

GRP LIMITED

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

PROPOSED ACQUISITION FROM LUMINOR PACIFIC FUND 2 LTD 14,990 RCPS ISSUED BY ENERGISER ENTERPRISE SDN BHD

The Board of Directors (the “**Board**”) of GRP Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 1 August 2017, 2 October 2017, 4 October 2017 and 30 June 2020 (the “**Announcement**”), in relation to the restructuring for repayment of Redeemable Convertible Preference Shares (“**RCPS**”) issued by Energiser Enterprise Sdn. Bhd. (“**EESB**”). Unless otherwise defined in this announcement, all capitalised terms used herein bear the same meanings as in the Announcement.

BACKGROUND

1. We refer the 30 June 2020 Announcement relating to the execution of the Restructuring Agreements, which include the following agreements:
 - a. Third Supplemental Agreement;
 - b. Land Transfer and Option Agreement;
 - c. Deed Of Assignment; and
 - d. Joint Venture Agreement
2. Luminor Pacific Fund 2 Ltd (“**LPF2**”) had informed the Company that they were seeking a cash buyer for their rights and interest in the 14,990 RCPS (“**LPF2 RCPS**”) held by them.
3. The Company commenced negotiations with LPF2, and finalised the Term Sheet for the proposed acquisition of the LPF2 RCPS
4. As per the Term Sheet with LPF2 (“**Term Sheet**”), it was agreed that the proposed acquisition of the LPF2 RCPS shall be at price of S\$2,550,000 subject to the following conditions to be fulfilled before completion:
 - a. Approval by the Board of the Company;
 - b. A favourable fairness opinion from an Independent Financial Advisor (“**IFA**”) to be obtained by the Company, and separately by LPF2
 - c. Execution and the successful transfer of the Land Assets, as per the Land Transfer Agreement;
 - d. Novation Agreement to be executed for the RCPS subscribers to assume the rights, title, benefits and interest under the Deed of Assignment;
 - e. Consent of Luminor Harbour Fund 1 Pte Ltd (“**LHF1**”) for the acquisition of the LPF2 RCPS by the Company.
5. The Company anticipates that completion of the proposed acquisition of the LPF2 RCPS to be during the 4th Quarter of 2020.

6. Based on the Restructuring Agreements between the Parties, and as per the 30 June 2020 Announcement, EESB and the Existing Shareholders have agreed that the total aggregate Outstanding Sum owing to the RCPS Subscribers as at 31 May 2020 is S\$11,200,844. As was disclosed in the Announcement, the Outstanding Sum relevant to the LPF2 RCPS is S\$4,254,649.
7. The Outstanding Sum shall continue to accrue interest income at 10% per annum from 1 June 2020. The accruing interest will be appropriately factored for subsequent settlements made by EESB..

FINANCIAL IMPACT

The proposed acquisition of the LPF2 RCPS from LPF2 is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company and the Group for the financial year ending 30 June 2020.

INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Kwan Chee Seng (“**KCS**”), an Executive Director and controlling shareholder of the Company is a director and shareholder of Luminor Capital Pte Ltd (“**LCPL**”) which is the fund manager for LPF2 and LHF1. KCS is also one of the investors of LHF1.

Ms Kwan Yu Wen (“**KYW**”), an Executive Director of the Company, is the daughter of KCS and is a shareholder of LCPL.

Due to their interest in LPF2, LHF1 and LCPL, KCS and KYW recused themselves from the negotiations. The negotiations were conducted by Mr. Kantilal Champaklal and Ms Peng Peck Yen, respectively the Chief Financial Officer and the Financial Controller of the Company. In order to maintain arms-length and transparency, Mr Goh Lik Kok, the Chairman of the Audit Committee was kept fully aware of the developments during the negotiation process.

Save for KCS and KYW, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the acquisition of LPF2 RCPS from LPF2.

BY ORDER OF THE BOARD

Teo Tong How
Independent Non-executive Director and Chairman
23 July 2020