

GRP LIMITED



Company No.197701449C

**Half Year Financial Statement And Dividend Announcement for the Financial Period
ended 31 December 2016**

GRP LIMITED

Half Year Financial Statements Announcement for the period ended 31/12/2016

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)
	6 months ended 31/12/2016	6 months ended 31/12/2015	
Revenue	13,661	9,797	39.4
Cost of sales	(10,502)	(6,484)	62.0
Gross profit	3,159	3,313	(4.6)
Other income	192	267	(28.1)
Finance expenses	(180)	(12)	NM
Selling and Distribution expenses	(174)	(86)	NM
Administrative expenses	(5,945)	(3,186)	86.6
Other expenses	(282)	(222)	27.0
Profit before income tax expenses	(3,230)	74	NM
Income tax write back/(expense)	452	(136)	NM
(Loss)/profit for the period	(2,778)	(62)	NM
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Fair value gain on available-for-sale investment	-	155	(100.0)
- Exchange differences arising on translation of foreign operations	1,289	(16)	NM
Other comprehensive income for the period, net of tax:	1,289	139	NM
Total comprehensive income for the period	(1,489)	77	NM
Profit/ (loss) attributable to:			
Owners of the company	(2,882)	(133)	NM
Non-controlling interest	104	71	NM
	(2,778)	(62)	NM
Total comprehensive income/ (loss) attributable to:			
Owners of the company	(1,593)	6	NM
Non-controlling interest	104	71	NM
	(1,489)	77	NM

Note:

NM - Percentage change not meaningful.

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

	GROUP	
	\$'000	
	6 months ended 31/12/2016	6 months ended 31/12/2015
Depreciation and amortisation	332	405
Provision of impairment loss on available-for-sale investment	140	-
Allowance for inventories	159	310
Write back of allowance for doubtful trade receivables	(16)	-
Write back of doubtful non-trade receivables	(71)	-
Impairment loss on properties held for sale	118	-
Impairment loss on development properties	331	-
Interest expenses	107	-
Gain on disposal of property, plant and equipment	(117)	(65)
Gain on disposal of available-for-sale investment	(33)	-
Expenses relating to ayondo acquisition	1,264	-
Tax expenses		
- current period	288	136
- Adjustment for overprovision of tax in respect of prior years	(740)	-
Foreign exchange loss/(gain)	142	222
Interest income	(82)	(125)
Rental and services income	(83)	(97)
Other income	(27)	(45)

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	
	31/12/2016	30/06/2016	31/12/2016	30/06/2016
ASSETS				
Current assets				
Cash and bank balances	40,984	24,684	14,324	2,258
Trade receivables	2,447	2,888	-	1
Other receivables & prepayments	1,483	1,640	102	342
Available-for-sale investment	564	782	564	782
Amount due from subsidiaries	-	-	54,564	58,905
Inventories	5,172	5,355	-	-
Properties held for sale	47,522	52,360	-	-
Development properties	24,559	24,418	-	-
Total current assets	122,731	112,127	69,554	62,288
Non-current assets				
Other receivables	5,974	5,788	-	-
Investment in subsidiaries	-	-	7,051	7,051
Deferred tax assets	186	143	-	-
Intangible asset	25	25	25	25
Property, plant and equipment	1,036	1,272	221	446
Total non-current assets	7,221	7,228	7,297	7,522
Total assets	129,952	119,355	76,851	69,810
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan	7,955	7,175	-	-
Trade payables	1,086	1,368	426	496
Other payables	6,325	6,724	753	905
Income tax payable	14,029	13,776	42	34
Total current liabilities	29,395	29,043	1,221	1,435
Non-current liabilities				
Deferred tax liabilities	11,670	13,192	-	-
Total non-current liabilities	11,670	13,192	-	-
Capital and reserves				
Share capital	72,506	59,250	72,506	59,250
Asset revaluation reserve	3,411	3,411	3,061	3,061
Statutory reserve	80	52	-	-
Currency translation reserve	(3,278)	(4,567)	-	-
Accumulated profits	10,404	18,912	63	6,064
Equity attributable to owners of the company	83,123	77,058	75,630	68,375
Non-controlling interests	5,764	62	-	-
Total equity	88,887	77,120	75,630	68,375
Total liabilities and equity	129,952	119,355	76,851	69,810

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 31/12/2016		As at 30/6/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
7,955	-	7,175	-

Amount repayable after one year

Group			
As at 31/12/2016		As at 30/6/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Land Loan

The Group has a land loan facility ("Facility") of \$4,128,000 obtained for property development project in Singapore. As at 31 December 2016, the Group has an outstanding land loan of \$3,360,000.

The Facility is 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 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 sales and purchase agreements in respect of the proposed development;
- d) A corporate guarantee for \$4,128,000 by Starland Holdings Limited, an indirect subsidiary.

Revolving Credit Facility

The Group has a revolving credit facility ("RCF") of \$4,050,000 from United Overseas Bank for general working capital purposes. The Group has an outstanding balance of \$2,795,000 as at 31 December 2016.

The RCF is secured and guaranteed by the following:

- a) Standby Letter of Credit for not less than RMB25 million (approximately \$5,203,750) issued by United Overseas Bank (China) Limited, Chengdu Branch;
- b) Fixed deposits of RMB25,000,000 (approximately \$5,230,750) pledged with the Bank.

Money Market Loan

The Group has a Money Market Loan ("MML") of \$1,800,000 from United Overseas Bank for general working capital purposes. The Group has an outstanding balance of \$1,800,000 as at 31 December 2016.

The MML is secured and guaranteed by the following:

- a) Standby Letter of Credit for not less than RMB10 million (approximately \$2,081,500) issued by United Overseas Bank (China) Limited, Chengdu Branch;
- b) A corporate guarantee of \$1,800,000 by Starland Holdings Limited, an indirect subsidiary; and
- c) Fixed deposits of RMB10,000,000 (approximately \$2,081,500) pledged with the Bank.

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

	The Group	
	\$'000	
	6 months ended 31/12/2016	6 months ended 31/12/2015
Operating activities:		
(Loss)/Profit before income tax	(3,230)	74
Adjustments for:		
Depreciation and amortisation	332	405
Provision of Impairment loss on available-for-sale investment	140	-
Allowance for inventories	159	310
Write back of allowance for doubtful trade receivables	(16)	-
Write back of doubtful non-trade receivables	(71)	-
Impairment loss on properties held for sale	118	-
Impairment loss on development properties	331	-
Gain on disposal of property, plant and equipment	(117)	(65)
Gain on disposal of available-for-sale investment	(33)	-
Interest income	(82)	(125)
Interest expenses	107	-
Operating cash flows before movements in working capital	(2,362)	599
Trade receivables	457	(369)
Other receivables & prepayments	229	(572)
Inventories	33	(601)
Properties held for sale	4,913	-
Development properties	185	-
Trade payables	(281)	84
Other payables	(399)	(453)
Proceeds from disposal of available-for-sale investment	111	-
Cash generated/(used in) operating activities	2,886	(1,312)
Income taxes paid	(576)	(239)
Net cash generated/(used in) operating activities	2,310	(1,551)
Investing activities:		
Proceeds from disposal of property, plant and equipment	118	100
Purchase of property, plant and equipment	(88)	(34)
Other receivables	(186)	(653)
Interest received	82	125
Net cash (used in)/from investing activities	(74)	(462)
Financing activities:		
Net proceeds from issue of shares	13,256	2,446
Interest paid	(107)	-
Dividends paid	-	-
Increase in bank deposits pledged	(5,446)	-
Proceeds from drawdown of bank loans	2,794	-
Repayment of bank loans	(2,016)	-
Net cash from financing activities	8,481	2,446
Net increase in cash and cash equivalents	10,717	433
Cash and cash equivalents at beginning of period	21,864	57,182
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	137	6
Cash and cash equivalents at end of period	32,718	57,621

Note 1 - Cash and cash equivalents is derived from:

	The Group	
	\$'000	
	6 months ended 31/12/2016	6 months ended 31/12/2015
Cash and bank balances	32,718	57,621
Pledged cash placed with bank	8,266	-
	40,984	57,621

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	Asset revaluation reserve	Statutory reserve	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interest	Total
\$'000								
Latest Period								
Balance at 30/06/2016	59,250	3,411	52	(4,567)	18,912	77,058	62	77,120
<i>Total comprehensive income for the period</i>								
- Profit/(loss) for the period	-	-	-	-	(2,882)	(2,882)	104	(2,778)
- Other comprehensive income/(loss) for the period			28	1,289	(28)	1,289		1,289
<i>Transactions with owners, recognised directly in equity</i>								
- Dividends paid	-	-	-	-	(5,598)	(5,598)	5,598	-
- Issue of shares	13,256					13,256	-	13,256
Balance at 31/12/2016	72,506	3,411	80	(3,278)	10,404	83,123	5,764	88,887
Previous Corresponding Period								
Balance at 30/06/2015	56,805	2,821	-	(890)	6,229	64,965	(175)	64,790
<i>Total comprehensive income for the period</i>								
- Profit for the period	-	-		-	(133)	(133)	71	(62)
- Other comprehensive income/(loss) for the period		155		(16)		139		139
<i>Transactions with owners, recognised directly in equity</i>								
- Dividends paid	-	-		-	-	-	-	-
- Issue of shares	2,445	-				2,445	-	2,445
Balance at 31/12/2015	59,250	2,976	-	(906)	6,096	67,416	(104)	67,312

The Company	Share capital	Asset revaluation reserve	Accumulated profits	Total
\$'000				
Latest Period				
Balance at 30/06/2016	59,250	3,061	6,064	68,375
<i>Total comprehensive income for the period</i>				
- Loss for the period	-	-	(403)	(403)
- Other comprehensive income for the period				-
<i>Transactions with owners, recognised directly in equity</i>				
- Dividends paid	-	-	(5,598)	(5,598)
- Issue of shares	13,256	-	-	13,256
Balance at 31/12/2016	72,506	3,061	63	75,630
Previous Corresponding Period				
Balance at 30/06/2015	56,805	2,527	5,258	64,590
<i>Total comprehensive income for the period</i>				
- Loss for the period	-	-	(170)	(170)
- Other comprehensive income for the period		155		155
<i>Transactions with owners, recognised directly in equity</i>				
- Dividends paid	-	-	-	-
- Issue of shares	2,445	-	-	2,445
Balance at 31/12/2015	59,250	2,682	5,088	67,020

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	6 months ended 31/12/2016	6 months ended 31/12/2015	6 months ended 31/12/2016	6 months ended 31/12/2015
	No of ordinary shares		\$	\$
Issued and paid up:				
At 1 July	139,520,044	667,035,594	59,249,784	56,804,550
Issue of rights shares	54,156,566	-	13,539,142	-
Rights issue expenses	-	-	(283,422)	-
Exercise of warrants	-	30,565,419	-	2,445,234
Balance before Share Consolidation	193,676,610	697,601,013	72,505,504	59,249,784
Share Consolidation	-	(558,080,969)	-	-
At 31 December	193,676,610	139,520,044	72,505,504	59,249,784

Warrants	6 months ended 31/12/2016	6 months ended 31/12/2015
	No of warrants	
At 1 July	-	336,614,806
Issue of warrants	54,156,566	-
Exercise of warrants	-	(30,565,419)
Unexercised warrants expired on 27 November 2015	-	(306,049,387)
At 31 December	54,156,566	-

During the six months ended 31 December 2016, the Company allotted 54,156,566 rights shares with 54,156,566 warrants at an issue price of \$0.25 for each rights share, on the basis of one rights share with one warrant for every two existing shares. Each warrant entitles the warrant holder to subscribe for one new ordinary share of the Company at an exercise price of \$0.25 per share. The warrants have an exercise period of 1 year, expiring on 29 November 2017. As at 31 December 2016, the outstanding number of warrants was 54,156,566.

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

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

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

Not applicable.

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

During the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operation and effective for the annual periods beginning on or after July 1, 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

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

Not applicable.

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

	6 months ended 31/12/2016	6 months ended 31/12/2015
(Loss)/Earnings per ordinary share attributable to the owners of the company for the period		
(i) Based on weighted average number of ordinary share in issue (Cents)	(1.94)	(0.10)
(ii) On a fully diluted basis (Cents)	(1.94)	(0.10)
Computed based on the following weighted average number of shares		
(i) Basic	148,938,577	135,154,512
(ii) Diluted	148,938,577	135,154,512

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

	31/12/2016	30/06/2016
	Cents	
The Group	42.92	55.23
The Company	39.05	49.01

Net asset value per share attributable to the owners of the company is calculated based on 193,676,610 (30 June 2016 : 139,520,044) ordinary shares issued at the end of the current period 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

Statement of comprehensive income

The Group registered revenue of \$13.7 mil for the half year ended 31 December 2016 ("HY2017"). This is 39.4% higher than previous corresponding half year ended 31 December 2015 ("HY2016"). Revenue for Hose & Marine segment declined by \$0.9 mil (33.9%) and Measuring Instrument segment dropped by \$0.5 mil (7.7%). These declines are offset by a \$5.3 mil revenue generated by the newly acquired Property business, Starland Holdings Limited ("Starland Group").

The lower revenue in Hose and Marine as well as Measuring Instrument segment is largely due to weak demand in HY2017, attributed to the weak global economic condition and protracted recovery in offshore and marine industry.

The Group's gross profit decreased by 4.6% from \$3.3 mil in HY2016 to \$3.2 mil in HY2017. Gross profit for Hose and Marine and Measuring Instrument segment decreased by \$0.5 mil from \$3.3 mil in HY2016 to \$2.8 mil in HY2017, as a result of the lower revenue in period under review. Gross Profit for the newly acquired property segment is \$0.4 mil, after taking into account a \$1.5 mil adjustment to restate the cost of properties sold to fair value.

Other income decreased by 28.1% in HY2017 as compared to HY2016. This is mainly due to lower interest income in HY2017.

Finance expenses increased by \$0.2 mil in HY2017 as compared to HY2016. The increase is mainly due to interest expenses on loans obtained by the newly acquired Starland Group.

Selling and Distribution expenses increased by \$0.1 mil in HY2017 vis-à-vis HY2016. The increase is mainly due to the newly acquired Starland Group.

Administrative expenses increased by 86.6% from \$3.2 mil in HY2016 to \$5.9 mil in HY2017. The increase is largely due to a \$0.5 mil payroll costs and \$1.8 administrative expenses incurred by the newly acquired property business and a \$0.4 mil impairment loss on Starland Group's development properties and properties held for sale. Included in the \$1.8 mil administrative expenses is a \$1.3 mil expenses relating to ayondo acquisition. The Company had announced on 20 June 2016 that Starland Holdings Limited, an 83.17%-owned indirect subsidiary of the Company had on 20 June 2016 entered into a conditional sale and purchase agreement with the holders of equity interest of ayondo Holding AG ("ayondo") to acquire their interest in ayondo, a Fintech company.

Consequently, the Group incurred a loss before tax of \$3.2 mil for HY2017 as compared to a profit of \$0.07 mil in HY2016.

Statement of financial position and Statement of cashflows

Group

The Group's financial position remains sound with current ratio of around 4.18 times at the end of December 2016 as compared to 3.86 times at the end of June 2016 ("FY2016). As at 31 December 2016, the Group had cash and bank balances totalling \$41 mil. This is an increase of \$16.3 mil as compared to 30 June 2016. The increase is largely due to a \$13.3 mil proceeds from rights shares issued and a \$2.3 mil net cash generated from operating activities during the period under review.

Trade receivables decreased by \$0.4 mil from \$2.9 mil as at FY2016 to \$2.4 mil as at 31 December 2016. The decrease is mainly due to the lower revenue in the Hose and Marine and Measuring Instrument segments in HY2017. Available-for-sale investment decreased by \$0.2 mil as at 31 December 2016 as compared to 30 June 2016. This is mainly due to additional provision for impairment and disposal of the investment during the period under review.

Properties held for sale decreased from \$52.4 mil on 30 June 2016 to \$47.5 mil as at 31 December 2016. The decrease is largely due to sale of residential, commercial and car park units during the six months under review.

Property, plant and equipment decreased by \$0.2 mil from 30 June 2016 to 31 December 2016. The decrease is largely due to depreciation charge for half year ended 31 December 2016.

Current liabilities increased by \$0.4 mil from \$29 mil in FY2016 to \$29.4 mil in HY2017. This is mainly due to the decreased in trade and other payables, partially offset by increase in bank loans and income tax payable.

Deferred tax liabilities decreased by \$1.5 mil from \$13.2 mil as at 30 June 2016 to \$11.7 mil as at 31 December 2016. The decrease is largely due to write back of withholding tax on undistributed profits of subsidiaries incorporated in People's Republic of China, in the current period under review.

Share capital increased by \$13.2 mil from \$59.3 mil in FY2016 to \$72.5 mil in HY2017 as a result of rights shares issued during the period under review.

Company

The amount due from subsidiaries decreased by \$4.3 mil from \$58.9 mil as at 31 December 2016 to \$54.6 mil as at 30 June 2016. The decrease is mainly due to distribution of \$5.6 mil worth of Starland Shares to the shareholders of GRP Limited as Dividend in-Specie during the 6 months ended 31 December 2016. These shares were held by GRP Chongqing Land Pte Ltd, a wholly-owned indirect subsidiary of the Company.

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

No forecast or prospect statement has been issued previously.

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

The Group does not envisage a quick recovery for the offshore and marine sector customers served by our Hose and Marine and Measuring Instrument businesses. The weak utilisation of their assets and reduction in the capital and operational spending will remain for some time. As for the property business, the market still remains challenging.

Pursuing Opportunities

On 20 June 2016, the Company announced that Starland Holdings Limited, a 83.17%-owned indirect subsidiary of the Company has on 20 June 2016 entered into a conditional sale and purchase agreement with the holders of equity interest of ayondo Holding AG ("ayondo") to acquire their interest in ayondo, a Fintech company.

On 23 September 2016, the Company announced that it has entered into a sale and purchase agreement with Starland Holdings Limited ("Starland") for the proposed acquisition of the entire issued and paid up share capital of the Starland's wholly-owned subsidiaries, Starland Axis Pte Ltd and Starland Commercial Trading Pte Ltd.

On 23 September 2016, the Company has also announced that it has entered into a Subscription Agreement with Starland and other subscribers for the allotment and issuance of 134,943,181 new ordinary shares by Starland at a subscription price of \$0.1408 for each Subscription Share and the issuance of 101,225,359 share options by Starland conferring the right to subscribe for 101,225,359 new ordinary shares in the capital of Starland at an exercise price of \$0.1877 for each New Share.

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	Interim one-tier tax exempt
Dividend Type	Dividend in-Specie
Dividend Rate	0.17 Starland Share for each share held by GRP Limited's shareholders

(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 has been declared for half year ended 31 December 2016.

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 half year ended 31 December 2016 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	122,658	-

14. Use of rights issue proceeds

As at 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
2013 Rights issues			
Proposed new business	28,000	(28,000)	-
General working capital	5,000	(334)	4,666
	33,000	(28,334)	4,666
Proceeds from exercise of warrants: - Proposed new business	8,974	(8,974)	-
Total	41,974	(37,308)	4,666
Breakdown of general working capital is as follows:			
Rental expenses		(34)	
Professional fees		(125)	
General administrative expenses		(175)	
Total		(334)	
2016 Rights issues			
Proposed new business	12,348	-	12,348
General working capital	841	-	841
	13,189	-	13,189

15. 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.

16. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half-year ended 31 December 2016 to be false or misleading in any material aspect.

17. Whitewash Waiver in relation to the Rights cum Warrants Issue

Please see Appendix A for details of the whitewash waiver in relation to Rights cum Warrants issue.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
10 February 2017

GRP LIMITED

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

Appendix A

WHITEWASH WAIVER IN RELATION TO RIGHTS CUM WARRANTS ISSUE

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of GRP Limited (the "**Company**") dated 11 October 2016.

In connection with the Rights cum Warrants Issue that was undertaken by the Company, a Whitewash Waiver was granted on 28 July 2016 by the Securities Industry Council of Singapore whereby Mr Kwan Chee Seng and his Concert Parties (the "**Concert Party Group**") are waived from the requirement to make a mandatory general offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") as a result of their subscription of the Right Shares and New Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue.

The following disclosure note is provided in connection with the requirements of Note 2 on Section 2 of Appendix 1 of the Code.

- (a) At the extraordinary general meeting held on 27 October 2016, the Independent Shareholders of the Company approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group, for all the issued Shares not already owned or controlled by them, as a result of the Concert Party Group's subscription of the Rights Shares and New Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue. The Whitewash Resolution is subject to the acquisition of the New Shares by the Concert Party Group upon the exercise of the Warrants being completed by 29 November 2017 (inclusive), which is within five (5) years of the date of issue of the Warrants;
- (b) As at 10 February 2017, the Concert Party Group holds in aggregate:
 - (i) 61,073,940 Shares, representing approximately 31.53% of the voting rights in the Company; and
 - (ii) 20,357,980 Warrants;
- (c) The maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 38.05% (based on the enlarged share capital of the Company of 214,034,590 Shares immediately following the allotment and issue of 20,357,980 New Shares to the Concert Party Group);
- (d) having approved the Whitewash Resolution on 27 October 2016, Shareholders have waived their rights to receive a general offer from Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past six months preceding the date of the acquisition of the New Shares; and
- (e) having approved the Whitewash Resolution on 27 October 2016, Shareholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.