

1. Would the board/management provide shareholders with better clarity on the following operational matters of the Group? Specifically:

1.1.a **Hose and Marine business: With the retirement of Ms Iris Sim as General Manager, and the appointment of Mr Khoo Frederick Christopher Jr, how will the segment be fine-tuning its strategy, if any, to capture any potential upswing particularly in the marine and offshore sectors?**

1.1.b **Answer:**

Mr. Khoo has been with GRP Pte Ltd since 1998, with a break of 3 years from 2013 to 2016. While any change in senior management can be a cause for concern in the initial stages, with unavoidable teething issues, we do believe that Mr. Khoo, with his 20 years of experience in this business, will quickly respond to his new role as the General Manager of the hose and marine business. In addition, plans to expand the business to other areas such as hydraulic hoses for the pharmaceutical industry have been set in motion. The team has increased its manpower with a focus on improving customer service and reaching out to new customers. The new team is motivated and a new generation of leaders are to be trained and nurtured as part of the overall succession plan. In the transition period, Mr Kwan Chee Seng (“Mr Kwan”), the executive director, will oversee the strategic direction of the hose and marine business with focus on the engineering capabilities and provide guidance to the team.

1.2.a **Measuring instruments/metrology: The segment eked out a marginal 3.4% increase in top-line to report revenue of \$13.3 million in FY2018. Who are the main customers (by industry and sector)? Does the group see any major opportunities in the segment in the next 1-2 years? How will the Technical Support Department drive growth in revenue and profit?**

1.2.b **Answer:**

We have been in this measuring instruments/metrology business since 1993. We sell measuring instruments to industries ranging from oil and gas to semiconductor as well as educational institutions. We believe that the demand for measuring instruments will continue for many years. The Technical Support team will focus on its presence on-site to extend the application knowledge to the sales team to enhance sales effectiveness so as to drive and sustain growth on revenue and profit, in addition to improving the service turnaround time.

1.3.a **Kaiping: Can management update shareholders on the progress made in the integrated mixed development project in Kaiping District, Tangshan City? Does the group have any visibility on the development timeline? Since February 2015, the group had disbursed RM28.5 million (or approximately \$5.7 million) to the Kaiping Government. It has been more than 3.5 years with little/no visible progress.**

1.3.b **Answer:**

The Tangshan project is progressing at a slower than anticipated pace. This is largely due to changes in the policies for dealing with land rights in China since we signed the agreement with the Kaiping District government. Under the government's guidance, in accordance with the new rules, repossession (“收储” shōu chǔ) of the 165 mu industrial land has been initiated by the Tangshan City Land Department. Independent valuation has been completed, with the figures agreed between parties. The parties are now in the final stage of the repossession process – the negotiation of the repossession agreement, details of which will be announced accordingly when they have been finalized.

After repossession of the 165 mu industrial land, the following steps will have to be taken:

- *Acquisition of land rights from farmers for remaining land (~1,100 mu) (“征地” zhēng dì) will have to take place. For this purpose, we have already submitted a draft agreement to the Tangshan City Land Department. We have yet to come to an agreement on the commercial terms.*
- *Upon completion of the above, the Tangshan City Land Department will then rezone the land use to mixed development in accordance with the master plan we have submitted.*
- *The entire plot of land (from repossession and acquisition of land rights from farmers) will then be put up for tender (“挂牌出让” guà pái chū ràng)*

Property development ultimately requires a long gestation period. The estimated time line for the above to be completed is approximately 12-18 months. Please note that there is no guarantee that the Group will be able to win the bid for the land when it is put up for tender. However, our team has been on the ground actively communicating and negotiating with the government and will continue doing so to maximise the Group's economic benefits in accordance with the law.

2. On page 1 of the annual report, the Group's mission is stated as follows:

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.

(Source: Company annual report)

2.1.a **For the benefit of both new and old shareholders, would the board further elaborate on the group's mission and strategic directions? How integral are the “Hose and Marine” and “Measuring Instruments/Metrology” segments to the group's long term plans? Will the group be allocating its capital primarily to property development business?**

2.1.b **Answer:**

It has always been our mission to grow the various business segments so as to create and enhance the value for shareholders.

We have been in the hose and marine business since 1977. We expanded our business into the measuring instruments/metrology segment in 1993. We recognize that these businesses are our “mature” businesses and provide stable returns. With the new GM taking over the hose & marine business, we are looking at expansion into new markets and delivering new products to customers. For the measuring instruments business, we are also on the constant look out for expansion opportunities.

In 2014, the Group further diversified into the property business. This was with the objective to have another avenue for growth. Besides the Chinese market, which the Group already has a presence in through its projects in Tangshan and Chongqing, the Group is also taking active steps to expand its property business in Malaysia, with a focus on affordable housing.

We will continue to grow these 3 businesses. However, of the 3 businesses, as the nature of the property business is such that there is a higher capital requirement, allocation of capital will be slanted towards the property business.

2.2.a **Since the diversification mandate into the property business was obtained from shareholders in 2014, can management provide shareholders with an overview of the achievements and milestones in this area?**

2.2.b **Answer:**

Since the diversification mandate in 2014, the Group began pursuing opportunities to acquire or develop property projects in Myanmar, Malaysia and China as part of its strategy to grow organically or through mergers and acquisitions (M&A). Some of our key milestones are as follows:

Tangshan

In February 2015, we signed an agreement with the People’s Government of Kaiping District, Tangshan City, PRC, for the purposes of securing the first right of refusal for development, from the People’s Government of Kaiping District, to undertake an integrated mixed development project over a land area of ~1,200 mu (~800,000m²) in Kaiping District, Tangshan.

Subsequently on 18 March 2016, we also announced that we had successfully tendered for a portion of the industrial land with an area of 165 mu (equivalent to approximately 110,000m²), in relation to the integrated mixed development project in Tangshan City, PRC.

The above two steps have allowed us to become a key stakeholder of the entire 1,200 mu of land and places us in a unique position in the above project, which the Tangshan government has designated as a key project (“重点项目” zhòng diǎn xiàng mù).

Starland

From mid-2015, we commenced negotiations, and on 14 October 2015, signed a sale and purchase agreement for the acquisition of 120 million shares (82.91% interest) in Starland Holdings Limited (“Starland”) from its substantial shareholders. The acquisition was completed on 15 January 2016. Starland is listed on the Catalist Board of Singapore Exchange Securities Trading Limited. Starland is engaged principally in the development of quality integrated residential and commercial properties in PRC.

The acquisition created significant value for GRP. Through the acquisition of Starland, we obtained completed, de-risked properties held for sale, which generated revenue for GRP immediately. This was extremely important for GRP as 2016 onwards saw a decline of revenues from the hose & marine and measuring instruments businesses (for a breakdown, please refer to slide 3 of GRP’s AGM Presentation 2018). The acquisition also gave us an immediate presence in Chongqing, backed by a strong and experienced team in Chongqing.

Starland was also purchased below its NAV, creating a one-off premium of S\$22.99m. The acquisition also saw the Group giving a Distribution-in-Specie of 0.17 shares of Starland for each ordinary share of GRP held, which created immediate value for GRP’s shareholders as well.

Ipoh Project

On 10 October 2017, the Group announced that we had entered into a shareholders’ agreement. Under the agreement, GRP Development Sdn Bhd, a wholly-owned indirect subsidiary of the Company subscribed for 51% shareholdings 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 is owned by Karib. Under the joint venture development agreement, MLodge and Karib intend to develop the lands into a mixed housing and commercial development. This development is expected to commence in FY2019.

Affordable Housing

On 3 September 2018, the Group announced the incorporation of a 50% owned indirect subsidiary known as Rumah Kami Sdn Bhd (“RumahKami”). RumahKami, is exploring various opportunities with our Malaysian partners to develop affordable homes in Malaysia. Relevant announcements will be made on SGX-ST at the appropriate time.

- 2.3 With the two rights issue in 2013 and 2016, the group raised a cumulative \$55.2 million with \$15 million still un-utilised as at 26 September 2018.
- 2.3.a **Can management update shareholders on the plans for the balance \$15.0 million, mainly from the 2016 rights issue? If there are no suitable investment opportunities that can generate shareholder value, would the board consider a return of capital to shareholders?**
- 2.3.b **Answer:**
As mentioned above, the Group has various property projects in the pipeline. The funds from the rights issue will be utilised for these new projects as and when necessary.

2.4.a **In addition, in the company's Sustainability Report, the company listed its six main stakeholder groups, namely suppliers, customers, employees, community, investors, and regulators (page 51). How do the key issues identified through the stakeholders fit into the company's strategy?**

2.4.b **Answer:**

All companies operate within an environment where their existence is dependent on fulfilling the requirements of various stakeholders. As a Group, we are cognizant of this. By working towards satisfying the identified key issues, we shall work towards not only to maintain our own sustainability, but also achieve and enhance the company's strategy.

3. As noted in the Corporate Governance Report, the company does not have a Chief Executive Officer (CEO) and the responsibilities of the group's businesses are undertaken by the executive director, Mr Kwan Chee Seng and the management (page 20). In Mr Kwan's profile, it is stated that Mr Kwan is responsible for the group's business development. Mr Kwan's role is further described as overseeing the execution of GRP's strategy, managing operations and spearheading the strategic development of GRP (page 20).

Starland, being the group's property arm is listed, has its own management team and board, and is headed by its own General Manager (GM). The group's Hose and Marine and Measuring Instruments/Metrology segments have their own GMs.

3.1.a **Would the company help shareholders understand the specific roles and responsibilities of Mr Kwan as executive director of the company?**

3.1.b **Answer:**

Mr Kwan is the de-facto CEO of the Group. His duties include the following: the running of the day-to-day operations, development of growth strategies, setting and leading the overall direction of the Group, managing and assisting all General Managers as well as spearheading the business development of the Property division.

3.2.a **What were the key performance indicators used to assess the performance of Mr Kwan?**

3.2.b **Answer:**

As mentioned on page 10 of the Annual Report, Mr Kwan has extensive experience in management and investment particularly in the area of Mergers and Acquisitions. These are valuable experience that will enable the Group to grow via mergers and acquisitions, in addition to its organic growth.

Mr Kwan has been involved in the review and evaluation of numerous projects for acquisition. These have been demonstrated by the numerous projects negotiated and acquired (refer to above list of property related projects successfully acquired).

Some of the key performance indicators include (but are not limited to): successful diversification into the Property business, the Group's fund-raising program, the Group's effective cost and cashflow management, the Group's revenue and profitability as well as succession planning for the Group.

3.3.a **As Mr Kwan is also listed as an executive director of Luminor Capital, can the company help shareholders understand how Mr Kwan divides his time, energy and attention between the group, Luminor Capital and his other commitments (such as ASX-listed Variscan Mines Ltd)?**

3.3.b **Answer:**

Mr Kwan is a Non-Executive Director of both Luminor Capital and Variscan Mines Ltd. He is a substantial shareholder of these companies. Mr Kwan devotes his time largely to GRP.

3.4.a **Given that several of the transactions are interested party transactions (with Luminor Capital as fund manager of Luminor Pacific Fund 2 Ltd and Luminor Harbour Fund 1 Pte Ltd and with interested persons on the proposed acquisition of ayondo by Starland), does the company have a structured and robust approach to deal sourcing, including but not limited to the use of independent investment banker, independent consultants and independent business professionals?**

3.4.b **Answer:**

The interested party transactions came about because of Mr Kwan's background and experience in the fund management business, which gives him access to opportunities for the Group.

The Group has a Code of Ethics and Business Conduct Policy. Under the Policy, all officers, directors and employees of the Group are aware and are required to declare the nature of his interest in a transaction or proposed transaction as soon as practicable after the relevant facts have come to his knowledge, which is constantly practiced and upheld by the Group.

While several of the transactions are interested party transactions, the Group does not leverage solely on the contacts and networks of its executive director, Mr Kwan, and is definitely open to deals sourced by the Group's other directors, independent investment bankers, independent business professionals and independent consultants.

3.5.a **What guidance has the board provided to management to help it further improve its deal sourcing to enhance long-term shareholder value?**

3.5.b **Answer:**

Each of the members have accumulated deep expertise across a broad range of industries, with deep networks that they are open to sharing with the management where necessary. For example, our Chairman, Mr Teo Tong How is a veteran in the property sector and regularly links management up with his contacts for potential deals.