

**GRP LIMITED**

(Company Registration Number 197701449C)

(Incorporated in the Republic of Singapore)

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**MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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The Board of Directors of GRP Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 30 June 2017 (“**FY2017**”) released on 18 August 2017 (“**Unaudited Results**”). Further reference is made to the audited financial statements of the Group for FY2017 (“**Audited Financial Statements**”) contained in the Company’s annual report for FY2017 which will be released via the SGXNET and despatched to the Company’s shareholders in due course.

Pursuant to Rule 704 (6) of the Singapore Exchange Securities Trading Limited, the Company would like to announce that subsequent to the release of the Unaudited Results, certain material adjustments were made to the Unaudited Results following the announcement made on 25 September 2017 relating to cessation of the proposed acquisition (“**Acquisition**”) of the equity interest of ayondo Holding AG (“**ayondo**”); proposed subscription of 134,943,181 new ordinary shares of Starland Holdings Limited; and proposed disposal of the entire issued share capital of Starland Axis Pte Ltd and Starland Commercial Trading Pte Ltd.

The material variances for FY2017 between the Audited Financial Statements and the Unaudited Results and the explanation thereon are set out as follows.

**1) Consolidated Statement of Comprehensive Income for FY2017**

	<b>Audited Financial Statements \$’000</b>	<b>Unaudited Results \$’000</b>	<b>Variance \$’000</b>	<b>Variance %</b>
Administration expenses	(12,166)	(10,076)	(2,090)	(20.74)
Loss before income tax expenses	(10,601)	(8,511)	(2,090)	(24.56)
Loss for the year	(9,554)	(7,464)	(2,090)	(28.00)
Loss per ordinary share (cents)	(5.59)	(4.37)	(1.22)	(27.92)

Explanation for the variance:

The variance of \$2.090 million arises due to i) \$1.039 million write back of expenses; ii) allowance of \$2.137 million of short term loan and interest to be recovered from ayondo, and iii) allowance of \$0.992 million for expenses paid by Starland Holdings Limited (“**Starland**”) on behalf of ayondo and recoverable from ayondo. The expenses all relate to professional fees incurred and relating to the Acquisition.

The allowances amounting to \$3.129 million are for amounts due from ayondo. The management of the Company is negotiating with ayondo to recover the amount and part of the other expenses incurred in connection with the Acquisition and was paid by Starland. The Company will make further announcement on result of the negotiation in due course.

## 2) Consolidated Statement of financial position as at 30 June 2017

	<b>Audited Financial Statements \$'000</b>	<b>Unaudited Results \$'000</b>	<b>Variance \$'000</b>	<b>Variance %</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Short term loan receivable	-	2,100	(2,100)	(100)
Other receivables & prepayments	1,304	1,667	(363)	(21.78)
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Other payables	5,779	6,151	372	6.05
<b>Capital and reserves</b>				
Accumulated profits	3,695	5,793	(2,098)	(36.22)
Non-controlling interests	5,679	5,672	7	0.12

Explanation for the variances:

### a) Short term loan receivable

Short term loan receivable pertained to a \$2.100 million loan by the Company given to ayondo on 10 April 2017. With the cessation of the Acquisition, a full allowance is made in the FY2017 for the loan amount.

### b) Other receivables & prepayments

The variance of \$0.363 million is due to i) a \$0.215 million write off of expenses relating to the Acquisition, which was previously classified as prepayment, ii) a \$0.038 million allowance on interest receivable from ayondo and iii) a reclassification from Other receivables to Other payables of \$0.110 million.

c) Other payables

The variance of \$0.372 million arises due to i) a \$0.110 million reclassification between Other receivables and Other payables and ii) a \$0.262 million write back of expenses relating to the Acquisition.

3) Consolidated Statement of Cash Flows for FY2017

	<b>Audited Financial Statements \$'000</b>	<b>Unaudited Results \$'000</b>	<b>Variance \$'000</b>	<b>Variance %</b>
Loss before income tax	(10,601)	(8,511)	(2,090)	(24.56)
<b>Adjustments for:</b>				
Allowance for doubtful non-trade receivables	3,129	-	3,129	100
Other receivables & prepayments	(687)	90	(777)	NM
Other payables	(835)	(573)	(262)	(45.72)

Note:

NM: Not meaningful

Explanation of the variances:

a) Loss before income tax

Please refer above to Table 1, Consolidated Statement of Comprehensive Income for FY2017 for the explanation of variance.

b) Allowance for doubtful non-trade receivables

The allowance for doubtful non-trade receivables is made up of allowances of i) a \$2.137 million for short term loan and interest to be recovered from ayondo and ii) \$0.992 million for expenses paid by Starland on behalf of ayondo and recoverable from ayondo.

c) Other receivables & prepayments

The variance of \$0.777 million arises due to a \$0.992 million non-trade receivable due from ayondo partially offset by \$0.215 million write off of expenses relating to the Acquisition, which was previously classified as prepayment.

d) Other payables

The variance of \$0.262 million is due to write back of expenses relating to the Acquisition.

**BY ORDER OF THE BOARD**

Kwan Chee Seng  
Executive Director  
27 September 2017