

GRP LIMITED



Company No.197701449C

**Full Year Financial Statement And Dividend Announcement for
the Financial Year ended 30 June 2019**

GRP LIMITED

Full Year Financial Statement And Dividend Announcement for the period ended 30/06/2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP		
	\$'000		% Increase/ (decrease)
	12 months ended 30/06/2019	12 months ended 30/06/2018	
Revenue	32,087	29,624	8.3
Cost of sales	(26,108)	(24,916)	4.8
Gross profit	5,979	4,708	27.0
Other losses	(3,567)	(269)	NM
Other operating income	1,121	2,639	(57.5)
Distribution costs	(2,123)	(2,016)	5.3
Administrative expenses	(5,359)	(3,861)	38.8
Finance costs	(165)	(291)	(43.3)
(Loss)/Profit before income tax expense	(4,114)	910	NM
Share of result of associate	(9)	-	100.0
Income tax expense	(583)	413	NM
(Loss)/Profit for the year	(4,706)	1,323	NM
Other comprehensive (loss)/income, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss -</i>			
Fair value loss on available-for-sale investment	-	(321)	(100.0)
Exchange differences on translation of foreign operations	(2,407)	848	NM
Other comprehensive (loss)/income for the year, net of tax	(2,407)	527	NM
Total comprehensive (loss)/income for the year	(7,113)	1,850	NM
(Loss)/Profit attributable to:			
Owners of the company	(4,738)	873	NM
Non-controlling interests	32	450	(92.9)
	(4,706)	1,323	NM
Total comprehensive (loss)/income attributable to:			
Owners of the company	(7,145)	1,400	NM
Non-controlling interests	32	450	(92.9)
	(7,113)	1,850	NM

* NM - not meaningful

Notes to the Statement of Comprehensive Income
 Others disclosure items included in the above statement

	GROUP	
	\$'000	
	12 months ended 30/06/2019	12 months ended 30/06/2018
Depreciation and amortisation	(204)	(231)
Write back/ (Allowance) for inventories	41	(92)
Write off of inventories	-	(27)
Write back of impairment loss on properties held for sale	1,746	-
Write back of doubtful trade receivables	-	1
Allowance for doubtful trade receivables	(21)	-
Write back of doubtful non-trade receivables	186	3,226
Allowance for doubtful non-trade receivables	-	(1,161)
Net foreign currency exchange adjustment (loss)/gain	(197)	114
Net loss on financial assets measured at fair value through profit or loss	(733)	-
Impairment loss on available-for-sale investment	-	(1,081)
Impairment loss on development properties	(2,784)	-
Loss on disposal of financial assets measured at fair value through profit or loss	(50)	-
Gain on disposal of available-for-sale investment	-	812
Interest expenses	(122)	(248)
(Loss)/Gain on disposal of property, plant and equipment	(12)	170
Interest income	923	700
Rental and services income	11	99
Other income	187	1,840
Tax expenses		
- current period	(581)	155
- Adjustment for over provision of tax in respect of prior years	(2)	258

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP			COMPANY	
	\$'000			\$'000	
	6/30/2019	30/6/2018 Restated*	1/7/2017 Restated*	6/30/2019	6/30/2018
ASSETS					
Current assets					
Cash and bank balances	56,626	49,776	40,666	23,178	9,375
Trade receivables	2,696	2,400	4,177	-	-
Other receivables & prepayments	1,416	1,475	1,304	134	96
Available-for-sale investment	-	935	428	-	326
Amount due from subsidiaries	-	-	-	47,346	59,839
Inventories	4,666	4,088	4,367	-	-
Properties held for sale	11,014	23,142	31,250	-	-
Development properties	5,344	18,686	24,197	-	-
Total current assets	81,762	100,502	106,389	70,658	69,636
Non-current assets					
Other receivables	8,850	5,908	5,827	-	-
Fair value through profit or loss	2,500	-	-	2,500	-
Available-for-sale investment	-	2,500	-	-	2,500
Investment in subsidiaries	-	-	-	7,051	7,051
Investment in associate	16	-	-	-	-
Deferred tax assets	289	166	148	-	-
Intangible asset	31	25	25	25	25
Property, plant and equipment	680	786	788	118	172
Total non-current assets	12,366	9,385	6,788	9,694	9,748
Total assets	94,128	109,887	113,177	80,352	79,384
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	900	5,160	8,236	-	-
Trade payables	1,221	812	1,245	19	410
Provision for reinstatement obligation	-	450	450	-	150
Other payables	4,192	4,868	5,778	1,112	1,377
Income tax payable	9,726	9,744	7,770	49	49
Total current liabilities	16,039	21,034	23,479	1,180	1,986
Non-current liabilities					
Deferred tax liabilities	4,923	6,590	9,323	-	-
Total non-current liabilities	4,923	6,590	9,323	-	-
Capital and reserves					
Share capital	72,502	72,502	72,502	72,502	72,502
Treasury shares	(294)	-	-	(294)	-
Asset revaluation reserve	-	2,740	3,061	-	2,740
Statutory reserve	245	119	97	-	-
Currency translation reserve	(1,559)	848	-	-	-
Accumulated (losses)/ profits	(3,207)	(114)	(965)	6,964	2,156
Equity attributable to owners of the company	67,687	76,095	74,695	79,172	77,398
Non-controlling interests	5,479	6,168	5,680	-	-
Total equity	73,166	82,263	80,375	79,172	77,398
Total liabilities and equity	94,128	109,887	113,177	80,352	79,384

* Restated due to the adoption of SFRS(I) 1, please refer to paragraph 5 for details.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group			
As at 30/06/2019 S\$'000		As at 30/06/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
900	-	5,160	-

Amount repayable after one year

Group			
As at 30/06/2019 S\$'000		As at 30/06/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Land Loan

The Group has a land loan facility ("Facility") of \$4,128,000 obtained for property development project in Singapore. The loan was fully repaid during the year ended 30 June 2019.

Term Loan

The Group obtained a new banking facility of \$978,000 during the year ended 30 June 2019. The facility comprised of a term loan of \$210,000 and Performance Guarantee in favour of Controller of Residential Property of \$768,000. The term loan facility of \$210,000 was drawn down in October 2018 and fully repaid in June 2019.

This Facility is secured and guaranteed by the followings:

- Fixed deposit of \$978,000 pledged with the bank;
- A corporate guarantee of \$978,000 by Starland Holdings Limited, an indirect subsidiary.

Money Market Loan

The Group has a Money Market Loan ("MML") of \$900,000 from United Overseas Bank for general working capital purposes. The Group has an outstanding balance of \$900,000 as at 30 June 2019.

The MML is secured and guaranteed by the following:

- Standby Letter of Credit for not less than RMB5,000,000 (approximately \$984,700) issued by United Overseas Bank (China) Limited, Chengdu Branch;
- A corporate guarantee of \$1,800,000 by Starland Holdings Limited, an indirect subsidiary; and
- Fixed deposits of RMB5,650,000 (approximately \$1,112,700) pledged with the Bank.

1(c) A Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	\$'000	
	12 months ended 30/06/2019	12 months ended 30/06/2018
Operating activities:		
(Loss) Profit before income tax	(4,114)	910
Adjustments for:		
Depreciation and amortisation	204	231
Net loss on financial assets measured at fair value through profit or loss	733	-
Interest income	(923)	(700)
Interest expenses	122	248
(Gain) Loss on disposal of property, plant and equipment	12	(170)
Loss on disposal of financial assets measured at fair value through profit or loss	50	-
(Gain) on disposal of available-for-sale investment	-	(812)
Allowance for inventories	91	158
Write off of inventories	-	27
Write back of allowance for inventories	(132)	(66)
Write back of impairment loss on properties held for sale	(1,746)	-
Write back of doubtful trade receivables	-	(1)
Write back of doubtful non-trade receivables	(186)	(3,226)
Allowance for doubtful non-trade receivables	-	1,161
Impairment loss on development properties	2,784	-
Non-cash portion of other income (Note 1)	-	(621)
Unrealised foreign exchange loss	(2,449)	718
Operating cash flows before movements in working capital	(5,554)	(2,143)
Trade receivables	(317)	1,778
Other receivables & prepayments	(2,697)	895
Inventories	(530)	148
Properties held for sale	13,875	13,907
Development properties	11,786	(368)
Trade payables	409	(433)
Other payables	(1,126)	(911)
Cash generated from operating activities	15,846	12,873
Income taxes paid	(1,993)	(456)
Net cash generated from operating activities	13,853	12,417
Investing activities:		
Proceeds from disposal of property, plant and equipment	26	215
Proceeds from disposal of financial assets measured at fair value through profit or loss	148	-
Proceeds from disposal of available-for-sale investment	-	591
Purchase of property, plant and equipment	(77)	(153)
Payment for club membership	(6)	-
Acquisition of subsidiary	(1,288)	-
Investment in associate	(25)	-
Investment in long term available-for-sale investment	-	(2,500)
Short term loan issued	-	(1,161)
Collection of short term loan	-	2,100
Interest received	923	700
Net cash used in investing activities	(299)	(208)
Financing activities:		
Share buy-back	(294)	-
Interest paid	(122)	(248)
Dividends paid	(1,690)	(120)
Repayment of bank loans	(4,470)	(4,032)
New Loan	210	841
Contribution by non-controlling interest	-	158
Decrease (increase) in bank deposits pledged	920	5,075
Net cash (used in)/from financing activities	(5,446)	1,674
Net increase in cash and cash equivalents	8,108	13,883
Cash and cash equivalents at beginning of year	46,752	32,567
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(338)	302
Cash and cash equivalents at end of year (Note 2)	54,522	46,752

Note 1 - Non-cash portion of other income
This pertained to the recovery of expenses previously incurred by Starland Holdings Limited in relation to expenses incurred for the potential acquisition of ayondo Holding AG. The recovery takes the form of 6.5 million ayondo shares, which amounted to \$1.7 million. This is partially offset by an impairment loss of \$1.1 million.

Note 2 - Cash and cash equivalents is derived from:

	The Group	
	\$'000	
	12 months ended 30/06/2019	12 months ended 30/06/2018
Cash and bank balances	56,626	49,776
Less: Pledged cash placed with bank	(2,104)	(3,024)
	54,522	46,752

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Treasury Shares	Asset revaluation reserve	Statutory reserve	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interests	Total
\$'000									
Latest Period									
Balance at 1/07/2018	72,502	-	3,090	119	(3,812)	4,546	76,445	6,168	82,613
Impact of adoption of SFRS(I) 1	-	-	(350)	-	4,660	(4,660)	(350)	-	(350)
Impact of adoption of SFRS(I) 9	-	-	(213)	-	-	213	-	-	-
Restated balance at 1/07/2018	72,502	-	2,527	119	848	99	76,095	6,168	82,263
<i>Total comprehensive income for the year</i>									
- (Loss)/ Profit for the year	-	-	-	-	-	(4,738)	(4,738)	32	(4,706)
- Other comprehensive income/(loss) for the year	-	-	-	-	(2,407)	-	(2,407)	-	(2,407)
- Transfer of revaluation surplus arising from the derecognition of building	-	-	(2,527)	-	-	2,527	-	-	-
<i>Transactions with owner, recognised directly in equity</i>									
- Share buy-back held as treasury shares	-	(294)	-	-	-	-	(294)	-	(294)
- Dividend paid	-	-	-	-	-	(969)	(969)	(721)	(1,690)
Transfer to statutory reserve	-	-	-	126	-	(126)	-	-	-
Balance at 30/06/2019	72,502	(294)	-	245	(1,559)	(3,207)	67,687	5,479	73,166
Previous Corresponding Period									
Balance at 1/07/2017	72,502	-	3,411	97	(4,660)	3,695	75,045	5,680	80,725
Impact on adoption of SFRS(I) 1	-	-	(350)	-	4,660	(4,660)	(350)	-	(350)
Restated balance at 1/07/2017	72,502	-	3,061	97	-	(965)	74,695	5,680	80,375
<i>Total comprehensive income for the year</i>									
- Profit for the year	-	-	-	-	-	873	873	450	1,323
- Other comprehensive loss for the year	-	-	(321)	-	848	-	527	-	527
<i>Transactions with owner, recognised directly in equity</i>									
- Dividend paid	-	-	-	-	-	-	-	(120)	(120)
- Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	158	158
Transfer to statutory reserve	-	-	-	22	-	(22)	-	-	-
Balance at 30/06/2018	72,502	-	2,740	119	848	(114)	76,095	6,168	82,263

The Company	Share capital	Treasury Shares	Asset revaluation reserve	Accumulated profits	Total
\$'000					
Latest Period					
Balance at 1/07/2018	72,502	-	2,740	2,156	77,398
Impact of adoption of SFRS(I) 9	-	-	(213)	213	-
Restated balance at 1/07/2018	72,502	-	2,527	2,369	77,398
<i>Total comprehensive income for the year , represented by</i>					
- (Loss)/ Profit for the year	-	-	-	3,036	3,036
- Transfer of revaluation surplus arising from the derecognition of building	-	-	(2,527)	2,527	-
<i>Transactions with owner, recognised directly in equity</i>					
- Share buy-back held as treasury shares	-	(294)	-	-	(294)
- Dividend paid	-	-	-	(968)	(968)
Balance at 30/06/2019	72,502	(294)	-	6,964	79,172
Previous Corresponding Period					
Balance at 1/07/2017	72,502	-	3,061	(872)	74,691
<i>Total comprehensive income for the year , represented by</i>					
- Profit for the year	-	-	-	3,028	3,028
- Other comprehensive loss for the year	-	-	(321)	-	(321)
Balance at 30/06/2018	72,502	-	2,740	2,156	77,398

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital	12 months ended 30/06/2019	12 months ended 30/06/2018		12 months ended 30/06/2019	12 months ended 30/06/2018
	No of ordinary shares	No of ordinary shares		S\$	S\$
Issued and paid up: At 1 July	193,701,610	193,701,610		72,501,544	72,501,544
Share buy-back At 30 June	(1,707,200)	-		(293,761)	-
	191,994,410	193,701,610		72,207,783	72,501,544

Warrants	12 months ended 30/06/2019	12 months ended 30/06/2018
	No of warrants	
At 1 July	-	54,156,566
Unexercised warrants expired on 29 November 2017	-	(54,156,566)
At 30 June	-	-

Treasury shares	12 months ended 30/06/2019	12 months ended 30/06/2018
	No of Treasury Shares	
At 1 July	-	-
Share buy-back	1,707,200	-
At 30 June	1,707,200	-

The Company bought back 1,707,200 shares by way of market acquisition during the year ended 30 June 2019. All the shares acquired are held as treasury shares. The Company has 1,707,200 treasury shares as at 30 June 2019 (30 June 2018: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except for the adoption of Singapore Financial Reporting Standards ("**FRS**") that is effective for the current financial year as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as in the most recent audited financial statements for the financial year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("**SFRS(I)**"), a new financial reporting framework identical to International Financial Reporting Standards. The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 June 2018.

SFRS(I) 1 allows a first-time adopter to zeroise the cumulative translation differences for all foreign operations that existed at the date of transition to SFRS(I) and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to SFRS(I) and shall include later translation differences. Additionally, management has elected not to continue using revaluation model, subsequent to transition, to measure its property in Malaysia. The Group will use its original historical cost less accumulated depreciation and impairment.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements under SFRS 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 30 June 2018. At the same time, the Group is exempted from complying from SFRS(I) 7 Financial Instruments: Disclosures for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within the scope of SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of SFRS(I) 9.

The impact on the Group's financial statements arising from the adoption of SFRS(I) 1 and SFRS(I) 9 are disclosed in 1d(i) statement of changes in equity - Group and the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	12 months ended 30/06/2019	12 months ended 30/06/2018
Earnings per ordinary share attributable to the owners of the company for the year		
(i) Based on weighted average number of ordinary share in issue (Cents)	(2.45)	0.45
(ii) On a fully diluted basis (Cents)	(2.45)	0.45
Computed based on the following weighted average number of shares		
(i) Basic	193,507,657	193,701,610
(ii) Diluted	193,507,657	193,701,610

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	6/30/2019	30/06/2018 Restated
	Cents	
The Group	35.25	39.28
The Company	41.24	39.96

Net asset value per share attributable to the owners of the company is calculated based on 191,994,410 (30 June 2018: 193,701,610) ordinary shares issued at the end of the current year under review and of the immediately preceding financial year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group revenue of \$32.1 million for year ended 30 June 2019 ("FY2019"), is 8.3% higher than the \$29.6 million revenue for previous corresponding year ended 30 June 2018 ("FY2018"). Revenue for Property segment improved by \$1.7 million (13.0%) and Measuring Instrument segment increased by \$0.9 million (6.6%). These increases are slightly offset by a \$0.2 million (5.7%) drop in revenue by the Hose and Marine segment.

The improved Measuring Instrument revenue is largely due to pick up in capital spendings of manufacturing customers. The higher property revenue is mainly due to sale of 1 unit of semi-detached house in Singapore and sale of 7 shop units in Chongqing, People's Republic of China ("**PRC**") during the year ended 30 June 2019, compared to only 3 shop units and no Singapore property sold in FY2018.

The Group's gross profit increased by 27% to \$6.0 million in FY2019 from \$4.7 million in FY2018. Gross profit for property segment increased by \$1.1 million to \$0.2 million in FY2019 from a loss of \$0.9 million in FY2018. Measuring Instrument segment has a \$0.3 million gross profit improvement in FY2019 as compared to FY2018. These increases are partially offset by a \$0.1 million decrease in gross profit of the Hose and Marine segment.

The gross profit for property segment of \$0.2 million is after taking into account a \$5.8 million (FY2018: \$5.3 million) adjustment to restate the cost of properties sold from historical cost to fair value as the properties held for sale had been previously fair valued at date of acquisition of Starland Holdings Limited ("**Starland**"), a 83.17%-owned indirect subsidiary of the Company and a favourable \$1.7 million write back of impairment loss on properties held for sale in FY2019 (FY2018: Nil).

Other losses of \$3.6 million for FY2019 pertained to a \$2.8 million impairment loss on development properties and a \$0.7 million net loss on financial assets measured at fair value through profit or loss. The FY2018 losses of \$0.3 million related to impairment loss of \$1.1 million on available-for-sale investment, partially offset by a \$0.8 million gain on disposal of available-for-sale investment.

Other operating income decreased by \$1.5 million to \$1.1 million in FY2019 from \$2.6 million in FY2018. The decrease is mainly due to a non-recurring \$1.7 million recovery of expenses relating to proposed acquisition of the equity interest of ayondo Holding AG ("ayondo") previously incurred by Starland in FY2018, partially lifted by \$0.2 million increase in interest income earned in FY2019 as compared to FY2018.

Administrative expenses increased by \$1.5 million to \$5.4 million in FY2019 from \$3.9 million in FY2018. The increase is mainly due to a non-recurring \$3.2 million write back of doubtful non-trade receivables due from ayondo, partially offset by a provision of doubtful non-trade receivable of \$1.2 million pertaining to a short term loan granted to a third party towards a reverse take over acquisition of assets in FY2018.

Finance costs decreased by 43.3% in FY2019 as compared to FY2018. This is mainly due to lower bank charges incurred by the property business in FY2019.

Consequently, the Group incurred a loss before tax of \$4.1 million in FY2019 as compared to profit before tax of \$0.9 million in FY2018.

Statement of financial position and Statement of cashflows

The Group's financial position remains healthy with current ratio of around 5.1 times at the end of June 2019 ("FY2019") as compared to 4.8 times at the end of June 2018 ("FY2018"). As at 30 June 2019, the Group had cash and bank balances amounting to \$56.6 million. This is \$6.9 million higher than the balances as at 30 June 2018. The increase is largely due to a \$13.9 million net cash generated from operating activities, partially offset by \$5.4 million net cash used in for financing activities.

Available-for-sale investment decreased by \$0.9 million from \$0.9 million in FY2018 to Nil in FY2019. The decrease is due to sale of all available-for-sale investment by the Company and full impairment of the 6.5 million new ayondo shares issued to Starland as payment for expenses previously incurred by Starland pertaining to the acquisition of equity interest in ayondo, during the year under review.

Inventories increased by \$0.6 million from \$4.1 million in FY2018 to \$4.7 million in FY2019. This is due to increase in Measuring Instrument inventories which is in line with the higher sales generated in FY2019.

Properties held for sale decreased by \$12.1 million in FY2019 as compared to FY2018. This is a result of sale of \$13.9 million worth of properties held for sale, partially offset by a \$1.7 million write back of impairment loss on properties held for sale during the year under review.

Development properties decreased by \$13.3 million in FY2019 as compared to FY2018. The decrease is due to repossession of the development property land in Tangshan, PRC and a \$2.8 million recognition of impairment loss on development property land in Fuling District, Chongqing, PRC. The Group received a repossession notice from the Fuling District local authority to repossess the 25,559.5 square meter parcel of land located at Zone 5 Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing ("**Land**"), PRC, as a result of the development plans by the local authority in March 2019. The repossession value of the Land is to be determined by the Fuling District local authority after they have obtained a third party valuation for the Land. The Group had recorded this piece of land at fair value at the date of acquisition of Starland in FY2016. In view of the weakening China economy, the Group has recognised a \$2.8 million impairment loss on this Land in the year under review.

Non-current other receivables increased from \$5.9 million on 30 June 2018 to \$8.9 million as at 30 June 2019. The increase is a result of \$4 million (RMB20 million) repossession value receivable from People's Government of Kaiping District, Tangshan City, PRC, pertaining to the repossession of the development property in Tangshan City, PRC. The total repossession value is RMB63.8 million, the Group had received RMB43.8 million in December 2018, with the balance of RMB20 million to be received no later than 31 December 2020.

Bank loans decreased by \$4.3 million from \$5.2 million in FY2018 to \$0.9 million in FY2019 as a result of \$4.5 million repayment of bank loans partially offset by drawn down of new loan of \$0.2 million.

Trade payables increased by \$0.4 million from \$0.8 million in FY2018 to \$1.2 million in FY2019. The increase is in line with the increased in inventories in FY2019 as compared to FY2018.

Provision for reinstatement obligation decreased from \$0.5 million in FY2018 to Nil in FY2019. This is a result of the completion of the reinstatement of the Company's leasehold building in Singapore during the year under review.

Other payables decreased by \$0.7 million from \$4.9 million in FY2018 to \$4.2 million in FY2019. This is due to reduced advances received from sale of properties held for sales as the Group is towards the tail end of its property projects.

Deferred tax payable decreased by \$1.7 million from \$6.6 million in FY2018 to \$4.9 million in FY2019. This is mainly due to realisation of deferred tax on fair value adjustment of properties held for sale. The Group restated the properties held for sale from historical cost to fair value at date of acquisition of Starland in FY2016.

Asset revaluation reserve decreased from \$2.7 million in FY2018 to Nil in FY2019. This is due to reclassification of \$2.5 million from asset revaluation reserve to accumulated profits as the lease of the revalued leasehold building expired during the year under review and a \$0.2 million adjustment arising from the impact of adoption of SFRS(I) 9.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been issued previously.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group does not envisage a quick recovery for the offshore and marine sector customers served by our Hose and Marine business. We anticipate modest recovery in capital and operational spending from our customers in Measuring Instrument business. As for the property business, the market still remains challenging, nonetheless we are at the tail end with balance stock of 22 residential units, 25 shop units and 140 car park lots.

On 22 July 2019 Starland announced that Starland Axis Pte Ltd ("**Axis**"), a 83.17%-owned indirect subsidiary of the Company has entered into a Convertible Loan Agreement with Luminor Capital (Malaysia) Sdn. Bhd. ("**Luminor**"). Under the agreement, Axis is to provide a \$2,333,333 loan to Luminor. The purpose of the loan is to facilitate Luminor's business growth and investment. Axis has the option to convert \$1,333,333 of the principal amount for 51% interest in the enlarged share capital of Luminor. The right to exercise the option shall commence at any time from date of drawdown to the date of full repayment of the loan.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final one-tier tax exempt
Dividend Type	Cash
Dividend Rate	\$0.01

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final one-tier tax exempt
Dividend Type	Cash
Dividend Rate	\$0.005

(c) Date payable

To be determined.

(d) Books closure date

To be determined.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the year ended 30 June 2019 is as follows:

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 - Rental expenses recovered	237,629	-
Ms Fong Peg Hong, Mr Kwan Chee Seng, Ms Kwan Yu Wen and Ms Elissa Kwan Ru Hui - Acquisition of 100% interest in VDH Land Sdn. Bhd.	1,288,174	-

14. Use of proceeds from rights issue and exercise of warrants

As at the date of this announcement, 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 the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'000
<u>2013 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	28,000	(28,000)	-
- General working capital	5,000	(1,078)	3,922
	33,000	(29,078)	3,922
Proceeds from exercise of warrants:			
- Proposed new business	8,974	(8,974)	-
Total	41,974	(38,052)	3,922
Breakdown of general working capital is as follows:			
Rental expenses		(34)	
Professional fees		(125)	
General administrative expenses		(919)	
Total		(1,078)	
<u>2016 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	12,348	(6,372)	5,976
- General working capital	841		841
	13,189	(6,372)	6,817
Proceeds from exercise of warrants:			
- Proposed new business	6		6
Total	13,195	(6,372)	6,823

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(I) Business Segments

S\$'000	Hose & Marine		Measuring instruments / metrology		Property		Inter-segment elimination		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue										
External sales	2,706	2,869	14,218	13,333	15,163	13,422	-	-	32,087	29,624
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	2,706	2,869	14,218	13,333	15,163	13,422	-	-	32,087	29,624
Result										
Segment gross contribution	1,243	1,373	4,525	4,203	211	(868)	-	-	5,979	4,708
Other losses	-	-	-	-	(3,567)	(269)	-	-	(3,567)	(269)
Other operating income	57	16	90	55	974	2,568	-	-	1,121	2,639
Direct expenses	(1,134)	(1,076)	(2,408)	(2,172)	(2,077)	(2,703)	-	-	(5,619)	(5,951)
Segment net contribution	166	313	2,207	2,086	(4,459)	(1,272)	-	-	(2,086)	1,127
Direct expenses - Corporate									(2,028)	(217)
Profit/(Loss) before income tax									(4,114)	910
Share of result of associate									(9)	-
Income tax expense									(583)	413
Profit/(Loss) for the year									(4,706)	1,323

(I) Business Segments

S\$'000	Hose & Marine		Measuring instrument		Property		Inter-segment elimination		Group	
	2019	2018	2019	2018 Restated	2019	2018	2019	2018	2019	2018 Restated
Other information										
Segment Assets	2,377	4,191	10,376	8,917	55,429	84,288	-	-	68,182	97,396
Inter-segment assets	-	361	-	-	-	-	-	(361)	-	-
Unallocated corporate assets									25,946	12,491
Consolidated total assets									94,128	109,887
Segment liabilities	192	546	1,448	782	18,142	24,672	-	-	19,782	26,000
Inter-segment liabilities	2,874	4,801	2,131	7,623	42,760	48,023	(47,765)	(60,447)	-	-
Unallocated corporate liabilities									1,180	1,624
Consolidated total liabilities									20,962	27,624
Capital expenditure	39	48	15	94	23	11	-	-	77	153
Depreciation and amortisation	37	40	46	49	121	142	-	-	204	231
Allowance for doubtful non-trade receivables	-	-	-	-	-	-	-	-	-	-
Corporate expenses - allowance for doubtful non-trade receivables	-	-	-	-	-	-	-	-	-	1,161
Corporate expenses -write back of allowance for doubtful non-trade receivables	-	-	-	-	-	-	-	-	186	(3,226)
(Writeback of)/Allowance for trade receivables	-	-	-	(1)	-	-	-	-	-	(1)
Allowance/(writeback of) for inventories	(34)	185	75	(66)	-	-	-	-	41	119
Net loss on financial assets measured at fair value through profit or loss - unallocated assets	-	-	-	-	733	-	-	-	733	-
Impairment loss on unallocated assets	-	-	-	-	-	275	-	-	-	275
Impairment loss on development properties	-	-	-	-	2,784	-	-	-	2,784	-
Writeback of impairment loss on properties held for sale	-	-	-	-	(1,746)	-	-	-	(1,746)	-

(II) Geographical segments by location of customers

S\$'000	Revenue		Total non-current assets	
	2019	2018	2019	2018 Restated
Singapore	14,612	8,563	2,898	2,969
Malaysia	6,407	6,005	335	318
Myanmar	12	38	-	-
Indonesia	983	1,094	-	-
Other ASEAN countries	113	106	-	-
Other Asia countries	833	207	-	-
Middle Eastern countries	57	3	-	-
People's Republic of China	8,806	13,433	9,133	6,098
Others	264	175	-	-
Total	32,087	29,624	12,366	9,385

Information about major customers

In 2019 and 2018, no single customer contributed to more than 10% of the group's total revenue.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Explained in paragraph 8.

17. A breakdown of sales

	GROUP		
	S\$'000		
	12 months ended 30/06/2019	12 months ended 30/06/2018	% increase/ (decrease)
1. Sales reported for the first half year	18,955	17,776	6.63
2. (Loss)/Profit after income tax before deducting dividend for the first half year	(1,043)	(1,007)	3.57
3. Sales reported for the second half year	13,132	11,848	10.84
4. Profit/(Loss) after income tax before deducting dividend for the second half year	(3,663)	2,330	NM

Note:

NM - Not meaningful.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year	Previous Full Year
S\$'000		
Ordinary	1,920	969
Preference	-	-
Total:	1,920	969

19. Persons occupying managerial positions who are related to the Directors, Chief Executive Officer or substantial shareholders

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Kelvin Kwan Chee Hong	66	Brother of Mr Kwan Chee Seng, Executive Director/ Substantial Shareholder of GRP Limited	General Manager of Starland Holdings Limited Date of appointment: 18 Feb 2016	Kelvin Kwan is appointed as General Manager of Starland Holdings Limited with effect from 18 Feb 2016. Prior to this appointment, Kelvin was the General Manager of Property Division, GRP Limited since 1 Jan 2014.
Kwan Yu Wen	28	Daughter of Mr Kwan Chee Seng. Executive Director/ Substantial Shareholder of GRP Limited	Executive Director of GRP Limited Date of appointment: 13 Feb 2019	Yu Wen is appointed as Executive Director of GRP Limited with effect from 13 Feb 2019. Prior to this appointment, Yu Wen was a Consultant to GRP Limited since 1 Jan 2017.
Elissa Kwan Ru Hui	25	Daughter of Mr Kwan Chee Seng. Executive Director/ Substantial Shareholder of GRP Limited	Management Trainee of GRP Limited Date of appointment: 1 Mar 2019	Not Applicable

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

21. Watchlist

The Company has made quarterly update as required under Listing Rule 1313(2). The last update was made on 28 May 2019.

BY ORDER OF THE BOARD
Kwan Chee Seng
Executive Director
16 August 2019