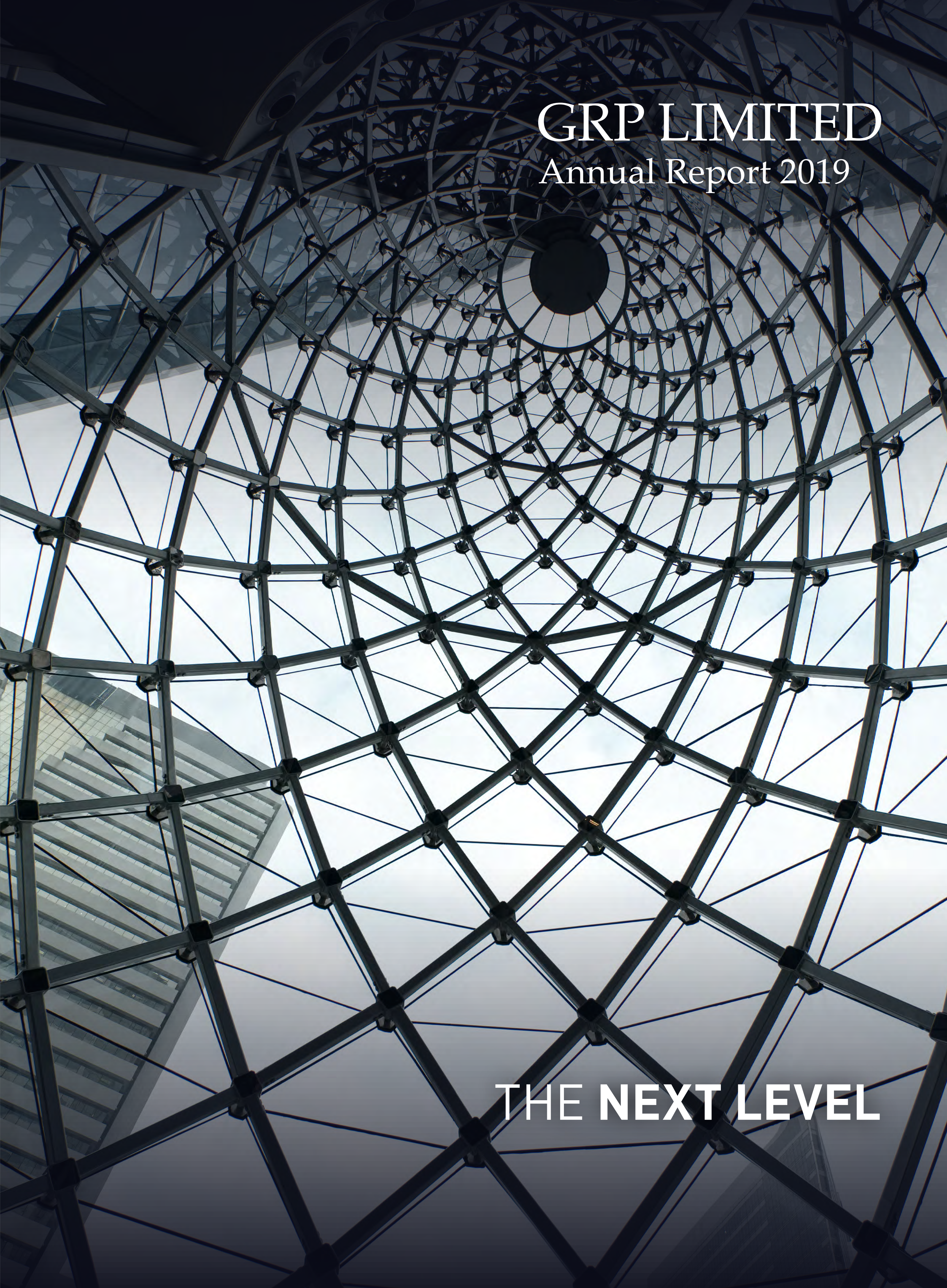
GRP LIMITED

Annual Report 2019



THE **NEXT LEVEL**

CONTENTS

MISSION

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, Starland Holdings Limited (listed on Singapore's Catalist Board), the Group most recently completed its largest development, Singapore Garden (total Gross Floor Area 105,350 sqm) in Fuling, Chongqing, the People's Republic of China.

CORPORATE PROFILE

The Group's focus is on building residential developments and is committed to delivering good quality homes to all buyers. Going forward, the Group will continue to expand its property business with a focus on becoming a premium developer for affordable homes in Malaysia.

Hose and Marine

Operating from the factory in Singapore, the Hose and Marine business has been serving the onshore, offshore, marine, pharmaceutical and petrochemical markets for over 30 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 Dunlop, Goodyear, Elaflex, Todo-matic Dry-Break coupling, 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 Malaysia (with four branch offices), it maintains a cost effective network and has been distributing several internationally renowned brands within the precision measuring 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.

KEY EVENTS

2019

Relocation of our Hose & Marine production facility to Gul Circle, upon the expiry of lease of premises at Tanjong Penjuru Crescent in October 2018.

During the year, the Group incorporated a 30%-owned company, Rumah Kami Sdn Bhd ("Rumah Kami"). Rumah Kami is a real estate development company and is incorporated for the purpose of developing affordable homes in Malaysia.

2018

The Group subscribed for 51% shareholding in Multiple Lodge Sdn Bhd ("Mlodge"). Mlodge had on 9 October 2017 executed a joint venture development agreement with Karib Tropika Sdn Bhd ("Karib") in respect of the development of the lands of an aggregate size of approximately 19.35 acres situated in Ipoh, Malaysia, which are owned by Karib. Under the joint venture development agreement, Mlodge and Karib intend to develop the lands into mixed housing and commercial development.

2017

The Group did a Rights cum Warrants issue where $13.5 million was raised.

2016

Starland Holdings Limited ("Starland Group"), a Property Group listed on SGX-Catalist, was acquired as an indirect subsidiary of GRP group.

Starland Group engages principally in the development of quality integrated residential and commercial properties in the People's Republic of China.

The Group successfully tendered a piece of 165mu industrial land in Tangshan City PRC.

2015

Signing of agreement between the Group and the People's Government of Kaiping District, Tangshan City, PRC, which gives the Group first right of refusal to participate in an integrated mixed development project along Xinghua Dong Dao of Tangshan City.

2014

The Group did a Placement and Rights cum Warrants issue where $35.9 million was raised. An additional $9 million was raised from the exercise of warrants. These were used to fund our activity in the property development business.

Shareholders' approval for diversification into the property business obtained.

2012

The disposal by GRP (China) Pte Ltd of its 75% equity interest in Suzhou Xinghai Plastic Products Co., Ltd and its 25% equity interest in Shanghai Xinda Building Material Co., Ltd was completed.

2007

The disposal of our 16,000 square metres industry office facility in Bukit Batok, Singapore under a sale-and-lease back arrangement was completed.

2005

Divestment by GRP (China) Pte Ltd of its 75% equity interest in Shanghai Xinda Building Material Co., Ltd and its 25% equity interest in Suzhou Xinghai Plastic Products Co., Ltd was completed.

1996

Construction of an 16,000 square metres industrial office facility in Bukit Batok, Singapore was initiated. It was completed in 1997.

1993

Region Suppliers, an international supplier of precision measuring instruments, was acquired as a wholly-owned subsidiary of the GRP group. In the same year, GRP (China) Pte Ltd was formed to take advantage of the opportunities being presented in China, particularly uPVC pipe manufacturing for the local construction industry.

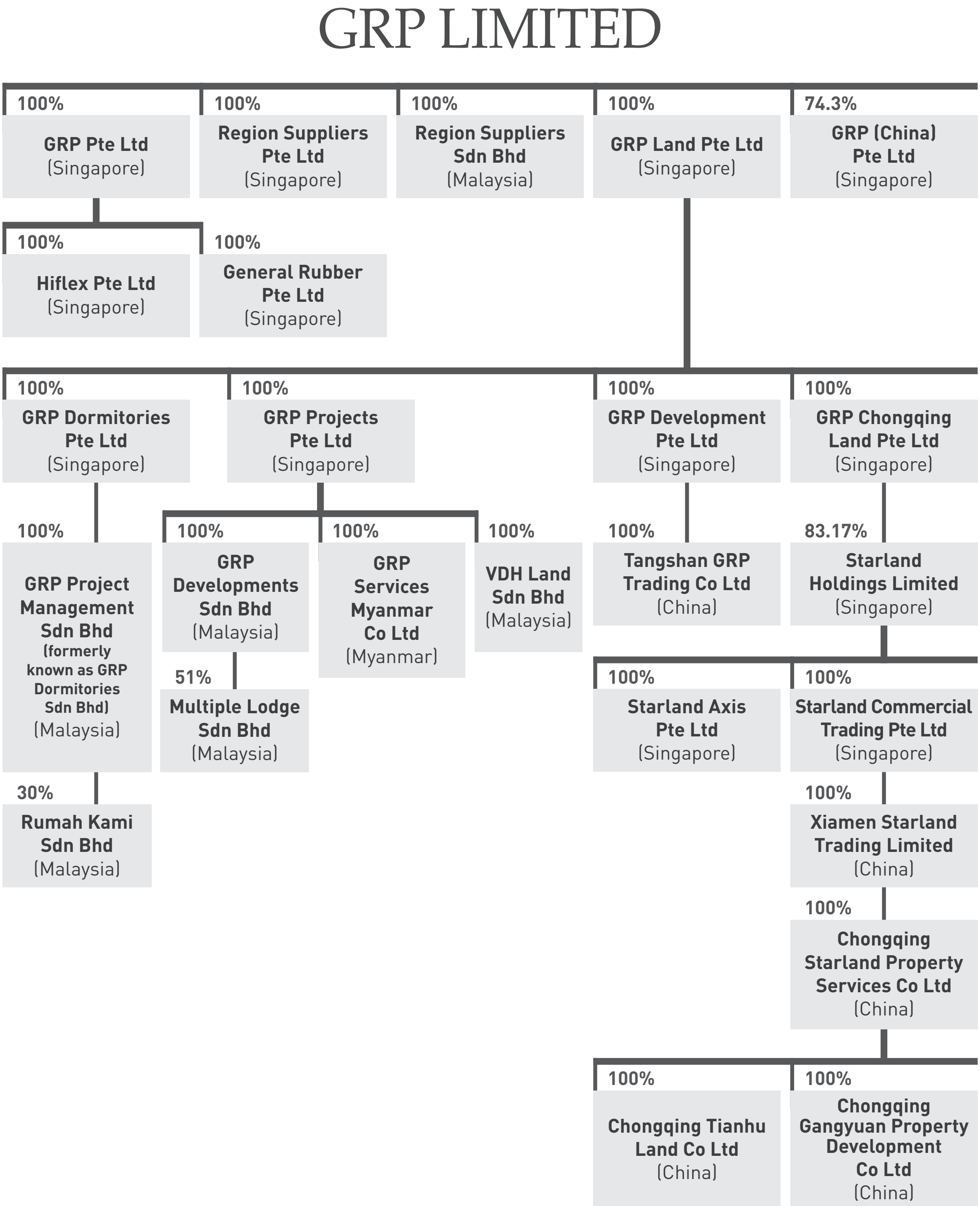
1990

An office and production facility at Tanjong Penjuru Crescent, Singapore was acquired for the purpose of machining, fabricating and warehousing hose and fittings close to our customers.

1977

The Hose and Marine business was established in 1977 as a supplier/manufacturer of high quality hose and fittings for the marine, oil and industrial sectors.

CORPORATE STRUCTURE



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 2019 ("**FY2019**").

For the year under review, the revenue for the Group was $32.1 million an 8.3% increase from $29.6 million for FY2018. The improved performance was mainly due to higher revenue from Property and Measuring Instruments segments. The Property segment sold 1 unit of semi-detached house in Singapore for $6.5 million during the year ended 30 June 2019, compared to no sale of Singapore property units in FY2018. This was partially offset by $4.7 million lower revenue generated from Chongqing, People's Republic of China ("**PRC**") in FY2019 as compared to FY2018, as our PRC projects are at their tail end with balance stock of 21 residential units, 25 shop units and 140 car park lots as at 30 June 2019.

The Measuring Instruments segment had also recorded improved revenue of $0.9 million in FY2019 vis-à-vis FY2018. This improvement was largely due to a pick up in capital spending by manufacturing customers. On the other hand, the Hose and Marine business continues to be affected by the protracted weakness in the offshore and marine industry.

Local Singapore revenue in FY2019 was $14.6 million (46% of total revenue), an increase from $8.6 million (29% of total revenue) in FY2018. Revenue from PRC was $8.8 million (27% of total revenue), a decrease from $13.4 million (45% of total revenue) in FY2018.

In FY2019 the Group incurred a net loss of $4.7 million, as compared to a net profit of $1.3 million achieved in FY2018. The weaker FY2019 performance was largely a result of an impairment loss of $2.8 million on development properties, and a $0.7 million net loss on financial assets measured at fair value through profit or loss, being ayondo Limited shares. The impairment loss on development properties related to a repossession notice received from the Fuling District local authority for a piece of land at Fuling District, Chongqing, PRC., owned by Starland Holdings Limited Group ("**Starland**"), a 83.17%-owned indirect subsidiary of the Company. The Group had recorded this piece of land at fair value in FY2016 (instead of the actual land purchase price by Starland), at the date of acquisition of Starland. In view of the weakening China economy, the Group had recognised an impairment loss of $2.8 million in FY2019.

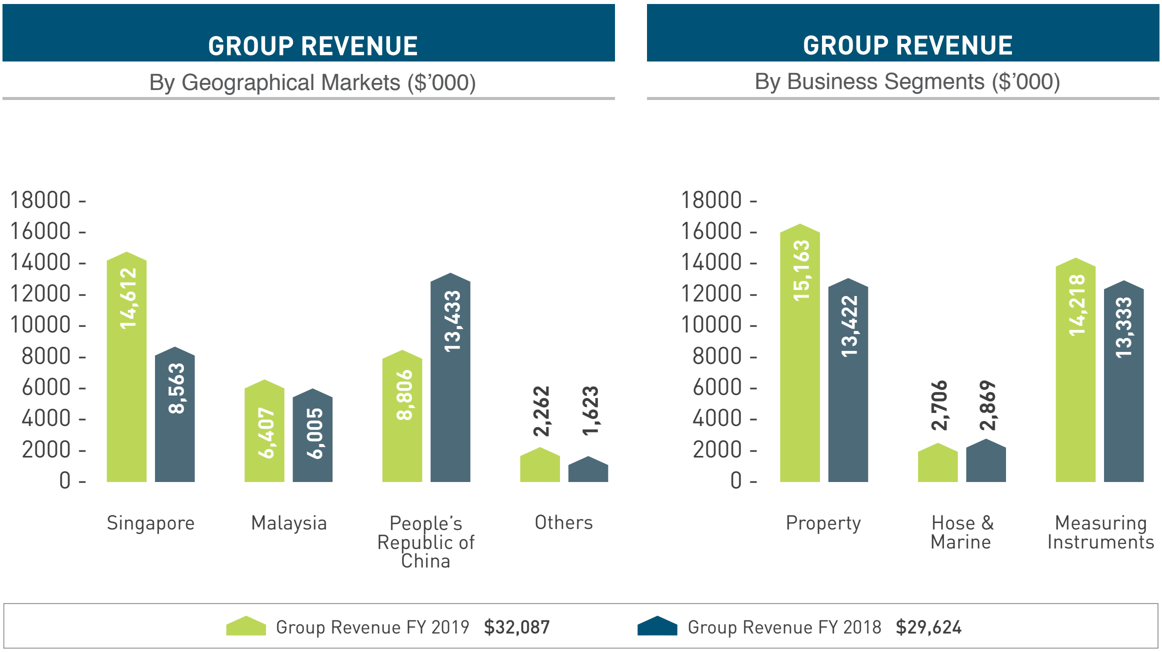
Included in FY2018 net profit were the following non-recurring items – a) write back of $3.2 million doubtful non-trade receivable resulting from the final settlement with ayondo Holdings AG ("**ayondo**"); b) a $1.7 million recovery of expenses previously incurred for the proposed acquisition of the equity interest of ayondo; and partially offset by c) a $1.2 million allowance for doubtful non-trade receivable arising from a short-term loan granted to a third party towards a reverse take-over acquisition of assets.

In addition to the above, income tax expense was $1 million higher in FY2019 as compared to FY2018. The increase was mainly due to higher land appreciation tax incurred by Starland in FY2019, as a result of sale of 7 shop units in Chongqing, PRC during the year under review as compared to only 3 shop units sold in FY2018.

As at 30 June 2019, the Group had cash and bank balances of $56.6 million. This was $6.9 million higher than the balance at 30 June 2018. The increase was largely due to a $14.7 million net cash generated from operating activities, partially offset by $5.4 million net cash used for financing activities.

The Properties held for sale are commercial and residential units and car park space available for sale in Chongqing, PRC., and one residential unit in Jalan Nipah, Singapore.

The Development properties pertain to 3 plots of development properties, 1 plot in Chongqing PRC, and 2 plots in Ipoh, Malaysia.



The non-current other receivables of $8.9 million includes a $4 million (RMB20 million) 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 was RMB63.8 million and the Group received RMB43.8 million in December 2018, with the balance of RMB20 million to be received no later than 31 December 2020. In addition, a balance of $4.9 million (RMB25 million) relates to advance payment, which was given in accordance with agreement entered with the People's Government of Kaiping District in FY2015.

The Group's loss per share for FY2019 was 2.45 cents compared with an earning of 0.45 cents for FY2018. Our net asset value per share for FY2019 was 35.25 cents (FY2018: 39.28 cents).

Review of Operations

The Property segment reported revenue of $15.2 million in FY2019 compared to $13.4 million in FY2018, an improvement of 13%.

Our Hose and Marine segment reported revenue of $2.7 million in FY2019 compared to $2.9 million in FY2018, a decrease of 5.7%.

Our Measuring Instruments segment reported revenue of $14.2 million in FY2019 compared to $13.3 million in FY2018, an improvement of 6.6%.

Looking Ahead

The Group continues to seek opportunities to acquire and grow its property development business. In August 2019, the Group acquired 2 plots of land in Ipoh, Malaysia, bringing up its land bank to 4 plots of land in Ipoh and 1 plot of land in Chongqing, PRC.

The Group is presently focused on property development in Malaysia, particularly in the affordable housing space. Bank Negara estimates the gap between demand and supply of affordable homes to reach one million units by 2020 if proper measures are not put into place. The lack of affordable housing in Malaysia has been a key issue in Malaysia for the past few years and has not been solved due to various structural issues. The Group believes it is well-equipped with the necessary experience to successfully execute and deliver the project and has also come up with an innovative business model to address the issues faced in terms of supplying affordable homes. Ultimately, the Group aims to become a leading developer in good quality, next generation affordable homes to make affordable housing a reality for people in Malaysia.

On 22 July 2019, Starland announced that Starland Axis Pte Ltd ("**Axis**"), a 83.17%-owned indirect subsidiary of the Company had entered into a Convertible Loan Agreement with Luminor Capital (Malaysia) Sdn. Bhd. ("**Luminor**"). Drawdown was on 24 July 2019, and Axis provided a $2,333,333 loan to Luminor which is to be repaid 12 months from drawdown. Axis has the option to convert $1,333,333 of the principal amount for 51% interest in the enlarged share capital of Luminor (the "**Option**"). The right to exercise the Option shall commence at any time from date of drawdown to the date of full repayment of the loan. The loan is to facilitate Luminor's business growth and investment, and allows the Group the opportunity to diversify its core business activity and venture into money lending and corporate finance advisory businesses. The Company will evaluate this opportunity prior to exercising the Option. Meanwhile, Starland has scheduled an Extraordinary General Meeting to secure shareholders' approval for diversification of the Group's business to include Financial Solutions Business.

MTP Watchlist and the Share-Buyback Mandate

On 4 June 2018, the Company was notified by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") that the Company would be placed on the watch-list due to the MTP Entry Criterion, and within 36 months from 5 June 2018, they would delist the Company or suspend the trading of the Company's shares with a view to delisting, unless Listing Rule 1314(2) is complied with. The Listing Rule 1314(2) being the MTP Exit Criteria requires that the Company share shall record a volume-weighted average price of at least $0.20 and an average daily market capitalization of $40 million or more over the last 6 months.

Based on the number of shares as at date of this report, the market price needs to be $0.209 per share in order to attain a market capitalization of $40 million. The Company notes that as at FY2019, the Net Equity attributable to the owners of the Company is $67.7 million, and the Cash and Cash Equivalents is $56.6 million; that is $0.353 per share and $0.295 per share respectively. With the Share Buyback Mandate approved at the Extra-Ordinary General Meeting held on 26 October 2018, the Company had bought back 1,857,200 shares as at date of this report. The Company continues to monitor the markets and the options available for an MTP exit.

Dividend

To reward the Shareholders of the Company, the Board is recommending a proposed final tax exempt dividend of $0.01 per ordinary share for FY2019. The dividend payment is subject to shareholder's approval at the Annual General Meeting.

Based on the number of outstanding shares as at date of this report, the dividend payout is expected to be $1.9 million.

In Appreciation

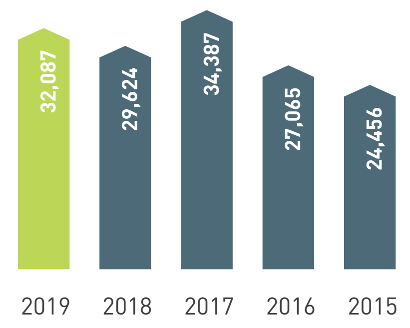
On behalf of the Board of Directors of GRP Limited, I would like to take this opportunity to thank all our customers, suppliers, business associates and shareholders for their continued support. In addition, I wish to acknowledge our appreciation to the management team and all our employees for their hard work and dedication.

Mr Teo Tong How
Chairman

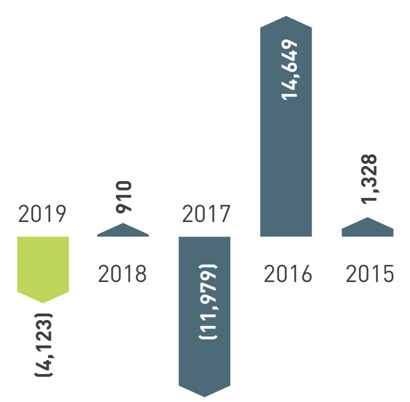
GROUP FINANCIAL HIGHLIGHTS

Financial Year ended 30 June $'000	2019	2018	2017
FOR THE YEAR			
Revenue	32,087	29,624	34,387
(Loss)/Profit Before Tax	(4,123)	910	(11,979)
(Loss)/Profit After Tax	(4,706)	1,323	(9,554)
AT YEAR END			
Total Tangible Assets	94,097	109,862	113,152
Total Cash and Bank	56,626	49,776	40,666
Shareholders' Funds	67,687	76,095	74,695
Total Loans and Borrowings	900	5,160	8,236

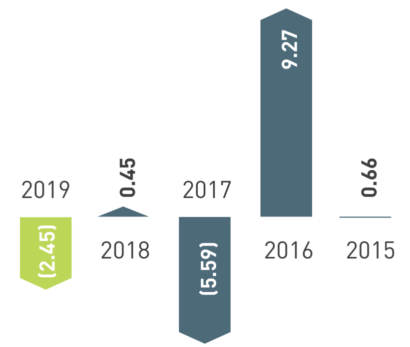
TURNOVER
($'000)



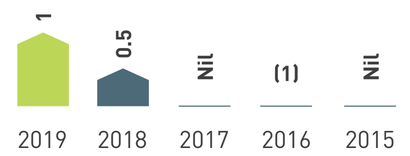
PROFIT BEFORE TAX
($'000)



EARNINGS PER SHARE
(Cents)



DIVIDENDS PER SHARE
(Cents)



Note (1): For FY2016 dividend in-specie distribution of 0.17 Starland share for each share held.

BOARD OF DIRECTORS

1

Mr Teo Tong How, 76
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 an renowned figure in the real estate industry, he brings to the Board his deep networks 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, 61
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 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, 28
Executive Director

Ms Kwan Yu Wen was appointed as Executive Director on 13 February 2019 and is responsible for the Group's business development.

Ms Kwan 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, 52
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 since 1993 and is currently a Partner of Legal Standard LLP, a law firm in Singapore.

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

5

Mr Goh Lik Kok, 57
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. He is now the service consultant to NIPSEA Management Company 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, 65
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. He is also the Independent Director of Swee Hong Limited.

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 Starland 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.

CORPORATE GOVERNANCE REPORT

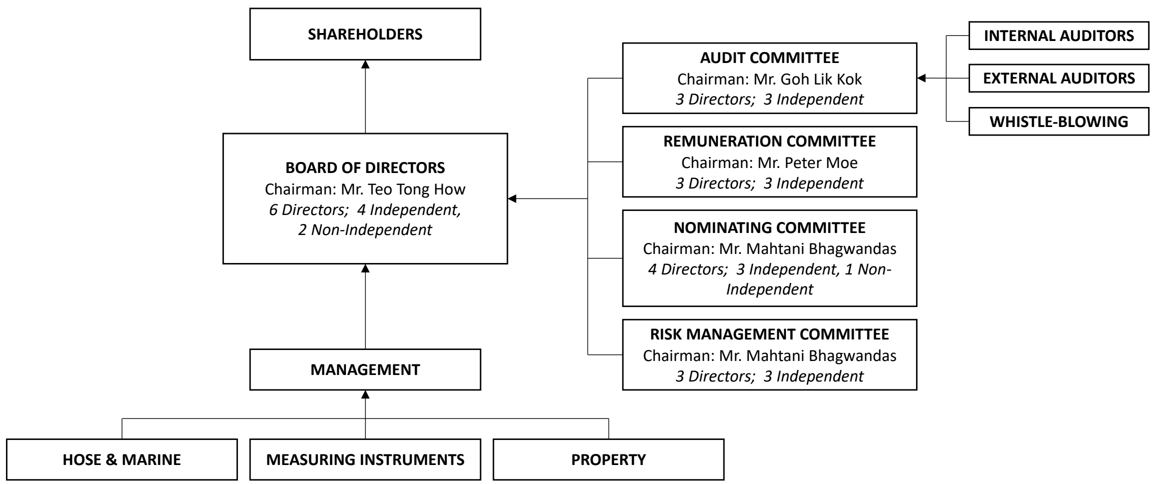
The Board of Directors (the "**Board**") of GRP Limited ("**GRP**") aspires to achieve the highest standards of corporate governance and places importance on continuous improvement of its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report ("**Report**") outlines the Company's corporate governance structures and practices that were in place during FY2019, with specific references made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2016 (the "**Guide**").

The Board is pleased to confirm that for FY2019, the Group has complied with and adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations are provided within the Report below.

The Corporate Governance 2018 was issued on 6 August 2018 ("**Revised Code**") and will apply to annual reports covering financial years commencing from 1 January 2019. Therefore, the Revised Code will apply to the Company for the financial year ending 30 June 2020.

GRP's GOVERNANCE FRAMEWORK



PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

Guideline 1.1 – Principal Duties of the Board

In FY2019, the Board performed the following roles:

i. Provided entrepreneurial leadership, set corporate strategies and ensured that the necessary financial and human resources were in place for the Group to meet its objectives;
ii. Identified the principal risks of the Group's business and established a framework of prudential supervision and controls to assess and manage these risks;
iii. Oversaw the Group's overall performance objectives, key operational initiatives and major business decisions;

iv. Reviewed performance of the management and approved remuneration matters;
v. Assumed responsibility for corporate governance and ensured 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. Oversaw the conduct of the Group, evaluated and satisfied themselves that the business was properly managed; and
vii. Considered sustainability issues as part of the Group's overall strategy.

Guideline 1.2 – Objective Decision Making

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with management 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 GRP.

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.

Guideline 1.3 – Delegation by the Board

Board Committees, namely the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**"), the Nominating Committee ("**NC**") and the Risk Management Committee ("**RMC**") (collectively the "**Board Committees**") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference later 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.

Board Committee	**AC**	**NC**	**RC**	**RMC**
Chairman	Mr Goh Lik Kok	Mr Mahtani Bhagwandas	Mr Peter Moe	Mr Mahtani Bhagwandas
Members	• Mr Mahtani Bhagwandas • Mr Peter Moe	• Mr Goh Lik Kok • Mr Kwan Chee Seng • Mr Peter Moe	• Mr Goh Lik Kok • Mr Mahtani Bhagwandas	• 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

Guideline 1.4 – Board and Board Committee Meetings

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 Committee meetings and Annual General Meeting of the Company ("**AGM**") are generally scheduled at least six months in advance and all Board members are notified accordingly. The Company Secretary consults every Director 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 Principle 6: Access to Information. The Company's Constitution allows the Directors to participate in a meeting of the Directors by means of telephone 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 meetings are convened as and when necessary to consider other specific matters or as warranted by particular circumstances.

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 Committee 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 were tabled for discussion and have 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 FY2019, the number of the Board and Board Committee 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 are sufficient for the Board to discharge its responsibilities effectively.

Name	AGM FY2018	Board Meetings*	AC	NC	RC	RMC
Number of meetings held	1	4	2	1	1	1
Directors						
Mr Teo Tong How	1	4	NA	NA	NA	NA
Mr Kwan Chee Seng	1	4	NA	1	NA	NA
Mr Goh Lik Kok	1	3	2	1	1	1
Mr Mahtani Bhagwandas	1	4	2	1	1	1
Mr Peter Moe	1	4	2	1	1	1
Ms Kwan Yu Wen **	-	3	NA	NA	NA	NA

Notes:
NA – Not Applicable
* The Board met four (4) times in FY2019; two (2) meetings were schedule and two (2) were ad-hoc.
** Ms Kwan Yu Wen was appointed on 13 February 2019.

Guideline 1.5 – Matters Requiring Board Approval

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, if any, 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
v. Approval of matters which involve a conflict of interest for a controlling shareholder or Director, in which case the conflicted Director shall abstain from participating in the relevant discussion and voting for approval.

Key Activities of the Board during FY2019

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; and
v. Formation of new entities.

Other key items deliberated during FY2019

i. Various potential development opportunities; and
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, if any, 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; and
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.

Guidelines 1.6 & 1.7 – Induction for New Directors & Continuous Development of Board

A formal letter of appointment is provided to every new Director, setting out his/her duties and 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 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 a Director of a public listed company in Singapore, are encouraged to attend professional development courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

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 FY2019, the Directors received briefings by the Group's external auditors on changes and amendments to the Singapore Financial Reporting Standards. 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.

PRINCIPLE 2: BOARD COMPOSITION & GUIDANCE

BOARD COMPOSITION

The Board is made up of the following individuals:

Name of Director	Designation
Mr Teo Tong How	Chairman, Independent Non-Executive Director
Mr Kwan Chee Seng	Executive Director
Ms Kwan Yu Wen	Executive Director
Mr Goh Lik Kok	Independent Non-Executive Director
Mr Mahtani Bhagwandas	Independent Non-Executive Director
Mr Peter Moe	Independent Non-Executive Director

The Company does not have any alternate directors.

Guidelines 2.1 & 2.2 – Composition of Independent Directors on the Board

Currently, the Board has six (6) Directors, of which four (4) are Non-Executive Independent Directors. Mr Kwan Chee Seng ("**Mr Kwan**") and Ms Kwan Yu Wen ("**Ms Kwan**") are Non-Independent Directors.

The Chairman is independent, non-executive, is not related to the Executive Directors and is not part of the management team. Hence, there is a strong element of independence in the Board as the independent Directors constitute more than half of the Board, and no individual or small group of individuals dominates the Board's decision making process. This far exceeds the requirements in the Code.

Guideline 2.3 – Independence of Directors

The Board, taking into the account the views of the Nominating Committee ("**NC**"), assesses the independence of each Director annually in accordance with the guidance in the Code. A Director is considered independent if he has no relationship with GRP 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 GRP. Aside from Mr Kwan and Ms Kwan, all the other Directors were assessed to be independent.

Guideline 2.4 – Independence of Directors who have served on the Board for more than 9 Years

There is also no Director who has served on the Board for more than 9 years.

Guideline 2.5 – Board Size

Given the current size of GRP's operations, GRP 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.

Guideline 2.6 – Board Diversity & Expertise

The Board has adopted a diversity policy, and recognizes 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. Our Board members have accumulated deep industry expertise across a broad range of industries. For example, GRP's Chairman, Mr Teo Tong How ("**Mr Teo**") 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".

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 FY2019, there was one female Director out of a total of six (6) Directors on the Board, namely Ms Kwan. This amounts to 16.7% of the total Board membership, which is higher than the national average of 15.7% (taken from Diversity Action Committee, 30 June 2019).

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:

i. 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
ii. Annual evaluation by the Directors of the skill sets that 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 FY2019, the NC was satisfied that the members of the Board as a whole possess the relevant core competencies listed above.

Guideline 2.7 – Non-Executive Directors

The Non-Executive Directors actively participate in setting strategies and goals for the Company and regularly assessing the performance of management. As Non-Executive Directors constitute a majority of the Board, objectivity on such deliberations is assured.

Guideline 2.8 – Meetings among Non-Executive Directors without the presence of management

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 and on an ad-hoc basis with various key management officials to discuss the challenges facing the Company.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Guideline 3.1 – The Chairman and the CEO

The independent Non-Executive Chairman of the Company is Mr Teo.

The Group does not have a CEO in place, the responsibilities of the Group's business are undertaken by the Executive Directors, Mr Kwan and Ms Kwan as well as the management.

The Chairman and the Executive Directors are separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities is set out clearly under Guideline 3.2 below.

Mr Teo is not related to Mr Kwan, Ms Kwan and the management.

Guideline 3.2 – The Role of the Chairman

Mr Teo 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 promotes high standards of corporate governance. He does this by ensuring that the performance of the Board is evaluated regularly. Mr Teo 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 and Ms Kwan oversee the execution of GRP's strategy and are responsible for managing the operations and spearheading the strategic development of GRP. They also ensure that the Directors are kept updated and informed of GRP's business.

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

Guideline 3.3 – Lead Independent Director

A Lead Independent Director may be appointed by the Board to lead the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. As the Chairman of the Group is independent and the board size of six (6) members with four (4) being Independent Directors, the Board is of the view that the appointment of a Lead Independent Director is not necessary at the moment.

The Directors and management are always accessible to the Company's shareholders, and the Group has always responded to queries raised by its 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 annually examine the need to appoint a Lead Independent Director.

Guideline 3.4 – Meetings without management led by 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 as appropriate to the Chairman of the Board after such meetings.

PRINCIPLE 4: BOARD MEMBERSHIP

Guideline 4.1 – Nominating Committee & Key Terms of Reference

The appointment and re-appointment of Directors are assessed and recommended by the NC.

The NC is chaired by Mr Mahtani Bhagwandas and its members are Mr Goh Lik Kok, Mr Kwan and Mr Peter Moe. The majority of the Directors in the committee, including the Chairman is independent.

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 FY2019.

The NC holds at least one (1) meeting in each financial year and is guided by its written Terms of Reference which stipulates its principal roles as follows:

i. Reviewing Board succession plans for Directors, in particular, the Chairman and Executive Directors;
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.

Guideline 4.2 – Responsibilities of the Nominating Committee

In FY2019, the NC reviewed the following:

i. The independence of Directors and whether any Director has served for more than nine (9) 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 also considered the appointment and re-appointment of Directors so as to ensure compliance with the Constitution of GRP which stipulates that at each AGM, one-third of the Board (inclusive of the CEO, the Executive Directors), two in the case of GRP, shall retire from office by rotation at least once every three (3) years in accordance with the Constitution, and may stand for re-election.

The NC has nominated and recommended the re-nomination and re-election of Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Ms Kwan who will be retiring as Directors at the forthcoming AGM.

Mr Goh Lik Kok and Mr Mahtani Bhagwandas will be retiring pursuant to Regulation 89 of the Constitution and Ms Kwan will be retiring pursuant to Regulation 88 of the Constitution. All of them have offered themselves for re-election. The Board has accepted the recommendations of the NC.

Each member of the NC has abstained from voting on any resolutions and making recommendations and/or participating in respect of matters in which he/she has an interest.

Guideline 4.3 – Annual Review of Directors' Independence

The NC determines annually, and as and when circumstances require, if a Director is independent, bearing in mind the circumstances set forth in Guidelines 2.3 and 2.4 of the Code of Corporate Governance 2012, and any other salient factors. If the NC considers that a Director who has one or more of the relationships mentioned therein can be considered independent, it will provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to consider a Director is not independent even if he does not fall under the circumstances set forth in Guideline 2.3 and 2.4 and will similarly provide its views to the Board for the Board's consideration.

The NC has conducted their annual review and confirm the independence of all the Independent Directors, Mr Teo, Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Mr Peter Moe for FY2019.

Guideline 4.4 – Directors' Time Commitment

The Directors must ensure that they are able to give sufficient time and attention to Board matters.

Some guidelines that the NC takes into account include but are not limited to the following:

i. 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 GRP; and
ii. 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 FY2019.

Guideline 4.5 – Appointment of Alternate Directors

During FY2019, the Group had no alternate Director on its Board.

Guideline 4.6 – Process of Selection, Appointment and Re-Appointment of Directors

Selection Criteria & Nomination Process for New Directors

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.

Next, 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 provides that a Director must retire from office and be subject to re-election at least once every three (3) years. Newly appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. With these the following Directors are to retire and seek re-election at the Company's forthcoming AGM:

- Mr Goh Lik Kok;
- Mr Mahtani Bhagwandas; and
- Ms Kwan.

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.

Guideline 4.7 – Key Information on Directors

Information on each Director as required under the Guideline is published under the "Board of Directors" section of this annual report. Similar information is also published on the Group's website.

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	26 October 2018	Starland Holdings Limited	Variscan Mines Limited
Ms Kwan Yu Wen	Executive Director	13 February 2019	NA	NA	NA
Mr Goh Lik Kok	Independent Non-Executive Director	6 November 2012	27 October 2016	NA	NA
Mr Mahtani Bhagwandas	Independent Non-Executive Director	1 June 2013	26 October 2017	NA	Alliance Mineral Assets Limited SBI Offshore Limited
Mr Peter Moe	Independent Non-Executive Director	1 September 2013	26 October 2017	Swee Hong Limited	NA

Note: NA – Not Applicable

PRINCIPLE 5: BOARD PERFORMANCE

Guideline 5.1 – Board Evaluation Process

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 FY2019, each Director was asked to complete a board evaluation questionnaire and an individual evaluation questionnaire, and was asked to submit it directly to GRP's 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 FY2019 and that the Board is satisfied with the performance of all Directors in the most recent evaluation exercise.

Guidelines 5.2 & 5.3 – Performance Criteria & Individual Evaluation

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	1. Size and composition 2. Access to information 3. Board processes and accountability 4. Strategic planning 5. Risk management and Internal Control 6. Succession Planning	1. Commitment of time 2. Participation 3. Knowledge and abilities 4. Independence 5. Disclosure of Interested Person Transactions ("IPT")
Quantitative	1. Measuring and monitoring performance 2. Financial reporting	1. Attendance at Board and Board Committee meeting

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 Renewal.

PRINCIPLE 6: ACCESS TO INFORMATION

Guideline 6.1 – Complete, Adequate & Timely Information

To ensure meaningful participation, all Board meetings are scheduled well in advance in consultation with the Directors.

Closer to the date of the Board meeting, the meeting agenda and relevant materials will be circulated to the Board. The agenda is carefully thought out and allows for flexibility. Board members are free to insert additional discussion items on the agenda where appropriate.

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.

The Board has separate and independent access to GRP's senior management and the Company Secretary at all times.

Guideline 6.2 – Provision of Information

At every meeting, the management presents the latest development on GRP's business and operations to the Board. The Chairman promotes open and frank debates. Also, the Directors come well-prepared and 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 oversight functions effectively. They are also welcome to request from management any additional information.

Throughout the year, the Directors also have various opportunities to interact with management (for instance at hosted dinners or catch-up sessions).

The independent Directors do discuss and/or meet on a need-basis without the presence of the 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 Directors.

The Independent Directors have met at least once without the presence of management in FY2019.

Guideline 6.3 – Board's Access to Company Secretary

All Directors have separate and independent access to the Company Secretary at all times through emails, telephone and face-to-face meetings. During FY2019, the Company Secretary 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, the appointment and removal of whom requires the approval of the Board, 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

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.

Guideline 6.4 – Appointment & Removal of Company Secretary

The appointment and removal of the Company Secretary is only permissible with the approval of the Board.

Guideline 6.5 – Board's Access to Independent Professional Advice

The Directors are 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.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Guideline 7.1 – Remuneration Committee

The RC is chaired by Mr Peter Moe and its members are Mr Goh Lik Kok and Mr Mahtani Baghwandas. The entire RC comprises of Independent Non-Executive Directors so as to minimise the risk of any potential conflict of interest.

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.

Guideline 7.2 – Remuneration Framework

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.

In FY2019, the RC reviewed and approved the remuneration package of key management personnel. The RC also reviewed and endorsed the management's recommendation of the other employees' bonus for the financial year.

Guideline 7.3 – Expert Advice on Remuneration

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.

Guideline 7.4 – Termination of Contracts

The company's obligations arising in the event of termination of the Executive Directors 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.

PRINCIPLE 8: LEVEL & MIX OF REMUNERATION

Guideline 8.1 – Remuneration of the Executive Directors and Key Management Personnel

The Company's remuneration policy is one that 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. The Company's remuneration structure for the Executive Directors, the 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.

In FY2019, the Board had two Executive Directors. The Executive Directors 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 Directors 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 executives (excluding those employed by the listed subsidiary, which has its own remuneration committee), after taking into consideration the Executive Directors' assessment of and recommendations for bonuses and remuneration.

For FY2019, 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.

Guideline 8.2 – Long-Term Incentive Scheme

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 Performance Share Plan 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.

Guideline 8.3 – Remuneration of Non-Executive Directors

Non-Executive 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 Directors' fees for FY2019 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 FY2019 is appropriate and not excessive. The aggregate fees of the Non-Executive Directors are subject to the approval of the shareholders at the AGM.

Guideline 8.4 – Contractual Provisions to Reclaim Incentive Components of Remunerations

Having reviewed and considered the variable components of the Executive Directors 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.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Guideline 9.1 – Remuneration Report

Details on remuneration of Directors and key management personnel for FY2019 are reported below. During the year, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

Guideline 9.2 – Directors' Remuneration

The Board concurred with the RC that the proposed Directors' fees for FY2019 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.

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 Directors for FY2019 was $150,000.

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Directors Fees (S$)	Total (%)
$500,000 to below $750,000					
Mr Kwan Chee Seng*	72	24	4	-	100
Below $250,000					
Ms Kwan Yu Wen *	94	-	6	-	100
Mr Teo Tong How	–	–	–	50,000	100
Mr Goh Lik Kok	–	–	–	35,000	100
Mr Mahtani Bhagwandas	–	–	–	35,000	100
Mr Peter Moe	–	–	–	30,000	100

* Please refer to Guideline 9.3.

Guideline 9.3 – Remuneration of Key Management Personnel

The total remuneration paid to the top five (5) key management personnel (aside from the Executive Directors) for FY2019 was $1,038,829.

The breakdown of remuneration of the Company's key executive officers (who are not Directors) for FY2019 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	64	21	15	100
Ms Lim Siok Lin	General Manager ("GM") (Measuring Instruments)	43	41	16	100
Below $250,000					
Mr Kelvin Kwan Chee Hong	GM (Property)	48	23	29	100
Mr Khoo Fredrick Christopher Junior	GM (Hose and Marine)	67	9	24	100
Ms Peng Peck Yen	Financial Controller	64	21	15	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.

Guideline 9.4 – Employees Related to Directors or CEO

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 $50,000.

Name (Below S$250,000)	Position	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
Ms Kwan Yu Wen[1]	Executive Director	94	–	6	100
Mr Kelvin Kwan Chee Hong[2]	GM (Property)	48	23	29	100

(1) Ms Kwan was appointed as Executive Director of the Company with effect from 13 February 2019. 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 GRP Limited from January 2017 to February 2019. Ms Kwan is the daughter of Mr Kwan, who is the Executive Director and substantial shareholder of GRP Limited.

(2) Mr Kelvin Kwan is the General Manager of Starland Holdings Limited, a 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, who is the Executive Director and substantial shareholder of GRP Limited.

Additional note: Ms Elissa Kwan Ru Hui, the daughter of Mr Kwan and sister of Ms Kwan who are the Executive Directors and Mr Kwan is also a substantial shareholder of GRP Limited, is a Management Executive of GRP Limited with effect from 1 March 2019.

Guideline 9.5 – 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 Plan can be found in the offer document 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 three (3) Directors, 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.

Guideline 9.6 – Link between Remuneration and Performance

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

For Executive Directors, 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.

Annual review is carried out by the RC to ensure that the remuneration of the Executive Directors 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 Directors' 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 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 Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2019. 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 GRP PSP acts as a long-term incentive.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors 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 FY2019.

PRINCIPLE 10: ACCOUNTABILITY

Guideline 10.1 – Balanced & Understandable Assessment of Company

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. In addition, the Board ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements via SGXNet.

Based on the Executive Director and CFO's confirmation that the financial statements present a true and fair view of the financial position of the Group and of the Company, in line with the SGX-ST's requirements, negative assurance statements were issued by the Board to accompany the Group's half-yearly financial results announcements, confirming that to the best of its knowledge, nothing had come to its attention which would render the Group's half-yearly results false or misleading.

Guideline 10.2 – Compliance with Legislative & Regulatory Requirements

During FY2019, the Board was updated regularly on relevant changes to rules, regulations and accounting standards so that it can continue to monitor and ensure that the Group complies with the relevant regulatory requirements.

The Independent Directors in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.

The Company received signed undertakings from all its Directors and executive officers based on the revised form of Appendix 7.7, pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Guideline 10.3 – Management Accounts

Directors receive operational and financial reports regarding the Group's performance, which include key performance indicators, variance analysis, property updates, strategic and business highlights and key developments to enable them to keep abreast and make a balanced and informed assessment of the Company's performance, financial position and prospects. This is done on a half yearly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board requests management to provide any necessary explanation and/or information on the management accounts of the Group.

PRINCIPLE 11: RISK MANAGEMENT & INTERNAL CONTROLS

Guideline 11.1 – Risk Management & Internal Control

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 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.

Guideline 11.2 – Review of Risk Management & Internal Control Systems

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.

Internal audit is outsourced to a third party professional firm. In FY2019, 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.

Guideline 11.3 – Adequacy & Effectiveness of the Internal Control Systems

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 2019.

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 and the financial statements give a true and fair view of the Company's operations and finances.

The Board has additionally relied on internal auditors' report issued to the Company for FY2019 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.

The Board has received assurance from the Executive Director and Chief Financial Officer ("**CFO**") that for FY2019:

(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.

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.

With that said, the Board, with the concurrence of the AC and the RMC, and having considered the above, 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.

Guideline 11.4 – Risk Management Committee

The AC is assisted by 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.

PRINCIPLE 12: AUDIT COMMITTEE

Guidelines 12.1 & 12.2 – Composition of the Audit Committee ("AC")

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, is 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.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

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.

Guidelines 12.3 & 12.4 – Roles, Responsibilities and Authority of AC

In FY2019, 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. Reviewing 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 results of our audit compiled by the external auditors and internal auditors;
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 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 where necessary);

vi. Reviewing and discussing with any 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. Reviewing interested person transactions in accordance with the requirements of the SGX-ST Listing Manual.

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.

Guideline 12.5 – Meeting with External & Internal Auditors without the presence of management

In FY2019, 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 AC 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.

Minutes of the AC meetings are routinely tabled at Board meetings for information. When considering the IPTs, Directors who are interested in the transactions had recused themselves from the deliberation and approval process in both the AC and Board meetings.

Guideline 12.6 – Independence of External Auditors

The Company's external auditor is Deloitte & Touche LLP. The Company confirms its compliance to 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.

Fees Paid/Payable to the External Auditor, Deloitte & Touche LLP for FY2019		
	$	**% of total**
Audit fees	175,200	87
Non-audit fees - Tax compliance	25,700	13
Total	200,900	100

Guideline 12.7 – Whistle-Blowing Policy

The Company has in place a whistle-blowing 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 FY2019, there were no cases of whistle-blowing reported to the management and the Board.

Guideline 12.8 – Summary of AC's Activities

The AC met twice (2) during FY2019. The Executive Directors, Chief Financial Officer, Company Secretary and external auditors attended all the scheduled meetings. The items discussed and reviewed during the AC meetings are detailed under Guidelines 12.3 & 12.4.

The AC is continuously kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Guideline 12.9 – Former Partner/Director of existing auditing firm

During FY2019, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the AC.

PRINCIPLE 13: INTERNAL AUDIT

Guidelines 13.1 & 13.2 – Internal Auditors

The Company's internal audit function is outsourced to One e-Risk Services Pte Ltd, a certified public accounting firm, that reports directly to the Chairman of the AC on audit matters, although the internal auditor may report administratively to the Executive Directors of GRP.

The appointment, removal, evaluation and compensation of One e-Risk Services Pte Ltd is determined by the AC. The internal auditor has unfettered access to all the company's documents, records, properties and personnel, including access to the AC.

Guidelines 13.3 & 13.4 – Internal Audit Function

The Company's internal audit function is independent of the external audit. One e-Risk Services Pte Ltd is 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 is 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.

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.

Guidelines 13.5 – Adequacy & Effectiveness of the Internal Audit Function

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 FY2019. The AC is satisfied that the internal audit functions have been adequately carried out.

PRINCIPLE 14: SHAREHOLDER RIGHTS

Guideline 14.1 – Sufficient Information Rights

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.

Guideline 14.2 – Participation & Vote at General Meetings

GRP promotes fair and equitable treatment to all shareholders. All shareholders enjoy specific rights under the Singapore Companies' Act and GRP's Constitution. These rights include, but are not limited to, the right 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 the meetings, PowerPoint presentations of 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 (14) days in advance through reports/circulars/letters or notices published in the newspapers, 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.

Guideline 14.3 – Voting by Electronic Poll and Proxy

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts electronic poll voting for all resolutions tabled at the general meetings. An independent scrutineer, Intertrust Singapore Corporate Services Pte Ltd, has been appointed to count and validate the votes for FY2019. The rules, including the voting process, are explained by the scrutineers at such general meetings.

Currently, the Constitution of the Company allows all shareholders (members) to appoint up to two (2) proxies to attend general meeting and vote on their behalf.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Guidelines 15.1 & 15.2 – Investor Relations

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. These information include the half-year and full-year results which are also freely and public available 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.

Guidelines 15.3 & 15.4 – Maintaining Regular Dialogue with 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 Directors. Meeting with institutional and retail investors can be arranged upon request. All shareholders are welcome to get in touch 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.

Guideline 15.5 – GRP's Dividend Policy

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 recommending a proposed final tax exempt dividend of $0.01 per ordinary share for FY2019. The dividend payment is subject to shareholder's approval at the AGM.

PRINCIPLE 16: CONDUCT OF SHAREHOLDERS' MEETINGS

Guideline – Effective Participation in General Meetings

GRP strongly encourages and supports shareholder participation during the AGM. All shareholders are encouraged to put forth questions to the management throughout the meeting. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted on SGXNET.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the Annual Report, is dispatched to all shareholders at least fourteen (14) days before the scheduled AGM date. A registered shareholder who is unable to attend may choose to appoint not more than two (2) proxies to attend and vote on his behalf.

Guideline 16.2 – Separate Resolutions on Separate Issues

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.

Guideline 16.3 – Attendance at General Meetings

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.

Guideline 16.4 – Results & Minutes of General Meetings

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.

The Company Secretary prepares minutes of general meetings which reflect responses from the Board and management to queries and comments from shareholders. The minutes are available to shareholders upon their request.

Guideline 16.5 – Vote by Poll

All resolutions are put to vote by poll electronically. Upon arrival at the AGM, the shareholders and proxies are required to register their presence for an electronic token to be issued to each of them. Before the polling begins, a video is played to show shareholders how to vote. The appointed scrutineer, who is an independent external party, will run tests polls for the voters to be familiarised with the system before proceeding with polling for each resolution. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are shown after each poll. These detailed results are then released via SGXNET on the same day as the meeting.

OTHER MATTERS

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 108 in the Notes to Financial Statements.

Material Contracts

The Company had announced on 1 August 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, Chang Kok Kheong, Luminor Pacific Fund 2 Ltd and Luminor Harbour Fund 1 Pte Ltd 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 up to $2.5 million worth of RCPS.

The Company had announced on 10 October 2017 that Multiple Lodge Sdn Bhd ("**MLodge**"), a 51%-owned indirect subsidiary of the Company, will appoint Energiser Enterprise Sdn Bhd ("**EESB**") as the project manager for the development in Ipoh, Malaysia ("**Appointment**"). As announced by the Company on 1 August 2017 and 4 October 2017, the Company had subscribed for RM7.75 million (or approximately $2.5 million), and together with Luminor Pacific Fund 2 ("**LPF2**") and Luminor Harbour Fund 1 Pte Ltd ("**LHF1**") 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, Ms Kwan and Dr Foo Fatt Kah are the Directors and shareholders of LCPL and Mr Kwan is also one of the investors of LHF1.

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 – 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	–

CORPORATE GOVERNANCE REPORT

The IPT with Luminor Capital Pte Ltd relates to the rental of office space in FY2019. Mr Kwan and Ms Kwan, Executive Directors of the Company, are shareholders of Luminor Capital Pte Ltd. Mr Kwan is also a substantial shareholder of the Company and Director of Luminor Capital Pte Ltd.

Ms Fong Peg Hong is the spouse of Mr Kwan and mother of Ms Kwan. Both Mr Kwan and Ms Kwan are Executive Directors of the Company. Mr Kwan is also a substantial shareholder of the Company. Ms Elissa Kwan Ru Hui is the daughter of Mr Kwan and sister of Ms Kwan.

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 Agreement and Appointment mentioned under the above heading Material Contracts, the Agreement 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.

Use of Proceeds from Rights Issue and Exercise of Warrants

As at 26 September 2019, 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 26 September 2019	Balance of Net Proceeds as at 26 September 2019
2013 Rights Issues			
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)**	
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
Proceeds from exercise of warrants:			
– Proposed new business	6	–	6
Total	**13,195**	**(6,372)**	**6,823**
Cumulative Total	**55,169**	**(44,424)**	**10,745**

DISCLOSURE OF CORPORATE GOVERNANCE ARRANGEMENTS

Relevant Guideline (Per the Code)	Page Reference in this Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 14
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 15
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 16
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 16-17
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Page 18
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed.	Page 18
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	Page 20
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Page 21
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 22
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Page 23
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Page 23-24
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Page 24
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Page 27

Relevant Guideline (Per the Code)	Page Reference in this Report
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 28
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Page 29-33
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Page 29
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Page 29-30
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Page 30
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Page 31
Guideline 9.5 Details and important terms of employee share schemes	Page 31
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Page 32-33

Relevant Guideline (Per the Code)	Page Reference in this Report
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Page 35
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Page 36
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 37-38
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Page 38
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Page 38
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 41
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	Page 41

SUSTAINABILITY REPORT

1. BOARD STATEMENT

The Board is pleased to present the Sustainability Report ("**Report**") of GRP which has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards, and includes the "Core" reporting requirements.

GRP has 3 businesses, and involved in the Property, Hoses and Marine as well as Measuring Instruments. Our emphasis and priority is to ensure that quality products are delivered to customers timely at all times. 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 for our Group.

GRP upholds high standards of corporate governance to safeguard shareholders' interests, and adopts a proactive approach towards environmental, health and safety ("**EHS**") management. Policies and guidelines have been established to ensure our Group adopts safety procedures and measures at all times, respect and take care for the well-being of people in our Group and in the community, and have efficient usage of energy, water and 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 success factors in our business. 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 not sought external assurance for this report but the Group will do so, when the need arises or when deemed appropriate.

2. 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 on 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 2018 to 30 June 2019 ("**FY2019**" 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. The Code provides the framework for controls, checks and accountability and requires the Board of directors to consider sustainability issues in its business decisions.

GRP's sustainability management comprises members of the Company's top management.

Board of Directors

Senior Management

Sustainability Committee

All Staff

The Committee includes the Executive Directors, 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

Based on a Group-wide materiality assessment, we have identified and outlined our strategic sustainability priorities through the following steps:

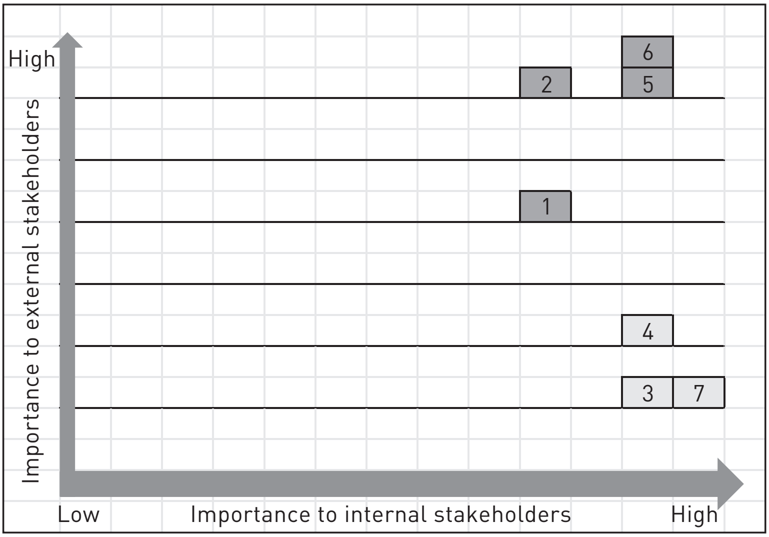
1. Define key issues which have impact on the execution of our business strategy.
2. Identify critical areas that affect our businesses and stakeholders.
3. Prioritise these critical factors and validate their importance internally.
4. Embed these validated critical factors within our business operation 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 gained 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 and 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 of directors and these priorities are reviewed on a yearly basis.



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 FY2019.

Engaging Stakeholders

While we pursue and progress on our sustainability efforts, we are also cognisant that the efforts align to our business and operation activities as well as the interests of our stakeholders, both internal and external. The care and consideration for their interests is emphasised as they are the people who will be impacted by our actions in the businesses and operational environment.

Having identified the various stakeholders, and assessing the relationship between our business and 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. We believe 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
Suppliers	- Product quality assurance - Completion of project/delivery of products on time - Supply chain management	- Supplier's Code of Conduct - Regular supplier visits and meetings
Customers	- Customer satisfaction - Quality products and services - Available feedback platforms	- Regular dialogue and feedback with customers
Employees	- Employee engagement - Talent retention and attraction - Employee safety and well-being	- Regular dialogue with staff - Whistle-blowing policy - Employee Code of Conduct
Community	- Doing our part as a corporate citizen	- Organise work and feedback sessions to ensure proper disposal of all waste arising from business activities.
Investors	- Financial stability - Risk management & Compliance - Corporate governance - Sustainability efforts	- Investor relations website - Half-yearly financial results, Announcements & disclosures - Annual General Meeting
Regulators	- Compliance	- Maintain relationships and communication channels with the relevant government agencies and regulators

Through the above platforms, we seek to understand the views of the key stakeholders, communicate effectively with them and respond to their concerns.

3. OUR FOCUS, COMMITMENTS AND TARGETS

For the material factors identified, we have established targets for subsequent years, and details are as follows:

Focus	Impact on Stakeholders	2019 performance	Commitments and targets
Supply Chain Management • Engaging our suppliers • Customer satisfaction	Property purchase is a significant investment for most individuals. Being a significant investment, quality of the property is of ultimate importance for our customers. Our hoses are supplied to the onshore, offshore, marine, pharmaceutical and petrochemical companies, where quality and safety of products are of vital importance. As for our measuring instruments segment, precision in the measuring instruments is of ultimate importance.	Hold regular dialogue and feedback sessions with customers and potential customers so as to address their concerns and areas for improvement. Organise regular dialogue and feedback sessions with key suppliers and principals to address customers and potential customers' concerns and areas for improvement.	Continue to enhance customer satisfaction level with improved product quality and service.
Corporate Governance • Corporate governance • Risk management	Compliance with legislation as well as corporate governance, anti-corruption, risk management, environmental, safety, product and social responsibility.	Results released on 13 February 2019 (First Half FY2019) and 16 August 2019 (Full Year FY2019)	Ensure compliance of all legislation and corporate governance requirement at all times.

4. 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

GRP has 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 records. 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 failure to responsibly meet customers' demand on product quality will have significant impact on our reputation and future property sales. The Company is committed to provide quality property project developments, and this 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.

GRP has been in the Hose and Marine as well as Measuring Instruments businesses for more than 30 years. We enjoy a good reputation and we are committed to continue to grow these 2 businesses, and we are committed to ensure that we meet the expectations of our customers at all times by delivering to them quality products and services, and on a timely basis.

5. 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 is bizsafe certified. This certification shows that our management is committed to achieving workplace safety and health.

The management of our Property segment in Chongqing, PRC has been focusing on ensuring that renovation waste materials are properly disposed in designated areas.

6. 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 promote fair employment practices, and we embrace the principles of fair employment. We also believe in the benefits of re-employing older workers, so as 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 established 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 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.

7. 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.

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.

8. ECONOMIC PERFORMANCE

Details of our Group's economic performance can be found in the financial contents and audited financial statements of this Annual Report

9. INVESTORS AND MEDIA

GRP being a 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.

GRI Content Index

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Organisation Profile		
102-1	Name of Organisation	Cover page
102-2	Activities, brands, products, and services	Page 1-3
102-3	Location of headquarters	IBC
102-4	Location of operations	Page 78
102-5	Ownership and legal form	Page 78
102-6	Markets served	Page 2-3
102-7	Scale of the organisation	Page 1-3
102-8	Information on employees and other workers	Page 52 & 55
102-9	Supply chain	Page 53-54
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 49, GRP has not adopted any external initiatives.
102-13	Membership of associations	N.A.
Strategy		
102-14	Statement from senior decision-maker	Page 49
102-15	Key impacts, risks, and opportunities	Page 50-51
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	Page 49-51
102-17	Mechanisms for advice and concerns about ethics	Page 55
Governance		
102-18	Governance structure	Page 13-48
102-19	Delegating authority	Page 50
102-20	Executive-level responsibility for economic, environmental	Page 50

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Governance		
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 50-52
102-22	Composition of the highest governance body and its committees	Page 14
102-23	Chair of the highest governance body	Page 14
102-24	Nominating and selecting the highest governance body	Page 14, 21-24
102-25	Conflicts of interest	Page 42-44
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 14-38
102-27	Collective knowledge of highest governance body	Page 14, 18-19
102-28	Evaluating the highest governance body's performance	Page 24-25
102-29	Identifying and managing economic, environmental, and social impacts	Page 49-56
102-30	Effectiveness of risk management processes	Page 34-36
102-31	Review of economic, environmental, and social topics	Page 49-56
102-32	Highest governance body's role in sustainability reporting	Page 49-50
102-33	Communicating critical concerns	N.A.
102-34	Nature and total number of critical concerns	N.A.
102-35	Remuneration policies	Page 28-33
102-36	Process for determining remuneration	Page 28-33
102-37	Stakeholders' involvement in remuneration	N.A.
102-38	Annual total compensation ratio	Page 29-31
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 52
102-41	Collective bargaining agreements	GRP has not adopted any collective bargaining agreement
102-42	Identifying and selecting stakeholders	Page 50-52
102-43	Approach to stakeholder engagement	Page 52
102-44	Key topics and concerns raised	Page 52-56
102-45	Entities included in the consolidated financial statements	Page 5
102-46	Defining report content and topic boundaries	Page 49-51
102-47	List of material topics	Page 51
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Stakeholder Engagement		
102-50	Reporting period	Page 49
102-51	Date of most recent report	Page 49
102-52	Reporting cycle	Page 49
102-53	Contact point for questions	IBC
102-54	Claims for reporting in accordance with the GRI standards	Page 49
102-55	GRI content index	Page 56-59
102-56	External assurance	N.A.
Management approach		
103-1	Explanation of the material topic and its boundary	Page 50-51
103-2	The management approach and its components	Page 49
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 27-33
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 55
205-2	Communication and training about anti-corruption policies and procedures	Page 55
205-3	Confirmed incidents of corruption and actions taken	N.A.

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 55
Topic: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Page 54-55
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

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, 2019.

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 69 to 153 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, 2019, 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 (Appointed on February 13, 2019)

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	7,561,600	8,011,600
Kwan Chee Seng	64,064,440	64,064,440
Mahtani Bhagwandas	252,000	252,000

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 – Starland 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, 2019 were the same as at June 30, 2019.

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 year under the Scheme and there is no option outstanding as at the beginning and end of the financial year.

The Scheme, which had been approved by the shareholders of the company, is administered by the Remuneration Committee. As at June 30, 2019, 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.

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, 2019, 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 two 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 year ended June 30, 2019 as well as the auditor's report thereon prior to their submission to the Board of Directors for adoption.

The Audit Committee recommended to the Board of Directors the nomination of Deloitte & Touche LLP as external auditors at the forthcoming annual general meeting of the company.

DIRECTORS' STATEMENT

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Teo Tong How

....
Kwan Chee Seng

September 27, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of GRP Limited

Report on the Audit of the Financial Statements

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, 2019, 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 year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 153.

In our opinion, 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)s") 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, 2019, 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 year ended on that date.

Basis for Opinion

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 ("ACRA") *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 opinion.

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.

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
Valuation of Properties Held for Sale	
The group has significant completed properties held for sale in Chongqing, People's Republic of China ("PRC") and Singapore. As at June 30, 2019, the group's properties held for sale amounted to $11,014,000 (2018 : $23,142,000), which represented 12% (2018 : 21%) of the group's total assets. Properties held for sale are stated at the lower of their cost and their net realisable value. The estimation of the net realisable value of these completed properties is largely dependent upon the group's expectation of future selling prices, which is based on the group's experience from the past sales transactions, profile of the unsold units and the market conditions in the real estate industry. The assessment involves significant judgement to be exercised by management. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in losses when properties are sold.	We assessed the reasonableness of the group's estimated future selling prices of the properties by comparing them to the recently transacted prices or prices of comparable properties located in the same vicinity of the development projects. We also performed retrospective review by comparing expected selling prices determined in last financial year and actual selling prices for the current financial year. Further, we assessed the adequacy of the disclosures related to properties held for sale in Notes 3 and 11 to the financial statements.
Valuation of development properties and related receivables	
During the financial year ended June 30, 2019, there was repossession of 2 land parcels located in Tangshan and Fuling, PRC, by the local authorities. The carrying amount of development property in Tangshan amounted to $11,829,000 as at June 30, 2018 and the group received a payment of $8,635,000 during the current financial year with the remaining balance of $3,938,000 to be received after completion of certain works by the group for the final handover of the land, no later than December 31, 2020. Additionally, the group is expecting the refund of $5,652,000 being the advance payment as compensation to the farmers for the land use rights made in past years. The excess of repossession value over the carrying value of the development property of $740,000, was presented net of the non-current receivable from the local government [Note 8.2(iv)]. Management is in process of negotiating and is confident of full recovery of the remaining receivables.	For the repossession of 2 land parcels located in Tangshan and Fuling, PRC, we reviewed corroborative evidence such as the repossession agreement, transfer of title deeds, payment received, external valuation reports and correspondences with the respective PRC local authorities. We have also inquired with management on status of negotiation for the recovery of the remaining receivables for the Tangshan land parcel and net realisable value of Fuling land parcel. Further, we assessed the adequacy of the disclosures related to receivables and development property in Notes 3, 8 and 12 to the financial statements.

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
The carrying amount of development property in Fuling amounted to $3,724,000 as at June 30, 2019 which is net of an allowance of $2,784,000 recognised in the current financial year based on valuation provided by an external PRC valuer appointed by the local authority. Management is in the process of re-negotiating on the repossession value. The carrying amounts of the receivables from PRC government, including advance payment, of $8,850,000 and the development property in Fuling of $3,724,000 totalled $12,574,000, which represented 13% of the group's total assets. The estimation of the expected credit loss on recoverability of the receivables and the net realisable value of the development property is dependent upon the fulfilment of required conditions to complete the handover, negotiation with the government and performance of the property markets in PRC. Significant judgement and estimates are involved by management in assessing the recoverability of the receivables and the net realisable value of the development property.	

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. We have nothing to report in this regard.

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)s, 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.

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, 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 Ms Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

September 27, 2019

STATEMENTS OF FINANCIAL POSITION

June 30, 2019

		Group			Company		
	Note	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
ASSETS							
Current assets							
Cash and bank balances	7	56,626	49,776	40,666	23,178	9,375	12,070
Trade receivables	8	2,696	2,400	4,177	2,885	5,260	4,620
Other receivables	8	1,416	1,475	1,304	44,595	54,675	52,316
Available-for-sale investment	13	–	935	428	–	326	428
Properties held for sale	11	11,014	23,142	31,250	–	–	–
Development properties	12	5,344	18,686	24,197	–	–	–
Inventories	10	4,666	4,088	4,367	–	–	–
Total current assets		81,762	100,502	106,389	70,658	69,636	69,434
Non-current assets							
Other receivables	8	8,850	5,908	5,827	–	–	–
Financial assets at fair value through profit or loss	9	2,500	–	–	2,500	–	–
Available-for-sale investment	13	–	2,500	–	–	2,500	–
Property, plant and equipment	17	680	786	788	118	172	225
Intangible asset	15	31	25	25	25	25	25
Associate		16	–	–	–	–	–
Subsidiaries	14	–	–	–	7,051	7,051	7,051
Deferred tax assets	16	289	166	148	–	–	–
Total non-current assets		12,366	9,385	6,788	9,694	9,748	7,301
Total assets		94,128	109,887	113,177	80,352	79,384	76,735
LIABILITIES AND EQUITY							
Current liabilities							
Loans and borrowings	20	900	5,160	8,236	–	–	–
Trade payables	18	1,221	812	1,245	19	410	452
Provision for reinstatement obligation		–	450	450	–	150	450
Other payables	19	4,192	4,868	5,778	1,112	1,377	1,093
Income tax payable		9,726	9,744	7,770	49	49	49
Total current liabilities		16,039	21,034	23,479	1,180	1,986	2,044
Non-current liability							
Deferred tax liabilities	16	4,923	6,590	9,323	–	–	–

STATEMENTS OF FINANCIAL POSITION
June 30, 2019

		Group			Company		
	Note	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Capital, reserves and non-controlling interests							
Share capital	21	72,502	72,502	72,502	72,502	72,502	72,502
Treasury shares	22	(294)	–	–	(294)	–	–
Asset revaluation reserve		–	2,740	3,061	–	2,740	3,061
Currency translation reserve		(1,559)	848	–	–	–	–
Statutory reserve	23	245	119	97	–	–	–
Accumulated (losses) profits		(3,207)	(114)	(965)	6,964	2,156	(872)
Equity attributable to owners of the company		67,687	76,095	74,695	79,172	77,398	74,691
Non-controlling interests		5,479	6,168	5,680	–	–	–
Total equity		73,166	82,263	80,375	79,172	77,398	74,691
Total liabilities and equity		94,128	109,887	113,177	80,352	79,384	76,735

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2019

	Note	Group 2019 $'000	Group 2018 $'000
Revenue	24	32,087	29,624
Cost of sales		(26,108)	(24,916)
Gross profit		5,979	4,708
Other losses	25	(3,567)	(269)
Other operating income	26	1,121	2,639
Distribution costs		(2,123)	(2,016)
Administrative expenses		(5,359)	(3,861)
Finance costs		(165)	(291)
Share of result of associate		(9)	–
(Loss) Profit before income tax		(4,123)	910
Income tax (expense) credit	27	(583)	413
(Loss) Profit for the year	28	(4,706)	1,323
Other comprehensive (loss) income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on available-for-sale investment	13	–	(321)
Exchange differences on translation of foreign operations		(2,407)	848
Other comprehensive (loss) income for the year, net of tax		(2,407)	527
Total comprehensive (loss) income for the year		(7,113)	1,850

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2019

	Note	Group 2019 $'000	Group 2018 $'000
(Loss) Profit attributable to:			
Owners of the company		(4,738)	873
Non-controlling interests		32	450
		(4,706)	1,323
Total comprehensive (loss) income attributable to:			
Owners of the company		(7,145)	1,400
Non-controlling interests		32	450
		(7,113)	1,850
(Loss) Earnings per ordinary share (cents):			
– Basic	29	(2.45)	0.45
– Fully diluted	29	(2.45)	0.45

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2019

	Note	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Statutory reserve $'000	Accumulated (losses) profits $'000	Attributable to owners of of company $'000	Non-controlling interests $'000	Total $'000
Group										
Balance at July 1, 2018		72,502	–	3,090	(3,812)	119	4,546	76,445	6,168	82,613
Impact of adoption of SFRS(I) 1	36	–	–	(350)	4,660	–	(4,660)	(350)	–	(350)
Impact of adoption of SFRS(I) 9	36	–	–	(213)	–	–	213	–	–	–
Restated balance at July 1, 2018		72,502	–	2,527	848	119	99	76,095	6,168	82,263
Total comprehensive income for the year										
(Loss) Profit for the year		–	–	–	–	–	(4,738)	(4,738)	32	(4,706)
Other comprehensive loss for the year		–	–	–	(2,407)	–	–	(2,407)	–	(2,407)
Transfer of revaluation surplus arising from the derecognition of building		–	–	(2,527)	–	–	2,527	–	–	–
Transactions with owners, recognised directly in equity										
Share buy-back held as treasury shares	22	–	(294)	–	–	–	–	(294)	–	(294)
Dividend paid	33	–	–	–	–	–	(969)	(969)	(721)	(1,690)
Transfer to statutory reserve	23	–	–	–	–	126	(126)	–	–	–
Balance at June 30, 2019		72,502	(294)	–	(1,559)	245	(3,207)	67,687	5,479	73,166

	Note	Share capital $'000	Treasury shares $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Statutory reserve $'000	Accumulated (losses) profits $'000	Attributable owners of of company $'000	Non-controlling interests $'000	Total $'000
Group (cont'd)										
Balance at July 1, 2017		72,502	–	3,411	(4,660)	97	3,695	75,045	5,680	80,725
Impact of adoption of SFRS(I) 1	36	–	–	(350)	4,660	–	(4,660)	(350)	–	(350)
Restated balance at July 1, 2017		72,502	–	3,061	–	97	(965)	74,695	5,680	80,375
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	873	873	450	1,323
Other comprehensive income (loss) for the year		–	–	(321)	848	–	–	527	–	527
Transactions with owners, recognised directly in equity										
Dividend paid	33	–	–	–	–	–	–	–	(120)	(120)
Non-controlling interests arising from acquisition of subsidiary		–	–	–	–	–	–	–	158	158
Transfer to statutory reserve	23	–	–	–	–	22	(22)	–	–	–
Restated balance at June 30, 2018		72,502	–	2,740	848	119	(114)	76,095	6,168	82,263

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2019

	Note	Share capital $'000	Treasury Shares $'000	Asset revaluation reserve $'000	Accumulated profits $'000	Total $'000
Company						
Balance at July 1, 2018		72,502	–	2,740	2,156	77,398
Impact of adoption of SRFS(I) 9	36	–	–	(213)	213	–
Restated balance at July 1, 2018		72,502	–	2,527	2,369	77,398
Total comprehensive loss for the year, represented by						
– Profit for the year		–	–	–	3,037	3,037
– Transfer of revaluation surplus arising from the derecognition of building		–	–	(2,527)	2,527	–
Transactions with owners, recognised directly in equity						
– Share buy-back held as treasury shares	22	–	(294)	–	–	(294)
– Dividend paid	33	–	–	–	(969)	(969)
Balance at June 30, 2019		72,502	(294)	–	6,964	79,172
Balance at July 1, 2017		72,502	–	3,061	(872)	74,691
Total comprehensive income for the year, represented by						
– Profit for the year		–	–	–	3,028	3,028
– Other comprehensive loss for the year		–	–	(321)	–	(321)
Balance at June 30, 2018		72,502	–	2,740	2,156	77,398

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2019

	Group	
	2019	2018
	$'000	$'000
Operating activities		
(Loss) Profit before income tax	(4,123)	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
Loss (Gain) 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)
(Write back of allowance) Allowance for inventories	(41)	92
Write off of inventories	–	27
Write back of impairment loss on properties held for sale	(1,746)	–
Allowance for (Write back of) doubtful trade receivables	20	(1)
Write back of allowance for 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 A)	–	(621)
Unrealised foreign exchange loss	(2,156)	718
Share of result of associate	9	–
Operating cash flows before movements in working capital	(5,241)	(2,143)
Trade receivables	(316)	1,778
Other receivables and prepayments	(2,697)	895
Inventories	(530)	148
Properties held for sale	14,578	13,907
Development properties	11,664	(368)
Trade payables	409	(433)
Other payables	(1,126)	(911)
Cash generated from operating activities	16,741	12,873
Income tax paid	(1,993)	(456)
Net cash generated from operating activities	14,748	12,417

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2019

	Note	Group 2019 $'000	Group 2018 $'000
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	34	(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 interests		–	158
Decrease in pledged deposit		920	5,075
Net cash (used in) from financing activities		(5,446)	1,674
Net increase in cash and cash equivalents		9,003	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		(1,233)	302
Cash and cash equivalents at end of year (Note 7)		54,522	46,752

Note A: 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 ("ayondo"). The recovery took the form of 6.5 million shares in ayondo, amounted to $1,702,000, which was partially offset by the impairment loss of $1,081,000.

See accompanying notes to financial statements.

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 is that 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 year ended June 30, 2019 were authorised for issue by the Board of Directors on September 27, 2019.

For all periods up to and including the year ended June 30, 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended June 30, 2019 are the first set that the group and the company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 36.

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)s").

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) 1-17 *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;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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).

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.

The group has elected to apply the short-term exemption to adopt SFRS(I) 9 on July 1, 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended June 30, 2018. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in accumulated losses and asset revaluation reserve as at July 1, 2018.

Arising from this election, the group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative periods to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative periods.

Financial assets - before July 1, 2018

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, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, less pledged cash placed with a bank, and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Available-for-sale investments

Certain shares held by the group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Certain shares held by the group are classified as being available-for-share and are stated at cost. After initial recognition, these investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the receivables have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is directly reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount of the receivables is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of asset revaluation reserve.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets - from July 1, 2018

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.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income ("**FVTOCI**"). 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

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" line item (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. 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 aforegoing, 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.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 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.

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 amounts due from customers 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessee

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 - Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds any past revaluation gains of the same asset held in the asset revaluation reserve.

At the date of transition to SFRS(I), management has taken up the option to measure its revalued freehold land and building at its original historical cost less accumulated depreciation and impairment.

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 building	Over term of lease of 30 and 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.

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. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to accumulated profits. No transfer is made from the asset revaluation reserve to accumulated profits except when an asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 premium arising from acquisition.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. 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.

The requirements of SFRS(I) 1-36 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 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. 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.

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

- sale of properties held for sale and development properties;
- sale of goods; and
- rental income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

<u>Sale of properties held for sale and development properties</u>

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.

<u>Sale of goods</u>

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.

<u>Rendering of services</u>

Property management fee income and service income are recognised over the period when services are rendered.

<u>Rental income</u>

Rental income arising from properties held for sale is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

<u>Interest income</u>

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.

<u>Dividend income</u>

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

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, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, management is of the opinion that there are no instances of application of judgements or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than those involving the use of accounting estimates.

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

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:

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.

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

Recoverable amount of 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 to the financial statements.

Recoverability 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 view that 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.

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		
	June 30, 2019 $'000	**June 30, 2018 $'000**	**July 1, 2017 $'000**	**June 30, 2019 $'000**	**June 30, 2018 $'000**	**July 1, 2017 $'000**
Financial assets						
Amortised costs:						
– Cash and bank balances	56,626	49,776	40,666	23,178	9,375	12,070
– Trade receivables	2,667	2,362	4,134	2,885	5,260	4,620
– Other receivables	5,274	967	955	44,571	54,673	52,229
	64,567	53,105	45,755	70,634	69,308	68,919
Available-for-sale investment	–	3,435	428	–	2,826	428
Financial assets designated at fair value through profit or loss	2,500	–	–	–	–	–
Total	67,067	56,540	46,183	70,634	72,134	69,347

Financial liabilities

	Group			Company		
	June 30, 2019 $'000	**June 30, 2018 $'000**	**July 1, 2017 $'000**	**June 30, 2019 $'000**	**June 30, 2018 $'000**	**July 1, 2017 $'000**
Amortised cost:						
– Trade payables	1,207	768	1,182	5	366	411
– Other payables	2,962	2,997	3,229	1,112	1,377	1,093
– Loans and borrowings	900	5,160	8,236	–	–	–
Total	5,069	8,925	12,647	1,117	1,743	1,504

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 Japanese Yen and United States Dollars. 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	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
USD	225	–	945	806	–	–	587	490
JPY	621	502	176	274	–	–	–	–

Based on above, management is of the view that any impact is not expected to be material and hence, no sensitivity analysis is presented.

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.

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

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

(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 credit worthiness 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.

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

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

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

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, 2019						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,687	(20)	2,667
Other receivables	8.2	(ii)	Lifetime ECL	1,792	(1,792)	–
Other receivables	8.2	Performing	12-month ECL	5,274	–	5,274
				9,753	(1,812)	7,941

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
June 30, 2019						
Trade receivables	8.1	(i)	Lifetime ECL (simplified approach)	2,885	–	2,885
Other receivables	8.2	(ii)	Lifetime ECL	1,877	(1,877)	–
Other receivables	8.2	Performing	12-month ECL	44,571	–	44,571
				49,333	(1,877)	47,456

(i) The group has applied the simplified approach in SFRS(I) 9 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.

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 carrying amount of the group's financial assets at fair value through profit or loss as disclosed in Note 9 best represents the 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.

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 are considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies 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 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 to the financial statements.

Further details of credit risks on trade receivables and other receivables are disclosed in Note 8 to the financial statements.

(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.

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)

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, 2019					
Non-interest bearing	–	26,865	6,438	–	33,303
Fixed interest rate instruments	1.70	34,337	–	(573)	33,764
		61,202	6,438	(573)	67,067
June 30, 2018					
Non-interest bearing	–	42,983	2,500	–	45,483
Fixed interest rate instruments	2.54	11,328	–	(281)	11,047
		54,311	2,500	(281)	56,530
July 1, 2017					
Non-interest bearing	–	25,142	–	–	25,142
Fixed interest rate instruments	2.17	21,498	–	(457)	21,041
		46,640	–	(457)	46,183

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

(b) Financial risk management policies and objectives (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, 2019					
Non-interest bearing	–	48,608	2,500	–	51,108
Fixed interest rate instruments	1.00	19,721	–	(195)	19,526
		68,329	2,500	(195)	70,634
June 30, 2018					
Non-interest bearing	–	63,670	2,500	–	66,170
Fixed interest rate instruments	1.00	6,024	–	(60)	5,964
		69,694	2,500	(60)	72,134
July 1, 2017					
Non-interest bearing	–	58,436	–	–	58,436
Fixed interest rate instruments	1.00	11,020	–	(109)	10,911
		69,456	–	(109)	69,347

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

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

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. 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 liability on the statement of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Adjustment $'000	Total $'000
Group				
June 30, 2019				
Non-interest bearing	–	4,169	–	4,169
Variable interest rate instruments	4.03	936	(36)	900
		5,105	(36)	5,069
June 30, 2018				
Non-interest bearing	–	3,765	–	3,765
Variable interest rate instruments	3.70	5,351	(191)	5,160
		9,116	(191)	8,925
July 1, 2017				
Non-interest bearing	–	4,411	–	4,411
Variable interest rate instruments	2.85	8,471	(235)	8,236
		12,882	(235)	12,647

Company

All categories of financial liabilities listed in Note 4(a) do not bear interest and are repayable on demand or within one year.

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

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

(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.

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 using discounted cash flow method (2018 and 2017: available-for-sale investment for quoted investments (Note 13) was Level 1 as the fair value was based on quoted market price).

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended June 30, 2018 and 2017.

(vi) Capital management policies and objectives

The capital structure of the group comprises issued capital, asset revaluation reserve, statutory reserve, currency translation reserve and accumulated profits.

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 year.

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	
	2019	**2018**
	$'000	**$'000**
Rental expenses recovered from a related party in which a director has interests	(238)	(245)
Interest income recovered from a loan to a related party in which a director has interests	–	(241)
Acquisition of a subsidiary from family members of a director	1,288	–
Legal services rendered by a firm in which a director is a partner	22	–

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Short-term benefits	1,795	2,078
Post-employment benefits	70	69
	1,865	2,147

The remuneration of the directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trend.

7 CASH AND BANK BALANCES

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Cash at bank	22,862	38,729	19,625	3,652	3,411	1,159
Fixed deposits	33,764	11,047	21,041	19,526	5,964	10,911
Cash and bank balances	56,626	49,776	40,666	23,178	9,375	12,070
Less: Deposits pledged	(2,104)	(3,024)	(8,099)	–	–	–
Cash and cash equivalents	54,522	46,752	32,567	23,178	9,375	12,070

As at June 30, 2019, fixed deposits earned interest at rates ranging from 0.91% to 2.10% (2018 : 0.63% to 2.10%, 2017 : 0.25% to 2.17%) per annum. The tenure of fixed deposits at year end ranged from 28 days to 2 years (2018 and 2017 : 60 days to 2 years).

As at June 30, 2019, fixed deposits of $2,090,000 (2018 : $3,009,000, 2017 : $8,085,000) are pledged with the banks to secure bank loans as disclosed in Note 20 to the financial statements.

As at June 30, 2019, deposits of $Nil (2018 : $15,000, 2017 : $14,000) is pledged with a bank in the PRC to secure bank guarantees.

8 TRADE AND OTHER RECEIVABLES

8.1 TRADE RECEIVABLES

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Outside parties	2,687	2,367	4,139	–	5	5
Less: Loss allowance	(20)	(5)	(5)	–	(5)	(5)
	2,667	2,362	4,134	–	–	–
Subsidiaries	–	–	–	2,885	5,260	4,620
Net GST receivables	29	38	43	–	–	–
	2,696	2,400	4,177	2,885	5,260	4,620

The credit period on sale of goods/rendering of services is between 7 to 90 days (2018 and 2017 : 7 to 90 days). No interest is charged on overdue trade receivables.

The allowance for doubtful receivables of $20,000 (2018 and 2017 : $5,000) relate to trade receivables which are past due for more than 360 days and have not responded satisfactorily to repayment demands.

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.1 TRADE RECEIVABLES (cont'd)

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix.

Group June 30, 2019	Expected weighted credit loss rate %	Estimated total gross carrying amount at default $'000	Lifetime ECL $'000	Total $'000
Current (not past due)	–	2,538	–	2,538
1 - 90 days past due	–	–	–	–
91 - 180 days past due	–	–	–	–
181 - 360 days past due	–	144	–	144
More than 360 days past due	58.8	34	(20)	14
		2,716	(20)	2,696

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:

Group

	$'000
Balance as at July 1, 2018	5
Loss allowance recognised in profit or loss during the year	20
Bad debt written off	(5)
Balance as at June 30, 2019	20

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Current						
Deposits for property projects	913	817	1,056	631	817	1,056
Prepayments	80	487	246	24	2	3
Other deposits	611	409	355	91	84	81
Advance to suppliers	–	21	19	–	–	–
Sundry receivables	443	558	600	19	10	13
Subsidiaries (Note 5)	–	–	–	44,546	58,695	56,251
	2,047	2,292	2,276	45,311	59,608	57,404
Less: Loss allowances						
– Outside parties [i]	(631)	(817)	(972)	(631)	(817)	(972)
– Subsidiaries	–	–	–	(85)	(4,116)	(4,116)
	1,416	1,475	1,304	44,595	54,675	52,316
Amount due from ayondo [ii]	–	–	1,029	–	–	37
Less: Allowance for amount due due from ayondo [ii]	–	–	(1,029)	–	–	(37)
Short term loan receivable [ii]	1,161	1,161	2,100	1,161	1,161	2,100
Less: Allowance for short term loan receivable [ii]	(1,161)	(1,161)	(2,100)	(1,161)	(1,161)	(2,100)
	1,416	1,475	1,304	44,595	54,675	52,316
Non-current						
Receivable from PRC authority [iii]	3,938	–	–	–	–	–
Advance payment (non-current) [iv]	4,912	5,908	5,827	–	–	–
	8,850	5,908	5,827	–	–	–

[i] Loss allowances related to the deposits for property projects. A reversal of $186,000 (2018 and 2017 : $155,000) is made resulting from payment received under instalment arrangement during the year.

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.2 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

(ii) Balance as at July 1, 2017 related to a loan given to ayondo in relation to the "Reverse-Take-Over" project of $2,100,000 and reimbursement of related project expenses of $1,029,000. With the termination of the project, a full allowance was recognised in profit or loss for the year ended June 30, 2017, but reversed subsequently due to recovery of the amount during the year ended June 30, 2018.

Balance as at June 30, 2019 and 2018 (2017: $Nil) related 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 for the year ended June 30, 2018.

(iii) The development property in Tangshan amounted to $11,829,000 as at June 30, 2018 and the group received a payment of $8,635,000 (2018 and 2017 : $Nil) during the current financial year with the remaining balance of $3,938,000 (2018 and 2017 : $Nil) to be received after completion of certain works by the group for the final handover of the land, no later than December 31, 2020.

(iv) Amount relates to part of advance payment in accordance with agreement entered with the People's Government of Kaiping District as disclosed in Note 30 amounting to $5,652,000 (2018 : $5,908,000; 2017 : $5,827,000). The group is expecting the refund of $5,652,000 (2018 and 2017 : $Nil) as compensation to the farmers for the land use rights made in past years. $740,000 (2018 and 2017 : $Nil) representing the excess of repossession value over the carrying value of the development property, was presented net of the non-current receivable from the local government. Management is in process of negotiating and is confident of full recovery of the remaining receivables.

The following table shows the movement in 12-month ECL that has been recognised for other receivables.

Group	**$'000**
Balance as at July 1, 2018	1,978
Loss allowance written back to profit or loss during the year	(186)
Balance as at June 30, 2019	1,792

Company	**$'000**
Balance as at July 1, 2018	6,094
Loss allowance written back to profit or loss during the year	(101)
Reversal due to capitalisation of receivable - subsidiary	(4,116)
Balance as at June 30, 2019	1,877

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.3 PREVIOUS ACCOUNTING POLICY FOR IMPAIRMENT OF TRADE AND NON-TRADE RECEIVABLES

The table below is an analysis of trade receivables, other receivables and amount due from subsidiaries as at June 30, 2018 and 2017.

	Group		Company	
	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Not past due and not impaired [i]	3,579	4,126	899	1,984
Past due but not impaired [i] & [ii]	296	1,355	59,036	54,952
Impaired receivables	1,983	4,106	6,099	7,230
Less: Allowance for impairment	(1,983)	(4,106)	(6,099)	(7,230)
	3,875	5,481	59,935	56,936
Trade receivables due from:				
– Outside parties	2,400	4,177	–	–
– Subsidiaries	–	–	5,260	4,620
Other receivables due from:				
– Outside parties	1,475	1,304	96	181
– Subsidiaries	–	–	54,579	52,135
	3,875	5,481	59,935	56,936

Movements in the allowance for impairment are as follows:

	Group		Company	
	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Balance at beginning of the year	4,106	1,177	7,225	5,293
Currency realignment	(63)	(45)	(58)	(50)
Increase in allowance	1,161	3,129	1,161	2,137
Writeback of allowance	(3,226)	(155)	(2,234)	(155)
Balance at end of the year	1,978	4,106	6,094	7,225

[i] The group and the company have not recognised an allowance for doubtful receivables for these balances as there has not been a significant change in credit quality and the amounts are still considered recoverable.

8 TRADE AND OTHER RECEIVABLES (cont'd)

8.3 PREVIOUS ACCOUNTING POLICY FOR IMPAIRMENT OF TRADE AND NON-TRADE RECEIVABLES (cont'd)

(ii) Aging of receivables that are past due but not impaired (trade in nature):

	Group		Company	
	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2018 $'000	July 1, 2017 $'000
1 - 90 days past due	190	1,139	541	166
91 - 180 days past due	106	216	67	316
181 - 360 days past due	–	–	5,783	–
More than 360 days past due	–	–	52,645	54,470
	296	1,355	59,036	54,952

Before accepting any new customer, the group assesses the potential customer's credit quality. The group's trade receivables that are neither past due nor impaired are due from creditworthy counterparties with good track record of credit history.

In determining the recoverability of a receivable, the group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Financial assets designated as at FVTPL:			
– Investment in redeemable convertible preference shares	2,500	–	–
– Quoted equity 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").

10 INVENTORIES

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Finished goods	4,666	4,088	4,367	–	–	–

Inventories are stated net of allowance of $2,367,000 (2018 : $2,730,000, 2017 : $2,625,000) to state inventories at the lower of cost and estimated net realisable values.

Movements in allowance for inventories

	Group		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Balance at beginning of year	2,730	2,625	2,364
(Decrease) Increase in allowance recognised in profit or loss	(41)	92	272
Exchange realignment	(7)	13	(11)
Inventories written off	(315)	–	–
Balance at end of year	2,367	2,730	2,625

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
		June 30, 2019	June 30, 2018	July 1, 2017	
89 Julong Avenue Lidu, Fuling District (University Town), Chongqing, PRC	Commercial units and carpark units.	4,700	4,940	5,158	83.17%
8 Wubao Road Fuling District (Singapore Garden), Chongqing, PRC	Residential units, commercial units and carpark units.	9,304	15,242	26,946	83.17%
Jalan Nipah, Singapore [1]	Residential units.	388	700	–	83.17%

[1] Property was mortgaged to a bank as security for borrowings as disclosed in Note 20 and was transferred from development properties (Note 12) to properties held for sale during the financial year ended June 30, 2018. In 2019, the mortgage was released with repayment of the borrowings.

Properties held for sale are stated net of allowance of $11,723,000 (2018 and 2017 : $13,432,000) to state the properties at the lower of cost and estimated net realisable values.

12 DEVELOPMENT PROPERTIES

	Group		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Land costs	8,561	18,852	24,240
Development cost	237	617	609
Impairment of a development property	(3,227)	(443)	(443)
Amortisation of land use rights	(350)	(290)	(227)
Exchange realignment	123	(50)	18
	5,344	18,686	24,197

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

Location	Carrying amount ($'000)			Group's effective interest
	June 30, 2019	June 30, 2018	July 1, 2017	
Dianyi Residential Committee Fuling District, Chongqing PRC [1]	3,724	6,709	6,772	83.17%
Xin Hua Dong Dao, Tangshan Shi, Hebei Sheng PRC [2]	–	11,829	11,607	100%
Multiple Lodge Sdn. Bhd., Perak, Malaysia	260	148	–	51%
Jalan Nipah, Singapore	–	–	5,818	83.17%
Lot 2149N, Pajakan Negeri 150870, Bandar Ipoh (U), Daerah Kinta, Negeri Perak, Malaysia	1,360	–	–	100%

[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 during the current financial year based on valuation provided by an external PRC valuer appointed by the local authority. Management is in the process of re-negotiating the repossession value.

[2] In 2016, the group had successfully tendered for a portion of the lands with an area of 110,000 sqm. The price paid by the group for the tender was RMB57.17 million (equivalent to $11.8 million). In addition, the group had advanced RMB28.5 million (equivalent to $5.8 million) as compensation to the farmers of the land use rights. This sum of RMB28.5 million was applied against the RMB85 million advance that the group was required to pay to the Kaiping Government in accordance with the agreement as disclosed in Note 30. Arising from the land repossession by the PRC government as disclosed in Note 8.2(iv), the land title has been transferred to the authority during the year.

13 AVAILABLE-FOR-SALE INVESTMENT

	Group		Company	
	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Investment in quoted equity shares at cost	2,515	2,038	813	2,038
Fair value and impairment adjustments	(1,580)	(1,610)	(487)	(1,610)
Quoted equity shares, at fair value (current)	935	428	326	428
Investment in redeemable convertible preference shares at cost (non-current)	2,500	–	2,500	–
Movement in the fair value and impairment adjustment				
Balance at beginning of the year	1,610	1,482	1,610	1,482
Movement due to disposal of shares	(1,444)	(147)	(1,444)	(147)
Decrease in fair value recognised in other comprehensive income	321	–	321	–
Impairment loss recognised in profit or loss	1,081	275	–	275
Currency realignment	12	–	–	–
Balance at end of the year	1,580	1,610	487	1,610

In 2018, the investment comprised the following:

a) $326,000 (2017: $428,100) related to the investment in the quoted equity shares of an Australian gold mining company listed on the Australian Securities Exchange. The fair value of the securities was based on the quoted closing market price on the last trading day of the financial year.

b) $609,000 (2017: $Nil) related to the investment in equity securities held in ayondo arising from the receipt of approximately 6.5 million shares in ayondo as settlement of expenses incurred on behalf in the previous year. Investment is reclassified into financial assets at fair value through profit or loss in 2019 (Note 36).

14 SUBSIDIARIES

	Company June 30, 2019 $'000	Company June 30, 2018 $'000	Company July 1, 2017 $'000
Unquoted equity shares, at cost	16,678	12,640	12,640
Impairment loss	(9,627)	(5,589)	(5,589)
	7,051	7,051	7,051
Non-trade, non-current receivables from a subsidiary (Note 5)	–	4,116	4,116
Less: Allowances for doubtful receivables	–	(4,116)	(4,116)
	–	–	–
Total balance	7,051	7,051	7,051

During the current financial year ended June 30, 2019, allowance for doubtful receivables of $4,038,000 is reversed with an increase in investment in a subsidiary due to capitalisation of non-trade, non-current receivable from the subsidiary. Correspondingly, the allowance for impairment loss increased by the same amount.

Details of the company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest June 30, 2019 %	Proportion of ownership interest June 30, 2018 %	Proportion of ownership interest July 1, 2017 %	Proportion of voting power held June 30, 2019 %	Proportion of voting power held June 30, 2018 %	Proportion of voting power held July 1, 2017 %	Principal activities
Held by the company								
GRP Pte Ltd	Singapore	100.0	100.0	100.0	100.0	100.0	100.0	Supply and servicing of industrial/marine hoses, fittings and related products.
Region Suppliers Pte Ltd	Singapore	100.0	100.0	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	100.0	100.0	Trading of measuring instruments and scientific apparatus.
GRP Land Pte Ltd	Singapore	100.0	100.0	100.0	100.0	100.0	100.0	Investment holding.
GRP (China) Pte Ltd*	Singapore	74.3	63.5	63.5	74.3	63.5	63.5	Dormant.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest			Proportion of voting power held			Principal activities
		June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017	
		%	%	%	%	%	%	
Held by GRP Pte Ltd								
Hiflex Pte Ltd [i],[2]	Singapore	100.0	–	–	100.0	–	–	Supply and servicing of industrial marine hoses, fittings and related products.
Held by GRP Land Pte Ltd								
GRP Development Pte Ltd	Singapore	100.0	100.0	100.0	100.0	100.0	100.0	Investment holding.
GRP Projects Pte Ltd	Singapore	100.0	100.0	100.0	100.0	100.0	100.0	Investment holding.
GRP Chongqing Land Pte Ltd	Singapore	100.0	100.0	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.
Held by GRP Projects Pte Ltd								
GRP Services Myanmar Co., Ltd [2]	Myanmar	100.0	100.0	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 [i],[1]	Malaysia	100.0	–	–	100.0	–	–	Development and management of properties.
Held by GRP Development Pte Ltd								
Tangshan GRP Trading Co Ltd [3]	PRC	100.0	100.0	100.0	100.0	100.0	100.0	Trading activities.
Held by GRP Chongqing Land Pte Ltd								
Starland Holdings Ltd [4]	Singapore	83.17	83.17	83.17	83.17	83.17	83.17	Investment holding.

* Increase in ownership interest was due to capitalisation of receivable from the subsidiary who has filed for strike off.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest			Proportion of voting power held			Principal activities
		June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017	
		%	%	%	%	%	%	
<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	51.0	51.0	–	51.0	51.0	–	Property development.
<u>Held by Starland Holdings Limited</u>								
Starland Axis Pte. Ltd. [(4)]	Singapore	83.17	83.17	83.17	83.17	83.17	83.17	Property development.
Starland Commercial Trading Pte Ltd. [(4)]	Singapore	83.17	83.17	83.17	83.17	83.17	83.17	Investment holding.
<u>Held by Starland Commercial Trading Pte. Ltd.</u>								
Xiamen Starland Trading Limited [(4), (5)]	PRC	83.17	83.17	83.17	83.17	83.17	83.17	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information.
<u>Held by Xiamen Starland Trading Limited</u>								
Chongqing Starland Property Services Co., Ltd. [(6)]	PRC	83.17	83.17	83.17	83.17	83.17	83.17	Property management service.

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or registration) and operations	Proportion of ownership interest			Proportion of voting power held			Principal activities
		June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017	
		%	%	%	%	%	%	
Held by Chongqing Starland Property Services Co., Ltd.								
Chongqing Gangyuan Property Development Co., Ltd. [6]	PRC	83.17	83.17	83.17	83.17	83.17	83.17	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.
Chongqing Tianhu Land Co., Ltd. [6]	PRC	83.17	83.17	83.17	83.17	83.17	83.17	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus.

[i] These entities are newly incorporated/invested during the year ended June 30, 2019.

All entities in the group are audited by Deloitte & Touche LLP, Singapore except for subsidiaries that are indicated as follows:

[1] Audited by overseas practice of Deloitte Touche Tohmatsu Limited.
[2] Not audited as the subsidiaries are considered to be insignificant for the purpose of consolidation.
[3] Audited by Deloitte & Touche LLP, Singapore for group consolidation purposes.
[4] Audited by Ernst & Young LLP, Singapore for group consolidation purposes.
[5] No audit is required by the law of its country of incorporation.
[6] Audited by member firm of Ernst & Young Global in China for group consolidation purposes.

14 SUBSIDIARIES (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the group as at June 30, 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly–owned subsidiaries		
		June 30, 2019	June 30, 2018	July 1, 2017
Investment holdings.	Singapore	4	4	4
Supply and servicing of industrial/ marine hoses, fittings and related Products.	Singapore	2	1	1
Trading of measuring instruments and scientific apparatus and other trading activities.	Singapore, Malaysia and PRC	3	3	3
Management of property projects	Myanmar	1	1	1
Development and management of dormitories.	Singapore	1	1	–
Development and management of properties.	Malaysia	3	2	–

Information about the composition of non-wholly owned subsidiaries of the group as at June 30, 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of non–wholly owned subsidiaries		
		June 30, 2019	June 30, 2018	July 1, 2017
Investment holdings/Dormant.	Singapore	3	3	3
Property development and management service, marketing planning of property.	Singapore, Malaysia and PRC	5	5	4
Wholesale, import and export of chemical product, office furniture and clothing.	PRC	1	1	1

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest			Profit (loss) allocated to non-controlling interests		
		June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
		%	%	%	$'000	$'000	$'000
Starland Holdings Ltd	Singapore	16.83	16.83	16.83	56	477	(6)
Immaterial subsidiary with non-controlling interests							
– GRP (China) Pte Ltd	Singapore	25.7	36.5	36.5	(12)	(18)	26
– Multiple Lodge Sdn Bhd	Malaysia	49.0	49.0	–	(12)	(9)	20
					32	450	40

Name of subsidiary	Accumulated non-controlling interests June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Starland Holdings Ltd	5,520	6,185	5,828
GRP (China) Pte Ltd	(178)	(166)	(148)
Multiple Lodge Sdn Bhd	137	149	–
	5,479	6,168	5,680

Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Starland Holdings Ltd June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Current assets	39,681	53,762	50,038
Non-current assets	281	186	189
Current liabilities	(10,850)	(19,401)	(16,971)
Non-current liabilities	(499)	(516)	(1,817)
Equity attributable to owners of the company	(23,099)	(40,216)	(37,267)
Non-controlling interests	(5,514)	6,185	5,828

14 SUBSIDIARIES (cont'd)

	Starland Holdings Ltd		
	June 30, 2019	**June 30, 2018**	**July 1, 2017**
	$'000	**$'000**	**$'000**
Sales	14,631	12,695	16,612
Cost of sales	(10,413)	(8,258)	(11,453)
Expenses	(2,097)	(3,382)	(5,405)
Other expenses	(747)	(313)	(293)
Other income	813	3,148	269
Tax	(1,857)	(1,058)	(632)
Profit (Loss) for the year, representing total comprehensive income (loss) for the year	330	2,832	(902)
Total comprehensive income (loss) attributable to:			
– Owners of the company	274	2,355	(896)
– Non-controlling interests	56	477	(6)
	330	2,832	(902)
Dividend in-specie issued to non-controlling interests	–	–	5,598
Net cash inflow from operating activities	3,418	4,529	3,150
Net cash outflow from investing activities	–	–	(2)
Net cash (outflow) inflow from financing activities	(3,334)	291	(4,480)
Net cash inflow (outflow)	84	4,820	(1,332)

15 INTANGIBLE ASSET

	Group			Company		
	June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
Club membership	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At beginning of the year	25	25	25	25	25	25
Additions	6	–	–	–	–	–
At the end of the year	31	25	25	25	25	25

16 DEFERRED TAX ASSETS / LIABILITIES

Certain deferred tax assets and liabilities have been offset in accordance with the group and the company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group			Company		
	June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Deferred tax liabilities	4,923	6,590	9,323	–	–	–
Deferred tax assets	(289)	(166)	(148)	–	–	–
	4,634	6,424	9,175	–	–	–

16 DEFERRED TAX ASSETS / LIABILITIES (cont'd)

The movements for the year were as follows:

	Revaluation gains on properties $'000	Accelerated tax over book depreciation $'000	Provisions $'000	Undistributed retained profits $'000	Pre-levied land appreciation tax ("LAT") $'000	Tax losses $'000	Total $'000
Group							
At July 1, 2016	(11,119)	(49)	304	(1,975)	(353)	143	(13,049)
Exchange differences	(2)	–	–	–	–	–	(2)
Credited to profit or loss for the year (Note 27)	2,336	49	92	558	704	137	3,876
At June 30, 2017	(8,785)	–	396	(1,417)	351	280	(9,175)
Exchange differences	–	–	–	(27)	–	–	(27)
Credited to profit or loss for the year (Note 27)	1,415	–	–	1,080	(44)	327	2,778
At June 30, 2018	(7,370)	–	396	(364)	307	607	(6,424)
Exchange differences	–	–	–	50	–	–	50
Credited to profit or loss for the year (Note 27)	1,433	–	594	(156)	(336)	205	1,740
At June 30, 2019	(5,937)	–	990	(470)	(29)	812	(4,634)

Temporary differences relating to investment in subsidiaries

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.

16 DEFERRED TAX ASSETS / LIABILITIES (cont'd)

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	Leasehold building	Leasehold improvements	Furniture, fittings and office equipment	Plant and machinery	Motor vehicles	Fenders	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost or valuation:								
At July 1, 2017	577	820	591	1,101	937	574	206	4,806
SFRS(I) adjustment (Note 36)	(216)	–	–	–	–	–	–	(216)
At July 1, 2017	361	820	591	1,101	937	574	206	4,590
Exchange Differences	31	–	3	10	–	5	–	49
Additions	–	–	16	11	–	98	28	153
Disposal	–	–	–	(16)	–	(85)	(180)	(281)
At June 30, 2018	392	820	610	1,106	937	592	54	4,511
Exchange differences	2	–	(9)	–	(14)	–	–	(21)
Additions	–	–	24	38	15	–	–	77
Disposals	–	(820)	(315)	(444)	(702)	(25)	(53)	(2,359)
At June 30, 2019	394	–	310	700	236	567	1	2,208

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land and building $'000	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Fenders $'000	Total $'000
Comprising:								
At cost	361	–	591	1,101	937	574	206	3,770
At valuation	–	820	–	–	–	–	–	820
At July 1, 2017	361	820	591	1,101	937	574	206	4,590
At cost	392	–	610	1,106	937	592	54	3,691
At valuation	–	820	–	–	–	–	–	820
At June 30, 2018	392	820	610	1,106	937	592	54	4,511
At cost	394	–	310	700	236	567	1	2,208
At valuation	–	–	–	–	–	–	–	–
At June 30, 2019	394	–	310	700	236	567	1	2,208

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group

	Freehold land and building $'000	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Fenders $'000	Total $'000
Accumulated depreciation:								
At July 1, 2017	6	820	428	979	747	516	172	3,668
SFRS(I) adjustment (Note 36)	134	–	–	–	–	–	–	134
At July 1, 2017	140	820	428	979	747	516	172	3,802
Exchange differences	–	–	1	8	1	4	–	14
Adjustments	–	–	–	–	–	(23)	–	(23)
Depreciation	6	–	43	4	72	34	9	168
Disposal	–	–	–	(16)	–	(53)	(167)	(236)
At June 30, 2018	146	820	472	975	820	478	14	3,725
Exchange differences	–	–	(1)	(7)	–	(14)	–	(22)
Depreciation	4	–	50	43	27	19	1	144
Disposals	–	(820)	(314)	(445)	(702)	(23)	(15)	(2,319)
At June 30, 2019	150	–	207	566	145	460	–	1,528
Carrying amount:								
At July 1, 2017	221	–	163	122	190	58	34	788
At June 30, 2018	246	–	138	131	117	114	40	786
At June 30, 2019	244	–	103	134	91	107	1	680

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of the group's land and buildings and change in accounting policy for freehold land and building in Malaysia

The freehold land and building (a three-storey shop house) in Malaysia was acquired by a subsidiary at RM1,200,000 in prior years. The property was revalued at RM1,800,000 in a valuation report dated June 30, 2016. The fair value of the building was determined using the direct comparison method. At date of transition to SFRS (I), management has selected the option to measure the freehold land and building at original historical cost less accumulated depreciation and impairment.

Leasehold building held by the group and the company referred to a property located at 11 Tanjong Penjuru Crescent, Singapore 608974 with the leasehold tenure expired during the current year (2018 : unexpired tenure of 4 months, 2017 : 16 months) and the property had previously revalued at June 30, 2015 to amount of $820,000 based on a valuation report dated June 30, 2015 provided by an independent valuer who has appropriate qualifications and experience in the fair value measurement of the properties in Singapore. The fair value was determined by income capitalisation method. For 2017 and 2018, the leasehold building had been carried at last valuation amount of $820,000 less depreciation of $820,000 recognised in profit or loss representing management's estimate of the fair value considering the expiring of the lease term.

The group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. All fair valuations of properties fall within Level 3 of the fair value hierarchy.

	Valuation techniques	Significant unobservable input(s)	Sensitivity
Leasehold building in Singapore	2015 : Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 8.5% to 9.0% Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at a range of $1.50 to $1.90 per square foot per month	An isolated increase in the price per square feet used would result in an increase in fair value, and vice versa.

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Total $'000
Company					
Cost or valuation:					
At July 1, 2017	820	437	528	603	2,388
Additions	–	–	4	–	4
At June 30, 2018	820	437	532	603	2,392
Additions	–	–	3	–	3
Disposal	(820)	(251)	(348)	(603)	(2,022)
At June 30, 2019	–	186	187	–	373
Comprising:					
At cost	–	437	528	603	1,568
At valuation	820	–	–	–	820
At July 1, 2017	820	437	528	603	2,388
At cost	–	437	532	603	1,572
At valuation	820	–	–	–	820
At June 30, 2018	820	437	532	603	2,392
At cost as at June 30, 2019	–	186	187	–	373

17 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold building $'000	Leasehold improvements $'000	Furniture, fittings and office equipment $'000	Plant and machinery $'000	Total $'000
Company					
Accumulated depreciation:					
At July 1, 2017	820	297	488	558	2,163
Depreciation	–	38	–	19	57
At June 30, 2018	820	335	488	577	2,220
Depreciation	–	30	2	26	58
Disposals	(820)	(225)	(375)	(603)	(2,023)
At June 30, 2019	–	140	115	–	255
Carrying amount:					
At July 1, 2017	–	140	40	45	225
At June 30, 2018	–	102	44	26	172
At June 30, 2019	–	46	72	–	118

18 TRADE PAYABLES

	Group June 30, 2019 $'000	Group June 30, 2018 $'000	Group July 1, 2017 $'000	Company June 30, 2019 $'000	Company June 30, 2018 $'000	Company July 1, 2017 $'000
Outside parties	1,207	768	1,163	5	5	32
Net GST payable	14	44	63	14	44	41
Deposits from:						
Outside parties	–	–	19	–	–	18
Subsidiaries (Notes 5 and 14)	–	–	–	–	361	361
	1,221	812	1,245	19	410	452

The credit period on purchases of goods range from 30 to 90 days (2018 and 2017 : 30 to 90 days).

19 OTHER PAYABLES

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Employee benefits	1,294	1,411	1,266	842	1,031	784
Operating expenses	956	735	1,093	270	339	309
Trade deposits from contractors	209	227	521	–	–	–
Rental deposits	79	126	173	–	–	–
Advance receipts from the sale of properties	1,230	1,871	2,549	–	–	–
Other current liabilities	424	498	176	–	7	–
	4,192	4,868	5,778	1,112	1,377	1,093

20 LOANS AND BORROWINGS

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Bank loan:						
– land and construction loan	–	3,360	3,360	–	–	–
– revolving credit facility	–	–	3,976	–	–	–
– money market loan	900	1,800	900	–	–	–
	900	5,160	8,236	–	–	–

Land and Construction Loan

The group had a land loan facility (the "facility") for a property development project in Singapore.

Interest was charged at 2.50% per annum over the bank's cost of funds or 2.50% per annum over the applicable SWAP Offer Rate as determined by the bank on the day of transaction, whichever was the higher or at such other rate at the sole discretion of the bank for an interest period of 3 months. The loan was fully repaid on November 30, 2018.

20 LOANS AND BORROWINGS (cont'd)

The facility was secured and guaranteed by the following:

a) First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;

b) Fixed deposit of $778,000 (2017 : $778,000) pledged with the bank;

c) Existing legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed development; and

d) Corporate guarantee for $4,128,000 (2017 : $4,128,000) by Starland Holdings Limited.

Term Loan

The group obtained a new banking facility of $978,000 during the year ended June 30, 2019. Interest was charged at the bank's prime lending rate or at such other rates with monthly rests or such other periodical rests at the sole discretion of the bank. The facility comprised a term loan of $210,000 and performance guarantee in favour of Singapore Controller of Residential Property of $768,000. The term loan facility of $210,000 was drawn down in October 2018, fully repaid in June 2019 based on repayment term and pending the release of the pledged deposit amounted to $210,000 as at June 30, 2019.

This facility is secured and guaranteed by the following:

a) Fixed deposit of $978,000 pledged with the bank;

b) A corporate guarantee of $978,000 by Starland Holdings Limited.

Money Market Loan

The group has a Money Market Loan (the "MML") for general working capital purposes. The group has drawn down $900,000 (2018 : $1,800,000, 2017: $900,000) as at June 30, 2019.

Interest is charged at 0.70% per annum over the Singapore Inter Bank Offer Rate prevailing as determined by the bank on the date of transaction, or at such other rate at the sole discretion of the bank. The tenure for the drawdown is 1 month (2018 : 1 month, 2017 : 1 to 6 months).

The MML is secured and guaranteed by the following:

a) Standby Letter of Credit ("SBLC") for not less than RMB5,000,000 (approximately $984,700) issued by the bank;

b) Fixed deposit of RMB5,650,000 (approximately : $1,112,000) (2018 and 2017 : RMB10,839,000) (approximately $2,231,000) pledged with the bank; and

c) A corporate guarantee for $1,800,000 (2018 and 2017 : $1,800,000) by Starland Holdings Limited.

20 LOANS AND BORROWINGS (cont'd)

Revolving Credit Facility

The group had a revolving credit facility (the "RCF") of $4,050,000 for general working capital purposes. The group had an outstanding balance of $Nil (2018 : $Nil, 2017 : $3,976,000) as at June 30, 2019.

The RCF was secured and guaranteed by the following:

a) SBLC for not less than RMB25,000,000 (approximately $5,076,000) issued by the bank; and

b) Fixed deposit of RMB25,225,000 (approximately $5,121,000) pledged with the bank

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.

	July 1, 2018 $'000	Financing cash flows [i] $'000	Other changes [ii] $'000	June 30, 2019 $'000
Bank loans	5,160	(4,260)	–	900

	July 1, 2017 $'000	Financing cash flows [i] $'000	Other changes [ii] $'000	June 30, 2018 $'000
Bank loans	8,236	(3,191)	115	5,160

[i] The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

[ii] Other changes includes interest accruals and payments.

21 SHARE CAPITAL

Group and Company

	June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
	Number of ordinary shares			$'000	$'000	$'000
Issued and paid up capital:						
At beginning of the year	193,701,610	193,701,610	139,520,044	72,502	72,502	59,250
Issue of rights shares	–	–	54,156,566	–	–	13,539
Rights issue expenses	–	–	–	–	–	(293)
Exercise of warrants	–	–	25,000	–	–	6
At the end of the year	193,701,610	193,701,610	193,701,610	72,502	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.

On November 30, 2016, the company allotted 54,156,566 rights shares with 54,156,566 warrants at an issue price of $0.25 for each rights issue, on the basis of one rights share with one warrant for every two existing shares. Each warrant entitled the warrant holder to subscribe for one new ordinary share of the company at an exercise price of $0.25 per share. The exercise period for the warrants expired on November 29, 2017. During the year ended June 30, 2018, no (2017 : 25,000) new ordinary shares were issued from the exercise of warrants. As at June 30, 2018, the outstanding number of warrants was Nil (2017 : 54,131,566).

22 TREASURY SHARES

Group and Company

	June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
	Number of ordinary shares			$'000	$'000	$'000
At beginning of the year	–	–	–	–	–	–
Repurchased during the year	1,707,200	–	–	294	–	–
At the end of the year	1,707,200	–	–	294	–	–

The company acquired 1,707,200 (2018 and 2017 : Nil) shares by way of market acquisition during the year ended June 30, 2019. All the shares acquired are held as treasury shares. The company has 1,707,200 treasury shares as at June 30, 2019 (2018 and 2017 : Nil). The total amount paid to acquire the shares was $294,000 (2018: $Nil) 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.

24 REVENUE

	Group	
	2019	2018
	$'000	$'000
Revenue from:		
Real estate development		
– Sale of development properties (at a point of time)	15,163	13,422
Distribution		
– Sale of goods (at a point of time)	16,924	16,179
– Rental of fenders (over time)	–	23
	32,087	29,624

25 OTHER LOSSES

	Group	
	2019	2018
	$'000	$'000
Net loss on financial assets measured at fair value through profit or loss	(733)	–
Loss on disposal of financial assets measured at fair value through profit or loss	(50)	–
Impairment loss on development properties (Note 12)	(2,784)	–
Impairment loss on available-for-sale investment (Note 13)	–	(1,081)
Gain on sale of available-for-sale investment	–	812
	(3,567)	(269)

26 OTHER OPERATING INCOME

	Group	
	2019	2018
	$'000	$'000
Rental and related service income	11	99
Interest income	923	700
Others [1]	187	1,840
	1,121	2,639

[1] For the year ended June 30, 2018, the amount included $1,702,000 pertaining to the recovery of expenses relating to a proposed acquisition of the equity interest of ayondo.

27 INCOME TAX EXPENSE (CREDIT)

	Group	
	2019	2018
	$'000	$'000
Current	2,323	2,623
Deferred	(1,535)	(2,778)
Overprovision in prior years:		
Current	–	(258)
Deferred	(205)	–
	583	(413)

Singapore income tax is calculated at 17% (2018 : 17%) of the estimated assessable profit for the 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% (2018 : 25%) for subsidiaries in the PRC.

27 INCOME TAX EXPENSE (CREDIT) (cont'd)

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.

The income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2018 : 17%) to (loss) profit before income tax as a result of the following differences:

	Group	
	2019	**2018**
	$'000	**$'000**
(Loss) Profit before income tax	(4,123)	910
Tax at the domestic income tax rate of 17% (2018 : 17%)	(701)	155
Effects of non-deductible expenses (non-taxable income)	710	(55)
Overprovision in prior years	(205)	(258)
Tax concessions	–	(392)
Effect of land appreciation tax	551	44
Deferred tax utilised	–	(266)
Effect of different tax rates of foreign operations	228	359
	583	(413)

28 (LOSS) PROFIT FOR THE YEAR

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

	Group	
	2019	2018
	$'000	$'000
Employee benefits expense (inclusive of directors' remuneration)	4,720	5,162
Cost of defined contribution plans included in employee benefits expense	362	343
Audit fees paid/payable to auditors:		
– Auditors of the company	159	134
– Other auditors	180	262
Non-audit fees paid to auditors:		
– Auditors of the company	26	25
– Other auditors	21	27
Directors' remuneration of the company	774	596
Directors' fees:		
– Provision for the year	272	274
Cost of completed properties for sale included in cost of sales	15,360	14,290
Cost of inventories included in cost of sales	12,494	10,498
(Write back of allowance) Allowance for inventories	(41)	92
Depreciation and amortisation	204	231
Allowance for (Writeback of) doubtful trade receivables	20	(1)
Net foreign currency exchange adjustment loss	197	114
Write back of impairment loss on properties held for sale included in cost of sales	(1,746)	–
Net loss on financial assets measured at fair value through profit or loss	733	–
Allowance for doubtful non-trade receivables	–	1,161
Writeback of allowance for doubtful non-trade receivables	(186)	(3,226)

29 (LOSS) EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per ordinary share attributable to the ordinary owners of the company is based on the following data:

	Group	
	2019	2018
	$'000	$'000
Net (loss) profit attributable to owners of the company	(4,738)	873

	2019	2018
	Number of shares	
Weighted average number of ordinary shares for purpose of basic earnings per share	193,507,657	193,701,610
Weighted average number of ordinary shares for purpose of diluted earnings per share	193,507,657	193,701,610

30 COMMITMENTS

	Group			Company		
	June 30, 2019	June 30, 2018	July 1, 2017	June 30, 2019	June 30, 2018	July 1, 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Performance guarantees given to a bank for credit facilities given to a subsidiary (unsecured)	–	–	–	600	600	600
Capital contribution for investment in a subsidiary	–	–	–	5,735	5,735	5,735

The group entered into an agreement with the People's Government of Kaiping District ("Kaiping Government"), Tangshan City, PRC, which gives the group first right of refusal to participate in an integrated mixed development project along Xinghua Dong Dao of Tangshan City ("Land") and render the necessary assistance to the group in connection thereto should it become a successful tenderer of the Land. Pursuant to the agreement and subject to further negotiation of terms and conditions, the group will advance a sum of RMB85 million, approximately $18.4 million ("Advance") to Kaiping Government to facilitate land clearance and other incidental processes in order to enable the Land to be ready for public tender. As at June 30, 2019, the group had disbursed RMB28.5 million (approximately $5.7 million) as part of the RMB85 million advance. Arising from the land repossession as disclosed in Note 12, the commitment has lapsed as at June 30, 2019.

31 OPERATING LEASE EXPENSE AND COMMITMENTS

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017 $'000
Minimum lease payments under operating leases included in profit or loss	735	455	455	309	296	297

At the end of the reporting period, the commitments in respect of non-cancellable operating leases were as follows:

	Group			Company		
	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017	June 30, 2019 $'000	June 30, 2018 $'000	July 1, 2017
Future minimum lease payments payable:						
Within one year	1,003	588	824	584	197	703
In the second to fifth year inclusive	1,294	723	955	978	–	585
Total	2,297	1,311	1,779	1,562	197	1,288

Operating lease payments represent rentals payable by the group and the company for office premises and warehouses. Leases are for terms ranging from 3 to 16 years and rentals are fixed for periods ranging from 1 to 3 years.

32 SEGMENT INFORMATION

Management organises the group into three major operating divisions - hose and marine, measuring instruments/metrology and property. 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.

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.

32 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments

	Hose and marine		Measuring instruments/ metrology		Property		Inter segment elimination		Group	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue										
External Sales	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
Corporate expenses									(2,028)	(217)
Share of result of associate									(9)	–
(Loss) Profit before income tax									(4,123)	910
Income tax									(583)	413
(Loss) Profit for the year									(4,706)	1,323
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

32 SEGMENT INFORMATION (cont'd)

(a) Analysis by Segments (cont'd)

	Hose and marine		Measuring instruments/ metrology		Property		Inter segment elimination		Group	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Capital expenditure	39	48	15	94	23	11	–	–	77	153
Depreciation and amortisation	37	40	46	49	121	142	–	–	204	231
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 for) Writeback of inventories	(34)	185	75	(66)	–	–	–	–	41	119
Net loss on financial assets measured at fair value through profit or loss – unallocated assets	–	–	–	–	–	–	–	–	733	–
Impairment loss on unallocated assets	–	–	–	–	–	–	–	–	–	275
Impairment loss on development properties	–	–	–	–	2,784	–	–	–	2,784	–
Write back of impairment loss on properties held for sale	–	–	–	–	(1,746)	–	–	–	(1,746)	–

32 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	
	2019	**2018**
	$'000	**$'000**
Singapore	14,612	8,563
Malaysia	6,407	6,005
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
Others	264	175
	32,087	29,624

	Non-current assets		
	June 30, 2019	**June 30, 2018**	**July 1, 2017**
	$'000	**$'000**	**$'000**
Singapore	2,898	2,969	471
Malaysia	335	318	296
People's Republic of China	8,844	5,932	6,021
	12,077	9,219	6,788

(c) Information about major customers

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

33 DIVIDENDS

In respect of the prior financial year, the directors proposed that a dividend of $0.005 to be paid to shareholders. The total dividend paid was $969,000.

In respect of the current year, the directors proposed that a dividend of $0.01 be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid is $1,920,000.

34 ACQUISITION OF SUBSIDIARY

On December 17, 2018, the group acquired 100% of the issued share capital of VDH Land Sdn. Bhd. ("VDH"), an entity incorporated in Malaysia. The group acquired VDH for the primary reason of investment and re-development of land in Perak, Malaysia. The cash consideration of $1,288,000 largely relates to the cost of land.

35 SUBSEQUENT EVENT

On July 22, 2019, the group entered into a convertible loan agreement with a related party, Luminor Capital (Malaysia) Sdn. Bhd. ("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.

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The group and the company adopted the new financial reporting framework–Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended June 30, 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

As a first-time adopter of SFRS(I), the group and the company have applied retrospectively, accounting policies based on each SFRS(I) effective as at the end of the first SFRS(I) reporting period (June 30, 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended June 30, 2019, an additional opening statement of financial position as at date of transition (July 1, 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (July 1, 2017) and as at the end of last financial period under FRS (June 30, 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended June 30, 2018). Additional disclosures are made for specific transition adjustments if applicable.

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

There is no change to the group's and the company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 *Financial Instruments* and the election of certain transition options available under SFRS(I) 1. There is no material adjustment arising from application of SFRS(I) 15 *Revenue for Contracts with Customers* other than the enhanced disclosures.

Management has elected the following transition exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before January 1, 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

- The group has elected to apply the short-term exemption to adopt SFRS(I) 9 on July 1, 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended June 30, 2018.

  Arising from this election, the group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative periods to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative periods.

- The group has taken up the optional exemption to zerorise the cumulative translation differences for all foreign operations at the date of transition to SFRS(I).

- The group has selected the optional exemption to measure the freehold land and building at original historical cost less accumulated depreciation and impairment.

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

Reconciliations of equity and total comprehensive income

The effects of initial application of SFRS(I) 1 and SFRS(I) 9 are presented and explained below.

Group

(A) Impact on the Statement of Financial Position as at July 1, 2017 (date of transition to SFRS(I))

	As previously reported under FRS $'000	Initial application of SFRS(I) 1 $'000	Note	As adjusted under SFRS(I) $'000
Current assets				
Cash and bank balances	40,666	–		40,666
Trade receivables	4,177	–		4,177
Other receivables and prepayments	1,304	–		1,304
Available-for-sale investment	428	–		428
Properties held for sale	31,250	–		31,250
Development properties	24,197	–		24,197
Inventories	4,367	–		4,367
Non-current assets				
Other receivables	5,827	–		5,827
Property, plant and equipment	1,138	(350)	(a)	788
Intangible asset	25	–		25
Deferred tax assets	148	–		148
Current liabilities				
Loans and borrowings	8,236	–		8,236
Trade payables	1,245	–		1,245
Provision for reinstatement obligation	450	–		450
Other payables	5,778	–		5,778
Income tax payable	7,770	–		7,770
Non-current liability				
Deferred tax liability	9,323	–		9,323
Capital, reserves and non-controlling interests				
Share capital	72,502	–		72,502
Asset revaluation reserve	3,411	(350)	(a)	3,061
Currency translation reserve	(4,660)	4,660	(b)	–
Statutory reserve	97	–		97
Accumulated profits (losses)	3,695	(4,660)	(b)	(965)
Non-controlling interests	5,680	–		5,680

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

(B) Impact on the Statement of Financial Position as at June 30, 2018 (end of last period reported under FRS)

	As previously reported under FRS $'000	Initial application of SFRS(I) 1 $'000	Note	As adjusted under SFRS(I) $'000
Current assets				
Cash and bank balances	49,776	–		49,776
Trade receivables	2,400	–		2,400
Other receivables and prepayments	1,475	–		1,475
Available-for-sale-investment	935	–		935
Properties held for sale	23,142	–		23,142
Development properties	18,686	–		18,686
Inventories	4,088	–		4,088
Non-current assets				
Other receivables	5,908	–		5,908
Available-for-sale-investment	2,500	–		2,500
Property, plant and equipment	1,136	(350)	(a)	786
Intangible asset	25	–		25
Deferred tax assets	166	–		166
Current liabilities				
Loans and borrowings	5,160	–		5,160
Trade payables	812	–		812
Provision for reinstatement obligation	450	–		450
Other payables	4,868	–		4,868
Income tax payable	9,744	–		9,744
Non-current liability				
Deferred tax liability	6,590	–		6,590
Capital, reserves and non-controlling interests				
Share capital	72,502	–		72,502
Asset revaluation reserve	3,090	(350)	(a)	2,740
Currency translation reserve	(3,812)	4,660	(b)	848
Statutory reserve	119	–		119
Accumulated profits (losses)	4,546	(4,660)	(b)	(114)
Non-controlling interests	6,168	–		6,168

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

(C) Impact on the Statement of Financial Position as at July 1, 2018 (date of initial application of SFRS (I) 9)

	As at June 30, 2018 reported under SFRS(I) $'000	Initial application of SFRS(I) 9 $'000	Note	As at July 1, 2018 reported under SFRS(I) $'000
Current assets				
Cash and bank balances	49,776	–		49,776
Trade receivables	2,400	–		2,400
Other receivables and prepayments	1,475	–		1,475
Financial assets at fair value through profit or loss	–	935	(c)	935
Available-for-sale-investment	935	(935)	(c)	–
Properties held for sale	23,142	–		23,142
Development properties	18,686	–		18,686
Inventories	4,088	–		4,088
Non-current assets				
Other receivables	5,908	–		5,908
Financial assets at fair value through profit or loss	–	2,500	(c)	2,500
Available-for-sale-investment	2,500	(2,500)	(c)	–
Property, plant and equipment	786	–		786
Intangible asset	25	–		25
Deferred tax assets	166	–		166
Current liabilities				
Loans and borrowings	5,160	–		5,160
Trade payables	812	–		812
Provision for reinstatement obligation	450	–		450
Other payables	4,868	–		4,868
Income tax payable	9,744	–		9,744
Non-current liability				
Deferred tax liability	6,590	–		6,590
Capital, reserves and non-controlling interests				
Share capital	72,502	–		72,502
Asset revaluation reserve	2,740	(213)	(c)	2,527
Currency translation reserve	848	–		848
Statutory reserve	119	–		119
Accumulated profits (losses)	(114)	213	(c)	99
Non-controlling interests	6,168	–		6,168

36 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

Notes to the reconciliations:

SFRS(I) 1

(a) The freehold land and building in Malaysia is measured at original historical cost less accumulated depreciation and impairment. Previously, it was measured at revaluation less accumulated depreciation and impairment. Impact to profit or loss is deemed not material.

(b) Management has taken up the optional exemption to zerorise the cumulative translation differences for all foreign operations at the date of transition to SFRS(I).

SFRS(I) 9

(c) The group's investments in redeemable convertible preference shares and quoted equity shares that were classified as available-for-sale investments under FRS 39 have been classified as financial assets at fair value through profit or loss (FVTPL).

(D) Impact on the Statement of Cash Flows for the year ended June 30, 2018 (last financial year reported under FRS)

The transition to SFRS(I) does not have impact on the consolidated statement of cash flows.

37 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and expected to have an impact to the group and the company in the periods of their initial application:

Effective for annual periods beginning on or after July 1, 2019

- SFRS(I) 16 *Leases.*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments.*
- Annual Improvements to SFRS(I)s 2015-2017 Cycle.

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption except for SFRS(I) 16 *Leases*.

SFRS(I) 16 *Leases*

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

Upon adoption of SFRS(I) 16, all non-cancellable lease obligations other than those which fall within the above exceptions, will be recognised as liabilities concurrently with the recognition of right of use of assets. Note 31 provides information on the non-cancellable lease obligations existing at June 30, 2019.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2019

Number of Shares in Issue	:	191,864,410
Class of shares	:	Ordinary shares
Voting rights	:	On a Poll: 1 vote for each ordinary share
Number of treasury shares	:	1,837,200
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 20 SEPTEMBER 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	151	5.65	3,901	0.00
100 – 1,000	760	28.43	494,443	0.26
1,001 – 10,000	1,057	39.54	4,568,135	2.38
10,001 – 1,000,000	684	25.59	48,186,979	25.12
1,000,001 and above	21	0.79	138,610,952	72.24
	2,673	100.00	191,864,410	100.00

TOP TWENTY HOLDERS OF SHARES AS AT 20 SEPTEMBER 2019

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	61,074,140	31.83
2	CHENG LIM KONG	9,469,450	4.94
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	8,350,985	4.35
4	TAN KOOI JIN	7,179,820	3.74
5	ANG CHENG LAM	6,843,340	3.57
6	HASSAN ISSA YAUNIS	5,562,300	2.90
7	OCBC SECURITIES PRIVATE LTD	5,243,850	2.73
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,783,200	2.49
9	RAFFLES NOMINEES (PTE) LIMITED	4,057,240	2.11
10	MAYBANK KIM ENG SECURITIES PTE LTD	3,427,140	1.79
11	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	3,240,000	1.69
12	KWAN CHEE SENG	2,990,500	1.56
13	STF INVESTMENTS LTD	2,914,580	1.52
14	DBS NOMINEES PTE LTD	2,301,788	1.20
15	ONG GIM LOO	1,973,400	1.03
16	LIM SEE YONG	1,880,800	0.98
17	MORPH INVESTMENTS LTD	1,683,900	0.88
18	CHIK CHOOI WAH	1,500,000	0.78
19	PHILLIP SECURITIES PTE LTD	1,431,739	0.75
20	TAN KAY TOH OR YU HEA RYEONG	1,409,880	0.73
	TOTAL:	137,318,052	71.57

Note: The percentages are computed based on 191,864,410 ordinary shares as at 20 September 2019.

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2019

	Direct Interest		Indirect Interest	
Name of substantial shareholders	No. of Shares	%	No. of Shares	%
KWAN CHEE SENG[1]	64,064,440	33.39	–	–

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 20 September 2019, approximately 61.10% of the issued shares of the Company was held in the hands 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.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Goh Lik Kok, Mr Mahtani Bhagwandas and Ms Kwan are the Directors seeking re-election at the forthcoming AGM of the Company to be convened on 25 October 2019 (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 AGM is disclosed below:

	MR GOH LIK KOK	**MR MAHTANI BHAGWANDAS**	**MS KWAN YU WEN**
Date of Appointment	6 November 2012	1 June 2013	13 February 2019
Date of last re-appointment	27 October 2016	26 October 2017	NA
Age	57	52	28
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 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 possess 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 possess 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 Ms Kwan for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Ms Kwan possess 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	Executive, responsible for the Group's business development

Note: NA – Not Applicable

	MR GOK LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Audit Committee, Member of the NC, RC and RMC	Independent Non-Executive Director, Chairman of the NC and RMC and, Member of the AC and RC.	Executive Director
Professional qualifications	Bachelor of Mechanical Engineering (Hons) Degree from National University of Singapore.	Bachelor of Laws (Hons) Degree from National University of Singapore.	Bachelor of Science (Economics) Degree from Singapore Management University.
Working experience and occupation(s) during the past 10 years	November 2016 to present: Service Consultant to NIPSEA Management Company 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 present: Partner of Legal Standard LLP.	January 2017 to February 2019: Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd and Consultant of GRP Limited. September 2015 to December 2016: Management Associate of GRP Limited.
Shareholding interest in the listed issuer and its subsidiaries	NA	252,000 ordinary shares in GRP Limited 42,840 ordinary shares in Starland Holdings Limited	NA

Note: NA – Not Applicable

	MR GOK LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
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	Ms Kwan is the daughter of Mr Kwan, Executive Director and Substantial Shareholder of GRP Limited.
Conflict of Interest (including any competing business)	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)	Resources Oil & Gas Pte Ltd.	Alliance Mineral Assets Limited SBI Offshore Limited GKE Corporation Limited Rock Solid S'pore Pte Ltd Solution Focused Pte Ltd Agrasol Pte Ltd Agrogo Inspections Pte Ltd Vertic Hydro Pte Ltd LegalStandard-Acies LLC Agrogo Market Pte Ltd Agrogo Trades Pte Ltd Good Lord Pte Ltd	NA

Note: NA – Not Applicable

	MR GOK LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
Present	NA	Agro Commtrade Pte Ltd Agrogo Logistics Pte Ltd Agrogo Secure Pte Ltd AP2KP Worldwide Pte Ltd Arcus Carriers Pte Ltd Azee Communications Pte Ltd Evergreen Global QSR Pte Ltd Filago Pte Ltd Fortis Bulkers Pte Ltd Ginger Pte Ltd Kraainem Holdings Pte Ltd Misha Pte Ltd Mikat Trading & Invesment Pte Ltd Phoenix Solar Pte Ltd Quantum Impex Pte Ltd Repsol Singapore Pte Ltd Superbound Invesment Inc Pte Ltd TBT Pte Ltd Homing Fu International Pte Ltd FVG Singapore Pte Ltd Kundanmals'Holdings Pte Ltd LegalStandard LLP Elsmore Martime Singapore Pte Ltd	VDH Land Sdn Bhd Multiple Lodge Sdn Bhd Amira Properties Sdn Bhd Accentvest Sdn Bhd Rumah Kami Sdn Bhd GRP Project Management Sdn Bhd Venture Credit Sdn Bhd

Note: NA – Not Applicable

		MR GOH LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
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.				
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
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of 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

		MR GOH LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
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 of 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
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

		MR GOH LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
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	No
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 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 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 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

		MR GOH LIK KOK	MR MAHTANI BHAGWANDAS	MS KWAN YU WEN
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	No

Disclosure applicable to the appointment of Directors only

	Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director
	If yes, please provide details of prior experience.	NA	NA	NA
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the exchange.	NA	NA	NA
	Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA	NA

Note: NA – Not Applicable

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that our Annual General Meeting of GRP Limited (the "**Company**") (the "**AGM**") will be held at Esplanade Room 1 and 2, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Friday, 25 October 2019 at 10.00 a.m. to transact the following businesses:

(A) ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019 together with the Directors' Statement and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax exempt (1-tier) dividend of $0.01 per share for the financial year ended 30 June 2019 [FY2018: $0.005]. **(Resolution 2)**

3. To approve the payment of Directors' fees amounting to $150,000.00 for the financial year ended 30 June 2019 [FY2018: $150,000.00]. **(Resolution 3)**

4. 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 Goh Lik Kok *[See Explanatory Note 1]* **(Resolution 4)**
   b. Mr Mahtani Bhagwandas *[See Explanatory Note 2]* **(Resolution 5)**

5. To re-elect Ms Kwan Yu Wen, who will be retiring by rotation pursuant to Regulation 88 of the Company's Constitution and who, being eligible, offer herself for re-election as Director of the Company.
[See Explanatory Note 3] **(Resolution 6)**

6. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions be as Ordinary Resolutions:

7. **Authority to Allot and Issue Shares**

   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 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 of the Company may in their absolute discretion deem fit; and

b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors of the Company, while this Resolution was in force, provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to the existing shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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) in the capital of the Company at the time this Resolution is passed, after adjusting for:

a) new Shares arising from the conversion or exercise of any 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) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

[See Explanatory Note 4] **(Resolution 8)**

8. **Authority to allot and issue shares pursuant to the GRP Performance Share Plan (the "Plan")**

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] **(Resolution 9)**

9. **Proposed Renewal of Share Buyback Mandate**

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 Singapore Exchange Securities Trading Limited (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 date of 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;

(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 or acquired, means the purchase price (excluding applicable brokerage, stamp duties, 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 after the relevant five-day period;

"**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

(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) **(Resolution 10)**

(C) TO TRANSACT ANY OTHER ORDINARY BUSINESS WHICH MAY BE PROPERLY TRANSACTED AT AN ANNUAL GENERAL MEETING

By Order of the Board

Selena Leong
Company Secretary
Singapore
10 October 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. **Resolution 4**

   Mr Goh Lik Kok will, upon re-election continues to hold office as Independent Non-Executive Director of the Company and remains as the Chairman of the Audit Committee; and member of the Nominating, Remuneration and Risk Management Committees respectively. The Board of Directors has considered him to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. He has no relationships including immediate family relationship with each of the other Directors of the Company, the Company or its 10% shareholders. Detailed information of Mr Goh can be found under "Board of Directors", "Corporate Information" and "Report on Corporate Governance" in the Company's Annual Report 2019.

2. **Resolution 5**

   Mr Mahtani Bhagwandas will, upon re-election continues to hold office as Independent Non-Executive Director of the Company and remains as the Chairman of the Nominating and Risk Management Committees; and member of the Audit and Remuneration Committees respectively. The Board of Directors has considered him to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. He has no relationships including immediate family relationship with each of the other Directors of the Company, the Company or its 10% shareholders. Detailed information of Mr Mahtani can be found under "Board of Directors", "Corporate Information" and "Report on Corporate Governance" in the Company's Annual Report 2019.

3. **Resolution 6**

   Ms Kwan Yu Wen will, upon re-election remains as Executive Director of the Company.

4. **Resolution 8**

   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 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. Resolution 9

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. Resolution 10

Ordinary Resolution 10 proposed in item 9 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 Addendum accompanying this notice.

Notes:

I. a) Except for a shareholder who is a Relevant Intermediary, a shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a shareholder appoints more than one (1) proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.

b) Pursuant to Section 181(1C) of the Act, a shareholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Act.

II. Each of the resolutions to be put to the vote of shareholders at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

III. A proxy need not be a member of the Company.

IV. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

V. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time set for the AGM.

VI. A Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the AGM.

VII. A shareholder should insert the total number of shares held. If the shareholder has shares entered against his name in the Depository Register as defined under the Securities and Futures Act, Chapter 289 of Singapore, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the shareholder has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the shareholder of the Company.

VIII. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 the instrument appointing a proxy or proxies. In addition, in the case of shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such shareholders are not shown to have shares entered against their names in the Depository Register 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 a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

GRP LIMITED

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

IMPORTANT:-

1. A relevant intermediary as defined in Section 181(6) of the Companies Act, Chapter. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy GRP Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 October 2019.

I/We, ______________________ (Name) ______________________ (NRIC/Passport No./ Company Registration No.) of ______________________ (Address) being a member/members of GRP LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our proxy/ proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM to be held at Esplanade Room 1 and 2, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Friday, 25 October 2019 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the AGM.)

ORDINARY BUSINESS		**For**	**Against**
Resolution 1	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019 together with the Directors' Statement and the Auditor's Report thereon		
Resolution 2	To declare a final tax exempt (1-tier) dividend of $0.01 per ordinary share		
Resolution 3	To approve the payment of Directors' fees amounting to $150,000.00 for the financial year ended 30 June 2019		
Resolution 4	To re-elect Mr Goh Lik Kok as a Director of the Company		
Resolution 5	To re-elect Mr Mahtani Bhagwandas as a Director of the Company		
Resolution 6	To re-elect Ms Kwan Yu Wen as a Director of the Company		
Resolution 7	To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
SPECIAL BUSINESS			
Resolution 8	Authority to allot and issue shares		
Resolution 9	Authority to allot and issue shares pursuant to the GRP Performance Share Plan		
Resolution 10	Proposed Renewal of Share Buyback Mandate		

Dated this ______________ day of ______________ 2019.

Total Number of Shares held in :	
CDP Register	
Register of Members	

____

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

Important: Please read notes overleaf

NOTES:
IMPORTANT

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore (the "**Act**")), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) Except for a shareholder who is a Relevant Intermediary, a shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a shareholder appoints more than one (1) proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.

   (b) Pursuant to Section 181(1C) of the Act, a shareholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Act.

3. Each of the resolutions to be put to the vote of shareholders at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

4. A proxy need not be a shareholder of the Company.

5. Where a member appoints two proxies, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time set for the general meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or a duly authorised officer.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. A corporation which is a member may authorise by 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 Act.

10. Completion and return of this instrument appointing a proxy or proxies shall not preclude a shareholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a shareholder attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

11. Investor who buys shares in the Company using CPF monies and/or SRS monies (as may be applicable) ("**CPF/SRS investor**") may attend and cast his vote(s) at the AGM in person. CPF/SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CORPORATE INFORMATION

Board of Directors

Mr Teo Tong How
Chairman, Independent
Non-Executive Director

Mr Kwan Chee Seng
Executive Director

Ms Kwan Yu Wen
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 Selena Leong Siew Tee

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
Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Tel : 6224 8288
Fax: 6538 6166

Audit Partner
Ms Seah Gek Choo
(Appointed with effect from
the financial year ended
30 June 2015)

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
www.grp.com.sg