$2,333,000 loan to Luminor (approximately RM7,000,000) with an arrangement fee equivalent to return of 5% per annum to the group. The loan is to be repaid in 12 months from the date of drawdown. The group has the option to convert \$1,333,000 (approximately RM4,000,000) of the principal amount for 51% interest in the enlarged share capital of Luminor.

On February 4, 2020, the group exercised the option to convert \$653,000 (approximately RM1,960,000) of debt securities for 51% interest in the enlarged share capital of Luminor. The option price has been reduced from \$1,333,000 (approximately RM4,000,000) as originally set out in the convertible loan agreement to \$653,000 (approximately RM1,960,000) following further negotiations between the parties. The group acquired Luminor for the primary reason venturing into Financial Solution Business in Malaysia.

Consideration transferred (at acquisition date fair values)

The total purchase consideration transferred at acquisition date amounted to \$653,000.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2020 – Acquisition of Luminor Capital (Malaysia) Sdn Bhd (“Luminor”) (cont'd)

Assets acquired and liabilities assumed at the date of acquisition

	2020
	\$'000
Current assets	
Cash and cash equivalents	948
Trade receivables	80
Other receivables	125
Loan receivables	1,824
Non-current assets	
Property, plant and equipment	122
Right-of-use assets	426
Deferred tax assets	93
Associate	148
Current liabilities	
Other payables	(2,830)
Lease liabilities	(108)
Income tax payable	(30)
Non-current liabilities	
Lease liabilities	(248)
Deferred tax liabilities	(92)
Net assets acquired	458

Non-controlling interest

The non-controlling interest (49%) in Luminor recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$227,000. This fair value was estimated based on the net assets value of Luminor.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2020 – Acquisition of Luminor Capital (Malaysia) Sdn Bhd (“Luminor”) (cont'd)

Goodwill arising on acquisition

	2020 \$'000
Purchase consideration	653
Add: Non-controlling interest	227
Less: Fair value of identifiable net assets acquired	(458)
Less: Exchange difference	(9)
Goodwill arising on acquisition	<u>413</u>

Goodwill arose in the acquisition of Luminor because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of Luminor. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising from the acquisition is expected to be deductible for tax purposes.

Subsequent to the acquisition, the group has treated Luminor as a separate cash-generating unit (CGU) to which the goodwill was assessed for impairment. The CGU identified is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

During the financial year ended June 30, 2020, management fully impaired the goodwill arising from the acquisition of Luminor.

Net cash inflow on acquisition of subsidiaries

	2020 \$'000
Consideration paid in cash	653
Less: Cash and cash equivalents acquired	(948)
	<u>(295)</u>

Impact of acquisitions on the results of the group

Included in the loss for the period is \$439,000 loss attributable to the additional business generated by Luminor. Revenue in the statement of profit or loss and other comprehensive income represents amount of \$107,000 of the total revenue for the period from Luminor and other operating entities within the group.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

38 ACQUISITION AND SUBSCRIPTION OF SHARES IN SUBSIDIARIES (cont'd)

Group (cont'd)

2020 – Acquisition of Luminor Capital (Malaysia) Sdn Bhd (“Luminor”) (cont'd)

Impact of acquisitions on the results of the group (cont'd)

Had the business combination during the financial year ended June 30, 2020 been effected at July 1, 2019, the revenue of the group would have been \$18,535,000, and the loss for the financial year ended June 30, 2020 would have been \$5,269,000.

39 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 Luminor Financial Holdings Limited to shareholders of the company by way of capital reduction, the assets and liabilities related to Luminor Financial Holdings Limited (“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	
	2021	2020
	\$'000	\$'000
Revenue	7,511	3,295
Expenses	(8,162)	(4,740)
Share of results of associates	(17)	(7)
Loss before tax from discontinued operations	(668)	(1,452)
Income tax credit	143	167
Loss after tax from discontinued operations	(525)	(1,285)
<u>Revenue from:</u>		
Sale of properties held for sales (at a point of time)	5,972	3,189
Interest income from financial solution (over time)	1,445	106
Fee income from financial solution (at a point of time)	94	–
	<u>7,511</u>	<u>3,295</u>
<u>Revenue recognised during the financial year from:</u>		
– Amounts included in contract liability at the beginning of the financial year	1,421	1,230

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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

	Group	
	2021	2020
	\$'000	\$'000
The impact of the discontinued operations on the cash flows of the group are as follows:		
Operating cash flows	(4,887)	(579)
Investing cash flows	(9)	671
Financing cash flows	(86)	(8,546)
Total cash flows	<u>(4,982)</u>	<u>(8,454)</u>

	Group
	2021
	\$'000
Details of disposal group assets classified as held for distribution to owners:	
Property, plant and equipment	305
Right-of-use assets	213
Goodwill	200
Intangible asset	5
Associate	165
Deferred tax assets	194
Other receivables	588
Development property ⁽ⁱⁱⁱ⁾	3,730
Properties held for sale ⁽ⁱⁱ⁾	5,341
Loan receivable	7,606
Trade receivables balances	703
Cash and bank balances ⁽ⁱⁱⁱⁱ⁾	<u>16,569</u>
	<u>35,619</u>

Liabilities directly associated with disposal held for distribution to owners:	
Lease liabilities	191
Other payables	1,467
Advance receipts from the sale of properties ^(vi)	328
Amount due to non-controlling interests ^(iv)	17
Amount due to director of subsidiary ^(v)	819
Income tax payable	8,404
Deferred tax liabilities	<u>5,008</u>
	<u>16,234</u>

Reserve:	
Currency translation reserve	<u>3,165</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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

- (ii) Properties held for sale is stated net of allowance of \$10,619,000 to state the properties at the lower of cost and estimated net realisable values. Management is of the view that the write down is necessary, notwithstanding the historical selling prices have been higher, as the economic environment is uncertain and a reversal of impairment would involve a high degree of certainty. Nonetheless, management has assessed the valuation and is confident of recovering the properties at the current value and as there is no bank loans on these properties, management is also able to hold on for the best possible price.
- (iii) In March 2019, the group received a repossession notice from the Fuling District local authority to repossess the land parcel, as a result of the development plans by the local authority. An allowance of \$2,784,000 (RMB14.1 million) was recognised in 2019 based on valuation provided by an external PRC valuer appointed by the local authority in connection with the offer made by the authority to repossess this land parcel, which has since lapsed as at June 30, 2020. During the current financial year, management received a letter from the local PRC authority requesting for the return of the land use permit and to recommence negotiation for the repossession value and other land repossession related matters. As at the date of authorisation of these financial statements, the negotiation process is still ongoing and management has assessed that the carrying value of the development property is not materially different from its fair value.
- (iii) As at June 30, 2021, affected PRC bank accounts balances held by Tianhu and Gangyuan which were unfrozen amounted to \$2,726,000. Cash and bank balances of \$9,585,000 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.
- (iv) The amount is non-interest bearing, unsecured and repayable on demand.
- (v) The amount is interest bearing at 10% per annum and repayable within the next 12 months.
- (vi) Advance receipts for the sale of properties are recognised as revenue when control of the property has been transferred to the customer. The balance as at July 1, 2020 is \$1,421,000. Contract liabilities during the year decreased as the group had recognised the revenue from the sale of its Jalan Nipah property in Singapore and there is decrease in demand for the group's properties in PRC as it is at the tail end of the projects in PRC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

39 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	
	2021	Restated
	\$'000	2020
		\$'000
Employee benefits expense	1,052	651
Cost of defined contribution plans included in employee benefits expense	116	56
Audit fees paid/payable to auditors:		
– Auditors of the company	74	–
– Other auditors	46	165
Non-audit fees paid to auditors:		
– Auditors of the company	–	–
– Other auditors	–	21
Cost of completed properties for sale included in cost of sales	5,927	3,378
Depreciation of property, plant and equipment and amortisation	201	72
Depreciation of right-of-use assets	208	87
Allowance of doubtful trade receivables	5	–
Net foreign currency exchange adjustment loss	157	76
Write back of impairment loss on properties held for sale included in cost of sales	(618)	(485)

40 EVENTS AFTER REPORTING PERIOD

On 8 September 2021, the group through its indirect owned subsidiary, Luminor Capital (Malaysia) Sdn. Bhd. acquired the remaining 20% equity interest in Luminor Credit Sdn. Bhd. for a consideration of \$32,000 (RM100,000) paid in cash. The acquisition is not expected to have any material impact on the group.

On 29 September 2021, the shareholders approved the proposed distribution in specie of shares in LFHL to shareholders of the company by way of capital reduction. Subject to the completion of the 6-week publication period for creditor objection, management anticipates that the completion of the proposed distribution would take place only after mid-November 2021. Upon successful distribution of shares to shareholders, LFHL will be deconsolidated from the group based on the fair value of the shares distributed which will be offset against the share capital of the company. The excess of the capital reduction will be written off against the accumulated losses of the company.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

41 BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020

The independent auditor's report dated December 9, 2020 contained a qualified opinion on the financial statements for the financial year ended June 30, 2020. The extract of the basis for qualified opinion is as follows:

Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")

During the financial year ended June 30, 2020, certain PRC banks have frozen certain PRC bank accounts of Tangshan GRP Trading Co., Ltd ("Tangshan GRP"), Chongqing Tianhu Land Co., Ltd ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd ("Gangyuan") of an aggregate amount of \$5.4 million (RMB27.5 million) as at June 30, 2020.

The former auditor understood from management that these frozen bank accounts were used for normal business operation and there were fund transfers from these bank accounts made by the abovementioned PRC subsidiaries, aggregating to RMB114.0 million (\$22.8 million) to certain third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent"). Certain of the group's Singapore subsidiaries had also received fund transfers aggregating \$21.8 million from the Agent. Management has represented that the receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

Management have appointed Legal Counsels in the PRC to pursue the resolution of the matter. The Legal Counsels have since initiated communications with the banks and have been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC.

Subsequent to the financial year-end, management represented that they have been informed verbally by the OIC that the affected bank accounts have been "unfrozen" and that those bank accounts can be used for "normal business operations". Notwithstanding this, the OIC also indicated that documents requested for the investigation should continue to be provided. As at the date of this report, the matter is still under on-going investigation.

As a result of the matters highlighted above, the former auditor were unable to obtain sufficient appropriate audit evidence on:

- (a) whether the abovementioned fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the group in the event of any breach of applicable laws and regulations; and
- (b) whether the group has the rights and ability to recover the bank balances contained in the affected bank accounts as mentioned above.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

41 BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020 (cont'd)

Recoverability of certain assets from the PRC authorities and the receivables from certain subsidiaries

(i) Assets recoverable from the PRC authorities

As at June 30, 2020, Tangshan GRP recorded current and non-current receivables from the PRC authorities which amounted to \$3.9 million (RMB20.0 million) and \$4.3 million (RMB21.9 million) respectively. The current receivables of \$3.9 million (RMB20.0 million) arose from repossession of a land parcel located in Tangshan, PRC, in the financial year ended June 30, 2019 by the local PRC authority and the non-current receivable of \$4.3 million (RMB21.9 million) was for the recovery of advances upon repossession of the land made to the same local PRC authority. The advances were made to facilitate the land clearance and other incidental processes in order for the land to be ready for public tender.

As at June 30, 2020, Gangyuan recorded a development property in Fuling which amounted to \$3.7 million (RMB18.5 million) based on valuation provided by an external PRC valuer appointed by the local PRC authority in connection with an offer made by the authority in the financial year ended June 30, 2019 to repossess a land parcel located in Fuling, PRC which has lapsed at the end of the reporting period. Management represented that they are still in the process of re-negotiating on the repossession value with the local PRC authority.

The former auditor were unable to obtain sufficient appropriate audit evidence on the recoverability of these assets and the classification of these current/non-current receivables as there had been no verifiable correspondence with the respective PRC authorities, and they were unable to perform alternative procedures.

(ii) *Receivables from certain subsidiaries*

As at June 30, 2020, the company has receivables due from certain subsidiaries amounting to \$39.2 million. The ability to recover these receivables is dependent on the recoverability of the underlying assets as mentioned in (i) above and ability of the group to recover the amounts in the affected bank accounts of Tangshan GRP, Tianhu and Gangyuan. Accordingly, the former auditor were unable to obtain sufficient appropriate audit evidence over the recoverability of these receivables.

Consequently, the former auditor was unable to determine whether any adjustments to the financial statements for the financial year ended June 30, 2020 may be necessary in respect of these matters.

STATISTICS OF SHAREHOLDINGS

As at 4 October 2021

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 4 OCTOBER 2021

SIZE OF SHAREHOLDINGS	NO. OF SHARES	%	NO. OF SHAREHOLDERS	%
1 – 99	3,939	0.00	148	5.85
100 – 1,000	482,804	0.27	743	29.39
1,001 – 10,000	4,263,165	2.37	1,000	39.56
10,001 – 1,000,000	40,962,008	22.73	615	24.33
1,000,001 and above	134,485,094	74.63	22	0.87
	<u>180,197,010</u>	<u>100.00</u>	<u>2,528</u>	<u>100.00</u>

Note: The percentages are computed based on 180,197,010 ordinary shares (excluding shares held as treasury shares) as at 4 October 2021.

TWENTY LARGEST SHAREHOLDERS AS AT 4 OCTOBER 2021

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	9,166,585	5.09
3	CHENG LIM KONG	7,969,450	4.42
4	ANG CHENG LAM	6,843,340	3.80
5	HASSAN ISSA YAUNIS	5,562,300	3.09
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,723,200	2.62
7	RAFFLES NOMINEES (PTE) LIMITED	4,169,140	2.31
8	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	3,970,200	2.20
9	OCBC SECURITIES PRIVATE LTD	3,915,050	2.17
10	GOH KENG HUAY	3,345,400	1.86
11	TAN KOOI JIN	3,076,720	1.71
12	KWAN CHEE SENG	2,990,500	1.66
13	STF INVESTMENTS LTD	2,914,580	1.62
14	DBS NOMINEES PTE LTD	2,511,668	1.39
15	MAYBANK KIM ENG SECURITIES PTE. LTD	2,090,980	1.16
16	LIM SEE YONG	1,880,800	1.04
17	MORPH INVESTMENTS LTD	1,683,900	0.93
18	CHIK CHOOI WAH	1,500,000	0.83
19	TAN KAY TOH OR YU HEA RYEONG	1,409,880	0.78
20	KANTILAL S/O CHAMPAKLAL RAMDAS	1,292,900	0.72
	TOTAL:	<u>132,090,933</u>	<u>73.29</u>

Note: The percentages are computed based on 180,197,010 ordinary shares (excluding shares held as treasury shares) as at 4 October 2021.

STATISTICS OF SHAREHOLDINGS

As at 4 October 2021

SUBSTANTIAL SHAREHOLDERS AS AT 4 OCTOBER 2021

Name of substantial shareholder	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Kwan Chee Seng ⁽¹⁾	64,064,440	35.55	-	-

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.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 4 October 2021, approximately 59.78% of the issued shares of the Company was held in the hand of the public as defined in the Listing Manual. Therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited 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 by way of electronic means on Tuesday, 26 October 2021 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 2021 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees amounting to \$146,250.00 for the financial year ended 30 June 2021 [FY2020: \$146,250.00]. **(Resolution 2)**
3. To re-elect the following Directors, who will be retiring by rotation pursuant to Regulation 89 of the Company’s Constitution and who, being eligible, offer themselves for re-election as Directors of the Company:
 - a. Mr Teo Tong How *(see explanatory note 1)* **(Resolution 3)**
 - b. Mr Goh Lik Kok *(see explanatory note 2)* **(Resolution 4)**
 - c. Mr Mahtani Bhagwandas *(see explanatory note 3)* **(Resolution 5)**
4. To re-appoint Messrs Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration **(Resolution 6)**

AS SPECIAL BUSINESS

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

5. **Authority to Allot and Issue Shares** **(Resolution 7)**

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (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 4)

NOTICE OF ANNUAL GENERAL MEETING

6. **Authority to allot and issue shares pursuant to the GRP Performance Share Plan (the “Plan”)** **(Resolution 8)**

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 Plan, 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 5)

7. **Proposed Renewal of Share Buyback Mandate** **(Resolution 9)**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the directors of the Company (the “**Directors**”) be authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the share capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the “**Share Buyback Mandate**”);

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company at a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next AGM of the Company is held or is required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;
- (d) for purposes of this Resolution:

“Maximum Limit” means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution unless the Company has, at any time during the Relevant Period (as hereinafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date of this Resolution; and

“Maximum Price” in relation to a Share to be purchased, means the purchase price (excluding applicable brokerage, stamp duty, commission, goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five market day period, and the day on which the purchases are made;

“day of making of the offer” means the day on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“market day” means a day on which the SGX-ST is open for trading in securities, and

NOTICE OF ANNUAL GENERAL MEETING

- (e) any of the Directors be authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(see explanatory note 6)

8. That, subject to and contingent upon the passing of Resolution 3 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 13 by shareholders of the Company by appointing the Chairman of AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual): **(Resolution 10)**

- (a) the continued appointment of Mr Teo Tong How as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Teo Tong How as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 1)

9. That, subject to and contingent upon the passing of Resolution 4 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 14 by shareholders of the Company by appointing the Chairman of AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual): **(Resolution 11)**

- (a) the continued appointment of Mr Goh Lik Kok as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Goh Lik Kok as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 2)

NOTICE OF ANNUAL GENERAL MEETING

10. That, subject to and contingent upon the passing of Resolution 5 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 15 by shareholders of the Company by appointing the Chairman of AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual): **(Resolution 12)**

- (a) the continued appointment of Mr Mahtani Bhagwandas as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Mahtani Bhagwandas as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 3)

11. That, subject to and contingent upon the passing of Resolution 3: **(Resolution 13)**

- (a) the continued appointment of Mr Teo Tong How as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Teo Tong How as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 10 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 1)

12. That, subject to and contingent upon the passing of Resolution 4: **(Resolution 14)**

- (a) the continued appointment of Mr Goh Lik Kok as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Goh Lik Kok as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 11 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 2)

NOTICE OF ANNUAL GENERAL MEETING

13. That, subject to and contingent upon the passing of Resolution 5: **(Resolution 15)**

- (c) the continued appointment of Mr Mahtani Bhagwandas as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
- (d) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Mahtani Bhagwandas as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 12 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 3)

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

BY ORDER OF THE BOARD

Belinda Low
Company Secretary

11 October 2021
Singapore

Explanatory Notes:

1. Mr Teo Tong How will, upon re-election as an Independent Director, remain as Independent Non-Executive Director and Chairman of the Board. The Board of Directors has considered him to be independent for the purposes of Rule 704(8) of the Listing Manual. 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.

Ordinary Resolutions 10 and 13 proposed in items 8 and 11 respectively above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

Mr Teo Tong How is an independent Director who will serve for more than nine years from 4 July 2023. Since Mr Teo Tong How is seeking re-election as a Director at the AGM, the Company is proposing to seek, at the same time, the requisite approvals from shareholders for his continued appointment as an independent Director. Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Teo Tong How.

NOTICE OF ANNUAL GENERAL MEETING

2. Mr Goh Lik Kok will, upon re-election as an independent Director, remain as an Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating, Remuneration and Risk Management Committees of the Company. The Board of Directors has considered him to be independent for the purposes of Rule 704(8) of the Listing Manual. 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.

Ordinary Resolutions 11 and 14 proposed in items 9 and 12 respectively above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

Mr Goh Lik Kok is an independent Director who will serve for more than nine years from 6 November 2021. Since Mr Goh Lik Kok is seeking re-election as a Director at the AGM, the Company is proposing to seek, at the same time, the requisite approvals from shareholders for his continued appointment as an independent Director. Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Goh Lik Kok.

3. Mr Mahtani Bhagwandas will, upon re-election as an independent Director, remain as an Independent Non-Executive Director, Chairman of the Nominating and Risk Management Committees, and a member of the Audit and Remuneration Committees of the Company. The Board of Directors has considered him to be independent for the purposes of Rule 704(8) of the Listing Manual. 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.

Ordinary Resolutions 12 and 15 proposed in items 10 and 13 respectively above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

Mr Mahtani Bhagwandas is an independent Director who will serve for more than nine years from 1 June 2022. Since Mr Mahtani Bhagwandas is seeking re-election as a Director at the AGM, the Company is proposing to seek, at the same time, the requisite approvals from shareholders for his continued appointment as an independent Director. Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Mahtani Bhagwandas.

4. 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

NOTICE OF ANNUAL GENERAL MEETING

to be 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.

5. This is to authorise the Directors to allot and issue Shares under the Plan 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.
6. Ordinary Resolution 9 proposed in item 7 above, if passed, will empower the Directors, effective 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 or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater detail in the Appendix accompanying this notice.

Notes:

To minimise physical interactions and COVID-19 transmission risks, the AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents are made available to members solely by electronic means via publication on the SGXNET and the Company's website at www.grp.com.sg.

Alternative arrangements relating to members' participation at the AGM are:

- (a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the notice of AGM; and
- (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Members will be able to participate in the AGM in the manner set out in the paragraphs below.

NOTICE OF ANNUAL GENERAL MEETING

Live AGM Webcast and Live AGM Audio Feed:

The Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on 26 October 2021 at 10.30 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device.

In order to do so, members (including CPF and SRS Investors) must pre-register online at <https://globalmeeting.bigbangdesign.co/grp2021agm/> by 10.30 a.m. on 24 October 2021 (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members’ status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 10.30 a.m. on 25 October 2021 (being 24 hours before the time appointed for holding the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.30 a.m. on 25 October 2021 may contact the Company’s technical support by email at pypeng@grp.com.sg for assistance.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act, including investors who buy Shares using SRS monies, and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed. Members may submit questions relating to the special resolution set out in the notice of AGM in advance (i) by post to the registered office of the Company at 8 Marina Boulevard, #13-02 Marina Bay Financial Centre Tower 1, Singapore 018981; or (ii) by email to investor@grp.com.sg. All questions must be submitted by 10.30 a.m. on 23 October 2021 (being 72 hours before the time appointed for the holding of the AGM).

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.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) should contact their respective relevant intermediaries through which they hold such shares to submit their questions based on the abovementioned instructions.

NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

Members 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.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to their manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

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.

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 (i) by post to the registered office of the Company at 8 Marina Boulevard, #13-02 Marina Bay Financial Centre Tower 1, Singapore 018981; or (ii) by email to sg.is.proxy@sg.tricorglobal.com, 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 2021.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares in order to submit their voting instructions at least seven working days before the AGM (i.e. by 10.30 a.m. on 14 October 2021) 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 by 10.30 a.m. on 24 October 2021.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

NOTICE OF ANNUAL GENERAL MEETING

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 Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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PROXY FORM

GRP LIMITED

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

IMPORTANT:-

- To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM dated 11 October 2021.
- SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 10.30 a.m. on 14 October 2021.

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

of _____ (Address) being a Member/members* of **GRP LIMITED** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**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 by electronic means on Tuesday, 26 October 2021 at 10.30 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

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 2021 together with the Independent Auditor's Report thereon			
2.	To approve the payment of Directors' fees amounting to \$146,250.00 for the financial year ended 30 June 2021			
3.	To re-elect Mr Teo Tong How as a Director of the Company			
4.	To re-elect Mr Goh Lik Kok as a Director of the Company			
5.	To re-elect Mr Mahtani Bhagwandas as a Director of the Company			
6.	To re-appoint Messrs Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors of the Company to fix their remuneration			
SPECIAL BUSINESS				
7.	To authorise the Directors to allot and issue shares and convertible securities			
8.	To authorise the Directors to grant awards and to allot and issue shares in accordance with the provisions of the GRP Performance Share Plan			
9.	To approve the renewal of Share Buyback Mandate			
10.	To approve the continued appointment of Mr Teo Tong How as an independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
11.	To approve the continued appointment of Mr Goh Lik Kok as an independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
12.	To approve the continued appointment of Mr Mahtani Bhagwandas as an independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
13.	To approve the continued appointment of Mr Teo Tong How as an independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
14.	To approve the continued appointment of Mr Goh Lik Kok as an independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
15.	To approve the continued appointment of Mr Mahtani Bhagwandas as an independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			

* 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 _____, 2021.

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

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 of proxy will be deemed to relate to all the shares held by the member.
2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM. Where the members (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, being a proxy, need not be a member of the Company.
4. This proxy form, duly executed, must be submitted (i) by post to the registered office of the Company at 8 Marina Boulevard, #13-02 Marina Bay Financial Centre Tower 1, Singapore 018981; or (ii) by email to sg.is.proxy@sg.tricorglobal.com, 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 2021.
5. This proxy form appointing a proxy 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.
6. Where this proxy form appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form of proxy, failing which this proxy form of proxy may be treated as invalid.
7. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50, including investors who buy shares using SRS monies, and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven working days before the AGM (i.e. by 10.30 a.m. on 14 October 2021) 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 by the cut-off date.
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, Chapter 50.
9. The Company shall be entitled to reject this proxy form appointing a proxy 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 appointing a proxy (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 appointing a proxy 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 of the Company dated 11 October 2021.

CORPORATE INFORMATION

Board of Directors

Mr Teo Tong How

Chairman, Independent
Non-Executive Director

Mr Kwan Chee Seng

Executive Director

Ms Kwan Yu Wen

Non-Executive Director

Mr Goh Lik Kok

Independent Non-Executive Director

Mr Mahtani Bhagwandas

Independent Non-Executive Director

Mr Peter Moe

Independent Non-Executive Director

Company Secretary

Ms Belinda Low Chou Yen

Registered Office

8 Marina Boulevard #13-02
Marina Bay Financial Centre
Tower 1, Singapore 018981
Tel: 6636 6056
Fax: 6509 8455

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)

8 Marina Boulevard #13-02
Marina Bay Financial Centre
Tower 1, Singapore 018981

Tel: 6636 6056

Fax: 6509 8455

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