

GRP LIMITED

(Company Registration Number 197701449C)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS RECEIVED FROM A SHAREHOLDER AND THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RELATION TO THE ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 JUNE 2026

The Board of Directors (the “**Board**”) of GRP Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders that the Company has received questions from a shareholder and the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s Annual Report for financial year ended 30 June 2026 (“**FY2026**”). The questions, and our responses are as follows:

Question from a shareholder**Question 1**

A shareholder bought 3,000 GRP shares in September 1994 at \$1.01 a share, before the 1:5 share consolidation in December 2015, which would have made the purchase price to be \$5.05. The shareholder has been faithful and holding on to the shares for more than 30 years, but noted that the share price keeps dropping and is currently hovering around \$0.05. What is happening and when will the share price increase to its good value like \$5 a share. Please provide reasons for shareholder to continue holding the shares without disappointment.

Company’s response

The Group thanks the shareholder for the faithfulness of holding on to the shares for more than 3 decades. There are several ways to measure a shareholder return which requires a mix of market-based performance, profitability, and capital distribution metrics. One of the effective ways would be on Total Shareholder Return (TSR), which is expressed as a percentage, including the price appreciation or depreciation of a share plus any dividends paid during the performance period.

Where data was available, the Group examined the TSR for performance periods dating back as far as FY2004 - more than two decades ago. Total dividends received for period between FY2004 to FY2026 was \$0.26 and total dividend-in-specie received in FY2016 and FY2022 was \$0.11, amounting to a total of \$0.37 during performance period from FY2004 to FY2026. Share price on 30 June 2004 closing was at \$0.1962 per share and on 30 June 2026 closing was at \$0.07 per share. Accordingly, TSR computed for period from FY2004 to FY2026 is 124.26%, a complete capital gain for the shareholder. Although share price might have fallen but with total dividends received during the performance period the investor has fully recovered their initial capital outlay purely through total dividend distributions, effectively reducing their net risk capital in the asset to zero. It is always the Company’s objective to work towards maximizing shareholders value.

[Sources of Share Price and Dividends Pay Out were extracted from Yahoo Finance and SGInvestors.IO respectively]

Questions from SIAS

Question 1

The group secured its first affordable housing project in Malaysia in December 2020, comprising 1,039 single-storey terrace houses and 28 terraced shop units on a 100.748-acre site in Sri Iskandar, Perak Tengah District, Perak.

Following the appointment of a new contractor, the certificate of completion and compliance for Phase 1 is expected to be received by the end of October 2026. The group plans to complete Phase 2 by December 2026 before proceeding with Phase 3, the final phase.

- (i) What is the total cost incurred for Phase 1 to date, including construction, professional and legal fees, and what is the expected gross profit or loss from the phase based on actual sales proceeds?
- (ii) How much additional capital is required to complete Phase 2, including any contingency for cost overruns?
- (iii) What proportion of the units in each phase has been sold? What is the current status of Phase 3, and has the board approved proceeding with it? If not, has management assessed whether the phase should be modified or deferred to ensure that the expected returns justify the additional capital required?

Company's response

- (i) Phase 1 of the project is expected to be loss making, mainly due to change in contractor and delay in the project. Based on the segmental information reporting shown on Annual Reports for FY2021 to FY2026, the Property Division has incurred a total loss of \$19.32 million for period under review.
- (i) As most of the infrastructure of the project has been completed under Phase 1, hence we do not expect any significant additional capital to be incurred in order to complete Phase 2.
- (ii) Phase 1 is now almost sold out. To build market confidence, we will only actively sell the units under Phase 2 after we have obtained the Certificate of Completion and Compliance for Phase 1. We have not commenced work for Phase 3. The Group is continuously evaluating the situation and will decide what is best for the Group after we have substantially completed Phase 2.

Question 2

On 2 March 2026, the company announced that Ratus Nautika Sdn Bhd (RNSB), an indirect 70%-owned subsidiary, had entered into a settlement agreement with Energiser Enterprise Sdn Bhd (EESB), the former contractor for the affordable housing project. Under the agreement, RNSB was required to pay EESB RM4.425 million in addition to the approximately RM3.067 million previously paid¹. In return, EESB relinquished further rights or claims to, among other things, the project retention sum of approximately RM3.717 million.

- (i) What did the board conclude about the group's contractual position and the merits of its case when approving the settlement?
- (ii) What changes has the board made to the group's contract review, risk assessment and project oversight processes following this dispute? Specifically, how will it ensure that contractual obligations, variations, claims and project execution risks are identified and addressed before they develop into costly disputes?

On 24 June 2026, the group announced that EESB had commenced fresh legal proceedings against RNSB for further damages, notwithstanding the execution of the settlement agreement and the termination of the arbitration proceedings by consent.

- (iii) What is the nature of EESB's fresh claims, notwithstanding management's view that they are baseless? Has the group's legal counsel assessed whether the settlement provides an effective defence against these claims, and what potential financial exposure and legal costs remain? What step is the board taking to protect the group's position and minimise disruption to its other operations?

The chairman expressed confidence in the company's ability to navigate future opportunities and challenges. However, in the past decade, the group has recorded nine annual losses². Accumulated losses increased from \$872,000 at the end of FY2017 to \$29.6 million. This was despite a capital reduction in FY2022 that eliminated \$28.4 million of accumulated losses. The company also paid a \$14.4 million dividend in specie in FY2022.

- (iv) For the benefit of shareholders, can the chairman explain what specific evidence supports his confidence in management's ability to navigate future challenges and capitalize on opportunities?

Company's response

¹ On 17 November 2025, the company announced that the group was required to pay an aggregated amount of approximately RM3,066,873 to EESB (adjudication sum), out of the maximum aggregated amount claimed by EESB of approximately RM10,388,281.

² The group's annual profit/(loss) figures for FY2017 to FY2026 were as follows:

FY2026: \$(3.67) million; FY2025: \$(8.79) million; FY2024: \$(0.83) million; FY2023: \$(6.36) million (restated); FY2022: \$(5.53) million; FY2021: \$(1.72) million; FY2020: \$(5.08) million; FY2019: \$(4.71) million; FY2018: \$1.32 million; and FY2017: \$(9.55) million

- (i) The Group's main objective is to complete the project as soon as possible so that the houses can be delivered to the buyers and the buyers can enjoy their capital purchases. The Board wished to settle all disputes and claims with EESB amicably so that the project can move on. With this in mind and working closely with our Malaysian Legal Counsel, the settlement agreement was signed with EESB. The Group signed the agreement in good faith and fulfilled all its obligations per the settlement agreement.
- (ii) The Group has an existing risk review and assessment framework and all procedurals including contract review; risks mitigation and project oversights are followed through. Moving forward, the Board will ensure that background search of all potential business partner is performed satisfactorily before entering into any contract.
- (iii) The nature of EESB's fresh claims is on payment of the balance retention sum. Our Legal Counsel has filed an application to strike out EESB's legal proceedings on basis that it is legally unsustainable and is an abuse of court process.

The Group's position is that we want to complete the project and be responsible to the buyers of the affordable houses. We will overcome whatever legal disputes and challenges in a cost-effective way.

- (iv) The Group focuses on strategic expansion into renewable energy, battery energy storage system, and food resilience as potential diversification with a view to build a future-ready organization that can meet the challenges of existing global landscape and past performances. The current Board and CEO have extensive experiences and networks. As such, the Chairman is confident that the Group will be able to navigate future challenges and capitalize on opportunities as and when they arise.

Question 3

On 26 January 2026, the company announced that it had entered into a non-binding head of agreement with Mr Chua Seng Kiat, Francis and Bintan Investment Management Pte. Ltd. to explore the proposed acquisition of up to 100% of the issued shares in Bintan Investment Management Pte. Ltd.

Mr Chua Seng Kiat, Francis is the company's independent non-executive chairman, having been appointed on 1 August 2024. Mr Chua Seng Kiat, Francis also serves on the audit, nominating, remuneration committee, and risk management and environmental, social and governance committees. He is also the sole shareholder and director of the target company.

- (i) Can the board explain how this proposal originated and whether Bintan was already identified as a priority market before the proposal was evaluated? Given the chairman's involvement, how did the independent directors satisfy themselves that the proposal was assessed objectively and in the best interests of the company and its minority shareholders?

- (ii) What alternative acquisition opportunities did the board consider, and how did this proposal compare in terms of strategic fit, valuation, risk and expected returns? What specific merits justified pursuing this transaction over other opportunities?

The company has disclosed that the proposed transaction, if completed, could constitute a very substantial acquisition and reverse takeover (RTO) under Chapter 10 of the SGX Listing Manual, as well as an interested person transaction under Chapter 9.

At the annual general meeting on 23 October 2026, Mr Chua Seng Kiat, Francis, will retire pursuant to Article 89 of the company's constitution and seek re-election.

- (iii) Given the director's potential involvement in the proposed RTO transaction as vendor, how did the nominating committee assess whether he continues to satisfy the independence criteria? How did it address the actual or perceived conflict of interest, and has the company consulted SGX RegCo on the transaction's governance implications and the director's independence status?
- (iv) Can the board confirm whether it has considered asking the chairman to relinquish the chairmanship, step down from the board or, at a minimum, be redesignated as a non-independent director? Or will the director consider voluntarily withdrawing his nomination for re-election at the forthcoming AGM, in recognition of the need to safeguard minority shareholders' interests and maintain confidence in the board's ability to assess the proposed transaction objectively?

Company's response

- (i) Mr Chua has pioneered the creation and development of Batam Industrial Park and Karimun Industry Estate, a joint collaboration projects between private sectors and the governments of Singapore and Indonesia when he was working with EDB. Mr Chua is familiar with the Indonesia market, hence Bintan has been identified.

A Related Party Transaction Committee ("**RPTC**") has been established in FY2025 to review, explore and negotiate any terms of the agreement to be entered between the Company and any of its director, if any for independence and transparency. The RPTC members are Mr Liew Heng San, Mr Law Ren Kai, Kenneth and Mr Goh Lik Kok. In addition, shareholders' approval will be obtained before we proceed with the proposed acquisition in due course.

- (ii) The Board is open to evaluate any acquisition opportunities that arise and is consistently adopting a disciplined approach in evaluating targets. An acquisition must be accretive in the long-term, taking into account the acquisition costs, integration efforts, synergistic opportunities, and the risks involved to be in-line with the overall Group strategy.
- (iii) The Company refers to the announcement released on 30 January 2026 in response to queries from Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to basis of the nominating committee and the board whether should continue to consider

Mr Chua Seng Kiat, Francis as independent, given that he is the vendor of Bintan Investment Management Pte. Ltd. In this connection, the Board is satisfied that Mr Chua has strictly complied with all conflict-of-interest, recusal and voting abstention requirements under the Listing Manual as well as the Group's internal governance policies, and that NC has considered satisfactorily on Provision 2.1 of the Code of Corporate Governance 2018.

- (iv) As an on-going review, the NC and the Board will continue to review Mr Chua's independence status, taking into account developments relating to the proposed acquisition and negotiations thereon, including fairness and arm's length terms of the proposed acquisition. The Board will not hesitate to ask the chairman to relinquish the chairmanship and to step down as an independent director of the Board, should the continuous assessment objectively found Mr Chua to interfere, or reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interest of the Company.

BY ORDER OF THE BOARD

Goh Lik Kok
Executive Director and CEO
19 October 2026