

GRP LIMITED



Company No.197701449C

Full Year Financial Statement And Dividend Announcement for the Financial Year ended 30 June 2020

GRP LIMITED

Full Year Financial Statement And Dividend Announcement for the period ended 30/06/2020

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

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

	GROUP		
	\$'000		% Increase/ (decrease)
	12 months ended 30/06/2020	12 months ended 30/06/2019	
Revenue	18,410	32,087	(42.6)
Cost of sales	(12,972)	(26,108)	(50.3)
Gross profit	5,438	5,979	(9.0)
Other losses	(530)	(3,567)	(85.1)
Other operating income	1,194	1,121	6.5
Distribution costs	(1,928)	(2,123)	(9.2)
Administrative expenses	(6,179)	(5,359)	15.3
Finance costs	(215)	(165)	30.3
Share of result of associates	(9)	(9)	-
Loss before income tax expense	(2,229)	(4,123)	(45.9)
Income tax expense	(351)	(583)	(39.8)
Loss for the year	(2,580)	(4,706)	(45.2)
Other comprehensive loss, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss -</i>			
Fair value loss on available-for-sale investment	-	-	-
Exchange differences on translation of foreign operations	(315)	(2,407)	(86.9)
Other comprehensive (loss)/income for the year, net of tax	(315)	(2,407)	(86.9)
Total comprehensive (loss)/income for the year	(2,895)	(7,113)	(59.3)
(Loss)/Profit attributable to:			
Owners of the company	(2,287)	(4,738)	(51.7)
Non-controlling interests	(293)	32	NM
	(2,580)	(4,706)	(45.2)
Total comprehensive (loss)/income attributable to:			
Owners of the company	(2,602)	(7,145)	(63.6)
Non-controlling interests	(293)	32	NM
	(2,895)	(7,113)	(59.3)

* NM - not meaningful

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

	GROUP	
	\$'000	
	12 months ended 30/06/2020	12 months ended 30/06/2019
Depreciation and amortisation	(228)	(204)
Depreciation of right-of-use assets	(990)	-
Write back of provision for inventories	31	41
Write back of impairment loss on properties held for sale	485	1,746
Write back of doubtful trade receivables	10	-
Allowance for doubtful trade receivables	(1)	(20)
Write back of doubtful non-trade receivables	62	186
Net foreign currency exchange adjustment loss	(200)	(197)
Net loss on financial assets measured at fair value through profit or loss	-	(733)
Impairment loss on development properties	(117)	(2,784)
Impairment of goodwill arising from acquisition of subsidiaries	(413)	-
Loss on disposal of financial assets measured at fair value through profit or loss	-	(50)
Interest expenses	(186)	(122)
Gain/(loss) on disposal of property, plant and equipment	26	(12)
Interest income	763	923
Rental and services income	14	11
Other income	417	187
Tax expenses		
- current period	(351)	(581)
- Adjustment for over provision of tax in respect of prior years	-	(2)

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

	GROUP		COMPANY	
	\$'000		\$'000	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
ASSETS				
Current assets				
Cash and bank balances	44,000	56,626	16,898	23,178
Trade receivables	2,199	2,696	3,718	2,885
Loan receivables	2,832	-	-	-
Other receivables & prepayments	5,433	1,416	49,584	44,595
Inventories	6,442	4,666	-	-
Properties held for sale	8,189	11,014	-	-
Development properties	7,734	5,084	-	-
Development property expenditure	469	260	-	-
Total current assets	77,298	81,762	70,200	70,658
Non-current assets				
Other receivables	4,331	8,850	-	-
Fair value through profit or loss	2,500	2,500	2,500	2,500
Investment in subsidiaries	-	-	7,051	7,051
Associates	157	16	-	-
Deferred tax assets	553	289	-	-
Intangible asset	32	31	25	25
Right-of-use assets	2,313	-	826	-
Property, plant and equipment	1,212	680	67	118
Total non-current assets	11,098	12,366	10,469	9,694
Total assets	88,396	94,128	80,669	80,352
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	-	900	-	-
Trade payables	1,366	1,221	7	19
Lease liabilities	718	-	260	-
Other payables	3,953	4,192	1,009	1,112
Amount due to non-controlling interests	1,036	-	-	-
Income tax payable	8,679	9,726	49	49
Total current liabilities	15,752	16,039	1,325	1,180
Non-current liabilities				
Deferred tax liabilities	5,207	4,923	-	-
Lease liabilities	1,571	-	579	-
Total non-current liabilities	6,778	4,923	579	-
Capital and reserves				
Share capital	72,502	72,502	72,502	72,502
Treasury shares	(2,343)	(294)	(2,343)	(294)
Statutory reserve	245	245	-	-
Currency translation reserve	(1,874)	(1,559)	-	-
Accumulated (losses)/ profits	(7,373)	(3,207)	8,606	6,964
Equity attributable to owners of the company	61,157	67,687	78,765	79,172
Non-controlling interests	4,709	5,479	-	-
Total equity	65,866	73,166	78,765	79,172
Total liabilities and equity	88,396	94,128	80,669	80,352

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

Amount repayable in one year or less, or on demand

Group			
As at 30/06/2020		As at 30/06/2019	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	900	-

Amount repayable after one year

Group			
As at 30/06/2020		As at 30/06/2019	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Money Market Loan

The Group has a Money Market Loan ("MML") of \$900,000 from United Overseas Bank for general working capital purposes. The \$900,000 loan was fully repaid during year ended 30 June 2020.

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

	The Group	
	\$'000	
	12 months ended 30/06/2020	12 months ended 30/06/2019
Operating activities:		
Loss before income tax	(2,229)	(4,123)
Adjustments for:		
Depreciation and amortisation	228	204
Depreciation of right-of-use assets	990	-
Net loss on financial assets measured at fair value through profit or loss	-	733
Interest income	(763)	(923)
Interest expenses	186	122
(Gain) Loss on disposal of property, plant and equipment	(26)	12
Loss on disposal of financial assets measured at fair value through profit or loss	-	50
Write back for inventories	(31)	(41)
Write back of impairment loss on properties held for sale	(485)	(1,746)
Write back of doubtful trade receivables	(10)	-
Write back of doubtful non-trade receivables	(62)	(186)
Allowance for doubtful trade receivables	1	20
Impairment loss on development properties	117	2,784
Impairment on goodwill arising from acquisition of subsidiaries	413	-
Unrealised foreign exchange loss	(200)	(2,156)
Share of result of associates	9	9
Operating cash flows before movements in working capital	(1,862)	(5,241)
Trade receivables	586	(316)
Loan receivables	(1,009)	-
Other receivables & prepayments	688	(2,697)
Inventories	(1,742)	(530)
Properties held for sale	3,310	14,578
Development properties	(2,825)	11,664
Development property expenditures	(208)	-
Trade payables	118	409
Other payables	(323)	(1,126)
Amount due to non-controlling interests	711	-
Cash (used in)/generated from operating activities	(2,556)	16,741
Income taxes paid	(1,532)	(1,993)
Net cash (used in)/generated from operating activities	(4,088)	14,748
Investing activities:		
Proceeds from disposal of property, plant and equipment	43	26
Proceeds from disposal of financial assets measured at fair value through profit or loss	-	148
Purchase of property, plant and equipment	(598)	(77)
Payment for club membership	-	(6)
Acquisition of subsidiaries	(653)	(1,288)
Investment in associate	(2)	(25)
Interest received	763	923
Net cash used in investing activities	(447)	(299)
Financing activities:		
Share buy-back	(2,049)	(294)
Interest paid	(186)	(122)
Dividends paid	(2,583)	(1,690)
Repayment of bank loans	(900)	(4,470)
New Loan	-	210
Payment of lease liabilities	(1,030)	-
Increase in restricted bank balances (Note 1)	(5,421)	-
Decrease in bank deposits pledged	2,104	920
Net cash used in financing activities	(10,065)	(5,446)
Net (decrease)/increase in cash and cash equivalents	(14,600)	9,003
Cash and cash equivalents at beginning of year	54,522	46,752
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,343)	(1,233)
Cash and cash equivalents at end of year (Note 2)	38,579	54,522

Note 1 - Restricted bank balances

The amount related to bank balances of 3 PRC subsidiaries frozen by the Bank of China and Industrial and Commercial Bank of China as announced by the Company on 21 June 2020, 22 June 2020, 25 June 2020, 29 June 2020, 3 August 2020 and 4 August 2020.

Note 2 - Cash and cash equivalents is derived from:

	The Group	
	\$'000	
	12 months ended 30/06/2020	12 months ended 30/06/2019
Cash and bank balances	44,000	56,626
Less: Pledged cash placed with bank	-	(2,104)
Less: Restricted bank balances (Note 1)	(5,421)	-
	38,579	54,522

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

Group	Share capital	Treasury Shares	Asset revaluation reserve	Statutory reserve	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interests	Total
\$'000									
Latest Period									
Balance at 1/07/2019	72,502	(294)	-	245	(1,559)	(3,207)	67,687	5,479	73,166
<i>Total comprehensive income for the year</i>									
- (Loss)/ Profit for the year	-	-	-	-	-	(2,287)	(2,287)	(293)	(2,580)
- Other comprehensive income/(loss) for the year	-	-	-	-	(315)	-	(315)	-	(315)
<i>Transactions with owner, recognised directly in equity</i>									
- Acquisition of subsidiaries								227	227
- Share buy-back held as treasury shares	-	(2,049)	-	-	-	-	(2,049)	-	(2,049)
- Dividend paid	-	-	-	-	-	(1,879)	(1,879)	(704)	(2,583)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Balance at 30/06/2020	72,502	(2,343)	-	245	(1,874)	(7,373)	61,157	4,709	65,866
Previous Corresponding Period									
Balance at 1/07/2018	72,502		3,090	119	(3,812)	4,546	76,445	6,168	82,613
Impact on adoption of SFRS(I) 1	-	-	(350)	-	4,660	(4,660)	(350)	-	(350)
Impact on adoption of SFRS(I) 9	-	-	(213)	-	-	213	-	-	-
Restated balance at 1/07/2018	72,502	-	2,527	119	848	99	76,095	6,168	82,263
<i>Total comprehensive income for the year</i>									
- 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	-	-	-
<i>Transactions with owner, recognised directly in equity</i>									
- Share buy-back held as treasury shares	-	(294)	-	-	-	-	(294)	-	(294)
- Dividend paid	-	-	-	-	-	(969)	(969)	(721)	(1,690)
Transfer to statutory reserve	-	-	-	126	-	(126)	-	-	-
Balance at 30/06/2019	72,502	(294)	-	245	(1,559)	(3,207)	67,687	5,479	73,166

The Company	Share capital	Treasury Shares	Asset revaluation reserve	Accumulated profits	Total
\$'000					
Latest Period					
Balance at 1/07/2019	72,502	(294)	-	6,964	79,172
<i>Total comprehensive income for the year , represented by</i>					
- (Loss)/ Profit for the year	-	-	-	3,521	3,521
- Transfer of revaluation surplus arising from the derecognition of building	-	-	-	-	-
<i>Transactions with owner, recognised directly in equity</i>					
- Share buy-back held as treasury shares	-	(2,049)	-	-	(2,049)
- Dividend paid	-	-	-	(1,879)	(1,879)
Balance at 30/06/2020	72,502	(2,343)	-	8,606	78,765
Previous Corresponding Period					
Balance at 1/07/2018	72,502	-	2,740	2,156	77,398
Impact of adoption of SFRS(I) 9	-	-	(213)	213	-
Restated balance at 1/07/2018	72,502	-	2,527	2,369	77,398
<i>Total comprehensive income for the year , represented by</i>					
- Profit for the year	-	-	-	3,037	3,037
- Transfer of revaluation surplus arising from the derecognition of building	-	-	(2,527)	2,527	-
<i>Transactions with owners, recognised directly in equity</i>					
- Share buy-back held as treasury shares	-	(294)	-	-	(294)
- Dividend paid	-	-	-	(969)	(969)
Balance at 30/06/2019	72,502	(294)	-	6,964	79,172

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

Share Capital	12 months ended 30/06/2020	12 months ended 30/06/2019		12 months ended 30/06/2020	12 months ended 30/06/2019
	No of ordinary shares	No of ordinary shares		S\$	S\$
Issued and paid up: At 1 July	193,701,610	193,701,610		72,501,544	72,501,544
At 30 June	193,701,610	193,701,610		72,501,544	72,501,544

Treasury Shares	12 months ended 30/06/2020	12 months ended 30/06/2019		12 months ended 30/06/2020	12 months ended 30/06/2019
	No of Treasury Shares			S\$	S\$
At 1 July	1,707,200	-		293,761	-
Share buy-back	11,536,400	1,707,200		2,049,405	293,761
At 30 June	13,243,600	1,707,200		2,343,166	293,761

The Company bought back 11,536,400 shares by way of market acquisition during the year ended 30 June 2020. All the shares acquired are held as treasury shares. The Company has 13,243,600 treasury shares as at 30 June 2020 (30 June 2019: 1,707,200).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	12 months ended 30/6/2020	12 months ended 30/6/2019
	No of ordinary shares	
At 1 July	191,994,410	193,701,610
Share buy-back	(11,536,400)	(1,707,200)
Total number of issued shares	180,458,010	191,994,410

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon.

Treasury Shares	12 months ended 30/6/2020
At 1 July	1,707,200
Share buy-back	11,536,400
At 30 June	13,243,600

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company has no subsidiary holdings as at 30 June 2020.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not applicable to the Company, however, Starland Holdings Limited ("**Starland**"), its 83.17% indirectly owned subsidiary had an "except for" qualified opinion from its auditor, Messrs Ernst & Young LLP for its financial statements ended 31 December 2019. The basis for the qualified opinion is in relation to the various fund transfers payment made by certain subsidiaries of Starland in People's Republic of China ("**PRC**") to unrelated third-party PRC entities and also fund transfers received by Singapore subsidiary of Starland from a Singapore licensed remittance agent during the financial year.

Starland has obtained a legal opinion from a PRC legal counsel, which opined that the transfer of RMB funds from the subsidiaries in PRC to certain unrelated PRC entities did not contravene any PRC laws or regulations. Further, the arrangement relating to the transfer of the SGD funds was done via a Singapore remittance agent licensed by the Monetary Authority of Singapore ("**MAS**"). Subsequently, Starland also obtained a legal opinion from a Singapore lawyer and they have opined that the transactions complied with all regulations issued by the MAS.

On 19 June 2020, Starland became aware that the Bank of China and the Industrial and Commercial Bank of China, had frozen the bank accounts of Chongqing Tianhu Land Co Ltd and Chongqing Gangyuan Property Development Co Ltd, 2 of Starland's wholly owned subsidiaries in PRC. The 2 subsidiaries has appointed a Legal Counsel ("Counsel") in the PRC to pursue a resolution of the matter. The Counsel has initiated communications with the banks and was referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province, Xi'an City, PRC. The Counsel then approached the OIC who requested for supporting documents relating to certain payments made in the PRC. Management is in the process of collating such requested documents for submission to the OIC. Management intends to co-operate fully with the OIC to resolve the matter expeditiously.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as that of the audited financial statements for the year ended 30 June 2019, except for the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 on Leases applicable for the financial year beginning 1 July 2019.

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

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for leasees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group and the Company have applied SFRS(I) 16 using the cumulative catch-up approach which requires the Group and the Company to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application and does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 and SFRS(I) INT 4.

On 1 July 2019, the Group recognised right-of-use assets of \$2.9 million and lease liabilities of \$2.9 million. There is no material impact on the opening retained earning.

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

	12 months ended 30/06/2020	12 months ended 30/06/2019
Earnings per ordinary share attributable to the owners of the company for the year		
(i) Based on weighted average number of ordinary share in issue (Cents)	(1.22)	(2.45)
(ii) On a fully diluted basis (Cents)	(1.22)	(2.45)
Computed based on the following weighted average number of shares		
(i) Basic	187,357,933	193,507,657
(ii) Diluted	187,357,933	193,507,657

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

	30/06/2020	30/06/2019
	Cents	
The Group	33.89	35.25
The Company	43.65	41.24

Net asset value per share attributable to the owners of the company is calculated based on 180,458,010 (30 June 2019: 191,994,410) ordinary shares issued at the end of the current year under review and of the immediately preceding financial year.

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

The Group revenue of \$18.4 million for year ended 30 June 2020 ("FY2020"), is 42.6% lower than the \$32.1 million revenue compared to the previous corresponding year ended 30 June 2019 ("FY2019"). Revenue for the Group's Property segment decreased by \$12.0 million (79.0%) from \$15.2 million in FY2019 and revenue for the Group's Measuring Instrument segment decreased by \$1.8 million (12.6%) from \$14.2 million in FY2019. These decreases are slightly offset by a \$0.1 million revenue generated by the newly acquired Financial Solutions segment. Revenue for the Group's Hose & Marine segment remained consistent at \$2.7 million.

The Property segment sold 8 residential units and 62 car park lots in Chongqing, PRC and no sales were recorded in Singapore during the year ended 30 June 2020 as compared to sale of 1 unit of semi-detached house in Singapore and sale of 26 residential units, 7 shop units and 43 car park lots in Chongqing, PRC during the year ended 30 June 2019. The decrease in Measuring Instrument segment revenue is largely due to reduction in capital spending by manufacturing customers in view of the uncertain global market outlook.

The Group's gross profit decreased by 9.0% to \$5.4 million in FY2020 from \$6.0 million in FY2019. Gross profit for Measuring Instrument segment decreased by \$0.6 million in FY2020 as compared to FY2019. This is in line with the lower Measuring Instrument revenue in FY2020. Gross profit for Hose and Marine segment decreased by \$0.2 million in FY2020 as compared to FY2019. This is mainly due to a change in product mix with lower margin hoses comprising a higher proportion of sales in FY2020. Notwithstanding the lower revenue for property segment in FY2020, gross profit for this segment improved by \$0.1 million. The gross profit for Property segment is after adjustment to restate the cost of properties sold from historical cost to fair value as the properties held for sale had been fair valued at date of acquisition of Starland. The newly acquired Financial Solutions segment has contributed a \$0.1 million gross profit in FY2020.

Other losses of \$0.5 million for FY2020 are due to a \$0.1 million impairment loss on development properties in Malaysia and \$0.4 million impairment on goodwill arising from the acquisition of subsidiaries. The FY2019 other losses of \$3.6 million was due to a \$2.8 million impairment loss on development properties in Chongqing, PRC and a \$0.7 million net loss on financial assets measured at fair value through profit or loss. The financial assets measured at fair value through profit or loss had been fully impaired in FY2019.

Other operating income increased by \$0.1 million to \$1.2 million in FY2020 from \$1.1 million in FY2019. The increase is mainly due to the receipt of Job Support Scheme from the Singapore Government in FY2020.

Distribution costs decreased by \$0.2 million to \$1.9 million in FY2020 from \$2.1 million in FY2019. The decrease is in accordance with the lower revenue generated in FY2020.

Administrative expenses increased by \$0.8 million to \$6.2 million in FY2020 from \$5.4 million in FY2019. The increase is mainly due to a higher payroll cost resulting from the newly acquired Financial Solutions segment, new Executive Director appointed on 13 February 2019 and non-recurring write back of bonus provision in FY2019.

Finance costs increased by 30.3% to \$0.2 million in FY2020 from \$0.1 million in FY2019. The increase is due to higher interest expenses resulting from the adoption of SFRS(I) 16 on leases in FY2020.

Consequently, the Group incurred a loss before tax of \$2.2 million in FY2020 as compared to a loss before tax of \$4.1 million in FY2019.

Statement of financial position and Statement of cashflows

The Group's financial position remains healthy with current ratio of around 4.9 times at the end of June 2020 ("FY2020") as compared to 5.1 times at the end of June 2019 ("FY2019"). As at 30 June 2020, the Group had cash and bank balances, inclusive of restricted bank balances, amounting to \$44.0 million. This is \$12.6 million lower than the balances as at 30 June 2019. The decrease is largely due to \$4.1 million net cash used in operating activities and \$10.1 million net cash used in financing activities.

The \$4.1 million net cash used in operating activities mainly consisted of \$1.9 million cash utilised in operating activities before movements in working capital and \$2.8 million used to acquired 2 pieces of land in Ipoh, Malaysia during year ended 30 June 2020. The \$10.1 million net cash used in financing activities mainly comprised \$2.0 million share buyback, \$2.6 million dividend paid by the Company and its 83.17% indirectly owned subsidiary, Starland and \$5.4 million bank balances in PRC frozen by the PRC authorities, (please refer to the Company's announcements on 21 June 2020, 22 June 2020, 25 June 2020, 29 June 2020, 3 August 2020 and 4 August 2020 for details).

Trade receivables decreased by \$0.5 million from \$2.7 million in FY2019 to \$2.2 million in FY2020. This is mainly due to lower revenue generated in FY2020 as compared to FY2019.

Loan receivables of \$2.8 million as at 30 June 2020 relate to loans granted by the newly acquired Financial Solutions segment to third party customers in Malaysia.

Other receivables & prepayment increased from \$1.4 million as at 30 June 2019 to \$5.4 million as at 30 June 2020. The increase is largely due to reclassification of \$3.9 million (RMB20 million) repossession value receivable from People's Government of Kaiping District, Tangshan City, PRC, pertaining to the repossession of the development property in Tangshan City, PRC, from long term receivable to current receivable as the amount is to be received no later than 31 December 2020.

Inventory increased by \$1.8 million from \$4.7 million in FY2019 to \$6.4 million in FY2020. The increase is mainly due to the build up of inventory by Measuring Instrument segment so as to take advantage of volume discount in FY2020.

Properties held for sale decreased by \$2.8 million in FY2020 as compared to FY2019. The decrease is largely due to sale of residential and car park units during the year under review.

Development properties increased by \$2.7 million in FY2020 as compared to FY2019. The increase is mainly due to purchase of 2 plots of land in Ipoh, Malaysia in August 2019, partially offset by an impairment loss of \$0.1 million on the 3 plots of land in Malaysia as at 30 June 2020. As at 30 June 2020, the Group has a total of 4 plots of land, with 3 plots in Malaysia and 1 plot in Chongqing, PRC.

Development property expenditure of \$0.5 million as at 30 June 2020 pertained to expenditures incurred by Multiple Lodge Sdn Bhd, a 67.5% indirectly owned subsidiary in Ipoh, Malaysia on a development project in Ipoh, Malaysia.

Long term other receivable decreased from \$8.9 million as at 30 June 2019 to \$4.3 million as at 30 June 2020. The decrease is due to reclassification of \$3.9 million (RMB20 million) from long term other receivable to current other receivable as explained above.

Right-of-use assets of \$2.3 million as at 30 June 2020 pertained to the recognition of operating leases as right-of-use assets, resulting from the adoption of SFRS(I) 16 on leases in the year under review.

Property, plant and equipment increased by \$0.5 million from \$0.7 million as at 30 June 2019 to \$1.2 million as at 30 June 2020. The increase is mainly due to renovation of office in Ipoh, Malaysia and the newly acquired Financial Solutions segment during FY2020.

Bank loan of \$0.9 million was fully repaid during FY2020.

Current portion of lease liabilities of \$0.7 million and non-current portion of lease liabilities of \$1.6 million as at 30 June 2020 is a result of the adoption of SFRS(I) 16 on leases in FY2020.

Amount due to non-controlling interests of \$1.0 million pertained to Financial Solutions segment.

Income tax payable decreased by \$1.0 million from \$9.7 million in FY2019 to \$8.7 million in FY2020. This is mainly due to the weaker performance in FY2020 as compared to FY2019.

Net of deferred tax payable and deferred tax assets of \$4.7 million as at 30 June 2020 is an increase of \$0.1 million as compared to balance of \$4.6 million as at 30 June 2019.

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

No forecast or prospect statement has been issued previously.

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

The COVID-19 pandemic since January 2020 has adversely impacted all the business segments of the Group. Business outlook for the next 12 months is expected to continue to be challenging.

As announced by the Company on 21 June 2020, 22 June 2020, 25 June 2020, 29 June 2020, 3 August 2020 and 4 August 2020, the Bank of China and Industrial and Commercial Bank of China have frozen the bank accounts of 3 PRC subsidiaries ("**Subsidiaries**"). The 3 Subsidiaries are Tangshan GRP Trading Co Ltd ("**Tangshan GRP**") (indirectly wholly owned subsidiary of the Group), Chongqing Tianhu Land Co Ltd and Chongqing Gangyuan Property Development Co Ltd (the "**Chongqing Subsidiaries**") (83.17% indirectly owned subsidiaries of the Group). The Chongqing Subsidiaries have appointed a Legal Counsel ("**Counsel**") in the PRC to pursue a resolution of the matter. The Counsel and the management of Tangshan GRP had initiated communications with the banks and was referred to an officer-in-charge ("**OIC**") of the case in Yan Ta police station, Shanxi Province, Xi'an City, PRC. The Counsel and the management of Tangshan GRP then approached the OIC who requested for supporting documents relating to certain payments made in the PRC. Management is in the process of collating such requested documents for submission to the OIC. Management intends to co-operate fully with the OIC to resolve the matter expeditiously.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

Name of Dividend	Not Applicable
Dividend Type	Not Applicable
Dividend Rate	Not Applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

No dividend is declared for year ended 30 June 2020.

The Company does not have a formal dividend policy. In view of the weak market conditions and the recent venture into Financial Solutions business, the Company will be preserving its cash balances.

13. Interested person transactions

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

Interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the year ended 30 June 2020 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Luminor Capital Pte Ltd - Rental expenses recovered	239,696	-

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

As at the date of this announcement, the status of the use of net proceeds from the rights shares is as below.

Use of Net Proceeds	Allocation of Net Proceeds \$'000	Net Proceeds utilised as at the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'000
<u>2013 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	28,000	(28,000)	-
- General working capital	5,000	(1,504)	3,496
	33,000	(29,504)	3,496
Proceeds from exercise of warrants:			
- Proposed new business	8,974	(8,974)	-
Total	41,974	(38,478)	3,496
Breakdown of general working capital is as follows:			
Rental expenses		(34)	
Professional fees		(125)	
General administrative expenses		(1,345)	
Total		(1,504)	
<u>2016 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	12,348	(6,372)	5,976
- General working capital	841		841
	13,189	(6,372)	6,817
Proceeds from exercise of warrants:			
- Proposed new business	6		6
Total	13,195	(6,372)	6,823

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

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

(I) Business Segments

S\$'000	Hose & Marine		Measuring instruments / metrology		Property		Financial Solutions		Inter-segment elimination		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue												
External sales	2,692	2,706	12,422	14,218	3,189	15,163	107	-	-	-	18,410	32,087
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	2,692	2,706	12,422	14,218	3,189	15,163	107	-	-	-	18,410	32,087
Result												
Segment gross contribution	1,079	1,243	3,957	4,525	296	211	106	-	-	-	5,438	5,979
Other losses	-	-	-	-	(117)	(3,567)	(413)	-	-	-	(530)	(3,567)
Other operating income	71	57	196	90	927	974	-	-	-	-	1,194	1,121
Direct expenses	(1,325)	(1,134)	(2,250)	(2,408)	(2,007)	(2,077)	(520)	-	-	-	(6,102)	(5,619)
Segment net contribution	(175)	166	1,903	2,207	(901)	(4,459)	(827)	-	-	-	-	(2,086)
Direct expenses - Corporate											(2,220)	(2,028)
Loss before income tax											(2,220)	(4,114)
Share of result of associate											(9)	(9)
Income tax expense											(351)	(583)
Loss for the year											(2,580)	(4,706)

(I) Business Segments

S\$'000	Hose & Marine		Measuring instrument		Property		Financial Solutions		Inter-segment elimination		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Other information												
Segment Assets	3,665	2,377	9,891	10,376	49,809	55,429	4,496	-	-	-	67,861	68,182
Inter-segment assets	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated corporate assets											20,535	25,946
Consolidated total assets											88,396	94,128
Segment liabilities	1,773	192	1,332	1,448	15,806	18,142	1,717	-	-	-	20,628	19,782
Inter-segment liabilities	3,892	2,874	1,586	2,131	48,038	42,760	-	-	(53,516)	(47,765)	-	-
Unallocated corporate liabilities											1,902	1,180
Consolidated total liabilities											22,530	20,962
Capital expenditure	102	39	14	15	223	23	259	-	-	-	598	77
Depreciation and amortisation	318	37	170	46	655	121	75	-	-	-	1,218	204
Corporate expenses -write back of allowance for doubtful non-trade receivables	-	-	-	-	-	-	-	-	-	-	(62)	(186)
Allowance/(writeback of) for inventories	(22)	34	(9)	(75)	-	-	-	-	-	-	(31)	(41)
Net loss on financial assets measured at fair value through profit or loss - unallocated assets	-	-	-	-	-	-	-	-	-	-	-	733
Impairment loss on development properties	-	-	-	-	117	2,784	-	-	-	-	117	2,784
Impairment on goodwill arising from consolidation	-	-	-	-	-	-	(413)	-	-	-	(413)	-
Writeback of impairment loss on properties held for sale	-	-	-	-	(485)	(1,746)	-	-	-	-	(485)	(1,746)

(II) Geographical segments by location of customers

S\$'000	Revenue		Total non-current assets	
	2020	2019	2020	2019
Singapore	7,694	14,612	4,930	2,898
Malaysia	5,784	6,407	1,545	335
Myanmar	1	12	-	-
Indonesia	935	983	-	-
Other ASEAN countries	109	113	-	-
Other Asia countries	501	833	-	-
Middle Eastern countries	30	57	-	-
People's Republic of China	3,275	8,806	4,623	9,133
Others	81	264	-	-
Total	18,410	32,087	11,098	12,366

Information about major customers

In 2020 and 2019, no single customer contributed to more than 10% of the group's total revenue.

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

Explained in paragraph 8.

17. A breakdown of sales

	GROUP		
	S\$'000		% increase/ (decrease)
	12 months ended 30/06/2020	12 months ended 30/06/2019	
1. Sales reported for the first half year	9,903	18,955	(47.76)
2. (Loss)/Profit after income tax before deducting dividend for the first half year	(612)	(1,043)	(41.32)
3. Sales reported for the second half year	8,507	13,132	(35.22)
4. Profit/(Loss) after income tax before deducting dividend for the second half year	(1,968)	(3,663)	(46.27)

Note:

NM - Not meaningful.

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

Total Annual Dividend

S\$'000	Latest Full Year	Previous Full Year
Ordinary	1,879	969
Preference	-	-
Total:	1,879	969

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

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Kelvin Kwan Chee Hong	67	Brother of Mr Kwan Chee Seng, Executive Director/ Substantial Shareholder of GRP Limited	General Manager of Starland Holdings Limited Date of appointment: 18 Feb 2016	Kelvin Kwan is appointed as General Manager of Starland Holdings Limited with effect from 18 Feb 2016. Prior to this appointment, Kelvin was the General Manager of Property Division, GRP Limited since 1 Jan 2014.
Kwan Yu Wen	29	Daughter of Mr Kwan Chee Seng. Executive Director/ Substantial Shareholder of GRP Limited	Executive Director of GRP Limited Date of appointment: 13 Feb 2019	Yu Wen is appointed as Executive Director of GRP Limited with effect from 13 Feb 2019. Prior to this appointment, Yu Wen was a Consultant to GRP Limited since 1 Jan 2017.
Elissa Kwan Ru Hui	26	Daughter of Mr Kwan Chee Seng. Executive Director/ Substantial Shareholder of GRP Limited Sister of Ms Kwan Yu Wen, Executive Director of GRP Limited	Management Executive of GRP Limited Date of appointment: 1 Mar 2019	Not Applicable

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

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

BY ORDER OF THE BOARD
Kwan Chee Seng
Executive Director
23 October 2020