

**GRP LIMITED**

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

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**CLARIFICATION ON THE BUSINESS TIMES' ARTICLE ENTITLED "GRP should clarify board appointment"**

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The Board of Directors (the "**Board**" or "**Directors**") of GRP Limited (the "**Company**" and together with its subsidiaries, the "**Group**") seeks to clarify on the article "GRP should clarify board appointment" as published by the Business Times on 13 September 2013 ("**BT Article**").

In response to the BT Article, in particular in relation to the specific statements as follows:

- (i) "...it is unclear how the NC could have properly assessed the case against Mr Moe, which was resolved through mediation..."; and
- (ii) "...how Mr Moe was identified as a candidate, including whether he was nominated by particular shareholders....",

the Board wishes to clarify as follows:

**(i) Assessment of Mr Peter Moe's suitability as an Independent Director**

The Nominating Committee ("**NC**") had assessed Mr Peter Moe's suitability as an Independent Director of the Company by taking into account various matters, including:

- (a) considered Mr Moe having prior experience of more than 10 years as an Independent Director in 3 companies listed on the Mainboard of the SGX-ST, namely:
  - PSL Holdings Ltd;
  - Chuan Soon Huat Industrial Group Ltd; and
  - Air Ocean Ltd.
- (b) considered Mr Moe's qualifications, namely:
  - A law graduate with Honours degree from University of Kent, Canterbury, United Kingdom; and
  - Admitted as an advocate and solicitor in Singapore for more than 30 years and currently still a practising lawyer.
- (c) considered Mr Moe's professional experience and credentials as follows:
  - In his 30 years of legal practice as a lawyer, he has handled a wide variety of legal work including civil litigation work, corporate advisory and commercial work and real estate work and is considered essential as the Company is diversifying into property development businesses; and
  - A major area of his legal experience is in conveyancing and real estate legal work, which includes residential, commercial and industrial property sales representing sellers, buyers, banks and financial institutions in various transactions.

With regard to Mr Moe's past history on a conviction under Section 157(1) of the Singapore Companies Act which led to a S\$5,000 fine and one year disqualification order from holding directorship in October 2008 (as disclosed in Attachment A under items (i) and (iii) of the Company's first announcement of Mr Moe's appointment as director on 3 September 2013), this related to the incident concerning Chuan Soon Huat Industrial Group Ltd. In that case, Mr Moe as an Independent Director was found not having used reasonable diligence in the discharge of his duties as a director in failing to disclose a change in effective control of that company to SGX. For this, Mr Moe has paid his fine and been penalised with the disqualification order which ended in late 2009.

With regard to the civil proceeding in High Court Suit No. 160/2010/W and a complaint of professional misconduct under Section 85(1) of the Legal Profession Act, they both arose out of the same incident based on the same facts as earlier disclosed in the Company's announcement of 9 September 2013. The civil suit was amicably resolved through mediation in April 2011. The professional misconduct complaint was dismissed by the Singapore Law Society in January 2011. That complaint was dismissed after due process having been conducted by the Law Society by examining the relevant facts and allegations made by the complainant against Mr Moe. It is pertinent to note that Mr Moe was found not to be liable for any professional conduct in respect of that complaint.

The NC has taken into account the aforesaid incidents while assessing Mr Peter Moe's qualifications, experience and credentials to act as an independent director. The above incidents were unfortunate events which have no doubt served as positive learning experience for which Mr Moe has considered to have led him to become more vigilant to safeguard the interest of the Company especially when dealing with governance and compliance requirements. In particular, the NC has noted the following attributes of Mr Peter Moe which will help to serve the interest of the Company:

- (i) He has become more discerning of corporate actions undertaken by listed companies and more demanding of corporate disclosure compliance; and
- (ii) As he was involved in the investigation process leading to his past conviction under Section 157(1) of the Companies Act, he has acquired better understanding and experience of the regulatory framework and expectations of the regulators in regard to the compliance requirements under the Companies Act and SGX-ST Listing Manual.

In addition to reviewing the relevant documents furnished by Mr Peter Moe regarding his background, the NC also met and interviewed Mr Peter Moe to assess his qualifications and working experience as well as to understand the background of the aforesaid incidents during the NC's assessment of Mr Peter Moe. The NC has found Mr Peter Moe to have demonstrated a strong sense of being vigilant and keenness to serve a public listed company. In addition, Mr Peter Moe has demonstrated to have adequate quality of knowledge on corporate governance and directorship roles and sufficient professional experience.

Mr Peter Moe has served his time on being barred to hold directorship and has duly paid his penalties by late 2009. He is no longer being barred at law from holding directorship and ought to be entitled to act as a director for so long as he is qualified to do so. Mr Peter Moe has given himself a second chance to serve as an independent director of a listed company and braved public scrutiny in view of his previous record. In this regard, none of us can be faultless and perfect and some have tougher paths than others. The NC feels that the corporate community should allow those who try to have another opportunity as part of being a gracious society.

In this connection, the role of Mr Peter Moe is to serve as one of the three non-executive independent directors of the Company.

**(ii) Identification and Selection of Mr Peter Moe as Independent Director**

In the search of new directors, the NC identifies the competencies and expertise required to enable the Board to fulfil its responsibilities in the selection of potential new members to the Board. In addition, the NC will in consultation with the Board determine the selection criteria for new Board members in light of the prevailing needs and circumstances of the Company. The Board, through the NC, checks that the potential candidates will possess the necessary background, experience and knowledge critical to the Group's business to ensure that each director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Just like any listed company in Singapore, the Company taps on the social and business network of its existing board members to bring on board potential candidates who can be considered as a suitable independent director of the Company.

In the case of Mr Peter Moe, he was introduced to the NC by Mr Kwan Chee Seng, a Director and controlling shareholder of the Company, for consideration as a potential candidate for the role of an independent director. Mr Kwan first knew Mr Peter Moe around 2003 when the latter was a legal counsel of a Singapore unit of an MNC which was acquiring a property asset from a company controlled by Mr Kwan. Mr Kwan has found Mr Peter Moe to have strong professional experience and expertise in the area of his legal work and was impressed with him. The second encounter Mr Kwan had with Mr Peter Moe was in 2005 when Mr Moe introduced Mr Kwan to the founder of a private limited company who was looking for a new investor. Mr Kwan eventually made an investment in that company but exited from that investment about a year later. Mr Moe was a director and a minority shareholder of that private company at that time. Mr Kwan does not have any further transactions with Mr Peter Moe subsequent to that transaction.

Other than Mr Peter Moe, there were other candidates who were introduced by Mr Kwan Chee Seng for the same role. Of the candidates introduced Mr Kwan for the same role, only Mr Peter Moe is a lawyer with experience and expertise in property and real estate work. Based on his past working experience, Mr Moe has worked with both small and medium enterprises as well as large organisations. This made him a very suitable candidate to serve as an Independent Director of the Company in view of its plans to diversify its core business to include property development, investment and trading business. As the two other candidates introduced by Mr Kwan were an accountant and an engineer respectively, the NC had found Mr Moe to be most suitable as he is a senior lawyer with experience in property and real estate matters, which will make him an Independent Director with relevant industry experience for the Company.

As Mr Kwan is a new Director of the Company who has experience in property business, which is the area that the Company is seeking to diversify into, Mr Kwan has taken the initiative to introduce to the NC suitable candidates for Independent Director who have relevant industry experience.

Although Mr Peter Moe has been a practising lawyer for many years, he has not previously represented nor acted as legal adviser for Mr Kwan Chee Seng or any company managed or controlled by him. Mr Peter Moe does not have any existing business relationship with Mr Kwan Chee Seng and is not related to Mr Kwan in any way. In addition, the NC has also found Mr Peter Moe to have met the guidelines of “independence” for the purpose of the Code of Corporate Governance 2012.

**BY ORDER OF THE BOARD**

KWAN CHEE SENG  
Executive Director  
18 September 2013