GALLANT VENTURE

STRIVING FOR EXCELLENCE

ANNUAL REPORT 2021

CONTENTS

GROUP PROFILE

Gallant Venture Ltd. ("**GV**"), headquartered and listed in Singapore, is an Indonesia focused investment holding company with operations primarily in the islands of Batam and Bintan. Our business is well-positioned to leverage on the strategic alliance between Singapore and Indonesia governments and close proximity to Singapore. The principal business of GV and its subsidiaries ("**the Group**") are utilities provider, master planner and developer of industrial parks, property development and resort operations. Through the Group's associated companies' PT Indomobil Sukses International Tbk ("**PT IMAS**") and BOMC Pte Ltd ("**BOMC**"), the Group has foothold in the automotive and offshore marine industry.

CORE BUSINESS

INDUSTRIAL PARKS

UTILITIES

PROPERTY DEVELOPMENT

RESORT OPERATIONS

OTHER BUSINESS

GROUP BUSINESSES

INDUSTRIAL PARKS

We own and manage Batamindo Industrial Park ("**BIP**") and Bintan Industrial Estate ("**BIE**") in Batam and Bintan that offer the convenience of one-stop manufactory environment with ready access to Singapore's financial, infrastructure and logistics network. BIP, a 320 ha premium industrial park in Batam with net factory lettable area of approximately 561,000 sqm, consists of 194 ready-built-factories with factory size between 972 sqm and 9,217 sqm and other services include logistics, medical amenities and workers' accommodation.

BIP is the first industrial park in Asia-Pacific certified ISO 9001 and ISO 14001. BIE, a 170 ha industrial park in Bintan with net factory lettable area of approximately 107,000 sqm, consists of 88 ready-built-factories with factory size between 504 sqm and 2,100 sqm and has its own dedicated wharf, CIQP facilities and amenities for medical and housing.

UTILITIES

We are independent utilities provider to our industrial park and resorts in Batam and Bintan. We provide power, water, waste management services and telecommunication services to our customers in the industrial parks and resorts. We have invested approximately S$435 million in the construction and development of utilities infrastructure and resources that include power generation and distribution facilities, portable water treatment facilities, sewage treatment plants, waste water treatment facilities and landfills.

For power generation, we have aggregate installed capacity of 154 MW, of which 120 MW in BIP, 10 MW in BIIE and 24 MW in Resorts. In order to cope with any potential increase in power consumption, we cater approximately 30% of our installed capacity as standby reserve. For water and waste treatment, we have aggregate capacity of 14,500m^3/day and 10,000m^3/day. For telecommunication services, we have approximately 6,000 lines servicing Batam and Bintan and also provide internet and triple play (Telephone, Internet and IPTv) services.

PROPERTY DEVELOPMENT

We are the master planner and developer for industrial, commercial, residential and resorts development in Bintan and Batam, Indonesia. We own approximately 18,000 ha of land in Bintan. Our latest integrated resort development, Lagoi Bay, consists of 1,300 ha earmarked for development of resorts, residences, shopping, restaurants, entertainments and sea-sport facilities.

Some of the investors in Lagoi Bay include world's leading resorts and hotels marques such as The Sanchaya, Four Point by Sheraton, Hotel Indigo and Hotel Inn by InterContinental Hotels Group, Dialoog Hotel by Malka and The Haven Bintan Lagoi Bay by the Haven Group.

RESORT OPERATIONS

We are the master planner and developer in Bintan Resorts. We undertake the overall planning, development, operations and marketing of Bintan Resorts. We provide support facilities and services including ferry services and ferry terminal operations, security, tour and resort operations, property rental, workers' accommodation, medical support and estate and township maintenance.

OTHER BUSINESS

PT IMAS, an associated company of the Group, is an Indonesia based integrated automotive group. Its main business among others dealership franchise holder, vehicle sales distributor, after sales services, vehicle financing, spare parts distributor, vehicle assembler, automotive parts/component manufacturer, car rental services, used cars trading, logistics services, fuel distribution, non-formal education services, and other related supporting services. IMAS holds well-known brands of international reputation, namely Audi, Bandit, Datsun, HIAB, Hino, John Deere, Kalmar, KIA, Manitou, Nissan, Jaguar Land Rover, Renault Trucks, SDLG, Suzuki, Volkswagen, Volvo Bus, Volvo Construction Equipment, and Volvo Trucks.

BOMC, an associated company of the Group, own and operate a state-of-the art common-user facility in Bintan Industrial Estate for manufacturing, fabrication, repairs, modifications, and logistics for the offshore marine, oil and gas industries. It offers all offshore projects the distinct advantage to lower costs, provides increased efficiencies and productivity, adhere to strict corporate compliance and governance requirements with all operations conducted under world class safety and quality systems.

BOARD OF DIRECTORS

MR LIM HOCK SAN
Non-Executive Chairman and Independent Director

Date of last election: 30 April 2021
Board Committee
Chairman, Audit and Risk Management Committee
Chairman, Nominating Committee
Member, Remuneration Committee

Mr Lim was appointed as a Non-Executive Chairman and Independent Director on 1 February 2006.

Mr Lim has a Bachelor of Accountancy from the University of Singapore and a Master of Science (Management) from Massachusetts Institute of Technology. Mr Lim also attended the Advanced Management Programme at Harvard Business School. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants. He is also a recipient of the Singapore Government Meritorious Service Medal, the Public Administration Medal (Gold) and the Public Service Medal.

Current directorship in other companies listed on Singapore stock exchange
– Indofood Agri Resources Ltd

MR EUGENE CHO PARK
Executive Director and Chief Executive Officer

Date of last election: 30 April 2021
Board Committee
Nil

Mr Park was appointed as an Executive Director and Chief Executive Director on 1 February 2006.

Responsible for the overall management of the Company, Mr Park is a co-founder of Parallax Capital Management Group. He has also spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He received a Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.

MR GIANTO GUNARA
Executive Director and Chief Operating Officer

Date of last election: 26 June 2020
Board Committee
Nil

Mr Gunara was appointed as an Executive Director on 8 November 2006.

Mr Gunara is the Executive Director/Group Chief Operating Officer overseeing the Group Operations. He started his career with Haagtechno BV-Den Bosch in Holland as a Management Trainee in 1984 and is currently sits on the Board of Director/Commissioner of several subsidiaries of the Group and in other private enterprises.

He holds a Bachelor in Business Administration degree from Simon Fraser University, Vancouver, Canada.

MR CHOO KOK KIONG
Executive Director and Chief Financial Officer

Date of last election: 26 June 2020
Board Committee
Nil

Mr Choo was appointed as an Executive Director on 30 April 2014.

Mr Choo is the Executive Director/Group Chief Financial Officer overseeing the Group and its corporate services. He is also appointed as a Group Risk Officer. Prior to joining the company, he held various management positions in the Sembcorp group. He has over 20 years of finance experience, having held the positions of Vice-President of Finance at Sembcorp Parks Management and Sembcorp Parks Holdings Ltd (now known as Sembcorp Development Ltd), Assistant Vice-President of Finance at Sembcorp Industries Ltd and Accounts Manager with Singapore Precision Industries Pte Ltd. Mr Choo also sits on the board of QAF Limited and Singapore Kitchen Equipment Limited as non-executive director and non-executive independent director, respectively.

He holds a Master in Business Administration from the University of Wales (UK)/Manchester Business School (UK). He had also qualifications from Chartered Institute of Management Accountants (CIMA, UK) and Association of Chartered Certified Accountants (ACCA, UK).

Current directorship in other company listed on Singapore stock exchange
– QAF Limited
– Singapore Kitchen Equipment Limited

MR AXTON SALIM

Non-Executive Director

Date of last election: 30 April 2019

Board Committee

Nil

Mr Axton was appointed as a Non-Executive Director on 30 April 2014.

Mr Axton was first appointed as a Director of PT Indofood Sukses Makmur Tbk based on the resolution of the AGM in 2009 with the latest re-elected in 2021. He heads the Dairy Division and is concurrently the Director of PT Indofood CBP Sukses Makmur Tbk, Non-Executive Director of Indofood Agri Resources Ltd and First Pacific Company Ltd, as well as Commissioner of PT Salim Ivomas Pratama Tbk and PT London Sumatra Indonesia Tbk. He started his career in PT Indofood Fritolay Makmur as a Brand Manager before appointed as an Assistant CEO of PT Indofood Sukses Makmur Tbk.

Mr Axton is also part of the United Nations Scaling Up Nutrition (SUN) Movement Business Network Advisory Group, where he serves as a Co-Chair, and SUN Business Network Indonesia as a Coordinator, as well as Nanyang Business School as Advisory Board Member.

He holds a Bachelor of Science in Business Administration from University of Colorado, USA.

Current directorship in other company listed on Singapore stock exchange

– Indofood Agri Resources Ltd
– First Pacific Company Ltd

MR FOO KO HING

Non-Executive and Independent Director

Date of last election: 30 April 2021

Board Committee

Chairman, Remuneration Committee
Member, Audit and Risk Management Committee
Member, Nominating Committee

Mr Foo was appointed as an Independent Director on 8 December 2004.

After leaving Price Waterhouse Coopers in 1986, Mr Foo joined The Hongkong and Shanghai Banking Corporation Limited ("HSBC") group in the Trust and Fiduciary Business in Singapore. He was later seconded to HSBC Bank Jersey C.I in 1989 and was subsequently promoted to Executive Director, covering fiduciary activities, private banking, compliance and investment functions. He returned to Singapore in 1991 and resumed responsibilities with the HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development. Mr Foo is also a co-founder and Director of Cerealtech Pte Ltd, a food technology company specialising in enzyme application and micro ingredient development for the industrial baking sector. He is also currently the Independent Director and Audit Committee Chairman of Amara Holdings Ltd. He has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has previously served on the boards of various companies in various sectors listed on the SGX-ST. He holds a BA Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.

Current directorship in other company listed on Singapore stock exchange

– Amara Holdings Ltd

BOARD OF DIRECTORS

DR TAN CHIN NAM
Non-Executive Director

Date of last election: 30 April 2021
Board Committee
Nil

Dr Tan was appointed as a Non-Executive Director on 25 May 2009.

Dr Tan is currently Chairman of Global Fusion Capital Pte Ltd. He is also Senior Adviser to the Salim Group as well as Member of the Centre for Liveable Cities Distinguished Advisers Panel, the Board of Trustees of Bankinter Foundation for Innovation (Spain), Eight Inc Advisory Board and the Singapore Symphony Orchestra Council.

Dr Tan had 33 years of distinguished service in the Singapore Public Service holding various key appointments before completing his term as a Permanent Secretary in 2007. He held various top public leadership positions including as General Manager and Chairman, National Computer Board; Managing Director, Economic Development Board; Chief Executive, Singapore Tourism Board; Permanent Secretary, Ministry of Manpower; Permanent Secretary, Ministry of Information, Communications and the Arts; Chairman, National Library Board; and Chairman, Media Development Authority. He played a leading role in the information technology, economic, tourism, manpower, library, media, arts and creative industries development of Singapore. Dr Tan subsequently held directorship and advisory roles at various public and private companies.

Dr Tan holds degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from the University of Bradford, UK. He also holds two honorary doctorate degrees awarded by both universities. He attended an Advanced Management Programme at Harvard Business School and is an Eisenhower Fellow. He was awarded four Public Administration Medals by the Government of Singapore.

MR LIM CHEE SAN
Non-Executive and Independent Director

Date of Appointment: 1 November 2021
Board Committee
Member, Audit and Risk Management Committee
Member, Nominating Committee
Member, Remuneration Committee

Mr Lim has been an accountant, a banker and a lawyer at different times during the last 38 years. He has his own law firm, TanLim Partnership, now. Before he started his current law practice, he was the Head of Banking Operations in a large regional bank. He also has many years of experience as an auditor in large international accounting firms. He is a barrister-at-law, a chartered certified accountant, and a chartered information technology practitioner. He was among the top candidates in his accountancy and law examinations.

Current directorship in other companies listed on Singapore stock exchange
– Colex Holdings Limited
– Chemical Industries (Far East) Limited
– Blackgold Natural Resources Limited
– Singapore Kitchen Equipment Ltd

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Eugene Cho Park	Gianto Gunara
Date of appointment	01 February 2006	08 November 2006
Date of last re-appointment	30 April 2021	26 June 2020
Age	62	59
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable as Mr Park is not subject to re-election at the AGM 2022.	Not applicable as Mr Gunara is not subject to re-election at the AGM 2022.
Whether appointment is executive, if so, the area of responsibility	Yes, he is responsible for the overall management of the Group.	Yes, he is responsible to overseeing the Group Operations.
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chief Executive Officer	– Chief Operating Officer
Professional qualifications	Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.	Bachelor in Business Administration degree from Simon Fraser University, Vancouver, Canada.
Working experience and occupation(s) during the past 10 years	Mr Park has spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He has been with the Group since 2006.	He has been with the Group since 2006. He also sits on the Board of Director/Commissioner of several subsidiaries of the Group and in other private enterprises.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 200,000 shares, 0.0037%	Direct interest of 200,000 shares, 0.0037%
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Eugene Cho Park	Gianto Gunara
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – PT Multistrada Arah Sarana Tbk • **Present:** – Subsidiaries of Gallant Venture Group – PT Citatah Tbk – PVP XVIII Pte Ltd – Echo Holdings Pte Ltd – GDM Resources Pte Ltd – Great Resources Pte Ltd – Xin Yuan Investments Pte Ltd	• **Past (for the last 5 years)** – S&P 1821 Pte Ltd – Big Venture Pte Ltd – QAF Limited • **Present:** – Subsidiaries of Gallant Venture Group – Avonian Pte Ltd – Nirwana Pte Ltd – Sembcorp Parks Management Pte Ltd – Singapore-Bintan Resort Holdings Pte Ltd – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Tropical Bintan Pte Ltd – BOMC Pte Ltd
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

Name of Director	Eugene Cho Park	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Eugene Cho Park	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Name of Director	Eugene Cho Park	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Foo Ko Hing	Dr Tan Chin Nam
Date of appointment	08 December 2004	25 May 2009
Date of last re-appointment	30 April 2021	30 April 2021
Age	65	72
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable as Mr Foo is not subject to re-election at the AGM 2022.	Not applicable as Dr Tan is not subject to re-election at the AGM 2022.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chairman of Remuneration Committee – Member of ARMC – Member of Nominating Committee	– Nil
Professional qualifications	BA Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.	Degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from the University of Bradford, UK. He also holds two honorary doctorate degrees awarded by both universities. He attended an Advanced Management Programme at Harvard Business School and is an Eisenhower Fellow.
Working experience and occupation(s) during the past 10 years	Mr Foo has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has been with the Group since 2004.	During the past 10 years, Dr Tan has been active in the private sector offering business and strategic advisory services. He is Senior Adviser to the Salim Group. He is also Adviser of Eight Inc. as well as Member of the Centre for Liveable Cities Distinguished Advisers Panel, the Bankinter Foundation for Innovation Board of Trustees (Spain), and the Singapore Symphony Orchestra Council.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None

Name of Director	Foo Ko Hing	Dr Tan Chin Nam
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – None • **Present:** – Amara Holdings Ltd – Cerealtech Pte Ltd	• **Past (for the last 5 years)** – Yeo Hiap Seng Ltd – Raffles Education Corporation Ltd – Temasek Management Services Pte Ltd • **Present:** – Global Fusion Capital Pte Ltd
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Foo Ko Hing	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Name of Director	Foo Ko Hing	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Foo Ko Hing	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

Name of Director	Lim Hock San	Axton Salim
Date of appointment	01 February 2006	30 April 2014
Date of last re-appointment	30 April 2019	30 April 2019
Age	76	43
Country of principal residence	Singapore	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Lim as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.	The re-election of Mr Axton as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Axton's contributions, qualifications, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chairman of ARMC – Chairman of Nominating Committee – Member of Remuneration Committee	– Nil
Professional qualifications	Bachelor of Accountancy from the University of Singapore and Master of Science (Management) from Massachusetts Institute of Technology. Mr Lim also attended the Advanced Management Programme at Harvard Business School. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants.	Bachelor of Science in Business Administration from University of Colorado, USA.
Working experience and occupation(s) during the past 10 years	Mr Lim has been with the Group since 2006. He is presently the Vice Chairman and Independent Director of Indofood Agri Resources Ltd.	Mr Axton serves as Global Co-chair of Scaling Up Nutrition (SUN) Business Advisory Group.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 1,714,000 shares, 0.0316%	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	Son of Mr Anthoni Salim who is a substantial shareholder of the Company.

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Hock San	Axton Salim
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – United Industrial Corporation Ltd – Singapore Land Limited – Ascendas Funds Management (S) Limited – Marina Centre Holdings Pte Ltd – Realty Management Services (Pte) Ltd – UIC Technologies Pte Ltd – Aquamarina Hotel Pte Ltd – Marina Bay Hotel Pte Ltd – Hotel Marina City Pte Ltd – Interra Resources Limited – Singapore-Suzhou Township Development Pte Ltd • **Present:** – Indofood Agri Resources Ltd	• **Past (for the last 5 years)** – Art Photography Centre Ltd • **Present:** – Indofood Agri Resources Ltd – First Pacific Company Ltd – Several private enterprises in Indonesia.
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

Name of Director	Lim Hock San	Axton Salim
The general statutory disclosures of the Directors are as follows:		
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Hock San	Axton Salim
The general statutory disclosures of the Directors are as follows:		
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Name of Director	Lim Hock San	Axton Salim
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable This is a re-election of a director.	Not applicable This is a re-election of a director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Lim Chee San
Date of appointment	30 April 2014	01 November 2021
Date of last re-appointment	26 June 2020	Not applicable
Age	53	62
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Choo as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Choo's contributions, qualifications, expertise and past experiences.	The re-election of Mr Lim as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	Yes, he is responsible to overseeing the Group and its corporate services.	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chief Financial Officer/Chief Risk Officer	– Member of ARMC – Member of Nominating Committee – Member of Remuneration Committee
Professional qualifications	Master in Business Administration from the University of Wales (UK)/ Manchester Business School (UK). He also had qualifications from Chartered Institute of Management Accountants (CIMA, UK) and Association of Chartered Certified Accountants (ACCA, UK).	Member of the Chartered Association of Certified Accountants, Member of the Institute of Singapore Chartered Accountants, Member of the British Computer Society, Bachelor of Law (Honours) from University of London, Barrister at Law (Lincoln's Inn) England, Advocate and Solicitor Singapore.
Working experience and occupation(s) during the past 10 years	Mr Choo has over 20 years of finance experience, he has been the Vice-President of Finance at Sembcorp Parks Management and Sembcorp Development Ltd. He is a Non-Executive Director of QAF Limited since 2014 and Non-Executive Independent Director of Singapore Kitchen Equipment Limited.	Mr Lim has been an accountant, a banker and a lawyer at different times during the last 38 years. He has his own law firm, TanLim Partnership, now. Before he started his current law practice, he was the Head of Banking Operations in a large regional bank. He also has many years of experience as an auditor in large international accounting firms.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None

Name of Director	Choo Kok Kiong	Lim Chee San
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – S&P 1821 Pte Ltd • **Present:** – QAF Limited – Singapore Kitchen Equipment Limited – Subsidiaries of Gallant Venture Group – Batamindo Carriers Pte Ltd – Nirwana Pte Ltd – Singapore-Bintan Resort Holdings Pte Ltd – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Teachcast Global Pte Ltd – Trinity Consulting – BOMC Pte Ltd	• **Past (for the last 5 years)** – HupSteel Limited – Soon Lian Holdings Limited – Fujiyama Pte Ltd • **Present:** – Colex Holdings Limited – Chemical Industries (Far East) Limited – Blackgold Natural Resources Limited – Singapore Kitchen Equipment Limited – Panaudit Business Services Pte Ltd – Pan Services Pte Ltd – Rees Property Consultants Pte Ltd – 4Ward Pte Ltd
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Lim Chee San
The general statutory disclosures of the Directors are as follows:		
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Name of Director	Choo Kok Kiong	Lim Chee San
The general statutory disclosures of the Directors are as follows:		
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Lim Chee San
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	He has been the subject of a past complaint to the Law Society Singapore about conflict of interest. The complaint was dismissed at the Inquiry Committee Stage in May 2018. Save for the above, there has been no investigation against him. Hence, he has not been the subject of any current or past disciplinary proceeding and have not been reprimanded or issued any warnings by the Monetary Authority of Singapore or any other regulatory authority, SGX-ST, professional body or government agency, whether in Singapore or elsewhere.
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable This is a re-election of a director.	Not applicable This is a re-election of a director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

GROUP STRUCTURE

SUBSIDIARIES

100%	**PT Batamindo Investment Cakrawala**	Indonesia
100%	**PT Bintan Inti Industrial Estate**	Indonesia
100%	**Bintan Resorts International Pte Ltd**	Singapore
100%	**Batamindo Investment (S) Ltd**	Singapore
100%	**Bintan Power Pte Ltd**	Singapore
100%	**BU Holdings Pte Ltd**	Singapore
100%	**GV Airport Holdings Pte Ltd**	Singapore
100%	**GO Marine Offshore Investment Pte Ltd**	Singapore
100%	**GO Greenhouse Investments Pte Ltd**	Singapore
100%	**GO Cloud Data Center Pte Ltd**	Singapore
100%	**Verizon Resorts Limited**	Malaysia
100%	**PT Buana Megawisatama**	Indonesia
100%	**PT Surya Bangun Pertiwi**	Indonesia
100%	**PT Suakajaya Indowahana**	Indonesia
100%	**PT Taman Indah**	Indonesia
100%	**Lagoi Dreams Limited**	British Virgin Islands
100%	**Win Field Limited**	British Virgin Islands
100%	**Treasure Home Limited**	British Virgin Islands
100%	**Golf View Limited**	Seychelles
100%	**PT Gallant Lagoi Abadi**	Indonesia
100%	**PT Gallant Lagoi Berjaya**	Indonesia
100%	**PT Gallant Lagoi Cemerlang**	Indonesia
100%	**PT Gallant Lagoi Damai**	Indonesia
100%	**PT Gallant Lagoi Elok**	Indonesia
100%	**PT Gallant Lagoi Fenomena**	Indonesia
100%	**PT Gallant Lagoi Gemilang**	Indonesia
100%	**PT Gallant Lagoi Harmoni**	Indonesia
100%	**PT Gallant Lagoi Inti**	Indonesia
100%	**PT Gallant Lagoi Jaya**	Indonesia
100%	**PT Batamindo Digital Perkasa**	Indonesia
100%	**PT Batamindo Green Perkasa**	Indonesia
100%	**PT Batamindo Solar Perkasa**	Indonesia
96.87%	**Bintan Resort Ferries Pte Ltd**	Singapore
95.53%	**PT Bintan Resort Cakrawala**	Indonesia
95%	**PT Batam Bintan Telekomunikasi**	Indonesia
77.5%	**PT Batamindo Executive Village**	Indonesia
66.25%	**Singapore-Bintan Resort Holdings Pte Ltd**	Singapore

ASSOCIATES

49.49%	**PT Indomobil Sukses Internasional Tbk**	Indonesia
36%	**Batamindo Carriers Pte Ltd**	Singapore
33.33%	**PT Bintan Aviation Investments**	Indonesia
30%	**PT Soxal Batamindo Industrial Gases**	Indonesia
30%	**PT Persada Hijau Permai**	Indonesia
30%	**PT Persada Hijau Cemerlang**	Indonesia
26%	**BOMC Pte Ltd**	Singapore

CORPORATE DIRECTORY

COMPANY REGISTRATION NUMBER
200303179Z

REGISTERED OFFICE
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

DIRECTORS
LIM HOCK SAN
(Non-Executive Chairman and Independent Director)

EUGENE CHO PARK
(Executive Director and Chief Executive Officer)

GIANTO GUNARA
(Executive Director and Chief Operating Officer)

CHOO KOK KIONG
(Executive Director and Chief Financial Officer)

DR TAN CHIN NAM
(Non-Executive Director)

AXTON SALIM
(Non-Executive Director)

FOO KO HING
(Non-Executive and Independent Director)

LIM CHEE SAN
(Non-Executive and Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE
LIM HOCK SAN (Chairman)
FOO KO HING
LIM CHEE SAN

NOMINATING COMMITTEE
LIM HOCK SAN (Chairman)
FOO KO HING
LIM CHEE SAN

REMUNERATION COMMITTEE
FOO KO HING (Chairman)
LIM HOCK SAN
LIM CHEE SAN

COMPANY SECRETARY
CHOO KOK KIONG

SHARE REGISTRAR
KCK CorpServe Pte. Ltd.
24 Raffles Place #07-07
Clifford Centre
Singapore 048621

PRINCIPAL BANKERS
United Overseas Bank Limited
Standard Chartered Bank Ltd
PT Bank Mandiri (Persero) Tbk, Singapore Branch
PT Bank CIMB Niaga Tbk
DBS Bank Ltd

INDEPENDENT AUDITOR
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: HO TEIK TIONG
(Since financial year ended 31 December 2018)

LETTER TO SHAREHOLDERS

Mr Eugene Cho Park
Executive Director and
Chief Executive Officer

Mr Lim Hock San
Non-Executive Chairman and
Independent Director

DEAR FELLOW SHAREHOLDERS:

2021 was a year of changes for all of us after a year of unparalleled disruption. We implemented steps to face COVID-19 in real time and restructured businesses after critically reviewing operations during 2020. Our teams have structured best practices to insure the safety and health of our staff and our partners and clients, as well as the health of our businesses. These changes have created solid foundations for us to face our third year of this pandemic as well as the changing business landscape in front of us.

The unpredictability of the virus has re-emphasized the importance of being forward looking, not only to confirm our current position, but also to ensure our future direction relative to potential risks. We see a period of continuing world volatility with perhaps three relevant risk themes – increasingly common non-democratic governmental changes, increasing social inequality and increasing sustainability risks. In reviewing our position vis a vis these factors, we believe that the Indonesian government policies and our own investments place us on the right path to face each of these issues.

1) The stability of the Indonesian democracy continues to be strong. We are confident that relative to other regional economies, Indonesia is still the most interesting investment location for manufacturers looking to diversify risk as well as to engage with the growing middle class of the world's fourth most populous country.

2) The passage of the Omnibus law in 2021 is a major step to restructure the complicated legal system and should result in a decrease in business regulation and increase ease of doing business. This should encourage inward foreign investment and new business creation which should in turn increase small business success and improve social equality.

3) The Indonesian government has given clear directions and is emphasizing social welfare, health and infrastructure investments. Pertinent to our businesses, we see energy transition to a more carbon neutral future and investment into infrastructure to improve domestic logistics.

4) The physical shift of the government to the new capital city Nusantara in Kalimantan will clearly add to GDP through investment but we also believe that the physical distancing of the government from Jakarta could also reduce government/business interference, increase ease of doing business, and allow the government to focus on issues such as inequality and social welfare.

LETTER TO SHAREHOLDERS

INDUSTRIAL PARKS

As the global economies recovered from the early shocks of the pandemic, industrial production has boomed, and we have seen the effects in the 99% occupancy figures of our Batamindo Industrial Park. The high occupancy rate is not only due to existing manufacturers expanding, but also manufacturers de-risking production away from single locations to avoid future exposure to regime changes, trade disputes, and complicated cross border supply chains. As a country with very substantial human and natural resources as well as abundant land banks and uncongested sea lanes, and of course our close cooperation with Singapore and its world class R&D, finance, transportation and logistics infrastructures, we are well positioned to deliver complete solutions to our client's needs.

UTILITIES

Our utilities business has seen a nice increase in results as our industrial park in Batam runs at 99% occupancy. We are seeing consistently high power production numbers there – now running at pre-pandemic levels of approximately 34 million kWh per month. Total production is still lower overall due to the continued reduced activity at our Bintan tourism locations, but should rebound as Bintan and tourism restarts in 2022.

Looking forward our JV with Medco Power and PacificLight Power was granted the first in principal approval to import solar power into Singapore. The project consists of a 670MWp solar farm plus storage and transmission via subsea cable into Singapore of 100MW non-intermittent power. We are also adding solar power generation capacity in Bintan to support our resorts and the new developments around our airport project, as well as demand from new data centers being built in both Batam and Bintan. With these projects our power generation business has made significant steps in energy transition to sustainable sources.

PROPERTY DEVELOPMENT AND RESORT OPERATIONS

Our Property Development and our Resorts Operations businesses remained relatively quiet due to the lack of tourism during the pandemic, however post-vaccine rollout in Indonesia, we have seen a jump in domestic tourism as people want to travel again. Looking forward to 2022 we are cautiously optimistic that this trend will continue, and we also believe that international travel will restart in the first half of the year. We have already built infrastructure to deal with the new health and safety measures required in a post pandemic world and are proud to highlight such facilities as latest technology PCR testing facility that can return results on a 20-minute turnaround. Our bubble protocols were negotiated mid-2021 with the Indonesian and Singaporean governments, though implementation has been delayed a few times as the Delta and Omicron waves arrived. Nevertheless, we are ready to execute as soon as allowed by the respective governments.

OTHER BUSINESS INTERESTS

PT INDOMOBIL SUKSES INTERNASIONAL TBK ("PT IMAS") AUTOMOTIVE

We have seen recovery in PT IMAS – and we would like to highlight two of PT IMAS's fast-growing businesses – the logistics business and our fuel retailing business.

PT IMAS's logistics company provides high tech integrated logistics solutions for its customers. Its fleet has now grown to 8,000 GPS tracked vehicles that allow customers to monitor deliveries 24/7/365 through internet-based applications. Given the "supply chain" and "logistics bottlenecks" during last year, its technology driven solution is by far the largest and most popular in Indonesia, adding revenue of IDR 1.0 trillion in 2021 (about SGD 94 million) and continuing its high growth.

We are also proud of the results of PT IMAS's fuel retailing business under the Mobil brand. It has added over 1,000 kiosks during the year and now operate over 3,000 locations focused on the two wheeled market, that generated revenue of IDR 2.1 trillion in 2021 (about SGD 200 million).

On the Group level we also refinanced a major portion of our debt before its due date. In this uncertain business environment, we felt that locking in early inexpensive financing and shifting the refinancing further out the curve was most prudent for our company. We believe our company continues to be well positioned to capitalise on Indonesia's macro-economic trends as well as the strength of the regional economy, and we look forward to delivering better performance in a long term sustainable fashion for all our shareholders.

Sincerely,

MR LIM HOCK SAN
Non-Executive Chairman
Independent Director

MR EUGENE CHO PARK
Chief Executive Officer
Executive Director

BUSINESS REVIEW

MACROECONOMIC ENVIRONMENT

Prolonged COVID-19 pandemic has extended global travel restrictions while countries attempt to control the outbreak of the more infectious Delta and Omicron variants. Regional economies maintain strict travel restrictions while Singapore progressively opening its economy. Singapore and this region welcomed 2022 with gradual and controlled opening of their economies and implementation of Vaccinated Travel Lane ("**VTL**") so to revive travel activities in this region. While the global economies progressing toward COVID-19 endemic, the crisis in Ukraine might disrupt recovery and add inflation pressures that will further limit recovery.

The ongoing strategic rivalry between the US and China to compete directly in multiple fronts ranging from technology, security, financial markets and corporate governance has led to increasing tensions between the two nations. This geopolitical risk could weight on trade and global economic recovery. Companies that have globally integrated supply chains continue to seek diversification of their supply chain geographically so to mitigate effect from future adverse events such as outbreak of COVID-19 and trade war between the US and China.

Indonesia's economy has grown 3.7% in 2021 and is expected to achieve 5.2% in 2022 amid the COVID-19 pandemic. The Indonesian government has provided assistance to businesses, extended tax incentive and roll out support packages under the National Economic Recovery program to boost its economic. Growth targets and to transit towards a more sustainable economy, the Indonesian government has focused on:–

- To strengthen its manufacturing industries so to be a more resilient supply chains and drive innovation and technological transformation;
- Investment in renewable energy;
- To boost investment in infrastructure and human capital development; and
- To improve economic competitiveness through reduction of corporate taxes, reforming rigid labour laws, simplifying business licenses and reducing bureaucratic and regulatory barriers to investment through the implementation of Omnibus Law.

The Indonesian government's pursuit of economic growth and the transformation towards a sustainable economy will largely benefit the Group's core businesses and further reinforce the Group's commitment to drive sustainable and long term growth in Indonesia where the Group operates.

FINANCIAL HIGHLIGHTS

Despite the COVID-19 pandemic hitting our resort segment hard, the Group has managed to deliver a satisfactory financial result and improve its cash reserves. Revenue rose 5.0% year-on-year to reach S$145.1 million, representing an increase of S$6.9 million.

Loss from continuing operations attributable to the equity holder of the Company decreased by S$3.5 million to S$55.6 million as compared to S$59.1 million in FY2020. The loss attributable to the equity holder of the Company from continuing and discontinued operations in FY2021 decreased by S$631.8 million to S$55.6 million as compared to FY2020's S$687.4 million.

At the Group level, the net asset value per share for FY2021 was 14.90 cents as compared to 14.97 cents in FY2020. Loss per share, both on a weighted and on fully diluted basis, was 1.02 cents in FY2021 as compared to FY2020's 12.67 cents.

BUSINESS REVIEW

Barring the impacts from the crisis in Ukraine to the world economy, the Group is expected to see better results in FY2022 with continuous growth in our industrial parks and utilities segments and improvement in our resort segment with the launch of VTLs to leisure travellers in this region.

KEY BUSINESS SEGMENTS

INDUSTRIAL PARKS

Our industrial parks continue to outperform on the back of increased demand for industrial space and improvement in rental yield. Factory rental and related income has increased by 6.7% in FY2021 as compared to FY2020. The recent collaboration with government agencies to promote "Singapore +1 SEA" country for manufacturing under the Southeast Manufacturing Alliance Agreement will further enhance the attractiveness of our industrial parks in Batam and Bintan, Indonesia. The following are updates for our industrial parks segment:–

Batamindo Industrial Park ("**BIP**") (Batam)

BIP has secured net new leases of approximately 25,000 sqm during the year under review. 4 new factories totaling 11,680 sqm of new lettable factory space have been handed over to the tenants in 2021 and further 8 new factories, totaling 21,300 sqm, scheduled to complete and handover to our tenants in late 2022 and early 2023. We have secured another 17 new factories with built-up area of approximately 49,000 sqm to be constructed over the next 3 years and are expected to be ready for occupancy towards the next 2 financial years. With the planned developments, our industrial park in Batam is expected to increase its total lettable factory space by more than 20% in Year 2024. With limited factory units available, the Group expects steady increase in rental rates in the near term.

Our Batam industrial park has achieved full occupancy in Year 2021 and our new leases pipeline remains strong with existing tenants continue to increase their production space in Batam. In response to increased demand, the Group has acquired additional land in Batam for industrial developments from Year 2023 onwards.

Bintan Industrial Estate ("**BIE**") (Bintan)

BIE has secured new leases of 4,800 sqm of factory spaces and 19,700 sqm of land during the year under review. Our transformation of BIE into a major hub for food processing and offshore marine has yield satisfactory results bringing the industrial estate's factory occupancy rate to 65%. The Group is pursuing several companies in the food, marine and logistics industries to set up their operations in BIE and is optimistic that this will contribute positively to the Group towards Year 2023.

Indonesia has identified BIE as one of the industrial estate under the country's "**Two Countries Twin Parks**" initiative with China where both countries develop several interconnected industrial activities in the industrial parks identified in this program. Furthermore, BIE is an established and approved Halal Industrial Estate ("**KIH**") in Indonesia as part of the Indonesian government's strategy to become a leading global producer of halal products by 2024.

UTILITIES

On the back of higher factory occupancy and increased industrial activities, utilities consumptions and revenue in our industrial parks have increased by 7.0% and 8.5%, respectively. We expect further increase from the industrial parks once manufacturing activities in our new factories are brought online. Utilities consumptions in resort segment remains subdued as borders remain closed to leisure travellers. The Group expects improvement in this segment with implementation of VTLs for leisure travellers in this region.

Given the increasing focus on Environmental, Social and Governance ("**ESG**") and demand for green electricity is on the rise globally, the Group is exploring options to reduce our carbon footprint so to deliver green energy to our tenants/customers. As part of our sustainability effort and initiatives to reduce our carbon footprint, we will be gradually rolling out supply of green power to our tenants in BIP so as to reduce our dependency on traditional fuel sources. With this end in mind, we have:–

- Plan to develop a solar farm in our BIP for supply of up to 20% of green energy to our tenants;

- Entered into a joint venture agreement with Pacificlight Power Pte Ltd and PT Medco Power Indonesia to develop a solar PV project on Bulan Island, 2.5 km south-west of Batam Island, Indonesia that will supply renewable electricity exclusively to Singapore. The project is expected to have an installed generation capacity of 670MWp in the initial phase, which will provide 100MW equivalent of non-intermittent electricity to Singapore. The renewable electricity generated will be supplied via a dedicated plant-to-grid 230 kV HVAC subsea connection between Pulau Bulan and Singapore.
- Plan to develop solar farms in Bintan by Year 2024 for supply of green energy to our BIE and resorts in Bintan.

PROPERTY DEVELOPMENT

In FY2021, the Group recognised a land sales of S$1.8 million. The Group believes that Bintan remains an attractive tourist destination that offers both international and domestic investors many investment opportunities in areas like hotel, villas, residences and theme parks where Bintan is adjacent to major regional air hub – Singapore. Huge domestic-tourism market and strong governmental supports added the attractiveness of Bintan. With the planned Bintan International Airport and the new bridge linking Batam and Bintan, it will further enhance accessibility to Bintan and significant tourist arrivals is expected.

While the Group continues to monetise its land bank, the Group is also focusing on master planning and infrastructure development such as development of (a) airport; (b) greenhouse farming; (c) solar power plant; and (d) recreation/ theme parks.

RESORT OPERATION

Tourism continues to be one of the sectors hardest hit by the COVID-19 pandemic as borders remain closed to leisure travel. Anticipation of early recovery with the rolling out of global vaccination programs was hampered by successive waves in new variants and restricted travel in major economies. International travel to Bintan Resorts came to a complete halt in Year 2021. Having said that, it not all that gloomy, as we saw promising domestic arrival in 2021 that continue to support business activities in the resorts notwithstanding that Indonesia went into lockdown in July 2021 due to surged in COVID-19 cases.

As tourism sector is now on the road to recovery with gradual resumption of leisure travel in this region, we are ready to restart and welcome tourists into Bintan Resort. To prepare ourselves for a seamless and safe travel to Bintan, we have:–

Health protocol and safe distance measures

We expect travel to be different from pre-pandemic period. Tourists will not be able travel as freely as before at least for the foreseeable future without consideration for their health and safety. We have to ensure that the tourists' health and safety are well taken care of while holidaying in Bintan Resorts. As such, we have implemented the following rigorous protocol and measures:–

- Establish audited safe working systems and policies (CHSE in Indonesia and CovSafeSG in Singapore);
- Taking the lead and helping Hotels/Resorts in Bintan to establish health protocols;

BUSINESS REVIEW

- COVID-19 Management; active testing (Rapid Test Antigen) for employees; random screening for staff working in Bintan Resorts area and all guests at entry point using Genose C19;
- Implementation of BluePass as comprehensive contact tracing tool for all employees and guests; Development of Bintan Resorts QR Code application for contact tracing; and COVID-19 medical evacuation drill in collaboration with Resorts operators, Bintan Health Agency, Bintan Task Force and CIQP;
- Complete COVID-19 vaccination of all employees, and their family members, working in the Bintan Resorts area; and
- Setting up PCR laboratory to provide laboratory service for COVID-19 tests in the Bintan Resorts.

It is paramount importance that our health protocol and safe distance measures are well implemented as we see destination popularity being dictated by how well the destination controls and manages COVID-19 prevention strategy. These measures are now in place and we are confident to keep Bintan Resorts a safe destination for tourists arriving into Bintan.

Marketing activities

Outbreak of COVID-19 has prompted us to rethink how we should market the destination during this downturn. We were compelled to deepen our digital exploration and leverage on technology in our marketing strategies as traditional marketing plans are not viable during extended travel restrictions.

We continue to participate in various webinar organised by various tourism agencies and continue to engage with the travel partners to update Bintan Resorts' readiness and product offering. We believe that continuous marketing remains crucial during this downturn and will contribute positively once regional travel is permitted.

Rebuilding tourism

Domestic market; Even as borders reopen, we look to domestic market for growth. We have collaborated with influencers from aboard and domestic to promote tourism into Bintan and results have been promising.

International market; As most of the international tourists enter Bintan Resort via Singapore, we have established travel bubble/VTL to allow restricted number of fully vaccinated travellers to travel between Indonesia (namely Bintan and Batam island) and Singapore without quarantine at both locations. We have started VTL for leisure travelers between Singapore and Batam/Bintan in 1Q2022 and is hopeful that this program will be extended to regional countries in the immediate future.

OTHER BUSINESS INTERESTS

AUTOMOTIVE

The Group's share of loss from PT Indomobil Sukses Internasional Tbk, ("**PT IMAS**") was S$17.6 million as compared to S$53.3 million (including share of S$32.7 million loss from January to May 2020 before deconsolidation in June 2020) in FY2020, an improvement of 67.0%. Notwithstanding that the automotive business was adversely affected by lockdown imposed by the Indonesia authority in 3Q2021, PT IMAS' full year performance improved by 41.1%, from loss of S$42.6 million in FY2020 to loss of S$25.1 million in FY2021. This was mainly due to higher revenue from its sales of passenger vehicles, trucks and heavy-duty equipment, trucking and logistics business and higher contributions from the mini petrol kiosk business.

New developments during the year were as follows:–

- PT IMAS's subsidiary, PT Indomobil Multi Jasa Tbk ("**IMJ**") proposed issuance of new shares with preemptive rights to strengthen its capital structure so as to support business growth.
- Indomobil Finance Indonesia ("**IMFI**"), PT IMAS's financing arm, has increased its financing portfolio after Nissan Finance Service Indonesia transferred all its customer's portfolio to IMFI after its divestment from Nissan Motor Co Ltd.
- PT IMAS's associated company, PT JLM Auto Indonesia ("**JAI**"), has been appointed by British automotive manufacturer, Jaguar Land Rover, as sole distributor and importer of its vehicles and spare parts in Indonesia with effect from August 2021. JAI, in turn, will collaborate with PT IMAS Group to leverage on its extensive network to market Jaguar cars. JAI will be building a new showroom centre at Pantai Indah Kapuk ("**PIK**") to showcase Jaguar's new car models as well as its' electric vehicles.

- Nissan Indonesia has officially launched its all-new Nissan LEAF electric vehicle for the Indonesia consumers. The all-new Nissan LEAF EV comes in 11 different colors, premium cabin, advanced exterior design feature, long lasting battery and excellent safety features. Charging the EV can be done easily at home using portable charger or at charging stations situated at selected Nissan dealerships. Nissan LEAF EV price range from IDR 649 million to IDR 651 million.

The Group remains confident that PT IMAS's integrated and resilient portfolio of businesses will enable it to attain long term profitability and sustainable growth and will contribute positively to the Group.

OFFSHORE MARINE

BOMC Pte Ltd ("**BOMC**") contributed a profit of S$0.5 million to the Group's results in FY2021. The Group is confident that BOMC will continue to contribute positively to the Group's bottom line with its world class facility in Bintan that offer all offshore marine projects with distinct advantage of lower costs, high efficiencies and productivity and adherence to strict corporate compliance and governance requirements.

New developments during the year were as follows:–

- BOMC's spool base facility, for construction of continuous pipes to be used in offshore oil and gas projects, has reached operational status. The spool base stalk length of up to 2 km is the largest in Asia.
- Since the operational of the spool base facility in April 2021, BOMC has received vessels and jack-up rigs such as Boka Ocean, Seven Oceans and COSL Boss to its facility.

OUTLOOK AND FORGING AHEAD

Over the next few years, the Group expects its core businesses in Batam and Bintan to drive growth, with its industrial parks and utilities segments continue to perform strongly. The Group is confident that our resort operation segment and tourism in Bintan Resorts will emerge stronger from the crisis with greater resilience and reinvention.

While the global economy is on track for strong growth in a post-pandemic economy, challenges expected to remain in the horizon. The Group remains focused to (a) accelerate the next growth phase in our industrial parks segment; (b) scaling up the deployment of renewable energy in our utilities segment; (c) reviving tourism and drive related investment into Bintan Resorts; (d) optimize capital structure to manage our cash and liquidity; and (e) create a long term sustainable value for our stakeholders.

FINANCIAL HIGHLIGHTS

	FY2021	FY2020
INCOME STATEMENT (IN S$ MILLION)		
Revenue	**145.1**	138.2
Gross profit	**33.0**	24.4
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	**4.9**	5.0
Loss from continuing operations before tax	**(44.8)**	(49.1)
Loss attributable to equity holders of the Company	**(55.6)**	(687.4)
– from continuing operations	**(55.6)**	(59.0)
– from discontinued operations	**–**	(628.4)
STATEMENT OF FINANCIAL POSITION (IN S$ MILLION)		
Total assets	**1,409.8**	1,391.3
Total liabilities	**588.7**	565.7
Total equity	**821.1**	825.6
Equity attributable to equity holders of the Company	**813.9**	812.1
Total debt	**389.4**	347.8
Total cash and cash equivalents	**134.1**	106.8
SEGMENT (IN S$ MILLION)		
Revenue		
– Industrial Parks	**38.1**	35.1
– Utilities	**104.1**	97.6
– Resorts	**1.1**	5.5
– Property Developments	**1.8**	n.m[2]
EBITDA		
– Industrial Parks	**22.5**	17.7
– Utilities	**38.5**	34.6
– Resorts	**(12.0)**	(10.9)
– Property Developments	**(9.7)**	(9.6)
– Corporate	**(34.4)**	(26.8)
PER SHARE DATA (IN CENTS)		
Loss per share		
– from continuing and discontinued operations	**(1.02)**	(12.67)
– from continuing operations	**(1.02)**	(1.09)
Net asset value per share	**14.90**	14.97
OTHER FINANCIAL INFORMATION		
Current ratio (no. of times)	**5.0**	1.6
EBITDA margin (%)	**3.4%**	3.6%
Return of equity (%)	**-6.8%**	-7.3%
Return of assets (%)	**-3.9%**	-4.2%
Gross debt to equity ratio (no. of times)	**0.5**	0.4
Net debt to equity ratio (no. of times)	**0.3**	0.3

(1) Encompasses continuing operations only

(2) "n.m" denotes not meaningful

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group revenue was S$145.1 million, 5.0% higher than FY2020's S$138.2 million and was mainly due to higher revenue from rental and related income and utilities driven by higher occupancy in our industrial parks segment coupled with the contribution of S$1.8 million from the property development segment but was offset by lower utilities revenue in the resort segment, ferry services and tourism related services impacted by extended COVID-19 travel restrictions imposed by regional Authorities.

The Group's cost of sales decreased from S$113.8 million in FY2020 to FY2021's S$112.1 million and was mainly due to cost saving measures taken to cushion impacts from the COVID-19 pandemic. The Group's cost of sales to revenue ratio was 0.77 in FY2021 as compared to 0.82 in FY2020. Consequentially, the Group's gross profit increased from S$24.4 million in FY2020 to S$33.0 million in FY2021 and was in line with higher revenue.

The Group's "other (expenses)/income" was S$1.4 million expenses as compared to S$10.5 million income in FY2020 and was mainly due to the write off of the remaining unamortised borrowing transaction costs of S$2.8 million incurred in the previous syndicated bank borrowing that was refinanced in June 2021, unrealised foreign exchange loss of S$3.0 million as compared to unrealised foreign exchange gain of S$1.3 million in FY2020, absence of one-time insurance claim of S$3.9 million from damaged power generator received in FY2020 and lower government grant received under the Job Support Scheme in the current year.

The Group's "general and administrative expenses" was lower at S$15.6 million as compared to FY2020's S$18.2 million and was mainly due to lower manpower related costs, professional fees and rental expenses. The Group's "other operating expenses" was S$24.3 million comparable to FY2020. Excluding the impairment charge of S$1.8 million on goodwill in relation to the acquisition of SBRH, the Group's other operating expenses would be lower at S$22.5 million.

The Group's FY2021 "share of associate companies' results" was S$16.7 million loss as compared to FY2020's S$19.6 million loss and mainly due to lower loss from PT IMAS.

The Group's "finance costs" was lower at S$19.8 million as compared to FY 2020's S$21.9 million and was mainly due to repayment of external bank borrowings.

The Group's net loss attributable to equity holder of the Company from continuing and discontinued operations was S$55.6 million as compared to FY2020's S$687.4 million.

The Group's EBITDA from continuing and discontinued operations was S$4.9 million as compared to S$5.0 million from continuing operation and S$552.0 million including discontinued operations in FY2020.

The Group's basic and diluted net loss per share from continuing and discontinued operations was 1.02 cents per share for the year under review.

SEGMENTAL FINANCIAL PERFORMANCE

INDUSTRIAL PARKS

Revenue increased from S$35.1 million in FY2020 to S$38.1 million in FY2021 and was mainly due to higher factory rental and related income as a result of higher occupancy in Batamindo Industrial Park and Bintan Industrial Estate coupled with the S$1.0 million revenue from the sales of housing project in Batam. This segment reported a net profit of S$2.2 million in FY2021 as compared to S$0.6 million net loss in FY2020 and was mainly due to higher revenue in the period under review. EBITDA contribution was S$22.5 million as compared to S$17.7 million in FY2020.

UTILITIES

Revenue increased from S$97.6 million in FY2020 to S$104.1 million in FY2021 and was mainly due to higher utilities consumptions in our industrial parks. Profit increased from S$14.8 million to S$20.2 million and was mainly due to improved margin and foreign exchange gain of S$1.5 million as compared to foreign exchange loss of S$2.6 million in FY2020. EBITDA contribution was S$38.5 million as compared to S$34.6 million in FY2020.

PROPERTY DEVELOPMENT

This segment reported a net loss of S$13.4 million in FY2021 as compared to S$14.1 million in FY2020 and was mainly due to recognition of land sales of S$1.8 million but was offset by foreign exchange loss S$0.7 million as compared to foreign exchange gain of S$2.0 million in FY2020. EBITDA contribution was -S$9.7 million as compared to -S$9.6 million in FY2020.

RESORT OPERATIONS

Revenue fell 80.5% from S$5.5 million in FY2020 to S$1.1 million in FY2020 as the Group suffered the full year financial impact from the COVID-19 pandemic and the collapse in both ferry services and tourists arrival as a result of extended COVID-19 travel restrictions in this region. Notwithstanding depressed revenue, this segment's net loss of S$17.1 million was comparable to FY2020's. This was mainly due to cost saving initiatives to reduce costs. EBITDA contribution was -S$12.0 million as compared to -S$10.9 million in FY2020.

FINANCIAL REVIEW

FINANCIAL POSITION

The Group's total assets of S$1,409.8 million as at 31 December 2021 were S$18.4 million higher than S$1,391.4 million in the previous year. The Group's property, plant and equipment and investment properties were lower than previous year end's and was mainly due to depreciation of the assets. Increase in associates in the current year was mainly due to share of higher other comprehensive income from our associated companies. The current assets increased marginally due to higher cash and cash equivalents from the net proceeds received from the increased bank borrowings but was offset by lower trade and other receivables.

The Group's total liabilities of S$588.7 million, were S$23.0 million higher than the previous year end and was mainly due to increase in bank borrowings but partially offset by lower payables. The Group's borrowings as at 31 December 2021 were S$385.4 million as compared to S$343.3 million as at 31 December 2020.

The Group's Net Asset Value ("**NAV**") per share as at 31 December 2021 was 14.90 cents.

CASH FLOWS

The Group's net cash inflow from operating activities was S$5.0 million as compared to S$38.3 million generated in the previous year. The Group generated cash from operating activities of S$39.2 million of which S$34.1 million was used to finance the payment of income tax and interest.

The Group's lower net cash outflow of S$18.4 million from investing activities as compared to S$303.4 million in the previous year and was mainly due to deconsolidation of PT IMAS in FY2020.

The Group's net cash inflow of S$40.7 million from financing activities as compared to S$128.1 million in the previous year and was mainly due to lower proceeds from external bank borrowings.

The Group's cash and cash equivalents was S$134.1 million as at 31 December 2021 compared with S$106.8 million as at 31 December 2020.

Note:
The cash flow for FY2020 included consolidation of PT IMAS's results for 5 months before it was deconsolidated in June 2020.

(1) The total assets and total liabilities were adjusted assuming the deconsolidation of PT IMAS had happened by 31 December 2019

SUSTAINABILITY REPORT 2021

TABLE OF CONTENTS

SUSTAINABILITY REPORT

BOARD STATEMENT

GRI 102-14

The Board of Directors of Gallant Venture Ltd. ("**Gallant Venture**" or the "**Group**") is pleased to present the Sustainability Report for the financial year ended 31 December 2021 ("**FY2021**").

This report covers our policies, practices, reporting structure, operational performance and targets relating to material sustainability issues that are identified by the Group to have material impact on our operations. We will continue to monitor, review, and assess our material sustainability issues on a periodic basis. In approaching our materiality review, we will assess any significant changes to our organisational and business environment, and consider input from key stakeholders including shareholders, customers, and suppliers. To enhance the robustness of our materiality review, the review will be conducted with input from an independent sustainability consultant.

The global outbreak of COVID-19 in 2020 resulted in unprecedented border and travel restrictions. While 2021 started on a positive note of optimism towards recovery with the rolling out of vaccinations in various countries, the resurgence of global COVID-19 cases and the emergence of more virulent strains over the year have dampened the hope of recovery within tourism sectors as international travel remained largely restricted.

Our resort operation segment continues to be severely impacted by the prolonged travel and border restrictions. Despite the challenges presented by the pandemic, we remain committed to conducting our business sustainably and responsibly, with the aim to create long-term value for all our stakeholders and ensure sustainable growth. Sustainability has become of critical importance during the on-going crisis as we continue to support our customers, employees, and communities in which we operate in.

While pursuing profitable growth, we seek to balance environmental, social, and corporate governance for our stakeholders and society at large to uphold our duty as a corporate citizen. Finally, we would like to thank our customers, employees, suppliers, and communities for their continued support and partnership as we advance further on our sustainability journey to do our part in building a better and greener world for future generations.

ABOUT THIS REPORT

GRI 102-46 | 102-50 | 102-51 | 102-52 | 102-53 | 102-54 | 102-56

REPORTING FRAMEWORK

Our report has been prepared in accordance with the internationally-recognised sustainability reporting framework, Global Reporting Initiative ("**GRI**") Standards: Core option. For the full list of GRI references and disclosures used in this report, refer to the GRI Content Index found on pages 64 to 65 which is aligned with the Sustainability Reporting Guide as set out in the SGX-ST Mainboard Listing Rule 711(B) of the Listing Manual of the SGX-ST.

REPORTING PERIOD

This report covers the Group's financial year FY2021 from 1 January 2021 to 31 December 2021. Our report is published on an annual basis, with our last report published in April 2021.

REPORTING SCOPE AND TOPIC BOUNDARIES

The Group is organised into reportable operating segments according to the nature of products and services provided. All sustainability data and information presented in this report relate to three of the Group's reportable segments comprising of industrial parks, utilities, and resort operations, unless otherwise stated. The general disclosure in the report covers the entirety of our business operations.

This year, we have determined the Group's material sustainability matters through assessments of our stakeholder engagement and results of peer benchmarking. The key topics reported are based on the identified scope and topic boundaries that would be the most valuable and relevant to our stakeholders.

The report content is guided by GRI Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context, and Completeness.

SUSTAINABILITY REPORT

REPORTING QUALITY

While the Group has not sought external assurance for our report, the reliability and credibility of the report are assured as we have systems and internal controls in place to assess the quality of data and information reported. The report has undergone internal reviews by the Sustainability Reporting Committee ("**SRC**" or the "**Committee**"). Since the publication of our first sustainability report in 2018, we have continued to work closely with external consultants to perform annual reviews while enhancing the quality of our report.

In line with the updated SGX Listing Rules that took effect from 1 January 2022, the sustainability reporting process will be subject to internal review by the Group's internal audit function within the next audit cycle, as approved by the Audit and Risk Management Committee ("**ARMC**"). The internal review will be conducted in accordance with the standards for the Professional Practice of Internal Auditing as prescribed by The Institute of Internal Auditors.

FEEDBACK

We welcome feedback from all stakeholders on this report to help us improve our sustainability practices. You may send related questions, comments, suggestions, or feedback to us at gallant@gallantventure.com

This report should be read in conjunction with the 2021 Annual Report for a more comprehensive overview of the Group's performance.

SUSTAINABILITY AT THE GROUP

GRI 102-11 | 102-12 | 102-16 | 102-18

OUR CORE VALUES

Vision	Create growth and build value
Mission	Leverage on our resources to create growth and deliver long-term value for our stakeholders

Our values, mission and philosophy are defined within the Group's Code of Business Conduct and Employee Code of Conduct which are cascaded across the Group to ensure that all employees are aligned with the Group's philosophy. All employees also undergo mandatory training to ensure that they perform their responsibilities ethically and with integrity. For details on employee training, please refer to page 57.

REPORTING STRUCTURE AND PROCESSES

The integration of sustainability within the highest level of governance enables oversight over organisational growth and ensures the long-term resilience of our operations. The Group has formalised a sustainability governance structure where the Board has the overall responsibility and oversight of sustainability-related matters.

The Board has assigned the monitoring and overseeing of environmental, social, and economic performance to the Committee which is chaired by the Executive Director/Chief Financial Officer ("**CFO**") who reports to the Board and is represented by senior management from the respective business segments.

ESG matters remain an essential component of the Group's strategy development. Therefore, the Committee works with Management to oversee the identification, and managing of risks as well as opportunities in relation to the most material issues of our business.

The Committee is tasked to oversee the Group's sustainability performance and initiatives through the evaluation of the material environment, social, and governance aspects of our business operations. The Committee is also responsible for providing progress updates and recommendations to the Board on the Group's overall sustainability performance. Through the concerted efforts and actions of our committee members, we have been able to establish and implement measures to mitigate the risks and environmental impacts of our business.

CORPORATE GOVERNANCE

We conduct our business in accordance with the 2018 Code of Corporate Governance ("**Code**"), which is aligned with the highest standards of corporate governance.

We apply the 13 Principles of the Code and maintain robust governance practices through accountability, transparency, and sustainability and ensuring we operate in an ethical manner. This helps the Board to ensure that the best interests of the stakeholders are served while achieving continued business performance.

The Group strives to ensure that all directors receive adequate training that it deems relevant to improve the Board's performance. In line with the new Listing Rules, effective 1 January 2022, the Group will arrange for all directors to undergo sustainability training prescribed by the SGX-ST. For details of our corporate governance policies, please refer to pages 67 to 89.

PRECAUTIONARY PRINCIPLE

The Group's risk management strategy also aligns closely with the Precautionary Principle approach as required by GRI 102-11. We have established a risk governance structure where ARMC and the Management are responsible for oversight of the Group's risk management framework and policies. On top of that, the Board oversees that the Management enforces a robust risk management system.

We are committed to minimising the environmental impact of our business and creating a positive social impact for the communities in which we operate as we are truly dedicated to driving long-term value. Our goals have been developed with guidance and alignment with the precautionary approach that was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development.'

EXTERNAL INITIATIVES

We pride ourselves on the quality of our operations by positioning our business operations and practices in line with other international and national standards.

Our Batamindo Industrial Park ("**BIP**") was the first industrial park to be ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System) certified in Asia-Pacific. This is a testament to our dedication to having a manufacturing site that is efficient, cost-effective, and environmentally friendly.

ISO is an independent, non-governmental international organisation with a membership of 161 national standards bodies. The members bring together experts to share knowledge and develop voluntary, consensus-based, market-relevant International Standards that support innovation and provide solutions to global challenges.

Further, we are in support of the 2030 Agenda for Sustainable Development ("**2030 Agenda**") which was adopted by all United Nations Member States in 2015 to provide a shared master plan for sustainability. The 2030 Agenda consists of a set of 17 Sustainable Development Goals ("**SDGs**"). The SDGs are the blueprint to achieve a better and more sustainable future for all by addressing the global challenges we face including poverty, inequality, climate change, environmental degradation, peace, and justice.

We have mapped out our sustainability efforts to align with SDGs within our report. For details of our alignment to the SDGs, please refer to pages 62 to 63.

SUSTAINABILITY REPORT

SUPPLY CHAIN

GRI 102-9

Our supply chain consists of 128 suppliers mainly from Singapore, Indonesia, Malaysia, Germany, and the United Kingdom where approximately 82% of suppliers are based in Indonesia, where our core operations are located.

As a master developer and industrial parks operator, we utilise various products and services to conduct our business operations. This includes employing a skilled workforce such as technicians and professional services from external consultants, as well as requiring fuel supply, equipment, components, materials, and vehicles. In addition, we collaborate with bankers, consultants, contractors, and equipment suppliers to outsource engineering and construction work in relation to our business development activities.

As part of our sustainability strategy, we integrate environmental, social, and governance considerations into our procurement processes and perform regular assessments of our key suppliers including the providers of maintenance services, equipment, and fuels. This measure is implemented to ensure that our suppliers meet our requirements for quality, sustainable practices, and compliance with relevant laws and regulations.

We strive to source responsibly and develop strong working relationships with suppliers who demonstrate respect for society and the environment. We seek to bring long-term stability to both our supply chains and to the communities from which we source from. We believe that by establishing close collaborations with our suppliers, we can better position the Group for strong growth while reducing any negative impact on the environment and community.

SUSTAINABILITY REPORT

MEMBERSHIP OF ASSOCIATION

GRI 102-13

"The Singapore Business Federation (SBF) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment, and industrial relations. It represents 27,000 companies, as well as key local and foreign business chambers."

http://www.sbf.org.sg/

Singapore National Employers Federation has a vision of "Responsible Employers, Sustainable Business" and aims to "advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices."

https://snef.org.sg/

The American Chamber of Commerce in Singapore (AmCham) has a goal to "provide information and facilitate the access and connections that give members insight into the local, regional, and global operating environment, enhance their professional capabilities, and enable them to make well-informed business decisions." Its mission is to "create value for its members by providing advocacy, business insights, and connections."

https://amcham.com.sg/

"The Singaporean-German Chamber of Industry and Commerce (SGC) is part of a network of 140 offices of the German bilateral Chambers of Industry and Commerce abroad in 92 countries. The SGC has been tasked to promote bilateral Germany-Singapore trade, advise German and Singaporean companies on investment and market opportunities in Singapore and Germany, respectively, and to assist these companies in developing international business contacts."

https://www.sgc.org.sg/

The Indonesian Employers Association or commonly known as APINDO is an independent, non-partisan organisation of entrepreneurs engaged in the economic sector in Indonesia. Headquartered in Jakarta, its vision is to "create a conducive and competitive business climate."

http://apindo.or.id/

"Indonesian Industrial Estates Association or Himpunan Kawasan Industri Indonesia (HKI) is the association of companies engaging in the development and management of industrial estates in Indonesia. Its objective is to strengthen the roles of industrial estates as a tool for industrialisation by encouraging the members to provide well planned and developed industrial land with all necessary infrastructure and supporting services to the manufacturing industry."

https://hki-industrialestate.com/

SUSTAINABILITY REPORT

KADIN INDONESIA

"The Indonesian Chamber of Commerce and Industry or KADIN is an association of business organisations in Indonesia. Members of this organisation consist of entrepreneurs or a combination of national businesses from various sectors, both private-owned enterprises, cooperatives, and government-owned enterprises."

http://www.kadin-indonesia.com/

"LPPOM – MUI is an institution formed by MUI to run MUI function in protecting Muslim consumers in consuming products of foods, drugs, and cosmetics."

https://e-lppommui.org/

AWARDS AND RECOGNITION

Best Industrial Park Awards 2021
BP Batam Investment

Excellence Award 2021
CovSafe SG

STAKEHOLDER ENGAGEMENT

GRI 102-40 | 102-42 | 102-43 | 102-44

We recognise the importance of integrating inputs and feedback from our stakeholders as part of our sustainability strategy to ensure that our approach towards sustainable growth is relevant and effective. The Committee identifies key stakeholder groups based on the extent to which they are affected by our operations, products or services, and whose actions can reasonably be expected to affect our ability to implement our strategies to achieve our objectives.

We conduct the stakeholder engagement exercise regularly to gain valuable insights on their perspectives on key issues and to build strong relationships with our stakeholders.

Stakeholder	Areas of Concern	Engagement Channels	Frequency of Engagement
Investors/ Shareholders	• Company's performance • Profitability and return • Growth and long-term value	• Annual General Meetings • Annual report and announcements via SGXNet • Investor meetings • Corporate website • Press releases/Media interviews	Annually Half-yearly Ongoing basis
Suppliers	• Ethical business practices • Procurement Practices • Compliance with terms and conditions of business contracts	• Regular meeting • Supplier evaluation exercises • Routine notices/email updates • Corporate events	Ongoing basis
Customers	• Quality and safety of our services • Customer data protection and privacy	• Regular site visits • Face-to-face meetings and phone calls • Routine notices/email updates • Corporate events	Ongoing basis
Government/ Regulators	• Compliance with laws and regulations • Corporate governance practices	• Attend conferences/seminars on new regulatory requirements held by relevant government agencies • Participation in government initiatives • Annual report	As and when required
Communities	• Environmental and social impacts • Ethical business conduct	• Corporate social responsibilities initiatives/programs	Ongoing basis
Employees	• Career progression • Benefits and remuneration • Fair employment practices	• Annual performance reviews • Dialogue sessions within internal departments • Company gathering/team bonding activities	Annually Ongoing basis

SUSTAINABILITY REPORT

MATERIAL ASSESSMENT

GRI 102-47 | 103-1

For our materiality assessment, we have relied on the results obtained from the previous exercise that was conducted in FY2020. The SRC assessed that there would not be any significant changes to the material factors based on ongoing engagements with various stakeholders. The Group plans to conduct a materiality assessment in FY2022 to refresh the key material topics, in accordance with the GRI Reporting Principles.

This report covers the identified material factors and respective topic boundaries identified through the materiality assessment. The materiality assessment was conducted in the following step process with the assistance of an external consultant and the involvement of the Group's senior management:

Identification of topics	• Sustainability topics disclosed by peers • Via stakeholder engagement, we integrated Stakeholder Inclusiveness into our business to accurately identify and address the concerns of all our key stakeholders
Assessment of topics	• Through a survey, material topics were rated on a scale by stakeholders based on the significance of the economic, environmental, and social impact, and their substantive influence on the assessments and decisions of the stakeholders
Prioritisation of topics	• Validation of the materiality matrix • Validation and engagement with the Board and SRC

The processes above have allowed us to formulate strategies and implement initiatives to utilise our resources in the most efficient and effective manner. From the results of our stakeholders' engagement, the Group has identified the following ESG factors to have a material impact on our operations:

Primary Factors	Material Factors	SDGs	Key Stakeholders
Economic	• Economic Performance	Decent Work and Economic Growth	• Shareholders
	• Anti-corruption	Peace, Justice, and Strong Institutions	• Shareholders • Regulators
Environmental	• Compliance	Affordable and Clean Energy	• Shareholders • Regulators
	• Energy	Affordable and Clean Energy	• Shareholders • Communities
	• Emissions	Climate Action	• Shareholders • Communities
	• Water	Avoid Wasting Water	• Shareholders • Communities
Social	• Employment	Reduced Inequalities	• Employees
	• Training and Education	–	• Employees
	• Community Engagement	–	• Communities

ECONOMIC
ECONOMIC PERFORMANCE
GRI 103-1 | 103-2 | 103-3 | 201-1

Economic performance is the key driving factor for the long-term success of the Group. We are committed to creating economic value and delivering long-term earnings for our shareholders by channelling our resources to fuel the growth of our core businesses in Batam and Bintan, Indonesia.

The summary of the financial performance of our utilities, industrial parks, and resort operation segments are as follows:

Industrial Parks	2020 S$ mil	2021 S$ mil
Revenue	35.1	38.1
Gross Profit	8.4	11.0
EBITDA	17.7	22.5
NPAT	(0.6)	2.2
Total assets	98.9	92.2

- Rental
- Services and maintenance
- Accommodation & amenities
- Logistics

Utilities	2020 S$ mil	2021 S$ mil
Revenue	97.6	104.1
Gross Profit	28.3	34.0
EBITDA	34.6	38.5
NPAT	14.8	20.2
Total assets	107.8	107.1

- Electricity
- Water
- Waste Management
- Telecommunication

Resort Operation	2020 S$ mil	2021 S$ mil
Revenue	5.5	1.1
Gross Profit	(8.9)	(10.2)
EBITDA	(10.9)	(12.0)
NPAT	(17.2)	(17.1)
Total assets	26.9	14.6

- Ferry services
- Ferry terminal operations
- Tour and resort operations
- Accommodation & amenities

For detailed financial results, please refer to the following sections in our Annual Report 2021:

- Financial Highlights, page 36
- Financial Review, pages 37 to 38
- Financial Statements, pages 90 to 203

SUSTAINABILITY REPORT

ECONOMIC
ANTI-CORRUPTION
GRI 103-1 | 103-2 | 103-3 | 205-2

MANAGEMENT APPROACH

We are committed to carrying out our business with integrity and upholding ethical business practices at all times. There may be greater vulnerability towards corruption as our operations continue to expand across the different regions. This issue remains a topic of concern and priority to our stakeholders. To address this, we have implemented robust anti-corruption measures to mitigate risks that could threaten our business continuity.

We remain steadfast in ensuring that our businesses across the region operate in compliance with the applicable anti-bribery and anti-corruption laws and regulations of their host countries. The Group adopts a zero-tolerance policy against bribery, corruption, fraud, and other forms of unethical corporate actions. We have articulated the Group's stance towards corruption and embedded key anti-corruption principles and guidance within our Anti-Corruption Policy that applies to all employees of the Group, including Directors and Officers.

To mitigate the risk of corruption and unethical behaviour, we have developed a comprehensive Anti-Corruption Policy that:

- Outlines the responsibilities of the Group and each employee to observe and uphold the Group's zero tolerance for corruption and bribery.
- Informs and guides employees on how to recognise, address, resolve, avoid, and prevent instances of corruption and bribery that may arise in the course of their work.
- Includes guidance and clarifications regarding ethical conduct, compliance with laws, anti-corruption, gifts and hospitality, and donations and contributions.

The Group acknowledges that the Anti-Corruption Policy does not and cannot reasonably oversee every situation that an employee may face in the course of employment with the Group. Therefore, employees are strongly encouraged to seek immediate guidance from their supervisors, the Human Resource Department, the Legal Department or, where appropriate, the Group's senior management should they be in any doubt.

The Group regularly reviews the Anti-Corruption Policy and periodically revises it to reflect changes in the Group's procedures. We evaluate the effectiveness of the policy by assessing the results of various preventive, detective, and responsive anti-corruption measures.

As a standard practice, we communicate our anti-corruption policies to all employees and major business partners across our organisation. In addition, all new hires are required to abide by our policies upon the commencement of their employment. To further underscore our dedication to ethical business conduct, the Group has also implemented stringent controls over its procurement procedures to send a clear signal to our suppliers regarding our stance towards corruption.

PERFORMANCE

We are pleased to report that there have been no serious violations of our anti-corruption policies identified since the commencement of the Group's sustainability reporting in 2017. For the current year, there were no instances of bribery and corruption identified within the internal audit reviews and whistle-blowing channels.

Preventive Measures
Code of business conduct, employee code of conduct, conflict of interest policy, corporate gift policy, fraud risk assessments, employee, and third-party due diligence.
Detective Measures
Whistle-blowing policy, forensic data analysis, compliance and monitoring, and pre-employment screening.
Responsive Measures
Fraud reporting procedures, fraud investigation procedures, and grievance handling procedures.

ENVIRONMENTAL
ENVIRONMENTAL COMPLIANCE
GRI 103-1 | 103-2 | 103-3 | 307-1

MANAGEMENT APPROACH

We aim to minimise environmental damage when conducting our business operations and are fully committed to complying with all applicable laws and regulations to reduce the negative impact our operations may have on the environment.

We have put in place practices to enhance our operational efficiency by reducing water usage, energy consumption, and waste generated. In addition, we have implemented effective compliance controls designed to monitor operations, improve operational efficiency, and ensure compliance with environmental regulations.

The Group affirms the importance of compliance with environmental regulations and extends this qualification to its stakeholder relationships. We will continuously observe the business activities of our customers and suppliers to ensure alignment with our corporate values. We reserve the right to decline work with customers and suppliers whose business operations could lead to negative environmental impacts, such as extreme pollution and improper waste disposal.

All employees are required to undergo mandatory compliance training to keep abreast of any changes to relevant environmental regulations. Additionally, we have implemented risk management structures and procedures to assess the current and prospective regulatory frameworks. Any major issues encountered shall be escalated to senior management who will promptly advise on the corrective and preventive actions.

It is imperative that the Group be directly involved in addressing environmental issues by focusing on:

- Reducing our environmental impact;
- Creating awareness and building knowledge about the environment;
- Communicating clearly on environmental responsibility; and
- Engaging all relevant stakeholders to comply with the environmental laws and regulations.

PERFORMANCE

We are pleased to report that we have achieved zero non-compliance with environmental laws and regulations since the commencement of the Group's sustainability reporting in 2017. Moreover, the Group intends to continue targeting zero non-compliance for the upcoming financial year.

ENERGY
GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3

MANAGEMENT APPROACH

The impact of climate change to our business remains a lasting concern for Gallant Venture. We continuously monitor and assess how our operations contribute to this global issue to identify improvement areas that inform our sustainability priorities.

As an energy provider, we have identified improving energy efficiency as one of our key sustainability priorities considering our potential environmental footprint. Further, the Group and its stakeholders have determined energy consumption to be a material issue as power generation and supply is one of the Group's main business segments. Hence, our goal remains to optimise the use of limited energy resources and reduce the negative environmental impacts of all our operations.

Our energy consumption primarily comes from power generation and internal usage in the form of electricity. Our electricity management strategy aims to:

- Create a balanced business portfolio that considers both the financial expectations of our stakeholders and our businesses' impact on the climate;
- Fulfil our duty to protect the environment and conserve resources while providing competitive and reliable solutions for our stakeholders; and
- Improve energy efficiency through best practices and economically viable solutions.

To achieve the aforementioned goals:

- A sustainability performance measurement framework relevant to our core business has been implemented at the Group level to measure and monitor performance efficiency.
- Our energy performance is regularly monitored through monthly reports to evaluate current performance, analyse gaps, and establish achievable reduction targets.

SUSTAINABILITY REPORT

While we continue to pursue profitability for our utility business, we seek to strike a balance between profit and our commitment to reducing our environmental footprint. We have developed optimisation strategies to create avenues for cost and internal usage reductions.

We are committed to achieving an efficiency of 80% in our power generation process on a yearly basis. In the event that a significant deviation from the target is observed, this will be flagged and escalated to senior management for prompt advice on corrective actions and remediation measures.

PERFORMANCE

The total energy consumption and energy intensity for internal use (excluding electricity sold) during the reporting period are as follows:

	2020	2021
Energy consumption (kWh)[1]	46,213,204	**37,052,112**
Energy intensity (kWh/S$)[2]	0.335	**0.255**

During the reporting period, energy consumption decreased mainly due to the Group's efforts to reduce consumption, improve production efficiency, and energy-saving by working from home.

(1) Energy consumption includes transmission loss during the power production, internal usage, and office electricity bill for the reporting period restricted within the organisation.

(2) Energy intensity is calculated using total revenue for the current financial year as metric.

EMISSIONS

GRI 103-1 | 103-2 | 103-3 | 305-1

MANAGEMENT APPROACH

The largest source of greenhouse gas ("**GHG**") emissions is from our power generation and energy consumption. We are constantly facing challenges to mitigate the environmental impact resulting from our business operations while staying profitable. As GHG emissions are primarily driven by energy consumption, the topic boundary and management approach of these two topics are the same.

The climate crisis is one of the biggest challenges of our time and its accelerating effects will inevitably impact our business operations in the form of both physical risks and transition risks. For example, such risks may comprise potential increases in fuel prices, the establishment of new regulations and standards, and changes in consumer preference. As a result, our stakeholders have called for greater transparency around our environmental performance.

Our role as a corporate citizen extends to being accountable for our actions and conscious of the impacts our business has on the environment. We have undertaken several measures and initiatives to reduce our carbon footprint by:

- Continuing to explore renewable fuel sources for power generation. During the year, the Group entered into a joint venture agreement with PacificLight Power Pte Ltd ("**PLP**") and PT Medco Power Indonesia ("**MPI**") to develop a solar PV project in Bulan Island, Indonesia to supply renewable electricity exclusively to Singapore;

- Implementing solar cell projects in our industrial parks to reduce the usage of non-renewable fuels sources. Our first solar farm was in partnership with our agritech tenant to provide green energy to their high-tech agriculture farms as well as other industrial tenants;

- Progressively rolling out solar power generation to supplement our traditional power generation; and

- Leveraging on emerging technologies that improve energy efficiency.

Our GHG emissions target in the medium term is to decrease emissions by 10% by 2024 (baseline 2017). In the event that a significant deviation from the target is observed, this will be flagged and escalated to senior management for prompt advice on corrective actions and remediation measures.

PERFORMANCE

	2020	2021
GHG Emissions (Scope 1) (tCO_2e)[3]	12,367	**9,916**

(3) In the Scope 1 GHG emissions disclosure, the gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), with the total expressed in units of tonnes of carbon dioxide equivalent (tCO_2e). GHG emissions were calculated based on the Greenhouse Gas Protocol Standards.

WATER

GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-2 | 303-5

MANAGEMENT APPROACH

Water is a vital natural resource to our business and value chain as we consume water for our operations and supply treated water and related water services to our customers in our industrial parks and resorts in Batam and Bintan. We withdraw water from our reservoirs and purchase water from water utility companies as part of our daily operations.

As the impact of climate change continues to affect water supply globally, we are committed to building a sustainable future for water use. Our management strategy aims to:

- Create a balanced business portfolio that considers both the financial expectations of our stakeholders and our businesses' impact on the climate;
- Perform environmental impact assessments in accordance with national and/or international standards and practices to identify environmental risks and support water conservation; and
- Recycle domestic wastewater into treated water for subsequent use in our industrial parks or discharge into the local drainage system.

Additionally, we have also initiated several measures and initiatives to reduce our water consumption by improving the efficiency of our water treatment plants. We are able to improve the water efficiency through:

(i) Benchmarking with key practices in the industry to set, promote, and achieve performance targets;

(ii) Evaluating new technology for producing water; and

(iii) Monitoring, evaluating, and analysing infrastructure performance and identifying any adjustments that are needed to further improve efficiencies.

We are committed to achieving an efficiency of 80% in our water treatment process on a yearly basis. In the event that a significant deviation from the target is observed, this will be flagged and escalated to senior management for prompt advice on corrective actions and remediation measures.

PERFORMANCE

	2020	2021
Water consumption (m^3)[4]	507,927	**489,096**

[4] The total water consumption excludes water sold and the method used to compute the water consumption is based on the difference between the water withdrawn and water sold for the reporting period.

SUSTAINABILITY REPORT

SOCIAL
EMPLOYMENT
GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 401-1

MANAGEMENT APPROACH

At Gallant Venture, we believe that our employees are our greatest assets. Our goal is to safeguard employee well-being through ensuring a working environment that prioritises safe and healthy working conditions.

As we strive to foster fairness, equality, and respect among our employees, we have implemented fair and ethical employment practices that reflect our corporate values and commitments. We celebrate a diverse workforce with an inclusive culture that spans across the regions in which we operate. We are committed to promoting diversity and equal opportunity while advocating for zero tolerance against discrimination based on age, ethnicity, marital status, race, religion, and sex.

The Group continually invests in the career development of our employees as we strongly believe that they are the key to the continued growth and success of our businesses. Apart from nurturing a culture that encourages learning, we ensure that adequate learning resources and training for their professional development are provided.

Our Group's policies in designing remuneration and employee satisfaction measures are intended to attract, retain, and motivate top talent. Hence, we have ensured the alignment of the remuneration level and structure with the Group's long-term interests and risk policies when setting the remuneration packages.

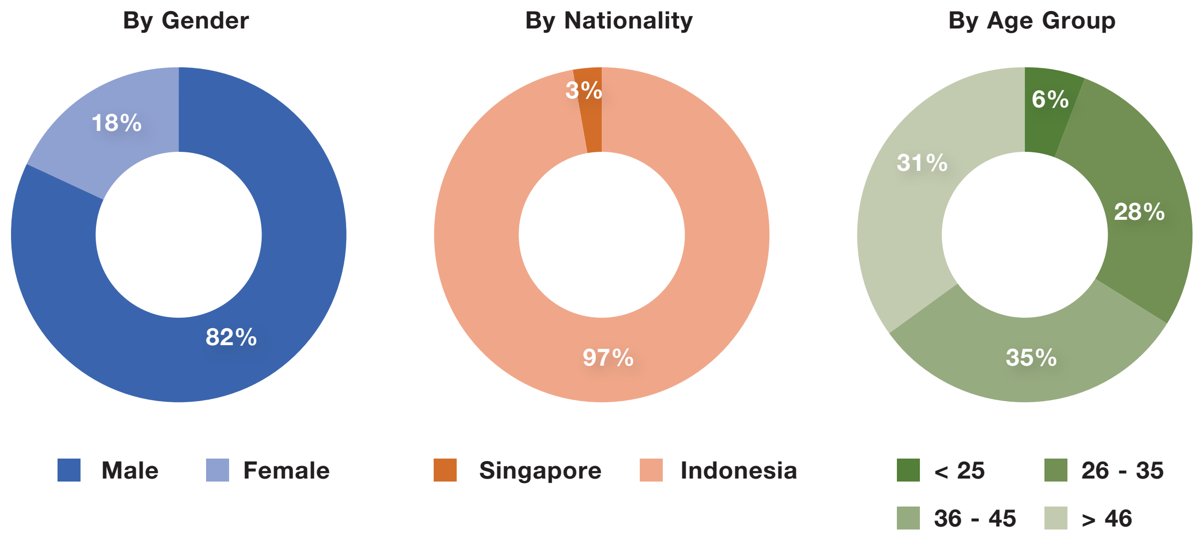
As part of our initiatives to increase employee engagement, we have cultivated an open culture where employees can share their honest feedback, suggestions, and grievances in the workplace with the Human Resource or Legal Department. We strictly prohibit any acts of retaliation against employees for complaints in good faith and if detected, the cases will be reported directly to the CEO.

We continue to improve and promote workplace diversity along with cultivating a lifelong learning culture that champions our employees' personal and professional growth.

SUSTAINABILITY REPORT

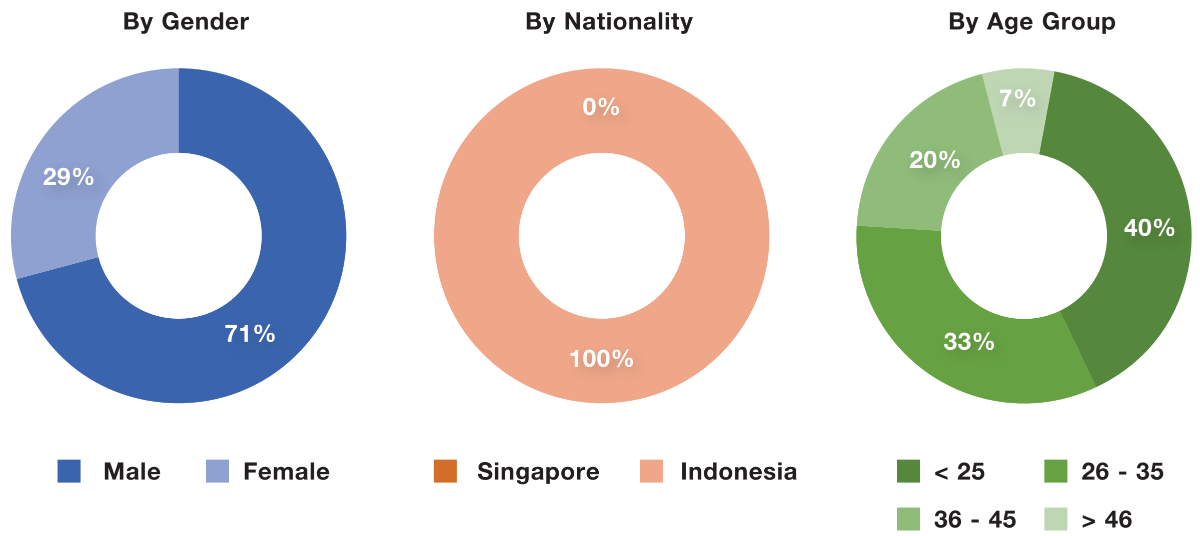
OUR PEOPLE

TOTAL NUMBER OF EMPLOYEES



Total number of employees: 1,167

TOTAL NUMBER OF NEW HIRES

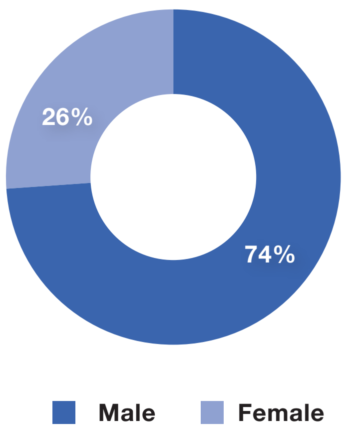


Total number of New Hires: 73

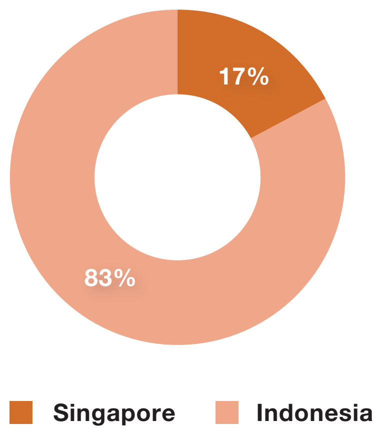
SUSTAINABILITY REPORT

TOTAL NUMBER OF TURNOVER

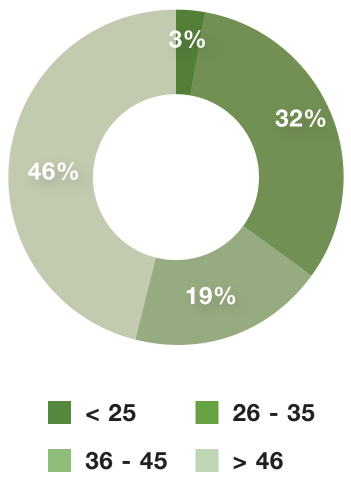
By Gender



By Nationality



By Age Group



Total number of Turnover: 133

PERFORMANCE

	2020	2021
New Hire Rate %	7.42	**6.26**
Turnover Rate %	19.89	**11.40**

We are committed to creating a working environment focused on career progression and employee retention.

SOCIAL
TRAINING AND EDUCATION
GRI 103-1 | 103-2 | 103-3 | 404-1

MANAGEMENT APPROACH

We support our employees in acquiring new knowledge and skills that enhance their performance as we believe this provides them with a greater sense of autonomy, value, and confidence in their work.

At Gallant Venture, we aim to create a conducive work environment that encourages employees to participate in training and development programmes. In turn, this provides an engaging space for employees to realise their career aspirations. All our employees are provided opportunities to accomplish their career development goals through our organisation-wide efforts. Having well-trained employees are our greatest strength as they contribute to the success, productivity, and competitiveness of the Group. In a highly competitive labour market, this also greatly reduces turnover costs.

The effectiveness of these training programmes is measured through the number of training hours, which are recorded annually for all our employees.

We believe that providing performance feedback is critical for the career progression of our employees. Our performance appraisals are conducted annually to identify key areas of strengths and weaknesses of our workforce. This, in turn, helps us formulate effective training programmes that cater to their specific development needs.

PERFORMANCE

	2020	2021
By Gender		
Male	3.9	**10.5**
Female	5.0	**6.5**
By Employee Category		
Managerial	4.0	**14.5**
Executive	8.6	**7.9**
Non-Executive	3.2	**9.9**
Average Training Hours Per Employee		
Average hours per employee	4.1	**9.8**

Our target is to increase our average training hours per employee to 10 hours by 2022 (the baseline year of 2017).

SUSTAINABILITY REPORT

SOCIAL
COMMUNITY ENGAGEMENT
GRI 103-1 | 413-1

Gallant Venture believes that the Group's businesses should grow in tandem with the social development in the communities in Batam and Bintan islands, Indonesia where the Group's businesses are primarily operated. As an integral part of the Group's business strategy, the Group carries out community development projects to enhance the social and environmental standards in the local communities.

The Group is regularly involved in various community development projects that encompass education, religion, and health. Our participation in these community development programmes has garnered favourable feedback from the local society.

In FY2021, we continued to participate in the following community programmes:





Since the inception of our businesses, we have regularly provided scholarships to encourage and facilitate children's academic advancement.

SUSTAINABILITY REPORT

The Group continues to support the current fight against the COVID-19 pandemic by providing food supplies to the local communities to help them tide through this crisis.

Donation of food and supplies to the local communities affected by landslides and flooding in Indonesia.

The Group has also kickstarted programmes designed to equip the local communities with the technical knowledge and skills to use recycled materials such as bamboo straw, crochet eco bag, etc. to make local crafts as souvenirs.

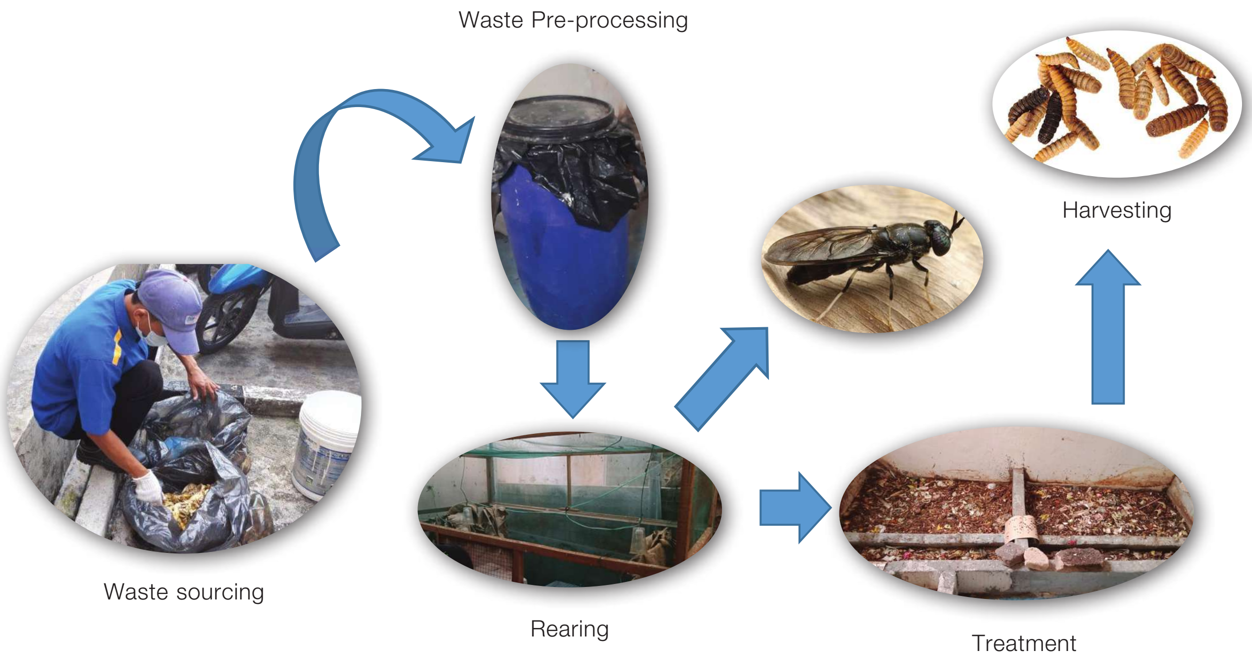
The objective of these programmes is to create avenues for the beneficiaries to increase their daily income to support them in the long run and reduce the impact on the environment.

SUSTAINABILITY REPORT

We participate in World Environment Day yearly with the aim to create greater environmental awareness to protect our environment.

On a monthly basis, the Group organises Environment Day where employees are encouraged to participate in environmental clean-up initiatives across Bintan Island.

The Group has also rolled out an initiative and programme using black soldier flies to recycle food waste from the industrial park into fertiliser and animal feed to lower environmental impacts from food production.



SUSTAINABILITY REPORT

COVID-19 RESPONSE AND ENGAGEMENT

The hope for gradual COVID-19 recovery in 2021 relying on large-scale vaccination rollouts on a global scale was dampened by the resurgence of global cases and the emergence of more virulent strains over the year.

Our priorities lie in ensuring the well-being of our employees while working together with our key stakeholders such as our customers, suppliers, and local communities during this pandemic.

EMPLOYEES

- We encourage our employees to work remotely and to stay connected through virtual means;
- Employees are required to adhere to prevailing health and safety measures in practising social distancing and self-isolate when feeling unwell;
- For employees who are not able to work from home, we have implemented several measures such as:
    - (a) Ensuring adequate cleaning supplies and personal protective equipment (PPE) for our employees
    - (b) Monitoring the records of the employee temperature taking exercise
    - (c) Humidifying the office weekly
    - (d) Installing transparent shields in the meeting rooms, sneeze guards at our ticking counter, and social distances measures in our ferries.
    - (e) Implementing split team arrangements to limit the number of employees to one worksite wherever possible.
- Prioritising employee's concerns about job security when making decisions on human capital resourcing; and
- Monitoring the vaccination rates across our employees.

CUSTOMERS

- We have established a COVID-19 Task Force in various business segments to align and implement prevailing health and safety measures to ensure the safety of our customers as we continue to run our operations; and
- Provide rental support for customers in our resort segment who are impacted by the travel restrictions.

SUPPLIERS

- Maintain regular communications with our suppliers to keep them updated on our plans and readiness to resume full operations once the travel restrictions are lifted; and
- Work with suppliers on the expected delays in delivery given the disruption in the supply chain.

COMMUNITIES

- We have extended further support to various local communities by donating essential supplies, masks, and hand sanitisers to help those affected by the prolonged pandemic.

SUSTAINABILITY REPORT

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We support and promote the principles of the United Nations Sustainable Development Goals. The table below shows our effort on how our sustainability factors relate to these SDGs.

SDGs	TOPIC	PAGE REFERENCE
Goal 7: Affordable and Clean Energy Ensure access to affordable, reliable, sustainable, and modern energy for all	• We are committed to achieving an efficiency of 80% in our power generation process on a yearly basis. • Our GHG emissions target in the medium term is to decrease emissions by 10% by 2024 (baseline 2017).	Pages 51 to 52
Goal 8: Decent Work and Economic Growth Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	• Our core sustainability philosophy and business ethics are reflected in our vision to 'Create growth and build value' and our mission to 'Leverage on our resources to create growth and deliver long-term value for our stakeholders'. • We aim to create a conducive work environment that encourages employees to participate in training and development programmes. All our employees are provided opportunities to accomplish their career development goals through our organisation-wide efforts.	Page 42
Goal 10: Reduced Inequalities Reduce inequality within and among countries	• We strive to foster fairness, equality, and respect among our employees, we have implemented fair and ethical employment practices that reflect our corporate values and commitments. We are committed to promoting diversity and equal opportunity while advocating for zero tolerance against discrimination based on age, ethnicity, marital status, race, religion, and sex.	Page 54
Goal 12: Responsible Consumption and Production Promote public procurement practices that are sustainable, in accordance with national policies and priorities	• We strive to source responsibly and develop strong working relationships with suppliers who demonstrate respect for society and the environment. We seek to bring long-term stability to both our supply chains and to the communities from which we source from. We believe that by establishing close collaborations with our suppliers, we can better position the Group for strong growth while reducing any negative impact on the environment and community.	Page 44

SUSTAINABILITY REPORT

SDGs	TOPIC	PAGE REFERENCE
Goal 13: Climate Action Take urgent action to combat climate change and its impacts	• We are committed to achieving an efficiency of 80% in our power generation process on a yearly basis. • Our GHG emissions target in the medium term is to decrease emissions by 10% by 2024 (baseline 2017). • We are committed to achieving an efficiency of 80% in our water treatment process on a yearly basis.	Pages 51 to 53
Goal 16: Peace, Justice, and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access	• The Group adopts a zero-tolerance policy against bribery, corruption, fraud, and other forms of unethical corporate actions.	Page 50

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARD & DISCLOSURE TITLE		REFERENCE	PAGE
Organisational profile			
102-1	Name of the organisation	Gallant Venture Ltd.	N.A
102-2	Activities, brand, products and services	Annual Report	Pages 2-3
102-3	Location of headquarters	Annual Report	Page 1
102-4	Location of operations	Annual Report	Pages 2-3
102-5	Ownership and legal form	Annual Report	Pages 1, 27
102-6	Markets served	Annual Report	Pages 2-3
102-7	Scale of the organisation	Annual Report	Pages 36, 55
102-8	Information on employees and other workers	Sustainability Report	Pages 54-56
102-9	Supply chain	Sustainability Report	Page 44
102-10	Significant changes to the organisation and its supply chain	Annual Report	Pages 31-35
102-11	Precautionary Principle or approach	Sustainability Report	Pages 42-43
102-12	External initiatives	Sustainability Report	Page 43
102-13	Membership of associations	Sustainability Report	Pages 45-46
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report	Pages 41-42
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report	Pages 42-43
Governance			
102-18	Governance structure	Sustainability Report Annual Report	Page 42 Pages 67-71
Stakeholder engagement			
102-40	List of shareholder groups	Sustainability Report	Page 47
102-41	Collective bargaining agreements	N.A	N.A
102-42	Identifying and selecting stakeholders	Sustainability Report	Page 47
102-43	Approach to stakeholder engagement	Sustainability Report	Page 47
102-44	Key topics and concerns raised	Sustainability Report	Page 47
Reporting practice			
102-45	Entities included in the consolidated financial statements	Annual Report	Page 27
102-46	Defining report content and topic Boundaries	Sustainability Report	Pages 41-42
102-47	List of material topics	Sustainability Report	Page 48
102-48	Restatements of information	N.A	N.A
102-49	Changes in reporting	N.A	N.A
102-50	Reporting period	1 January 2021 to 31 December 2021	Page 41
102-51	Date of most recent report	15 April 2021	Page 41
102-52	Reporting cycle	Annual	Page 41
102-53	Contact point for questions regarding the report	Sustainability Report	Page 42
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report	Page 41
102-55	GRI content index	Sustainability Report	Page 64-65
102-56	External assurance	Sustainability Report	Page 42
Management approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Pages 29-30, 36-38, 50
103-2	The management approach and its components	Sustainability Report	Pages 36-38, 50
103-3	Evaluation of the management approach	Sustainability Report	Pages 36-38, 50

GRI STANDARD & DISCLOSURE TITLE		REFERENCE	PAGE
Category: Economic			
201-1	Direct economic value generated and distributed	Annual Report	Pages 36-38
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report	Page 50
Category: Environment			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Pages 48, 51-53
103-2	The management approach and its components	Sustainability Report	Pages 51-53
103-3	Evaluation of the management approach	Sustainability Report	Pages 51-53
302-1	Energy consumption within organisation	Sustainability Report	Page 52
302-3	Energy intensity	Sustainability Report	Page 52
303-1	Interactions with water as a shared resource	Sustainability Report	Page 53
303-2	Management of water discharge-related impacts	Sustainability Report	Page 53
303-5	Water consumption	Sustainability Report	Page 53
305-1	Direct (Scope 1) GHG emissions	Sustainability Report	Page 52
307-1	Non-compliance with environmental laws and regulations	Sustainability Report	Page 51
Category: Social			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Pages 48, 54-57
103-2	The management approach and its components	Sustainability Report	Pages 54-57
103-3	Evaluation of the management approach	Sustainability Report	Pages 54-57
401-1	New employee hires and employee turnover	Sustainability Report	Pages 55-56
404-1	Average hours of training per year per employee	Sustainability Report	Page 57
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report	Pages 58-60

SUSTAINABILITY REPORT 2021

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Gallant Venture Ltd. (the "**Company**"), is committed to high standards of corporate governance and has adopted the corporate governance practices contained in the 2018 Code of Corporate Governance ("**Code**") so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the key aspects of the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2021 ("**FY2021**").

The Company has complied in all material aspects with the principles and provisions of the Code and where there are deviations from the Code, appropriate explanations are provided in the relevant sections of this report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1: Board's role

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets, supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group and considers sustainability issues of policies and procedures.

Provision 1.2: Directors' duties and responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions as fiduciaries in the interest of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors who are in a conflict-of-interest position on certain issues recuse themselves from discussions and decisions involving the issues.

The principal responsibilities of the Board include the following:

(a) To provide leadership, set strategic objectives which include focus on value creation, innovation and sustainability;

(b) Review and approve the Group's strategic plans, key business initiatives, major investment, divestment, corporate restructuring and major funding decision;

(c) Review the Group's financial performance and condition;

(d) Establish and maintain a framework of prudent and effective controls to identify, manage and monitor risks and exposures, and to achieve an appropriate balance between risk and the Group's performance;

(e) Manage and monitor the Group's sustainability initiatives;

(f) Oversee the Group's corporate governance and instill an ethical corporate culture across the Group to ensure that the Group's values, policies and practices are consistent with the culture; and

(g) Ensure transparency and accountability to key stakeholder groups.

STATEMENT OF CORPORATE GOVERNANCE

Orientation, briefings, updates and trainings for directors

New directors joining the Board will be issued formal letters of appointment setting out his duties and obligations. They will be briefed by the Chairman on their duties and obligations and introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade-sensitive information.

New directors will meet up with senior management and the Company Secretary to familiarize himself with his roles, organisation structure and business practices. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary. Mr Lim Chee San who was appointed during the financial year had gone through the orientation process and briefing for a new director.

The Nominating Committee ("**NC**") is charged with reviewing the training and professional development of the directors. All directors are provided with regular updates on the corporate governance, financial, legal and regulatory requirements. The NC will recommend appropriate trainings and seminars and arrange for training by professional bodies funded by the Company as it deems relevant to improve the performance of the individual director and the whole Board. All directors are encouraged to attend the trainings and seminars arranged by the Company to stay abreast of the relevant changes. In line with new Listing Rules which take effect from 1 January 2022, the NC will ensure directors undergo training in sustainability matters as prescribed by the SGX-ST.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules, accounting standards and Companies Act. The Chief Executive Officer updates the Board at each Board meeting on business and strategic developments. The management highlights the salient operating issues as well as the risk management considerations for the Group's businesses.

Sustainability of the Group

The Board believes that in order to ensure long term success of a business, corporates should integrate sustainability into their operations and strategies. We are committed to conduct our businesses in a sustainable manner and aim to create positive value for all our stakeholders. Recognising the importance of embedding sustainability management and consideration in our business strategy to reduce risks and take advantage of business opportunities, we continue to benchmark ourselves against our peers and report on sustainability issues that matter most to our business and stakeholders to reflect changes in our business and the external environment.

Our Board continues to monitor our progress to ensure we continue to improve our sustainability performance and goals to minimise our impact on the environment and the communities in which we operate and leverage on the sustainability strategy to enhance long-term shareholder's value. The Group's sustainability report for FY2021 is set out on pages 39 to 66 in this Annual Report. In compliance with new Listing Rules that take effect from 1 January 2022, the sustainability reporting process will be subject to internal review and the Directors will undergo training in sustainability matters as prescribed by SGX-ST.

Provision 1.3: Matters requiring Board approval

The Board has adopted internal guidelines on the matters reserved for the Board's decision; and clear directions to Management on matters that must be approved by the Board.

Matters specifically reserved to the Board for its approval are:

(a) matters involving a conflict of interest for a substantial shareholder or a director;

STATEMENT OF CORPORATE GOVERNANCE

(b) strategic policies of the Group;

(c) annual budgets;

(d) material acquisitions and disposal of assets;

(e) corporate or financial restructuring;

(f) share issuances, interim dividends and other returns to shareholders; and

(g) any investment or expenditure which requires Board's approval as set out in the Company's authorization matrix which sets out the financial authority and approval guidelines for capital expenditure, investments, divestments and borrowings.

Provision 1.4: Delegation of authority to Board Committees

The Board has formed Board Committees namely, the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

The present Board members and Board Committee members are as follows:–

		Board Committees		
Name of director	**Board Membership**	**Audit and Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Mr Lim Hock San[1]	Non-Executive Chairman and Independent Director	Chairman	Chairman	Member
Mr Eugene Cho Park	Executive Director and CEO	–	–	–
Mr Gianto Gunara	Executive Director and COO	–	–	–
Mr Choo Kok Kiong	Executive Director and CFO	–	–	–
Dr Tan Chin Nam	Non-Executive Director	–	–	–
Mr Axton Salim	Non-Executive Director	–	–	–
Mr Foo Ko Hing	Non-Executive and Independent Director	Member	Member	Chairman
Mr Rivaie Rachman[2]	Non-Executive and Independent Director	Member	Chairman	Member
Mr Lim Chee San[3]	Non-Executive and Independent Director	Member	Member	Member

(1) Appointed Chairman of NC on 1 November 2021

(2) Mr Rivaie Rachman was a director, chairman of NC and member of ARMC and RC until his demise on 21 June 2021.

(3) Appointed director, and member of ARMC, NC and RC on 1 November 2021.

STATEMENT OF CORPORATE GOVERNANCE

These Committees function within clearly defined terms of references and operating procedures, including procedures for dealing with conflicts of interest. A Board Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The terms of references are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board. The sections of this statement under Principles 4 to 10 detailed the activities of the ARMC, NC and RC respectively.

Provision 1.5: Meetings of Board and Board Committees

Regular meetings are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The table below sets out the number of Board and Board Committee meetings and the general meetings which were convened during FY2021:

	Board	ARMC	NC	RC	General Meetings
Number of meetings held in FY2021	**2**	**2**	**1**	**1**	**1**
Name of Directors	**Number of meetings attended**				
Mr Lim Hock San	2	2	1	1	1
Mr Foo Ko Hing	2	2	1	1	1
Mr Lim Chee San	–	–	–	–	–
Mr Rivaie Rachman (deceased)	1	1	1	1	1
Mr Eugene Cho Park	2	2*	–	–	1
Mr Choo Kok Kiong	2	2*	1*	1*	1
Mr Gianto Gunara	2	2*	–	–	1
Dr Tan Chin Nam	2	2*	–	–	1
Mr Axton Salim	2	2*	–	–	1

* Attended the meeting as invitee

The NC takes into consideration other board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group. While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by board members in other forms including periodic review, level of discussion at board meetings, provision of guidance and advice on various matters relating to the Group.

The Company's Constitution permits Board and Committee meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circular resolutions.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.6: Board's access to information

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information.

The Board meets at least twice in a year and is provided detailed Board papers comprising financial statements, management accounts, budgets, forecasts with explanations for material variances, and relevant reports relating to the business for discussion timely at each Board meeting. Senior members of management provide information whenever necessary in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

Provision 1.7: Board's access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Company Secretary, the Management or other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Board takes independent professional advice, when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

PRINCIPLE 2: THE BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: Strong and independent element of the Board

As at the date of this Report, the Board of Directors (the "**Board**") comprises eight members, of whom two are Non-Executive and Non-Independent and three are Non-Executive and Independent Directors. The Independent Directors make up more than one-third of the Board. The majority of the Board comprises Non-Executive Directors.

Mr Lim Hock San	Non-Executive Chairman and Independent Director
Mr Eugene Cho Park	Executive Director and Chief Executive Officer
Mr Gianto Gunara	Executive Director and Chief Operating Officer
Mr Choo Kok Kiong	Executive Director and Chief Financial Officer
Dr Tan Chin Nam	Non-Executive Director
Mr Axton Salim	Non-Executive Director
Mr Foo Ko Hing	Non-Executive Director and Independent Director
Mr Lim Chee San	Non-Executive Director and Independent Director

STATEMENT OF CORPORATE GOVERNANCE

The criterion for independence is based on the definition given in the Code and the Listing Rules of the Singapore Exchange Securities Trading Limited ("**Listing Rules**"). The Code has defined an "Independent" Director as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. Under the Listing Rules, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The independence of each Director is reviewed annually by the Nominating Committee, based on the definition of independence as stated in the Code and the Listing Rules.

Review of Directors' independence in 2021

All the Independent Directors, Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San have confirmed their independence and they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment. They have also confirmed their independence in accordance with the Listing Rules.

Under the Listing Rules of SGX-ST which will take effect from 1 January 2022, an independent director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive officer and their associates.

Mr Lim Hock San and Mr Foo Ko Hing who have served as Directors for more than nine years have sought and were approved by shareholders under the two-tiered voting at the Company's annual general meeting held on 30 April 2021 to continue in office as Independent Directors. Notwithstanding the approval from shareholders, the NC has continued to conduct a rigorous review of their independence. The NC deemed that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of a Director, the NC considers it more appropriate to have regard to the Director's contribution in terms of professionalism, integrity, objectivity and ability to exercise independence of judgment in his deliberation in the interest of the Company. The NC is of the view that the Independent Directors have over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole.

Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San have confirmed their independence as aforesaid. After taking into account all these factors, the Board has determined Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San independent. Each of Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San abstained from the Board's deliberation of his independence. The NC has examined and is satisfied that there is no relationship or other factors such as gifts or financial assistance, business dealings, financial dependence, relationship with the Group or the Group's management which would impair the independence of Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San. After taking into account the NC's assessment, the Board is of the view that Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San continue to be independent and accepts the NC's recommendation. Each of them has abstained from the NC's and Board's assessment of his independence to continue as an Independent Director.

Provision 2.2 and 2.3: Composition of Independent Directors and Non-Executive Directors on the Board

The Chairman of the Board, Mr Lim Hock San is an independent Director and Non-Executive Directors make up a majority of the Board. The composition of the Board complies with the requirements of the Listing Rules of SGX-ST and the code.

STATEMENT OF CORPORATE GOVERNANCE

Provision 2.4: Board size and diversity

The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the Company and its businesses.

The NC reviews and assesses the Board composition annually and recommends the appointment of new directors, where applicable. For new and continuing appointments, the NC will consider factors such as skills, experience, age, gender, educational and professional background, tenure of service and other relevant personal attributes that are important and needed to support good decision making at the Board level. Core competencies, which are taken into account in the selection and appointment of Directors, include banking, finance, accounting, business and & management experience, industry knowledge, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. As gender is an important aspect of diversity, the NC will strive to ensure that the search for candidates for Board appointments will include female candidates that meet the set requirements for a new candidate.

All Board appointments will be made on merit, taking into account the skills, experience, independence and knowledge that the particular director can bring to the Board and with due regards for the benefits of diversity on the Board.

The NC has reviewed the current composition of the Board and is of the view that the current Board size is adequate in relation to the nature, size and scope of the Company's operations, and that the members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The current Board comprises individuals who are business leaders and professionals with financial, banking, real estate, investment and accounting backgrounds. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background. The Board considers gender diversity as important in addition to the diversity of skill sets. The Board has not set any targets, plan and timeline for achieving gender diversity as the Board does not intend to appoint directors by reason of their gender or age simply to meet the targets set. The Board Diversity Policy provides inclusion in the selection and appointment of female candidates and the Board is ready to have female representation provided the candidate meets the set requirements for a new candidate and has all the qualifications that merit the appointment. The Board will continue to review its board composition to support diversity as to enhance the Board's effectiveness.

Directors' area of expertise contributing to the core competencies of the Board:

• Business & management experience	8
• Banking	2
• Finance & Accounting	4
• Industry knowledge	7
• Legal	1
• Knowledge of information technology	2

Detailed description of their background and experience are disclosed under the "Board of Directors" section of the Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

Provision 2.5: Role of Non-Executive Directors

The Non-Executive Directors assist the Board in performing its role by constructively challenge the development of its strategies and bring to the Board different perspectives based on their experiences. They critically assess and review the progress of the Management in implementing strategies set by the Board. When necessary or appropriate, the Non-Executive Directors (including the Independent Chairman and other Independent Directors) will meet without the presence of the Management and provide inputs to the Board.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and 3.2: Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer ("**CEO**") are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Chairman and CEO are held by Mr Lim Hock San and Mr Eugene Cho Park respectively. The Chairman and CEO are not related.

The Chairman, Mr Lim Hock San is primarily responsible for overseeing the overall management and strategic development of the Company.

His responsibilities include:

- Leading the Board in his role as Chairman of the Board;
- Ensuring regular meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Preparing meeting agenda (in consultation with the CEO and CFO);
- Reviewing board papers that are presented to the Board;
- Ensuring effective communication with shareholders; and
- Promoting good corporate governance.

In assuming his roles and responsibilities, Mr Lim Hock San consults with the Board, ARMC, NC and RC on major issues and as such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

The Company's CEO, Mr Eugene Cho Park is responsible for the day-to-day management of the Company and the Group's affairs. Mr Eugene Cho Park reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

Provision 3.3: Lead Independent Director

There is no requirement for the Company to appoint a Lead Independent Director as the roles of Chairman and CEO are separate and distinct. The Independent Directors meet amongst themselves without the presence of the other directors where necessary for independent discussions and strive to provide constructive feedback to the Board after their meetings.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2: Nominating Committee

The NC comprises three members, all of whom including its Chairman are independent. The members of the NC are:

Mr Lim Hock San (Chairman)	Non-Executive and Independent Director
Mr Foo Ko Hing	Non-Executive and Independent Director
Mr Lim Chee San	Non-Executive and Independent Director

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval.

The NC functions under the terms of reference which sets out its responsibilities:

(a) To review board succession plans for directors, in particular, the Chairman, CEO and key management personnel;

(b) To develop the process for evaluation of the performance of the Board, its committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director;

(c) To review the training and professional development programs for the Board;

(d) To recommend to the Board on all board appointments, re-appointments and re-nominations; and

(e) To review the independence of the Independent Directors in accordance with the Code and Listing Rules.

Currently, there are no alternate directors on the Board.

Provision 4.3: Selection, Appointment and Re-appointment of Directors

Annually, the NC reviews the composition of the Board and Board committees having regard to the performance and contribution of each individual director and to ensure diversity of skills and experience within the Board and Board committees.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors ("**SID**"), professional organisations or business federations or external search consultants. New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

STATEMENT OF CORPORATE GOVERNANCE

The Company's Constitution requires a Director appointed by the Board to hold office until the next Annual General Meeting ("**AGM**") and shall be eligible for re-election. Accordingly, Mr Lim Chee San who was appointed by the Board on 1 November 2021 will retire at the forthcoming AGM. Mr Lim Chee San has consented to re-election at the forthcoming AGM. The NC has recommended to the Board the re-election of Mr Lim at the forthcoming AGM.

The Constitution of the Company requires that one-third of the Board retire from office by rotation at each AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Mr Lim Hock San, Mr Axton Salim and Mr Choo Kok Kiong will retire by rotation pursuant to the Constitution of the Company. The NC has recommended to the Board, their re-election at the forthcoming annual general meeting.

In recommending the above Directors for re-election, the NC has taken into consideration these Directors' contribution and performance. The Board has accepted the NC's recommendations. Mr Lim Hock San and Mr Lim Chee San have each abstained from the NC's and Board's deliberation of their respective re-elections. Mr Axton Salim and Mr Choo Kok Kiong have each abstained from the Board's deliberation on their respective re-election.

In accordance with the Listing Rules, the particulars of the directors as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Lim Hock San, Mr Axton Salim, Mr Choo Kok Kiong and Mr Lim Chee San are set out on pages 17 to 26 of this Annual Report.

Provision 4.4: Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code and the Listing Rules, and has determined that they are independent.

Provision 4.5: Multiple Board Representations

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the company. The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships in listed companies that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

The NC has reviewed each Director's outside directorships, their principal commitments and attendance and contributions to the Board. Despite the multiple directorships, the NC is satisfied that the Directors have discharged their duties adequately and satisfactorily for FY2021.

Details of the Directors' principal commitments and outside directorships are set out on pages 4 to 6 in the "Board of Directors" section of the Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 and 5.2: Conduct of Board Performance

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and peer assessment.

Each year, the Directors were requested to complete evaluation forms to assess the overall effectiveness of the Board, as well as peer assessment. The results of the evaluation exercise were considered by the NC, which then made recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively. The Chairman should, in consultation with the NC, propose, where appropriate, new members to be appointed to the board or seek the resignation of directors.

The evaluation of Board's performance focuses on Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with Management and standard of conduct.

The NC reviews the Board's performance to enhance shareholders' value in terms of the Company's profitability, liquidity, gearing, dividend yield and total shareholder return against industry peers based on their published financial results.

The NC reviews the performance of the Board Committees against their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

The NC reviews Individual Director's performance with focus on the contribution by individual Directors to the Board in terms of time commitment and in providing independent and objective perspectives based on their background, experience and competencies in the relevant skills critical to the Company's business and in the development of strategies to enable the Board to have a balance of views and critically assess all relevant issues in its decision makings.

The NC has reviewed the overall performance of the Board, Board Committees and individual Directors for the year under review and is of the view that the performances of the Board, Board Committees and individual Directors have been satisfactory.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2: Remuneration Committee

The RC comprises three members, all of whom including its Chairman are independent. The members of the RC are:

Mr Foo Ko Hing (Chairman)	Non-Executive and Independent Director
Mr Lim Hock San	Non-Executive and Independent Director
Mr Lim Chee San	Non-Executive and Independent Director

STATEMENT OF CORPORATE GOVERNANCE

The RC functions under the terms of reference which sets out its responsibilities:

(a) To recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;

(b) To determine specific remuneration packages for each Executive Director and key management personnel;

(c) To review the appropriateness of compensation for Non-Executive Directors; and

(d) To review the remuneration of employees who are substantial shareholders or immediate family members of a director, the CEO or substantial shareholder to ensure that the remuneration of each of such employee commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Provision 6.3: Review of Remuneration

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. No member of the RC or any Director is involved in the deliberations in respect of any resolution in respect of his remuneration package.

Each of the Executive Director and key management personnel has a service agreement with the Company which can be terminated by either party giving notice of resignation/termination. The RC has reviewed the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.4: Engagement of Remuneration Consultants

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2021, there was no engagement of independent professional advice.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1: Remuneration of Executive Directors and Key Management Personnel

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. All the Executive Directors, including the CEO, and key management personnel have service agreements with the Company. The service agreements cover the terms of employment, salaries and other benefits.

The remuneration of Executive Directors and key management personnel comprises both fixed and variable components. The variable component is performance related and is linked to the Group/Company's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders and promote long term success of the Group. The Executive Directors are not paid Directors' fee.

Currently, the Company has no long term incentive schemes. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance without being excessively compensated.

The Company does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Directors and key management personnel.

STATEMENT OF CORPORATE GOVERNANCE

Provision 7.2: Remuneration of Non-Executive and Independent Directors

All the Non-Executive Directors have no service contract and are compensated with Directors' fee taking into considerations their respective contributions and attendance at meetings. Additional variable fees are paid for appointment to board committees according to the level of responsibilities undertaken as chairman or member of the Board committees.

The RC reviews the Directors' fee for Non-Executive Directors to ensure that the remuneration is commensurate with their contribution and responsibilities. The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM.

The RC has reviewed the fee structure for non-executive directors as being reflective of their responsibilities and work commitments without over-compensation to the extent that their independence will be compromised and recommends the directors' fee for FY2021 to the Board for tabling at the forthcoming annual general meeting for shareholders' approval.

The RC considers that the current fee structure adequately compensates the non-executive directors, and given the size and operations of the Company, any implementation of schemes to encourage non-executive directors to hold shares in the Company may result in over-compensation. The RC will consider recommending such schemes, if appropriate.

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: Remuneration of Directors and Key Management Personnel

The remunerations paid to or accrued the Directors for the financial year ended 31 December 2021 is as follows:–

	Salary	Bonus	Director's Fee	Other Benefits	Total
	%	%	%	%	%
S$500,000 to S$1,499,999					
Eugene Cho Park Executive Director and CEO	66	25	–	9	100
Gianto Gunara Executive Director and COO	65	25	–	10	100
Choo Kok Kiong Executive Director and CFO	65	24	–	11	100
Below S$500,000					
Lim Hock San Non-Executive Chairman and Independent Director	–	–	100	–	100
Dr Tan Chin Nam Non-Executive Director	–	–	100	–	100
Axton Salim* Non-Executive Director	–	–	100	–	100
Foo Ko Hing Non-Executive and Independent Director	–	–	100	–	100
Lim Chee San Non-Executive and Independent Director	–	–	100	–	100

* Mr Axton Salim, Non-Executive Director of the Company is the son of Mr Anthoni Salim, the substantial shareholder of the Company.

STATEMENT OF CORPORATE GOVERNANCE

Given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantageous to the Group to disclose the exact remuneration of the Executive Directors and has decided to disclose the remuneration of its Executive Directors in bands of S$500,000, along with the mix of the fixed and variable components. While the exact remuneration of the Executive Directors is not given, the level and composition of the Executive Directors' remuneration packages expressed in percentage terms are provided as above. The Company believes that such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Executive Director's remuneration packages and is consistent with the intent of Principle 8 of the Code.

Each Independent and Non-Executive Director's remuneration comprises wholly directors' fee of not more than S$500,000.

The remunerations paid to or accrued for the top five key management personnel (who are not directors of the Company or the CEO) for the financial year ended 31 December 2021 is as follows:–

	Salary	Bonus	Other Benefits	Total
	%	%	%	%
S$250,000 to S$500,000				
Executive 1	89	8	3	100
Executive 2	83	7	10	100
Below S$250,000				
Executive 3	86	7	7	100
Executive 4	84	7	9	100
Executive 5	86	7	7	100

The Code recommends that the Company should name and disclose the remuneration of at least the top five key management personnel in bands of S$250,000.

The remuneration of 2 of the Company's top 5 key management personnel is above S$250,000. The aggregate total remuneration paid to the top 5 key management personnel in 2021 is approximately S$1,196,152.

The Company has not disclosed the names of the key management personnel individually. The Company has many competitors in the same industry which are private companies. By disclosing the top five key management personnel individually in bands of S$250,000, the Company is susceptible to poaching of its personnel in a highly competitive marketplace vying for talent. The competitors have publicly available information of profile of the Company's key personnel and remuneration benchmark. The Company does not have similar information and is seriously disadvantaged as compared to its competitors in retaining and recruitment of key personnel. Loss of its key personnel involves considerable loss of operational know-how and cost in recruitment of similar talent and gestation period for new key personnel to be fully inducted into the Company's work practices. All this would impact its business competitive edge vis-à-vis its competitors. Disclosure of the names of the key management personnel will be not in the interest of the Company from a business perspective. The Company believes the above disclosure provides a balance between the interest of the Company and provision of information to shareholders and is consistent with the intent of Principle 8 of the Code.

Provision 8.2: Remuneration of employees who are substantial shareholders or immediate family members of a director, the CEO or a substantial shareholder

Other than Mr Axton Salim, Non-Executive Director whose remuneration is disclosed in the foregoing, there was no employee of the Company or its subsidiaries who is a substantial shareholder or an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration exceeds S$100,000 for the financial year ended 31 December 2021.

STATEMENT OF CORPORATE GOVERNANCE

Provision 8.3: Employee share schemes

The Company does not have any employee share scheme for its employees. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance of employees without being excessive.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1: Risk Management and Internal Control Systems

The Board is responsible for governing risks and ensuring that the Management maintains a sound system of risk management and internal controls in safeguarding its assets and shareholders' interests.

The ARMC, with the assistance of the internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's material internal controls which including financial, operational, compliance and information technology controls and risk management system annually. In this respect, the ARMC will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process.

The ARMC functions as the Audit Committee and Risk Committee. Currently, the responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARMC together with the Management.

The Board reviews and determines the Group's level of risk tolerance and risk policies, and oversees the design, implementation and monitoring of the risk management and internal control systems.

The Group has in place a system of internal control and risk management framework for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls.

Provision 9.2: Assurances to the Board

The Board has received the following assurances as at 31 December 2021:

(a) from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) from the CEO and Chief Risk Officer that the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

STATEMENT OF CORPORATE GOVERNANCE

Board's Comments on Adequacy and Effectiveness of Internal Controls

Based on the internal control and risk management framework established and maintained by the Group, review performed by the Group's internal and external auditors, regular reviews performed by the Management and assurances from the CEO, CFO and Chief Risk officer, the Board is of the that the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems, were adequate and effective as at 31 December 2021. The ARMC concurs with the Board.

The Board notes that no system of internal control and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, fraud or other irregularities.

PRINCIPLE 10: AUDIT AND RISK MANAGEMENT COMMITTEE
The Board has an Audit and Risk Management Committee which discharges its duties objectively.

Provision 10.1 and 10.2: Audit and Risk Management Committee

The ARMC comprises three members, all of whom including the Chairman are independent. The ARMC comprises the following members:

Mr Lim Hock San (Chairman)	Non-Executive and Independent Director
Mr Foo Ko Hing	Non-Executive and Independent Director
Mr Lim Chee San	Non-Executive and Independent Director

The ARMC Chairman has a Bachelor of Accountancy from the University of Singapore. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants with considerable business, financial and accounting experience. Mr Foo Ko Hing has considerable business, banking, investment and finance experience having held positions in PricewaterhouseCoopers LLC and in the banking industry. Mr Lim Chee San is a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Singapore Institute of Chartered Accountants. He holds a Bachelor of Law Degree (Honours) from the University of London and is a Barrister-at-law, England. He has extensive accounting and legal experience.

All the ARMC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the members of the ARMC have sufficient accounting and financial management expertise and experience to discharge the ARMC's functions.

The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

The experience and qualifications of the ARMC members are set out in the "Board of Directors" section of the annual report.

Roles and Responsibilities of ARMC

The ARMC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group in particular significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before submission to the Board;

STATEMENT OF CORPORATE GOVERNANCE

(b) To review the audit plans of the Company with the internal and external auditors and the internal and external auditors' reports;

(c) To review at least annually with the internal and external auditors, the adequacy and effectiveness of the company's internal controls and risk management systems;

(d) To review the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;

(e) To review and discuss with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations;

(f) To review the assurances from the CEO, CFO on the financial records and financial statements; and from the CEO and Chief Risk Officer on the risk management system;

(g) To review the adequacy of the finance functions and the quality of finance staff and co-operation given by the Company's management to the internal and external auditors;

(h) To make recommendations to our Board on the appointment, re-appointment and removal of the internal and external auditors;

(i) To review interested person transactions and potential conflicts of interest;

(j) To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising;

(k) To generally undertake such other functions and duties as may be required by the statute, regulations or the Listing Manual, or by such amendments as may be made thereto from time to time;

(l) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting; and

(m) To review whistle-blowing policy and procedure and arrangements that are in place by which employees and officers of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters.

The ARMC has the power to conduct or authorise investigations into any matters within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. No member of the ARMC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The ARMC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

STATEMENT OF CORPORATE GOVERNANCE

Independence of External Auditors

The Company confirms that it has complied with Rules 712, 715 and 716 of the Listing Manual in engaging Foo Kon Tan LLP ("**FKT**") registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and of its Singapore subsidiaries, and other suitable audit firms for its foreign subsidiaries. The ARMC reviews the independence of FKT annually.

Having reviewed with FKT, it audit plan, scope of work and auditors' report for FY2021, the ARMC was satisfied with their work.

The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2021 was approximately S$1,017,000 of which audit fees amounted to approximately S$894,000 and non-audit fees amounted to approximately S$123,000.

The ARMC, having reviewed the range and value of non-audit services performed by FKT was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The ARMC recommended that Foo Kon Tan LLP be nominated for re-appointment as auditor at the forthcoming AGM. The ARMC had also reviewed the appointment of the external auditors of those subsidiaries who are not FKT and is satisfied that such appointment would not compromise the standard and effectiveness of the audit.

Whistle-Blowing Policy

The ARMC Committee is responsible for the oversight and monitoring of any whistleblowing matters.

The Group has a whistleblowing policy and procedure to create a work environment to allow employees, customers, service providers, vendors and other stakeholders to raise concerns on misconduct, irregularities or malpractices, without fear of harassment and/or victimization and with an assurance that their concerns will be taken seriously and investigated and outcome duly communicated. The policy has established procedures for the employees to raise concerns or complaints about possible irregularities to their supervisors, the Human Resource Department or Legal Department. The recipient of such complaints shall forward them promptly to the ARMC Chairman. An employee may confidentially and anonymously if he chooses, submit such concerns or complaints in writing to ARMC Chairman directly.

ARMC will form an independent investigating team and if ARMC deems it appropriate, it may engage independent adviser to assist in the investigation and evaluation of the compliant. Following investigation and evaluation of the complaint conducted by an independent investigating team mandated by the ARMC Chairman, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively. The Group will treat the information received confidentially and protect the identity of the whistleblower. No employee shall suffer reprisal as a result of raising concerns in good faith even if they are mistaken.

The ARMC review all whistleblowing complaints if any, at its half yearly meeting. The policy is communicated to all employees as part of the Group's efforts to promote a culture of openness, accountability and integrity.

Provision 10.3: Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARMC.

STATEMENT OF CORPORATE GOVERNANCE

Provision 10.4: Internal Audit Function

The Company's internal audit function is outsourced to an external professional firm, PricewaterhouseCoopers, Indonesia ("**IA**"). The IA reports directly to the ARMC Chairman on all internal audit matters.

The primary functions of internal audit are to help:–

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

PricewaterhouseCoopers, Indonesia has the professionals with relevant qualifications and experience to perform the review and test of controls of the Group's processes which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors. The IA has confirmed their independence to the ARMC. The IA performs the internal audit according to standards set by the Institute of Internal Auditors. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARMC. The ARMC is satisfied that the Company's internal audit function outsourced to PricewaterhouseCoopers, Indonesia is independent, adequately resourced and effective.

The ARMC has annually reviewed the Company's internal control assessment and based on the internal auditors and external auditors report and the internal controls in place, it is satisfied that there are adequate and effective internal controls in the Company.

Provision 10.5: Meeting with External and Internal Auditors without the presence of Management

The ARMC meets with both the external and internal auditors without the presence of the Management at least once a year.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1: Providing Opportunity for Shareholders to Participate and Vote in General Meetings

The Company's general meetings are the principal forums for dialogue with shareholders to engage the Board to ask questions on the resolutions tabled at the general meetings and to express their views. The Company will consider the use of other forums such as analyst briefings as and when applicable. The Company's Investor Relations team ("**IR team**") as and when appropriate participates in investor seminars, conference and roadshows to keep the market and investors apprised of the Group's developments and has contact details of the IR team at is website for investors to channel their comments and queries.

Shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meeting can be accessed at the Company's website and announced on SGXNet.

STATEMENT OF CORPORATE GOVERNANCE

At previous AGM, the Company had made presentation to shareholders to update them on the Company's performance, position and prospects at general meetings. Presentation materials would be made available on SGXNet and the company's website for the benefit of shareholders. The Company will consider doing likewise at the forthcoming AGM.

In compliance with Listing Rules, all the resolutions at the forthcoming AGM will be put to vote by electronic poll to allow greater transparency and more equitable participation by shareholders.

Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be validated by an independent scrutineer and displayed on the screen at general meetings. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNet.

In 2021, the Company held one general meeting, being the annual general meeting. Due to COVID-19 situation, the general meeting in 2021 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Members could not attend the meetings in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meeting and published on the Company's corporate website and on SGXNet. In view of the current COVID-19 situation in Singapore, the 2022 AGM will be convened and held in the similar manner.

Provision 11.2: Separate Resolutions at General Meetings

The Company will have separate resolutions on each distinct issue. For resolutions that are special business, explanations are given in the accompanying notes to the Notice of the AGM. For resolutions on the election or re-election of directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual are given in this Annual Report.

Provision 11.3: Attendance of Directors and Auditors at General Meetings

The Chairman of each ARMC, RC and NC are normally available at the AGMs to answer any questions relating to the work of these Committees. The Company's external auditors are also present to address queries related to the audit by the shareholders. In 2021, the Company's annual general meeting which was held by way of electronic means were attended by all the Directors and the Auditors.

Provision 11.4: Absentia Voting

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies in his absence to attend and vote in his stead at the general meetings. The Companies Act allows relevant intermediaries that include CPF Approved nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

Provision 11.5: Minutes of General Meetings

The Company prepares minutes of general meetings on the proceedings and questions raised by shareholders and answers given by the Board and Management. The company does not publish minutes of general meetings of shareholders on its corporate website as the Companies Act provides for the minutes to be made available to the company's shareholders without inclusion of the public at large. Any shareholder including those who did not attend the general meeting can request a copy from the Company in accordance with Section 189 of the Companies Act.

STATEMENT OF CORPORATE GOVERNANCE

Provision 11.6: Dividend Policy

The Company does not have a dividend policy. The Board will consider the Group's financial performance, liquidity, capital expenditure commitment and need to repay debt before proposing to declare dividend. The Notice for the forthcoming AGM does not carry a declaration of dividend for FY2021 as the Company is committing its cash resources to further develop its Utilities and Industrial Parks businesses. The Company will consider the declaration of dividend when the cash permits.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1: Avenues for Communication between Board and Shareholders

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Company's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNet announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for general meetings; and

(e) Company's website at http://www.gallantventure.com which shareholders can access information on the Group.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at http://www.gallantventure.com where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with an investor relations contact at (65) 6389 3535.

Provision 12.2 and 12.3: Investor Relations

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNet. The Company does not practice selective disclosure and price sensitive or trade sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Price sensitive or trade sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders. The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 and 13.2: Engage with its Material Stakeholder Groups

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups through its various business units on an on-going basis in the course of their business with suppliers, customers and the CSR programs involving the local community and on an annual basis in conjunction with the preparation of the Company's sustainability report.

The Group's material stakeholders are its shareholders, customers, employees, regulator and suppliers and engagement with them are set out in its Sustainability Report for FY2021 in this Annual Report. Please refer to the Sustainability Report for details.

Provision 13.3: Corporate Website to Communicate and Engage with stakeholders

The Group maintains a corporate website at http://www.gallantventure.com at which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. The Company has an online investor relations site within its corporate website as an outreach to shareholders and all other stakeholders. Shareholders and stakeholders are provided with an investor relations contact at (65) 6389 3535.

DEALINGS IN SECURITIES

The Company has internal guidelines on dealings in the securities of the Company by its Directors, officers and relevant employees of the Group. The guidelines are issued to all Directors of the Company, the officers and relevant employees of the Group. The Directors, officers and relevant employees are prohibited from dealing in the Company's Securities one month prior to the release of the half year and full year financial statements of the Company. Directors, officers and relevant employees are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues periodic reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group as set out above. The Company confirms it has complied with Rule 1207(19) of the SGX-ST Listing Manual in not dealing in its own securities during the restricted dealing periods.

MATERIAL CONTRACTS

Save as may be disclosed in this Annual Report including the Appendix relating to the proposed renewal of the interested person transactions mandate, there were no material contracts entered into by the Company or its subsidiary companies involving the interests of the Chief Executive Officer, any Directors or controlling shareholders of the Company which were still subsisting at the end of FY2021, or if not then subsisting, entered into since the end of FY2020.

INTERESTED PERSON TRANSACTIONS POLICY

The Company adopted an internal policy in respect of any transactions with interested person and has established procedures for review and approval of the interested person transactions entered into by the Group. The ARMC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

STATEMENT OF CORPORATE GOVERNANCE

The interested person transactions transacted for the financial year ended 31 December 2021 by the Group are as follows:

Name of interested Person	Nature of Relationship	Aggregate value of all interested person transactions entered into during financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholder's Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
		S$'000	**S$'000**
Sales of Goods and Services			
Salim Group	See Note (1)	N.A	**8,627**
IMAS Group	See Note (2)	N.A	**143**
Purchase of Goods and Services			
Salim Group	See Note (1)	N.A	**25,651**
IMAS Group	See Note (2)	N.A	**28,353**
Interest Income			
Salim Group	See Note (1)	N.A	**1,169**
Dividend Income			
IMAS Group	See Note (2)	N.A	**3,732**

Notes:

(1) Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim.

(2) IMAS Group refers to PT Indomobil Sukses Internasional Tbk, its subsidiaries and associated companies.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

We are pleased to present this statement to the members together with the audited consolidated financial statements of Gallant Venture Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2021.

In the opinion of the Directors,

(a) the accompanying consolidated financial statements of the Group and statement of financial position of the Company, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as disclosed in Note 2(b)(i) Significant judgements used in applying accounting policies – (a) Going concern.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company to office at the date of this statement are:

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director and Chief Operating Officer)
Mr Choo Kok Kiong (Executive Director and Chief Financial Officer)
Dr Tan Chin Nam (Non-Executive Director)
Mr Axton Salim (Non-Executive Director)
Mr Foo Ko Hing (Non-Executive and Independent Director)
Mr Lim Chee San (Non-Executive and Independent Director) (appointed on 1 November 2021)

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of the subsidiaries was a party to any arrangement which the object of which was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as follows:

	Number of ordinary shares registered in the name of Director or nominee		Number of ordinary shares in which Director is deemed to have an interest	
The Company	As at 1.1.2021	As at 31.12.2021 and 21.1.2022	As at 1.1.2021	As at 31.12.2021 and 21.1.2022
Lim Hock San	1,714,000	**1,714,000**	–	**–**
Eugene Cho Park	200,000	**200,000**	–	**–**
Gianto Gunara	200,000	**200,000**	–	**–**

Share options scheme

There were no share options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") at the end of the financial year comprises the following members:

Mr Lim Hock San (Chairman)
Mr Foo Ko Hing
Mr Lim Chee San

The ARMC performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the reliability and integrity of the financial statements;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Audit and Risk Management Committee (Cont'd)

(iv) effectiveness of the Company's and the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the ARMC to the board of directors with such recommendations as the ARMC considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The ARMC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings.

The ARMC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the ARMC are provided in the Report on Corporate Governance.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
EUGENE CHO PARK

....
CHOO KOK KIONG

Dated: 6 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gallant Venture Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of investments in subsidiaries (Note 7) of the Company and associate companies (Note 8) of the Company and of the Group

As at 31 December 2021, investments in subsidiaries of the Company amount to S$1.12 billion representing about 71% of the Company's total assets and associate companies of the Company S$381.9 million and of the Group S$389.3 million, represent about 24% of the Company's total assets and 28% of the Group's total assets, respectively.

The Company has assessed for impairment indications in the investments in subsidiaries and associate companies and concluded that impairment indications existed in certain investments in subsidiaries. The investments in these certain subsidiaries are therefore tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the higher of "fair value less cost to disposal" ("FVLCD") and "value-in-use" ("VIU"). The recoverable amount from VIU calculation is based on management approved 5-year cash flow projections incorporating key assumptions, such as, the growth rate, terminal value and discount rate of the "cash generating unit" ("CGU") in order to calculate the present value of the CGU's future cash flows. FVLCD is determined based on the revalued net assets value.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(a) Impairment assessment of investment in subsidiaries (Note 7) of the Company and associate companies (Note 8) of the Company and of the Group (Cont'd)

These assumptions which are determined by management are judgmental. A small change in the assumptions may have a significant impact to the estimation of the recoverable amount.

In determining the appropriate CGU level, the Company have performed the impairment assessment at the smallest CGU identifiable. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Our response and work performed

Our audit procedures included among others, assessing the appropriateness of the CGUs identified by management. We evaluated whether there had been significant changes in the factors considered by management in assessing whether indicators of impairment exist for investment in subsidiaries of the Company and associated companies of the Company and of the Group.

We engaged auditor's expert to evaluate the recoverable amount prepared by management and the inputs and assumptions used. We assessed whether the auditor's expert has the necessary competency and objectivity for our purposes. We also obtained an understanding of the nature and scope of objectives of that expert's work and evaluating the adequacy of that work.

In the computation of VIU as the recoverable amount, the Company had taken into account the indicative market prices of their goods, and used inputs, such as market growth rate, weighted average cost of capital and the historical, present and future economic factors, typical of similar industry. For FVLCD as the recoverable amount, the revalued net assets value is determined based on the fair value of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. The Company made reference to indicative market prices for non-financial assets to estimate its fair value.

Through our auditor's expert, we assessed reasonableness of the valuation techniques applied, estimates adopted and assumptions used to arrive at the recoverable amounts of the CGUs. We checked the arithmetical accuracy of the recoverable amount calculations.

We also reviewed the adequacy of disclosures on investments in subsidiaries and associate companies included in Note 7 and Note 8, respectively, to the financial statements.

(b) Net realisable value of land inventories (Note 11) of the Group

As at 31 December 2021, the land inventories of the Group amount to S$597.4 million, representing about 42% of the Group's total assets. The Group's land inventories are mainly located in Bintan and Batam islands in Indonesia. Land inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less the estimated costs of completion and the estimated costs necessary to make the sale.

The determination of the net realisable value of these land inventories requires management to make assumptions and estimates in deriving the budgeted costs to completion and to be incurred in for their sales, and the estimated selling prices and demand.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(b) Net realisable value of land inventories (Note 11) of the Group (Cont'd)

Our response and work performed

Through the component auditor, we evaluated the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We considered the appropriateness of the valuation techniques used by the external valuers for the land inventories. We reviewed the reasonableness of the inputs used by the external valuers by reference to historical data and considered whether these inputs are consistent with the current market environment. The inputs used included recently transacted selling prices of these land and prices of comparable land located in the vicinity, and land specific-factors adjustment, if any.

We also reviewed the adequacy of disclosures on land inventories included in Note 11 to the financial statements.

(c) Impairment assessment of property, plant equipment (Note 4) of the Group

As at 31 December 2021, the Group's property, plant and equipment amounts to S$134.8 million, representing about 10% of the Group's total assets. Property, plant and equipment comprises mainly leasehold land, building and infrastructure, utilities plant and machinery, transportation equipment and vehicles.

The Group has assessed for impairment indications in the property, plant and equipment and concluded that impairment indications existed in certain property, plant and equipment. These non-financial assets are therefore tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the higher of "fair value less cost to disposal" ("FVLCD") and "value-in-use" ("VIU"). The recoverable amount from VIU calculation is based on management approved 5-year cash flow projections incorporating key assumptions, such as the growth rate and discount rate per "cash generating unit" ("CGU"). FVLCD is determined by external valuers based on either the market approach, cost approach or a combination of both. These assumptions which are determined by management are judgmental.

In determining appropriate CGU level, the Group has performed the impairment assessment of property, plant and equipment according to the smallest CGU identifiable. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Our response and work performed

Our audit procedures included among others, assessing the appropriateness of CGUs identified by the Group.

We evaluated whether there had been significant changes in the factors considered by the Group in assessing whether indicators of impairment exist.

In the assessment of impairment, the Group takes into account the indicative open market prices of the property, plant and equipment, typical of similar industries, to estimate the recoverable amount.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(c) Impairment assessment of property, plant equipment (Note 4) of the Group (Cont'd)

Our response and work performed (Cont'd)

Through the component auditor and their auditor's expert, we reviewed the Group's management's expert estimates and key assumptions adopted in the valuation techniques to arrive at the recoverable amounts of CGUs associated with the property, plant and equipment. We have also assessed the competencies and objectivities of the Group's auditor's and management experts.

We also reviewed the adequacy of disclosures about key assumptions and sensitivity. The disclosures about the Group's property, plant and equipment are included in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the "Directors' Statement" section of the Annual Report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Annual Report which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner of the audit resulting in this independent auditor's report is Ho Teik Tiong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 6 April 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	The Group 31 December 2021 $'000	The Group 31 December 2020 $'000	The Company 31 December 2021 $'000	The Company 31 December 2020 $'000
Assets					
Non-Current					
Intangible assets	3	**187**	197	**–**	–
Property, plant and equipment	4	**134,843**	139,475	**15**	80
Right-of-use assets	5	**3,272**	4,379	**1,249**	2,558
Investment properties	6	**95,067**	102,594	**–**	–
Subsidiaries	7	**–**	–	**1,123,985**	1,122,085
Associates	8	**389,347**	355,097	**381,948**	381,948
Deferred tax assets	9	**1,627**	1,638	**–**	–
Trade and other receivables	13	**93**	–	**172**	–
Other non-current assets	10	**2,402**	5,413	**181**	155
		626,838	608,793	**1,507,550**	1,506,826
Current					
Land inventories	11	**597,371**	596,376	**–**	–
Other inventories	12	**7,587**	8,627	**–**	–
Trade and other receivables	13	**43,912**	70,740	**77,258**	65,788
Cash and cash equivalents	14	**134,080**	106,807	**796**	745
		782,950	782,550	**78,054**	66,533
Total assets		**1,409,788**	1,391,343	**1,585,604**	1,573,359
Equity and Liabilities					
Equity					
Share capital	15	**1,963,457**	1,958,546	**1,963,457**	1,958,546
Treasury shares	16	**(50)**	(50)	**(50)**	(50)
Accumulated losses		**(1,262,906)**	(1,207,331)	**(1,307,419)**	(1,262,795)
Reserves	17	**113,363**	60,925	**80,000**	80,000
Equity attributable to equity holders of the Company		**813,864**	812,090	**735,988**	775,701
Non-controlling interests		**7,206**	13,554	**–**	–
Total equity		**821,070**	825,644	**735,988**	775,701
Liabilities					
Non-Current					
Deferred tax liabilities	9	**2,377**	1,901	**–**	–
Borrowings	18	**362,385**	4,271	**269,827**	–
Employee benefits liabilities	19	**15,876**	16,281	**–**	–
Other non-current liabilities	20	**28,089**	25,966	**88**	88
Lease liabilities	21	**2,883**	3,448	**1,915**	2,378
Contract liabilities	23	**21,442**	16,738	**–**	–
		433,052	68,605	**271,830**	2,466
Current					
Borrowings	18	**23,007**	339,001	**419,666**	667,314
Lease liabilities	21	**1,114**	1,047	**463**	234
Trade and other payables	22	**119,687**	145,905	**156,531**	126,211
Contract liabilities	23	**3,391**	2,667	**–**	–
Current tax payable		**8,467**	8,474	**1,126**	1,433
		155,666	497,094	**577,786**	795,192
Total liabilities		**588,718**	565,699	**849,616**	797,658
Total equity and liabilities		**1,409,788**	1,391,343	**1,585,604**	1,573,359

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group Year ended 31 December 2021 $'000	Year ended 31 December 2020 $'000
Continuing operations			
Revenue	23	**145,105**	138,199
Cost of sales		**(112,090)**	(113,770)
Gross profit		**33,015**	24,429
Other (expenses)/income	24	**(1,392)**	10,532
General and administrative expenses		**(15,598)**	(18,245)
Other operating expenses	25	**(24,319)**	(24,251)
Share of associate companies' results		**(16,747)**	(19,641)
Finance costs	26	**(19,772)**	(21,934)
Loss from continuing operations, before tax		**(44,813)**	(49,110)
Taxation	28	**(13,743)**	(12,816)
Loss from continuing operations, net of tax		**(58,556)**	(61,926)
Loss from discontinued operations, net of tax	7(a)	**–**	(642,735)
Loss for the year	27	**(58,556)**	(704,661)
Attributable to:			
Equity holders of the Company			
– Loss from continuing operations, net of tax		**(55,575)**	(59,057)
– Loss from discontinued operations, net of tax		**–**	(628,389)
		(55,575)	(687,446)
Non-controlling interests			
– Loss from continuing operations, net of tax		**(2,981)**	(2,869)
– Loss from discontinued operations, net of tax		**–**	(14,346)
		(2,981)	(17,215)
Loss for the year		**(58,556)**	(704,661)
		Cents	Cents
Loss per share	30		
From continuing and discontinued operations			
– Basic		**(1.021)**	(12.672)
– Diluted		**(1.021)**	(12.672)
From continuing operations			
– Basic		**(1.021)**	(1.089)
– Diluted		**(1.021)**	(1.089)
From discontinued operations			
– Basic		**–**	(11.584)
– Diluted		**–**	(11.584)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group Year ended 31 December 2021 $'000	The Group Year ended 31 December 2020 $'000
Loss for the year		**(58,556)**	(704,661)
Other comprehensive (loss)/income after taxation:			
Items that are/may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges, net of tax		**–**	(6,712)
Currency translation differences from foreign Subsidiaries		**(79)**	(8,001)
Realisation of reserves upon deconsolidation of subsidiaries		**–**	32,514
Share of other comprehensive loss of associates			
– Currency translation differences		**6,944**	(8,703)
– Fair value of cash flow hedges		**7,609**	(6,956)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		**528**	485
Share of other comprehensive income/(loss) of associates			
– Change in fair value on equity instruments at fair value through other comprehensive income		**38,726**	–
– Remeasurements of defined benefit plans		**(1,763)**	114
Other comprehensive income for the year after taxation	29	**51,965**	2,741
Total comprehensive loss for the year		**(6,591)**	(701,920)
Total comprehensive loss attributable to:			
Equity holders of the Company			
– Total comprehensive loss from continuing operations, net of tax		**(3,628)**	(73,911)
– Total comprehensive loss from discontinued operations, net of tax		**–**	(361,447)
		(3,628)	(435,358)
Non-controlling interests			
– Total comprehensive loss from continuing operations, net of tax		**(2,963)**	(2,907)
– Total comprehensive loss from discontinued operations, net of tax		**–**	(263,655)
		(2,963)	(266,562)
		(6,591)	(701,920)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company										
	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021	1,958,546	(50)	80,000	(12,607)	(6,956)	–	488	(1,207,331)	812,090	13,554	825,644
Loss for the year	–	–	–	–	–	–	–	(55,575)	(55,575)	(2,981)	(58,556)
Other comprehensive (loss)/income	–	–	–	(82)	–	–	513	–	431	18	449
Share of other comprehensive income/(loss) of associates	–	–	–	6,944	7,609	38,726	(1,763)	–	51,516	–	51,516
Total comprehensive income/(loss) for the year	–	–	–	6,862	7,609	38,726	(1,250)	(55,575)	(3,628)	(2,963)	(6,591)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Issuance of shares	4,980	–	–	–	–	–	–	–	4,980	–	4,980
Share issuance expenses	(69)	–	–	–	–	–	–	–	(69)	–	(69)
Total contributions by and distributions to owners	4,911	–	–	–	–	–	–	–	4,911	–	4,911
Changes in ownership interests in subsidiaries and other capital transactions											
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	–	–	–	–	1,613	1,613
Changes in interests in subsidiaries and effect of transaction with non-controlling interests	–	–	–	–	–	–	–	–	–	(4,998)	(4,998)
Share of reserves of associates	–	–	–	–	–	–	491	–	491	–	491
Total changes in ownership interests in subsidiaries and other capital transactions	–	–	–	–	–	–	491	–	491	(3,385)	(2,894)
Total transaction with owners	4,911	–	–	–	–	–	491	–	5,402	(3,385)	2,017
Balance at 31 December 2021	1,963,457	(50)	80,000	(5,745)	653	38,726	(271)	(1,262,906)	813,864	7,206	821,070

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company										
	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2020	1,958,546	(50)	(105,771)	(94,675)	(14,612)	24,124	26,546	(547,610)	1,246,498	272,642	1,519,140
Loss for the year	–	–	–	–	–	–	–	(687,446)	(687,446)	(17,215)	(704,661)
Other comprehensive (loss)/ income	–	–	–	(4,877)	(4,900)	–	897	–	(8,880)	(5,348)	(14,228)
Share of other comprehensive (loss)/income of associates	–	–	–	(8,703)	(6,956)	–	114	–	(15,545)	–	(15,545)
Realisation of reserves upon deconsolidation of subsidiaries	–	–	185,771	95,648	19,512	(24,124)	(28,019)	27,725	276,513	(243,999)	32,514
Total comprehensive income/ (loss) for the year	–	–	185,771	82,068	7,656	(24,124)	(27,008)	(659,721)	(435,358)	(266,562)	(701,920)
Transactions with owners, recorded directly in equity											
Changes in ownership interests in subsidiaries and other capital transactions											
Changes in interests in subsidiaries and effect of transaction with non-controlling interests	–	–	–	–	–	–	115	–	115	7,474	7,589
Share of reserves of associates	–	–	–	–	–	–	835	–	835	–	835
Total changes in ownership interests in subsidiaries and other capital transactions	–	–	–	–	–	–	950	–	950	7,474	8,424
Total transactions with owners	–	–	–	–	–	–	950	–	950	7,474	8,424
Balance at 31 December 2020	1,958,546	(50)	80,000	(12,607)	(6,956)	–	488	(1,207,331)	812,090	13,554	825,644

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group Year ended 31 December 2021 $'000	The Group Year ended 31 December 2020 $'000
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(44,813)**	(49,110)
Loss before taxation from discontinued operations	7(a)	**–**	(641,256)
Adjustments for:			
Amortisation of intangible assets	3, 27	**67**	6,842
Depreciation of property, plant and equipment, investment properties and right-of-use assets	27	**32,722**	63,380
Impairment loss on goodwill	3, 27	**1,814**	–
(Gain)/loss on disposal of property, plant and equipment		**(18)**	1,697
Net impairment of financing receivables	27	**–**	26,359
Net impairment of trade and other receivables	27	**(260)**	3,455
Loss on sales of foreclosed assets		**–**	4,474
Allowance for/(reversal of) allowance for inventories obsolescence	27	**1,254**	(22)
Provision for employees' benefits	19, 27	**2,150**	4,398
Net loss on deconsolidation or disposal of subsidiaries	7(a)	**–**	595,708
Write off unamortised transaction costs in relation to previous bank borrowing		**2,758**	–
Reversal of allowance for impairment of foreclosed assets	27	**–**	(134)
Interest expense	A	**19,772**	85,747
Interest income		**(2,815)**	(12,665)
Share of associate companies' results		**16,747**	24,453
Operating profit before working capital changes		**29,378**	113,326
Increase in land inventories		**(995)**	(1,135)
(Increase)/decrease in other inventories		**(214)**	15,521
Decrease in operating receivables		**30,101**	108,979
Decrease in operating payables and contract liabilities		**(19,081)**	(23,200)
Cash generated from operating activities		**39,189**	213,491
Income tax paid		**(16,504)**	(40,914)
Interest paid	A	**(17,574)**	(136,341)
Interest received		**2,001**	3,172
Employee benefit paid	19	**(2,103)**	(1,092)
Net cash generated from operating activities		**5,009**	38,316

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group Year ended 31 December 2021 $'000	Year ended 31 December 2020 $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	3	**(57)**	(48)
Acquisition of property, plant and equipment		**(15,465)**	(40,378)
Acquisition of investment properties		**(3,965)**	(1,456)
Dividend from associates		**1,010**	1,099
Proceeds from disposal of property, plant and equipment		**50**	855
Acquisition of a subsidiary, net of cash acquired	7(b)	**1**	–
Net outflow on deconsolidation or disposal of subsidiaries	7(a)	**–**	(284,257)
Proceeds from sale of equity instruments at fair value through other comprehensive income		**–**	31,130
Addition in investments		**–**	(7,566)
Placement of restricted cash and time deposits		**–**	(2,819)
Net cash used in investing activities		**(18,426)**	(303,440)
Cash Flows from Financing Activities			
Repayment of debt securities	A	**–**	(44,802)
Payment of principal portion of lease liabilities	A	**(1,459)**	(11,433)
Acquisition of capital stock contribution of NCI		**–**	(1,274)
Proceeds from borrowings	A	**396,097**	1,359,018
Repayment of borrowings	A	**(353,976)**	(1,173,452)
Net cash generated from financing activities		**40,662**	128,057
Increase/(decrease) in cash and cash equivalents		**27,245**	(137,067)
Cash and cash equivalents at beginning of year		**106,807**	230,524
Effect of currency translation on cash and cash equivalents		**28**	13,350
Cash and cash equivalents at end of year	14	**134,080**	106,807

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note A

The following is the disclosures of the reconciliation of items for which cash flows have been classified as financing activities, excluding equity items.

			Cash flows			Non-cash flows				
The Group	**Note**	**As at 1 January $'000**	**Proceeds $'000**	**Repayment $'000**	**Interest paid $'000**	**Addition $'000**	**Interest expenses $'000**	**The effect of changes in foreign rates $'000**	**Deconsolidation of subsidiaries (Note 7(a)) $'000**	**As at 31 December $'000**
2021										
Borrowings	18	**343,272**	**396,097**	**(353,976)**	**(17,574)**	**–**	**19,516**	**(1,943)**	**–**	**385,392**
Lease liabilities	21	**4,495**	**–**	**(1,459)**	**–**	**1,140**	**256**	**(435)**	**–**	**3,997**
					(17,574)		**19,772**			
2020										
Borrowings	18	3,100,744	1,359,018	(1,173,452)	(130,207)	–	79,435	108,242	(3,000,508)	343,272
Debt securities		170,843	–	(44,802)	(6,134)	–	5,926	(5,956)	(119,877)	–
Lease liabilities	21	19,600	–	(11,433)	–	2,455	386	144	(6,657)	4,495
					(136,341)		85,747			

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1 General information

The Company is incorporated and domiciled in Singapore with its registered office and the principal place of business at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The financial statements of the Group and the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.

2(a) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Companies Act 1967 (the "Act"), and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information, presented in Singapore Dollar, is rounded to the nearest thousand ($'000) unless otherwise stated.

2(b) Significant judgment and use of estimates

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries in the world, and resulted in border closures, movement controls and other measures imposed by various governments. The Group's significant operations are in Indonesia which has been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

(a) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(b) In 2021, border closures have resulted tourism sectors comes to a standstill. This has resulted in a negative impact on the Group's resort operating segment for 2021.

(c) The Group has considered (i) Impairment of non-financial assets (Notes 3, 4, 5, and 6), (ii) Impairment of investment in subsidiaries and associates (Notes 7 and 8), (iii) Allowance for expected credit losses ("ECL") of trade and other receivables (Note 13), (iv) Employee benefit liabilities (Note 19) and (v) Revenue (Note 23) in view of significant uncertainty as to the duration of the pandemic and its impact on the Indonesia economy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

Impact of COVID-19 (Cont'd)

(d) The Group has considered (i) assumptions and inputs, adjusted for the effects of COVID-19, were used to measure ECL under COVID-19 situation (including forward-looking information and any additional adjustments or 'overlays'), (ii) Credit risk concentrations that take into account different effects of COVID-19 on different receivables, and (iii) Carrying amounts of receivables that are credit-impaired at the reporting date (such as receivables from debtors that are in significant financial difficulty, or receivables that are more than 90 days past due).

(i) Significant judgement used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(a) Going concern

As at 31 December 2021, the Company's current liabilities exceeded its current assets by S$499,732,000 (31 December 2020 – S$728,659,000). The Company's net current liability position is mainly due to the Company's loan from subsidiaries of S$404,573,000 (31 December 2020 – S$379,643,000) and amount owing to its subsidiaries of S$80,636,000 (31 December 2020 – S$57,471,000). Excluding the loans and amount owing to its subsidiaries, the Company's net current liabilities was S$14,523,000 as at 31 December 2021 (31 December 2020 – S$291,545,000). The financial statements have been prepared on a going concern basis as the Company is able to meet its current liabilities obligation for the next twelve months from the dividend through its subsidiaries, financing through capital market and the subsidiaries not to recall the loan under the instruction from the Company.

The Group incurred a loss after tax of S$58,556,000 (2020 – S$704,661,000) and a total comprehensive loss of S$6,591,000 (2020 – S$701,920,000), and net cash inflows from operating activities of S$5,009,000 (2020 – S$38,316,000) for the period ended 31 December 2021. As at 31 December 2021, the Group has cash and cash equivalents of S$134,080,000 (31 December 2020 – S$106,807,000) and net current assets of S$627,284,000 (31 December 2020 – S$285,456,000) which is able to support its working capital requirements. The Group has outstanding borrowings of S$23,007,000 as at 31 December 2021 (31 December 2020 – S$339,001,000) which is due within 12 months after end of reporting period.

The Group is of the view that the preparation of financial statements on a going concern basis is appropriate having regards to the following reasons:

- the Group secured a new term loan and revolving loan facilities, arranged by PT Bank Mandiri (Persero) Tbk, of up to an aggregate principal amount of US$295,000,000 with a tenure of 5 years. The loans were used to refinance its existing syndicated loans. (Note 18);
- the Group is able to continue to raise funds through bank borrowings and capital market;
- the Group has unutilised credit facilities amounting to approximately S$20 million (2020 – S$5 million); and
- the Group is able to collect its total trade receivables as they fall due to settle its current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(b) Income taxes (Note 28)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Determination of cash-generating units (CGU)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Management has identified the appropriate CGU level to be either at the business segment or at the entity level for the purpose of its assessment of impairment in non-financial assets and its investments in subsidiaries and associate companies.

(d) Classification of properties as investment properties (Note 6)

The Group classifies certain buildings and improvements as investment properties as these are leased out to earn rental income. The Group has assessed and determined that an insignificant portion of investment properties is held for own use in the supply of building management services and/or for administration purposes.

(e) Classification of property leases as operating lease (as lessor) (Note 31)

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases. The Group's operating leases (as lessor) contracted for as of 31 December 2021 is S$109,696,000 (2020 – S$81,184,000).

(f) Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(g) Deferred tax assets (Note 9)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgements are required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying amount of the Group's deferred tax assets as at 31 December 2021 is S$1,627,000 (2020 – S$1,638,000).

(h) Determination of the lease term (Note 21)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of premises, plant and equipment, and motor vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2021, no potential future cash outflows have been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

(i) Investment in PT Indomobil Sukses Internasional Tbk ("PT IMAS") (Note 8)

The Group's equity interest in PT IMAS was diluted from 71.49% to 49.49% as a result of the Group's decision not to participate in PT IMAS's right issue in the previous financial year 2020. Significant judgement is required in determining whether the Group has lost control over its investee company but continue to exercise significant influence in PT IMAS, by its ability to participate in the financial and operating policy decisions of PT IMAS.

Judgement is exercised and the Group has assessed that it does not have control but is able to exercise significant influence through its percentages of voting rights together with its ability to participate in the financial and operating decisions of the Board of Directors and Board of Commissioners. The carrying amount of the Group's investment in PT IMAS as at 31 December 2021 is S$379,220,000 (31 December 2020 – S$345,605,000).

(j) Determination of indications of impairment of non-financial assets

Management assesses whether there are any indications of impairment of non-financial assets by reviewing internal and external factors/sources of information like economic, financial, industry, business etc affecting the assets. Where there are mixed indicators, management will exercise their judgement to determine, whether these events or circumstances indicate that the carrying amount may not be recoverable and accordingly the assets will be tested for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(ii) Critical accounting estimates and assumptions used in applying accounting policies

The critical accounting estimates and assumptions used are discussed below.

(a) Pension and employee benefits (Note 19)

The determination of the Group's obligation cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised in profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of employee benefit liabilities as at 31 December 2021 amounts to S$15,876,000 (2020 – S$16,281,000).

If the discount rate decreases by 1% from management's estimates, the present value of the pension and employee benefits obligation will increase by S$3,078,000 (2020 – S$2,665,000).

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 80 years. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2021 are S$15,000 (2020 – S$80,000) and S$134,843,000 (2020 – S$139,475,000) respectively. If the depreciation of the property, plant and equipment increases/decreases by 10%, the Group's loss for the year will increase/decrease by S$1,990,000 (2020 – S$4,467,000).

(c) Depreciation of investment properties (Note 6)

Investment properties are accounted for using the cost model and are depreciated on a straight-line basis over their estimated useful lives and impaired if necessary. Management estimates the useful lives of these investment properties to be within 3 to 30 years. The carrying value of the investment properties are reviewed when events or changes in circumstances indicate the carrying value may not be recoverable.

The carrying amount of the Group's investment properties as at 31 December 2021 is S$95,067,000 (2020 – S$102,594,000). If the depreciation of the investment properties increases/decreases by 10%, the Group's loss for the year will increase/decrease by S$1,151,000 (2020 – S$1,591,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(ii) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(d) Estimation of the incremental borrowing rate ("IBR") (Note 21)

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity shall use its IBR applicable to the lease asset.

The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 21 respectively.

An increase/decrease of 50 basis points in the estimated IBR will not significantly decrease/increase the Group's right-of-use assets and vice versa, the lease liabilities.

(e) Allowance for decline in market values and obsolescence of land inventories (Note 11) and other inventories (Note 12)

Allowance for decline in market values and obsolescence of inventories is estimated based on the best available facts and circumstances including but not limited to the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated.

The carrying amount of the Group's land inventories and other inventories as at 31 December 2021 are S$597,371,000 (2020 – S$596,376,000) and S$7,587,000 (2020 – S$8,627,000) respectively. If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's loss for the year will increase by S$248,000 (2020 – S$123,000).

(f) Impairment assessment of goodwill (Note 3)

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The assessment of impairment of goodwill is determined based on the recoverable amount of the Group's smallest cash-generating units ("CGU"), either at the business segment or entity level. The Group has recognised an impairment charge of S$1,814,000 during the financial year as disclosed in Note 3. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amount of the CGU is determined based on fair value less costs of disposal. The management uses judgment and estimates relying on past performance and market expectation to determine the fair value less cost of disposal. In 2020, the carrying amount of goodwill of S$427,460,000 allocated to the automotive business segments was derecognised on the deconsolidation of PT IMAS (Note 7(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(ii) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(g) Impairment assessment of investment in subsidiaries (Note 7) and associates (Note 8)

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount which is the higher of fair value less costs of disposal and value-in-use. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal is determined based on the revalued net assets value. Management has evaluated the recoverability of the investments based on such key assumptions and estimates.

The Company has recognised an impairment charge on its subsidiaries of S$18,093,000 during the financial year as disclosed in Note 7. For its remaining subsidiaries, the change in the estimated recoverable amount from any reasonably possible change on the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.

(h) Impairment assessment of property, plant and equipment (Note 4) and right-of-use assets (Note 5)

Determining whether property, plant and equipment and right-of-use assets are impaired requires an estimation of the recoverable amount which is the higher of fair value less costs of disposal and value-in-use. The value-in-use calculation requires the Group to estimate the future cash flow expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal is determined by external valuers based on either the market approach, cost approach or a combination of both. Based on the management's assessment, there are no indication of impairment in value of property, plant and equipment and right-of-use assets as of 31 December 2021 and 31 December 2020.

The carrying amount of the Group's property, plant and equipment and right-of-use assets as at 31 December 2021 is S$134,843,000 (2020 – S$139,475,000) and S$3,272,000 (2020 – S$4,379,000) respectively.

(i) Allowance for expected credit losses (ECL) of trade and other receivables (Note 13)

Allowances for ECL of receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward-looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, current market conditions, assumptions and expectations of future conditions.

For non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit-impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(b) Significant judgment and use of estimates (Cont'd)

(ii) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(i) Allowance for expected credit losses (ECL) of trade and other receivables (Note 13) (Cont'd)

Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

For receivables which are trade in nature, the Group and the Company apply the simplified approach and uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group and the Company's historical observed default rates.

The Group and the Company will calibrate the matrix to adjust historical credit loss experience with current market conditions and forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

The net carrying amounts of the Company's and the Group's trade and other receivables as at 31 December 2021 amount to S$77,430,000 (2020 – S$65,788,000) and S$44,005,000 (2020 – S$70,740,000) respectively. A decrease of 10% in the estimated future cash inflows will not lead to further allowance for impairment on the Group's trade and other receivables.

2(c) Adoption of new and revised SFRS (I) effective in 2021

New SFRS(I) and amendments in 2021

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	COVID-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021

The application of these amendments to standards and interpretations does not result in substantial changes to the Group's accounting policies and have no material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(d) SFRS(I) issued but not yet effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		
Amendment to SFRS(I) 1	Subsidiary as a First-time Adopter	1 January 2022
Amendment to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
Amendment to SFRS(I) 16	Lease Incentives	1 January 2022
Amendment to SFRS(I) 1-41	Taxation in Fair Value Measurements	1 January 2022
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 17	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The following relevant standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(d) SFRS(I) issued but not yet effective (Cont'd)

Amendments to SFRS(I) 16: COVID-19-Related Rent Concessions beyond 30 June 2021

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment-Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Amendments to SFRS(I) 9 Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The amendments clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity shall include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(d) SFRS(I) issued but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies

The amendments will help to:

- improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements; and
- distinguish changes in accounting estimates from changes in accounting policies.

The amendments to SFRS(I) 1-1 require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. However, accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. In addition, if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In support of the amendments to SFRS(I) 1-1, amendments are also made to SFRS(I) Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures, and illustrate how an entity could judge whether information about an accounting policy is material to its financial statements.

The amendments to SFRS(I) 1-1 are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact. The amendments to SFRS(I) Practice Statement 2 do not contain an effective date or transition requirements.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(d) SFRS(I) issued but not yet effective (Cont'd)

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

SFRS(I) 1-12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future.

In specified circumstances, companies are exempted from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

2(e) Significant accounting policies

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interests even if that results in a deficit balance.

Subsidiary and existence of control

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

Subsidiary and existence of control (Cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without loss of control

Changes in the Company owners' ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amount of the controlling and non-controlling interests is adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interests;

– de-recognises the cumulative translation differences recorded in equity;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

Changes in ownership interests in subsidiaries resulting in loss of control (Cont'd)

- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The investment retained in the former subsidiary at the date when the control is lost is remeasured to its fair value. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

(ii) Business Combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- the liabilities incurred to the former owners of the acquire;
- the equity interests issued by the Group;
- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of acquiree's identifiable net assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(ii) Business Combination (Cont'd)

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(iii) Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, if there are any indicators of impairment. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

a. Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

b. Computer software

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(iv) Property, plant and equipment and depreciation

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate the depreciable amount of these assets over their estimated useful lives as follows:

	Years
Leasehold land and improvements	15 – 80
Land improvements and landfill	3 – 20
Building and infrastructures	3 – 30
Golf course	36 – 45
Utilities plant and machinery	3 – 30
Machinery and equipment	2 – 30
Vessels and ferry equipment	4 – 15
Working wharf and reservoir	3 – 30
Transportation equipment and vehicles	3 – 8
Furniture, fixtures and equipment	1 – 10

Construction-in-progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use. No depreciation is provided on construction-in-progress.

Costs incurred in the general overhaul of the main engines of vessels during dry docking are capitalised and depreciated over 3 to 5 years.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and to the year before disposal respectively. For acquisitions, less than S$1,000, they are expended as expenses in the profit or loss. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(v) Investment properties

Investment properties consist of buildings and improvements that are held to earn rental yields, including portions of buildings which could not be sold separately, and where an insignificant portion is held for use in the supply of services or for administrative purposes.

The Group applies the cost model. Investment properties are stated at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment properties of 3 – 30 years, as applicable for each investment property.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

(vi) Investment in subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

(vii) Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(vii) Investment in associates (Cont'd)

Under the equity method, the investment in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(viii) Inventories

a. Land

Land inventories are carried at the lower of cost and net realisable value. Cost of land inventories is recorded at cost. Net realisable value represents the estimated selling price less costs to be incurred in selling the land.

Cost of land inventories includes cost of land, borrowing costs and other costs directly or indirectly related to the acquisition and development of the land for sale. These costs are capitalised during the period such activities that are necessary to get these assets ready for sale are in progress. Capitalisation of these costs will cease when land development is completed and the land is available for sale.

The costs incurred in the development of the resort and common areas/facilities are allocated proportionally to the saleable parcels of land. Other land development costs incurred are allocated to each parcel of land using the specific identification method.

Land inventories are de-recognised when it has been sold as an integral part with sale of land and no future economic benefit is expected from its disposal. Cost of land infrastructure inventory on sale of land or loss from disposal is recognised in the profit or loss in the year of sale or disposal.

b. Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is generally determined on a first-in, first-out basis, specific identification and average methods. The cost of finished goods and work-in-progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. Allowance is made for obsolete, slow moving or defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(ix) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal rights to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(x) Financial assets

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

a. Classification (Cont'd)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b. Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

c. Measurement (Cont'd)

Debt instruments (Cont'd)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group measures all equity instruments, if any, at fair value. Where the Group's management elects to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

The Group will elect to measure these equity instruments at FVOCI for long-term appreciation.

d. Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For receivables which are trade in nature, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit or loss.

e. Determination of fair value

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, short term deposits and other short-term investments with maturities of three months or less at the time of placement or purchase that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitment.

(xii) Financial liabilities

The Group's financial liabilities include loans and borrowings, debt securities (including bond), obligations under finance leases and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Borrowings and debt securities

Borrowings and debt securities are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings and debt securities are subsequently stated at amortised cost which is the initial fair value less any principal repayments.

Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings and debt securities using the effective interest method. Interest expense is chargeable on the amortised cost over the period of the borrowings and debt securities using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xii) Financial liabilities (Cont'd)

Borrowings and debt securities (Cont'd)

Gains and losses are recognised in the profit or loss when the liabilities are amortised as well as through the amortisation process.

Borrowings and debt securities which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings and debt securities to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instruments.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

(xiii) Golf membership

Golf membership is measured initially at cost. Subsequent to initial recognition, golf membership is stated at cost less any accumulated impairment losses, if any. The carrying amount of golf membership is reviewed annually for impairment when an indicator of impairment arises during the reported period indicates that the carrying value may not be recoverable.

The golf membership is assessed as having indefinite life and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The golf membership is tested for impairment and carried at cost less accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xiv) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

(xv) Contract liabilities and contract assets

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If the customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Group performs under the contract.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as expense.

(xvi) Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xvi) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xvi) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) Lease liability (Cont'd)

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

	Years
Office and building	2 – 10
Transportation equipment and motor vehicles	1 – 30

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xvi) Leases (Cont'd)

(ii) The Group as lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except for the classification of the sublease entered into that resulted in a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other income" in profit or loss.

Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xvii) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xvii) Derivative financial instruments and hedging activities (Cont'd)

Cash flow hedges that qualify for hedge accounting (Cont'd)

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xviii) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Based on Government Regulation of the Republic of Indonesia (RI) No. 71/2008 dated 4 November 2008, companies whose main activity is sales of land and buildings, is subject to final tax for each payment on sales of land and factory (including condominiums and cottages) starting January 1, 2009.

Based on Government Regulation of RI No. 5/2002 dated March 23, 2002, each rental payment on the rental of buildings is subject to final tax of 10% from the gross rental amount starting May 1, 2002.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(xix) Employee benefits

Pension obligations

The Group participates in national pension schemes as defined by the laws of the countries in which it operates. As required by Indonesian Law, the Group makes contributions to the defined contributions state pension scheme, Jamsostek contributions, which are recognised as compensation expense in the same period as the employment that gives rise to the contributions. The ASTEK fund from Jamsostek contributions is responsible for the entire insurance claim relating to accidents incurred by the employees at the work place and for the entire retirement benefit obligations of the related employees under the said state pension scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xix) Employee benefits (Cont'd)

Pension obligations (Cont'd)

The Group also makes contributions to a defined contribution pension plan which is administered by legal entity, "Dana Pensiun Lembaga Keuangan Indolife Pensiontama" for certain employees. The contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

The Company and its subsidiaries operating in Singapore contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the reporting period.

Provisions for employee service entitlements

The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 ("the Law").

The calculation is performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xx) Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill or other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount represents the value-in-use based on an internal discounted cash flow calculation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xxi) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xxii) Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(a) Sale of goods

Revenue is recognised at a point in time when the control of the goods are transferred, being when the goods are delivered to the customer or collected by customer which signify that all criteria for acceptance have been satisfied.

(b) Services rendered

Revenue from villa operation, ferry services, golfing, use of social facilities, food and beverages and clinic operation is recognised when the services are rendered or when the supplies are delivered to customers.

Revenue from contract service is recognised by reference to the stage of completion of the contract.

Revenue from golf subscription fees is recognised over the period of the subscription while non-refundable golf club membership is recognised as revenue in the period of sale.

(c) Utilities revenue

Revenue from electricity and water is recognised at a point in time upon consumption by the customer.

(d) Rental and service and maintenance

Rental from investment properties is recognised proportionately over the lease term. The service and maintenance is provided evenly over the lease term. The aggregate cost of any incentives as a reduction of rental income is recognised proportionately over the lease term. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method. Deposits received from tenants are recorded as part of other current liabilities.

(e) Telecommunication service

Revenue from telecommunication services is recognised over a period of time as it accrues over the term of the telecommunication contracts. Revenue from telecommunication installation services is recognised when the installations are placed in service. Revenue from network interconnection with other domestic telecommunication carriers is recognised when the time connection takes place.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xxii) Revenue recognition (Cont'd)

(f) Sales of land and factory

The Group sells land for development and factory in the ordinary course of business. Revenue is recognised at a point of time when the control over the property had been transferred to the customer, which coincides with the transfer of the legal title, as the satisfaction of the performance obligation. In cases where the performance obligation includes specific criteria to be fulfilled in stages, the revenue is recognised over time based on the stages of completion reflecting the progress towards complete satisfaction of that performance obligation.

(g) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(h) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

(i) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss account over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(xxiii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of the related asset. Otherwise, borrowing costs are recognised as expenses when incurred. Borrowing costs consist of interests and other financing charges that the Group incurs in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets are substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

(xxiv) Bond issuance costs

Costs incurred in connection with the issuance of bonds by the Group were deferred and are being amortised using the effective interest rate method over the term of the bonds.

The balance of deferred bonds issuance costs is presented as a deduction from the outstanding bonds payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xxv) Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore Dollar, which is also the functional currency of the Company.

(xxvi) Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates as at the end of reporting period are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designed and qualifying as net investment hedged and net investment in foreign operations are recognised in other comprehensive income and accumulated in the translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance costs". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2(e) Significant accounting policies (Cont'd)

(xxvii) Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segment under their charge. The segment managers are directly accountable to their chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

(xxviii) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3 Intangible assets

The Group	**Goodwill $'000**	**Dealerships and distributorships $'000**	**Computer software $'000**	**Total $'000**
Cost				
At 1 January 2020	527,560	324,546	1,998	854,104
Deconsolidation of subsidiaries (Note 7(a))	(527,560)	(324,546)	–	(852,106)
Additions	–	–	48	48
Exchange translation differences	–	–	(16)	(16)
At 31 December 2020	**–**	**–**	**2,030**	**2,030**
Acquisition of subsidiary (Note 7(b))	**1,814**	**–**	**–**	**1,814**
Additions	**–**	**–**	**57**	**57**
Exchange translation differences	**–**	**–**	**1**	**1**
At 31 December 2021	**1,814**	**–**	**2,088**	**3,902**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3 Intangible assets (Cont'd)

The Group	Goodwill $'000	Dealerships and distributorships $'000	Computer software $'000	Total $'000
Accumulated amortisation and impairment				
At 1 January 2020	100,100	108,180	1,762	210,042
Amortisation for the year (Note 27)	–	6,761	81	6,842
Deconsolidation of subsidiaries (Note 7(a))	(100,100)	(114,935)	–	(215,035)
Exchange translation differences	–	(6)	(10)	(16)
At 31 December 2020	**–**	**–**	**1,833**	**1,833**
Amortisation for the year (Note 27)	**–**	**–**	**67**	**67**
Impairment loss (Note 27)	**1,814**	**–**	**–**	**1,814**
Exchange translation differences	**–**	**–**	**1**	**1**
At 31 December 2021	**1,814**	**–**	**1,901**	**3,715**
Net book value				
At 31 December 2021	**–**	**–**	**187**	**187**
At 31 December 2020	–	–	197	197

The Company	Computer software $'000	Total $'000
Cost		
At 1 January 2020 and 31 December 2020	676	676
At 31 December 2021	**676**	**676**
Accumulated amortisation		
At 1 January 2020	649	649
Amortisation for the year	27	27
At 31 December 2021	**676**	**676**
Amortisation for the year	**–**	**–**
At 31 December 2021	**676**	**676**
Net book value		
At 31 December 2021	**–**	**–**
At 31 December 2020	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3 Intangible assets (Cont'd)

a. Goodwill

Impairment test for goodwill

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments. The recoverable amount of a CGU was determined based on value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on financial budgets approved by management covering a five-year period.

At the reporting date, the Group carried out a review of the recoverable amounts of its goodwill arising from the acquisition of Singapore-Bintan Resort Holdings Pte Ltd ("SBRH") (Note 7(b)) in view of its continuing losses. The recoverable amount was determined based on the higher of fair value less costs of disposal and value-in-use calculation. The management did not determine the value-in-use calculation as there is no expected future cash flows that SBRH in its current condition will produce, to be discounted to present value using an appropriate discount rate. Fair value less costs of disposal is determined based on revalued net assets value. Based on the assessment, impairment loss of S$1,814,000 (Notes 25 and 27) was fully recognised and charged to "Other operating expenses" in profit or loss in 2021.

b. Amortisation expense included in the profit or loss is analysed as follows:

	The Group	
	2021	**2020**
	$'000	**$'000**
General and administrative expenses (Note 27)	**67**	6,842
	67	6,842

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 Property, plant and equipment

The Group	Leasehold land and improvements $'000	Land improvements and landfill $'000	Building and infrastructures $'000	Golf course $'000	Utilities plant and machinery $'000	Machinery and equipment $'000	Vessels and ferry equipment $'000	Working wharf and reservoir $'000	Transportation equipment and vehicles $'000	Furniture, fixtures and equipment $'000	Construction in progress $'000	Total $'000
Cost												
At 1 January 2021	97,846	9,535	223,318	25,307	285,992	93,731	57,494	11,698	5,838	24,621	220	835,600
Exchange translation differences	–	–	18	–	–	111	–	–	4	13	–	146
Additions	6,966	–	2,189	–	2,044	1,078	140	–	62	259	2,733	15,471
Reclassification/ transfers	–	–	–	–	–	27	–	–	–	–	(210)	(183)
Disposal	(8,482)	(115)	(1)	–	–	(100)	(702)	–	(291)	(98)	(31)	(9,820)
At 31 December 2021	96,330	9,420	225,524	25,307	288,036	94,847	56,932	11,698	5,613	24,795	2,712	841,214
Accumulated depreciation												
At 1 January 2021	32,939	9,245	213,189	14,653	267,848	80,159	42,374	10,181	5,284	20,253	–	696,125
Exchange translation differences	–	–	8	–	–	74	–	–	3	13	–	98
Depreciation for the year (Note 27)	5,490	151	2,501	544	4,257	2,412	2,637	392	306	1,207	–	19,897
Disposals	(8,482)	(115)	–	–	–	(100)	(702)	–	(283)	(67)	–	(9,749)
At 31 December 2021	29,947	9,281	215,698	15,197	272,105	82,545	44,309	10,573	5,310	21,406	–	706,371
Net book value												
At 31 December 2021	66,383	139	9,826	10,110	15,931	12,302	12,623	1,125	303	3,389	2,712	134,843

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 Property, plant and equipment (Cont'd)

The Group	Leasehold land and improvements $'000	Land improvements and landfill $'000	Building and infrastructures $'000	Golf course $'000	Utilities plant and machinery $'000	Machinery and equipment $'000	Vessels and ferry equipment $'000	Working wharf and reservoir $'000	Transportation equipment and vehicles $'000	Furniture, fixtures and equipment $'000	Construction in progress $'000	Total $'000
Cost												
At 1 January 2020	270,571	9,533	414,812	25,307	286,354	281,706	58,414	11,698	634,995	23,803	164,785	2,181,978
Exchange translation differences	2,648	2	4,115	–	–	(1,949)	(1)	–	(3,437)	(39)	(3,791)	(2,452)
Additions	3,516	–	877	–	133	9,299	384	–	2,212	607	30,610	47,638
Reclassification/ transfers	(2,919)(i)	–	(4,662)(i)	–	141	(2,097)	–	–	105,234	452	(128,825)	(32,676)
Disposal	(14,873)	–	(212)	–	(636)	(2,734)	(1,303)	–	(1,521)	(202)	(138)	(21,619)
Deconsolidation of subsidiaries (Note 7(a))	(161,097)	–	(191,612)	–	–	(190,494)	–	–	(731,645)	–	(62,421)	(1,337,269)
At 31 December 2020	97,846	9,535	223,318	25,307	285,992	93,731	57,494	11,698	5,838	24,621	220	835,600
Accumulated depreciation												
At 1 January 2020	109,841	8,909	266,344	14,110	262,805	200,337	40,780	9,789	96,756	18,903	–	1,028,574
Exchange translation differences	(566)	(2)	(209)	–	–	(1,205)	–	–	(606)	(31)	–	(2,619)
Depreciation for the year (Note 27)	3,208	338	6,362	543	5,679	6,643	2,897	392	17,026	1,582	–	44,670
Reclassification/ transfers	–	–	(264)	–	–	1,558	–	–	(11,434)	–	–	(10,140)
Disposals	(14,862)	–	(202)	–	(636)	(1,261)	(1,303)	–	(774)	(201)	–	(19,239)
Deconsolidation of subsidiaries (Note 7(a))	(64,682)	–	(58,842)	–	–	(125,913)	–	–	(95,684)	–	–	(345,121)
At 31 December 2020	32,939	9,245	213,189	14,653	267,848	80,159	42,374	10,181	5,284	20,253	–	696,125
Net book value												
At 31 December 2020	64,907	290	10,129	10,654	18,144	13,572	15,120	1,517	554	4,368	220	139,475

(i) Transferred to investment properties (Note 6).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 Property, plant and equipment (Cont'd)

The Company	Furniture fixtures and equipment $'000	Office equipment $'000	Leasehold improvements $'000	Total $'000
Cost				
At 1 January 2020	126	273	242	641
Additions	–	20	–	20
Disposals	–	(11)	–	(11)
At 31 December 2020	**126**	**282**	**242**	**650**
Additions	**–**	**2**	**–**	**2**
Disposal	**–**	**(3)**	**–**	**(3)**
At 31 December 2021	**126**	**281**	**242**	**649**
Accumulated depreciation				
At 1 January 2020	89	233	161	483
Depreciation for the year	22	27	49	98
Disposals	–	(11)	–	(11)
At 31 December 2020	**111**	**249**	**210**	**570**
Depreciation for the year	**15**	**20**	**32**	**67**
Disposal	**–**	**(3)**	**–**	**(3)**
At 31 December 2021	**126**	**266**	**242**	**634**
Net book value				
At 31 December 2021	**–**	**15**	**–**	**15**
At 31 December 2020	15	33	32	80

Depreciation expense

	Note	The Group 2021 $'000	The Group 2020 $'000
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		**18,820**	32,014
(b) Other operating expenses	25	**415**	752
(c) General and administrative expenses		**662**	11,904
	27	**19,897**	44,670

(i) As at 31 December 2021, certain property, plant and equipment with carrying value totalling approximately S$67,811,000 (2020 – S$71,762,000) have been pledged as security to banks to secure borrowing and credit facilities for the Group (Note 18(ii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 Property, plant and equipment (Cont'd)

(ii) Leasehold land

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") comprise the following:

HGB	Expiration date	Location
PT Bintan Resort Cakrawala	23 September 2023 (35.85 ha) 13 December 2023 (66 ha) 16 February 2025 (68.72 ha) 16 February 2025 (1,559 ha)	Bintan Island
PT Batamindo Investment Cakrawala	17 December 2039 (224.12 ha) 26 February 2025 (28.31 ha) 01 July 2031 (1.50 ha)	Batam Island
PT Batamindo Executive Village	31 August 2040 (193 ha)	Batam Island
PT Bintan Inti Industrial Estate (246.44 ha excluding land sold)	24 August 2075 (236.92 ha) 13 December 2023 (9.52 ha)	Bintan Island

Though classified as property, plant and equipment, the leasehold land with carrying amounts of S$66,383,000 (2020 – S$64,907,000) forms part of the Group's right-of-use assets.

The Group evaluates any indication of impairment in the property, plant and equipment at the end of reporting period. Carrying values of property, plant and equipment are reviewed for any impairment and possible write-down of carrying values whenever events or changes in circumstances indicate that their carrying values may not be fully recoverable. Management is of the opinion that the carrying values of all the property, plant and equipment of the Group are fully recoverable, and hence no impairment is necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5 Right-of-use assets

The Group	Office and building $'000	Transportation equipment and motor vehicles $'000	Total $'000
Costs			
At 1 January 2020	15,839	56,646	72,485
Exchange translation differences	(14)	(220)	(234)
Additions	2,428	1,175	3,603
Terminated/Disposals	(123)	(76)	(199)
Deconsolidation of subsidiaries (Note 7(a))	(12,003)	(56,702)	(68,705)
At 31 December 2020	**6,127**	**823**	**6,950**
Exchange translation differences	**10**	**2**	**12**
Additions	**906**	**234**	**1,140**
Derecognition of right-of-use assets[1]	**(1,061)**	**–**	**(1,061)**
Terminated/Disposals	**–**	**(15)**	**(15)**
At 31 December 2021	**5,982**	**1,044**	**7,026**
Accumulated depreciation			
At 1 January 2020	5,130	23,119	28,249
Exchange translation differences	(6)	(547)	(553)
Depreciation for the year	1,129	1,671	2,800
Terminated/Disposals	(15)	(39)	(54)
Deconsolidation of subsidiaries (Note 7(a))	(3,973)	(23,898)	(27,871)
At 31 December 2020	**2,265**	**306**	**2,571**
Exchange translation differences	**3**	**2**	**5**
Depreciation for the year (Note 27)	**1,129**	**191**	**1,320**
Derecognition of right-of-use assets[1]	**(127)**	**–**	**(127)**
Terminated/Disposals	**–**	**(15)**	**(15)**
At 31 December 2021	**3,270**	**484**	**3,754**
Net book value			
At 31 December 2021	**2,712**	**560**	**3,272**
At 31 December 2020	3,862	517	4,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5 Right-of-use assets (Cont'd)

The Company	**Office and building $'000**	**Total $'000**
Costs		
At 1 January 2020	687	687
Additions	2,428	2,428
At 31 December 2020	**3,115**	**3,115**
Derecognition of right-of-use assets[1]	**(1,061)**	**(1,061)**
At 31 December 2021	**2,054**	**2,054**
Accumulated depreciation		
At 1 January 2020	278	278
Depreciation for the year	279	279
At 31 December 2020	**557**	**557**
Depreciation for the year	**375**	**375**
Derecognition of right-of-use assets[1]	**(127)**	**(127)**
At 31 December 2021	**805**	**805**
Net book value		
At 31 December 2021	**1,249**	**1,249**
At 31 December 2020	2,558	2,558

(1) Derecognition of the right-of-use assets is as a result of entering into a finance sub-lease

Depreciation expense	**Note**	**The Group 2021 $'000**	**The Group 2020 $'000**
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		**–**	1,469
(b) Other operating expenses	25	**1,320**	1,331
	27	**1,320**	2,800

Leased properties are located in Singapore and Indonesia.

Information about the Group's leasing activities are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6 Investment properties

	The Group	
	2021	2020
	$'000	$'000
Cost		
Balance at beginning of year	**599,152**	641,135
Additions	**3,965**	808
Translation differences	**24**	(4,541)
Transfer from property, plant and equipment (Note 4)	**–**	19,795
Deconsolidation of subsidiaries (Note 7(a))	**–**	(58,045)
Balance at end of year	**603,141**	599,152
Accumulated depreciation		
Balance at beginning of year	**496,558**	539,360
Depreciation for the year	**11,505**	15,910
Translation differences	**11**	(667)
Deconsolidation of subsidiaries (Note 7 (a))	**–**	(58,045)
Balance at end of year	**508,074**	496,558
Net book value	**95,067**	102,594
Rental income (Note 27)	**28,656**	32,581
Direct operating expenses arising from investment property that generated rental income (Note 27)	**(7,871)**	(16,374)
Gross profit arising from investment properties	**20,785**	16,207

The Group has adopted the cost model under SFRS(I) 1-40 Investment Property for its investment properties.

Investment properties of the Group are held mainly for use by tenants under operating leases.

The following are the details of the investment properties of the Group:

	Gross Area (approximately)
Description and location	
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Bintan Inti Industrial Estate and Southlinks Country Club situated at Batam Island and Villas at Bintan Island	1,079,559 sqm

The fair value of the investment properties situated at Batam and Bintan islands as at 31 December 2021 is S$542,522,000 (2020 – S$537,590,000). The fair values are mostly determined by independent professional valuers, KJPP Rengganis Hamid & Rekan using a combination of investment income approach or market comparison techniques, including adjustments to reflect the specific use of the investment properties. The Group's investment properties as at 31 December 2021 and 31 December 2020 are classified under level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries

	The Company	
	2021	2020
	$'000	$'000
Unquoted equity shares, at cost		
Balance on beginning of year	**1,208,350**	1,208,350
Addition[1]	**5,020**	–
Balance at end of year	**1,213,370**	1,208,350
Amount due from subsidiary being net extension of investment	**14,973**	–
	1,228,343	1,208,350
Less: Accumulated impairment		
Balance on beginning of year	**(86,265)**	(76,535)
Impairment loss[2]	**(18,093)**	(9,730)
Balance at end of year	**(104,358)**	(86,265)
Net investment	**1,123,985**	1,122,085

(1) Please refer to Note 7(b) for details of acquisition of Singapore-Bintan Resort Holdings Pte Ltd.

In addition, during the year, the Company and its subsidiary, PT Batamindo Investment Cakrawala incorporated three wholly-owned subsidiaries in Indonesia, PT Batamindo Solar Perkasa, PT Batamindo Green Perkasa and PT Batamindo Digital Perkasa with shareholding of 1% and 99% respectively. Each subsidiary has an issued and paid-up capital of IDR 10,621,000,000 (approximately S$1,348,839).

In 2020, the Company has incorporated wholly-owned subsidiaries, GO Marine Offshore Investments Pte Ltd and GO Cloud Data Center Pte Ltd for issued and paid up capital of S$1 each respectively.

(2) During the year, the Company recognised an impairment loss of S$Nil (2020 – S$7,500,000) for its direct shareholding in PT Bintan Inti Industrial Estate, S$1,570,000 (2020 – S$2,230,000) for its total direct shareholding in PT Bintan Resort Cakrawala and S$16,523,000 (2020 – S$Nil) for its net investment (including amount due from) in Singapore-Bintan Resort Holdings Pte Ltd as the recoverable amounts were lower than the cost of investment.

Management has determined that a subsidiary is considered material to the Group if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its revenue accounts for 10% or more of the Group's consolidated revenue.

At the reporting date, the Group carried out a review of the recoverable amounts of its investment in subsidiaries in view of the continuing losses in certain subsidiaries. The recoverable amount was determined based on the higher of fair value less costs of disposal and value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below. Fair value less costs of disposal is determined based on revalued net assets value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries (Cont'd)

Key assumptions used for value-in-use calculations:

	2021	2020
Gross margin[(1)]	**15.07% to 27.87%**	8.29% to 21.53%
Growth rate[(2)]	**3.00% to 3.50%**	1.14% to 5.07%
Discount rate[(3)]	**9.00% to 11.72%**	9.66% to 11.05%

(1) Budgeted gross margin

(2) Weighted average growth rate used to extrapolate cash flows beyond the budgeted period

(3) Pre-tax discount rate applied to the pre-tax cash flows projections

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ and operation	Proportion of ownership interest and voting rights held by the Group 2021 %	2020 %	Principal activities
Directly held				
PT Batamindo Investment Cakrawala ("PT BIC")[(1)]	Indonesia	**99.99**	99.99	Development and management of industrial estate
Held by Verizon Resorts Limited				
PT Buana Megawisatama ("PT BMW")[(2)]	Indonesia	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy

(1) Audited by Kosasih, Nurdiyaman Mulyadi, Tjahjo & Rekan, a member firm of Crowe International.

(2) Audited by Johan Malonda Mustika & Rekan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries (Cont'd)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/ and operation	Number of subsidiaries 2021	2020
Data Centers	Singapore	**1**	1
Data Centers	Indonesia	**1**	–
Development, operation and management of industrial park/resorts/residential/country club	Indonesia	**18**	18
Dormant	Singapore	**1**	1
General warehousing	Singapore	**1**	1
Growing of food crops	Singapore	**1**	1
Growing of food crops	Indonesia	**1**	–
Investment holding	British Virgin Islands	**3**	3
Investment holding	Malaysia	**1**	1
Investment holding	Seychelles	**1**	1
Investment holding	Singapore	**3**	2
Management and consultancy services	Singapore	**2**	2
Provision of ferry services	Singapore	**1**	1
Solar energy	Indonesia	**1**	–
Telecommunication services	Indonesia	**1**	1
		37	33

There are no subsidiaries that have non-controlling interests that are material to the Group.

7(a) Deconsolidation of subsidiaries and discontinued operations

On 30 April 2020, 4 May 2020 and 10 June 2020, the Company announced its decision not to subscribe its proportionate entitlement of its subsidiary, PT IMAS's issuance of new shares with pre-emptive rights. The Company lost its control to govern PT IMAS's financial and operating policies while retained only significant influence after its shareholding in PT IMAS was diluted from 71.49% to 49.49%. As required by Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, PT IMAS was deconsolidated from the Group with effect from 1 June 2020 and was reported in the financial statements as discontinued operations. The deconsolidation involved de-recognition of the assets and liabilities of PT IMAS, goodwill and intangible assets related to the acquisition of PT IMAS and recognition of reserves previously accounted in the Group's comprehensive losses. The financial effect of the deconsolidation was a net loss of S$595,708,000 which was recognised in the year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries (Cont'd)

7(a) Deconsolidation of subsidiaries and discontinued operations (Cont'd)

Financial information relating to the discontinued operation for the period to the date of deconsolidation is set out below.

(i) The value of assets and liabilities deconsolidated in the consolidated financial statements, and the effects of the deconsolidation of PT IMAS were:–

	31 December 2020 $'000
Intangible assets, net	637,071
Property, plant and equipment, net	992,148
Right-of-use assets, net	40,834
Associates	143,288
Financing receivables	1,316,024
Deferred tax assets	42,781
Other non-current assets	210,665
Other inventories	248,643
Trade and other receivables	646,198
Cash and cash equivalents	284,257
	4,561,909
Deferred tax liabilities	(97,131)
Borrowings	(3,000,508)
Debt securities	(119,877)
Employee benefits liabilities	(28,870)
Other non-current liabilities	(26,409)
Lease liabilities	(6,657)
Contract liabilities	(20,127)
Trade and other payables	(306,293)
Current tax payable	(10,895)
Carrying value of net assets	945,142
Less: Non-controlling interests	(243,999)
Add: Realisation of reserves	276,513
Net assets derecognised	977,656
Cash consideration	–
Less: Cash and cash equivalents of subsidiaries deconsolidated	284,257
Net cash outflow on deconsolidation of subsidiaries	(284,257)
Loss on deconsolidation	
Fair value of net assets retained of 49.49% in equity interest	381,948
Net assets deconsolidated	(977,656)
Loss on deconsolidation of subsidiaries	(595,708)

The net loss on deconsolidation of S$595,708,000 (Note 27) has been presented separately under "Loss from discontinued operations, net of tax" on the Consolidated Statement of Profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries (Cont'd)

7(a) Deconsolidation of subsidiaries and discontinued operations (Cont'd)

(ii) The financial performance and cash flow information presented reflects the operations for the five months before deconsolidation, as follows:–

	2020 $'000
Revenue	600,278
Cost of sales	(468,117)
Gross profit	132,161
Other income	21,797
General and administrative expenses	(82,224)
Other operating expenses	(48,658)
Share of associate companies' results	(4,811)
Finance costs	(63,813)
Loss before taxation	(45,548)
Taxation	(1,479)
Loss after taxation	(47,027)
Loss on deconsolidation of subsidiaries	(595,708)
Loss from discontinued operations, net of tax	(642,735)
Attributable to:	
Equity holders of the Company	(628,389)
Non-controlling interests	(14,346)
	(642,735)
Loss per share (in cents) from discontinued operations	
– Basic	(11.584)
– Diluted	(11.584)

The net cash flows incurred by discontinued operation are as follows:

Net cash outflow from operating activities	(11,732)
Net cash outflow from investing activities	(4,654)
Net cash inflow from financing activities	152,552
Net cash inflow	136,166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 Subsidiaries (Cont'd)

7(b) Acquisition of a subsidiary

On 6 July 2021, the Company acquired a 66.25% of equity interest in Singapore-Bintan Resort Holdings Pte Ltd ("SBRH") by issuing 38,306,922 new ordinary shares in the capital of the Company for the full settlement of the purchase consideration. SBRH is a single-asset investment holding company, whose only asset is shares representing 13.23% in PT Bintan Resort Cakrawala ("PT BRC"), a company incorporated in Indonesia. The remaining 86.77% shares in PT BRC are held by the Group. The acquisition of SBRH will allow the Group to have full control over PT BRC to explore various strategic options on its investments in PT BRC so as to enhance its future value once the tourism industry recovers from COVID-19.

For the seven months ended 31 December 2021, SBRH contributed a net loss of S$9,714 to the Group's results. If the acquisition had occurred on 1 January 2021, the net loss from SBRH would be S$10,089.

Details of the consideration, assets acquired, liabilities assumed and goodwill arising, and the effects on the cash flows of the group at acquisition date were as follows:

	SBRH $'000
Consideration transferred for the acquisition	
Equity instruments issued (38,306,922 ordinary shares of the Company) (Note 15)	4,980
Total purchase consideration	4,980
Identifiable assets acquired and liabilities assumed at fair value on 6 July 2021	
Cash and cash equivalents	1
Investment in equity	4,999
Trade and other payables	(221)
Identifiable net assets acquired	4,779
Less: Non-controlling interests	(1,613)
	3,166
Goodwill arising on acquisition	
Consideration transferred	4,980
Less: Fair value of identifiable net assets acquired, net of non-controlling interests	(3,166)
Goodwill arising on acquisition (Note 3)	1,814
Effects on cash flows of the Group	
Cash consideration paid	–
Less: Cash and cash equivalents of subsidiary acquired	1
Net cash inflows on acquisition	1

The Group has elected to recognise the 33.75% non-controlling interests in SBRH based on its proportionate share in the recognised amounts of identifiable assets acquired and liabilities assumed of the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 Associates

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Carrying amount				
Beginning of the year	**355,097**	149,940	**381,948**	–
Additions during the year[1][2]	**–**	389,514	**–**	381,948
Deconsolidation of subsidiaries (Note 7(a))[3]	**–**	(143,288)	**–**	–
	355,097	396,166	**381,948**	381,948
Group' share of:–				
– Loss from continuing operations	**(16,747)**	(19,641)	**–**	–
– OCI	**51,516**	(15,545)	**–**	–
– Total comprehensive income/(loss)	**34,769**	(35,186)	**–**	–
Group's share of total comprehensive loss from discontinued operations	**–**	(5,619)	**–**	–
Dividend received during the year	**(1,010)**	(1,099)	**–**	–
Group's share other reserves	**491**	835	**–**	–
End of the year	**389,347**	355,097	**381,948**	381,948

(1) In 2020, PT IMAS became an associate after the Company's shareholding was diluted from 71.49% to 49.49%. The amount represents the fair value of the net assets retained.

(2) In 2020, the Group acquired 26% equity interest of BOMC Pte Ltd, 30% equity interest of PT Persada Hijau Cemerlang and 30% equity interest of PT Persada Hijau Permai.

(3) In 2020, the Group's associates held by PT IMAS was derecognised after PT IMAS became an associate of the Group and Company after the Company's shareholding was diluted from 71.49% to 49.49%.

The Group has two (2020 - two) associates that are material and a number of associates that are individually immaterial to the Group. All of these associates are accounted for using the equity method in these consolidated financial statements. Set out below are the associates which are material to the Group.

Name	Place of incorporation/ and operation	Proportion of ownership interest and voting rights held by the Group 2021 %	2020 %	Principal activities
Directly held				
PT Indomobil Sukses Internasional ("PT IMAS")[1]	Indonesia	**49.49**	49.49	Investment holding of an Integrated automotive group
Held by GO Marine Offshore Investments Pte Ltd				
BOMC Pte Ltd ("BOMC")[2]	Singapore	**26.00**	26.00	General warehousing and Offshore marine services

(1) Audited by Purwantono, Sungkoro & Surja, a member of Ernst & Young Global Limited.

(2) Audited by Philip Liew & Co. BOMC's financial year end is 30 June and this was based on the reporting date established when it was incorporated. BOMC has been equity accounted for in the consolidated financial statements based on the results ended 30 June 2021 (2020 – 30 June 2020) and appropriate adjustments are made for the effects of significant transactions between 30 June 2021 and 31 December 2021 (2020 – 30 June 2020 and 31 December 2020).

All of these associates are accounted for using the equity method in these consolidated financial statements.

Shares held in PT IMAS have been pledged as securities for bank borrowings (Note 18 (ii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 Associates (Cont'd)

As at 31 December 2021, the quoted value of the Group's interest in PT IMAS, which is listed on the Indonesia Stock Exchange, was S$164,202,000 (2020 – S$281,358,000).

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

31 December 2021	PT IMAS $'000	BOMC $'000	Other individually immaterial associates $'000	Total $'000
Current assets	1,801,213	11,508		
Non-current assets	3,042,602	30,126		
Current liabilities	(2,518,405)	(14,447)		
Non-current liabilities	(1,105,882)	(100)		
Net assets	1,219,528	27,087		
Attributable to Non-controlling interests	196,654	–		
Attributable to investee's shareholder	1,022,874	27,087		
Revenue	1,795,174	23,928		
(Loss)/profit after tax	(25,117)	1,976	320	(22,821)
Other comprehensive income	47,336	275	–	47,611
Total comprehensive income	22,219	2,251	320	24,790
Dividend received from associate during the year	740	–	270	1,010

The unrecognised share of losses of associate for the year is S$351,000 and the cumulative unrecognised share of loss of associate is S$1,575,000.

Reconciliation of the Group's material associates' summarised financial information to the carrying amount of the interest in the associates recognised in the Group's consolidated financial statements are as follows:

31 December 2021	PT IMAS $'000	BOMC $'000	Total $'000
Net assets attributable to investee's shareholder	1,022,874	27,087	1,049,961
Proportion of the Group's ownership interest in the associate	49.49%	26%	–
	506,220	7,043	513,263
Adjustment[1]	(127,000)	–	(127,000)
Goodwill	–	1,747	1,747
Carrying amount of the Group's interest in the associate	379,220	8,790	388,010
Add: Carrying value of individually immaterial associates, in aggregate			1,337
Carrying value of Group's interest in associates			389,347

(1) Adjusted for differences in accounting policies between the Group and the associates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 Associates (Cont'd)

31 December 2020	PT IMAS $'000	BOMC $'000	Other individually immaterial associates $'000	Total $'000
Current assets	1,779,228	6,729		
Non-current assets	2,668,927	26,135		
Current liabilities	(2,347,808)	(7,819)		
Non-current liabilities	(1,045,455)	(208)		
Net assets	1,054,892	24,837		
Attributable to Non-controlling interests	175,097	–		
Attributable to investee's shareholder	879,795	24,837		
Revenue	861,042	8,784		
(Loss)/profit after tax	(26,016)	2,784	298	(22,934)
Other comprehensive income/(loss)	164,217	272	(179,199)	(14,710)
Total comprehensive income/(loss)	138,201	3,056	(178,901)	(37,644)
Dividend received from associate during the year	949	–	150	1,099

The unrecognised share of losses of associate for the year is S$493,000 and the cumulative unrecognised share of loss of associate is S$1,224,000.

Reconciliation of the Group's material associates' summarised financial information to the carrying amount of the interest in the associates recognised in the Group's consolidated financial statements are as follows:

31 December 2020	PT IMAS $'000	BOMC $'000	Total $'000
Net assets attributable to investee's shareholder	879,795	24,837	904,632
Proportion of the Group's ownership interest in the associate	49.49%	26%	–
	435,411	6,458	441,869
Adjustment[(1)]	(89,806)	–	(89,806)
Goodwill	–	1,747	1,747
Carrying amount of the Group's interest in the associate	345,605	8,205	353,810
Add: Carrying value of individually immaterial associates, in aggregate			1,287
Carrying value of Group's interest in associates			355,097

(1) Adjusted for differences in accounting policies between the Group and the associates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group 2021 $'000	The Group 2020 $'000
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**1,627**	1,638
	1,627	1,638
Deferred tax liabilities		
To be recovered within one year	**–**	–
To be recovered after one year	**2,377**	1,901
	2,377	1,901

The Group	Balance at 1 January 2021 $'000	Credited/ (charged) to profit or loss (Note 28) $'000	Charged to OCI for the year $'000	Effect on changes of tax rate $'000	Foreign exchange differences $'000	Balance at 31 December 2021 $'000
Deferred tax assets						
Fiscal loss net of expired tax loss	230	(230)	–	–	–	–
Estimated liability for employee service entitlements	1,490	74	(352)	119	14	1,345
Allowance for impairment loss of receivables	–	–	–	–	–	–
Property, plant and equipment	(103)	(80)	398	29	4	248
Lease transaction	9	4	–	1	–	14
Others	12	–	8	–	–	20
	1,638	(232)	54	149	18	1,627
Deferred tax liabilities						
Fiscal loss net of expired tax loss	–	–	–	–	–	–
Estimated liability for employee service entitlements	640	(129)	298	51	4	864
Property, plant and equipment	(2,542)	(44)	(398)	(232)	(27)	(3,243)
Lease transaction	1	1	–	–	–	2
Allowance for impairment loss of receivables	–	–	–	–	–	–
Interest income	–	–	–	–	–	–
Others	–	–	–	–	–	–
	(1,901)	(172)	(100)	(181)	(23)	(2,377)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2020 $'000	Credited/ (charged) to profit or loss (Note 28) $'000	Charged to OCI for the year $'000	Effect on changes of tax rate $'000	Foreign exchange differences $'000	Deconsolidation of subsidiaries (Note 7(a)) $'000	Balance at 31 December 2020 $'000
Deferred tax assets							
Fiscal loss net of expired tax loss	58,531	3,153	(15)	(58)	(483)	(60,898)	230
Estimated liability for employee service entitlements	8,219	259	(94)	(391)	(104)	(6,399)	1,490
Allowance for impairment loss of receivables	2,784	38	–	–	(24)	(2,798)	–
Allowance for impairment loss of investments	374	–	–	–	(3)	(371)	–
Valuation allowance	(2)	–	–	–	–	2	–
Property, plant and equipment	(29,412)	(2,740)	11	72	232	31,734	(103)
Foreclosed and intangible assets	273	8	–	–	(2)	(279)	–
Lease transaction	(3,725)	(509)	–	(1)	26	4,218	9
Others	4,037	2,814	1,132	–	19	(7,990)	12
	41,079	3,023	1,034	(378)	(339)	(42,781)	1,638
Deferred tax liabilities							
Fiscal loss net of expired tax loss	289	(289)	–	–	–	–	–
Estimated liability for employee service entitlements	830	(301)	26	(51)	(6)	142	640
Property, plant and equipment	13,664	(1,843)	(6)	521	(133)	(14,745)	(2,542)
Lease transaction	–	1	–	–	–	–	1
Allowance for impairment loss of receivables	(9)	(74)	–	–	1	82	–
Interest income	(1)	–	–	–	–	1	–
Associates	(16,810)	–	–	–	–	16,810	–
Amortisation of distributorships and dealerships	(54,132)	1,690	–	–	–	52,442	–
Equity investment at fair value OCI	(15,860)	–	–	–	–	15,860	–
Others	(29,761)	–	–	–	3,222	26,539	–
	(101,790)	(816)	20	470	3,084	97,131	(1,901)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 Deferred taxation (Cont'd)

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

Deferred income tax liabilities of S$118,900,000 (2020 – S$109,800,000) have not been recognised for withholding and other taxes that will be payable on the earnings of overseas subsidiaries and associates, as the timing of remission is controlled by the holding company.

10 Other non-current assets

		The Group		The Company	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
Equity instruments at FVOCI					
Beginning of the year		–	132,793	–	–
Disposal	(i)	–	(31,130)	–	–
Translation differences		–	515	–	–
Deconsolidation of subsidiaries	7(a)	–	(102,178)	–	–
At end of the year		–	–	–	–
Estimated claims for tax refund		–	33	–	–
Other receivables	(ii)	56	3,365	–	–
Prepayment		1,740	1,433	–	–
Deposits		606	582	181	155
		2,402	5,413	181	155

(i) In 2020, the Group has divested its entire investment in PT Nissan Motor Indonesia.

(ii) Other receivables from third party and related party represent non-trade balances and are unsecured, interest-free and repayable on demand.

Other non-current assets are mainly denominated in Indonesian Rupiah.

11 Land inventories

	The Group	
	2021	2020
	$'000	$'000
Land for sale, at cost	597,371	596,376

As at 31 December 2021, land inventories of PT Surya Bangun Pertiwi ("PT SBP") comprise 3,745 ha (2020 – 3,744 ha) with Building Use Right ("HGB"). Part of the land's HGB for 1.5 ha (2020 – 3,285 ha) will expire in 30 years while the HGB of 3,743.5 ha (2020 – 459 ha) has been extended and renewed for period of 80 years.

As at 31 December 2021, PT BMW's land inventories comprise 14,016 ha (2020 – 14,023 ha) of land with HGB certificates. Part of the land's HGB amounting to 310 ha (2020 – 12,251 ha) will expire in 30 years while the HGB of 13,706 ha (2020 – 1,772 ha) has been extended and renewed for a period of 80 years.

Certain plot of lands under land inventories have been pledged as collateral for bank borrowings (Note 18 (ii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12 Other inventories

	The Group	
	2021	**2020**
	$'000	**$'000**
At cost		
Fuel and lubrication oil	**2,192**	1,999
Consumables and supplies	**1,242**	1,308
Others	**6,632**	6,545
Allowance for inventories obsolescence	**(2,479)**	(1,225)
	7,587	8,627

Movements in the allowance for inventories obsolescence are as follows:

	The Group	
	2021	**2020**
The Group	**$'000**	**$'000**
Beginning of the year	**1,225**	5,797
Allowance for the year	**1,261**	–
Reversal of allowance for the year	**(7)**	(22)
Written off during the year	**–**	(85)
Translation differences	**–**	(40)
Deconsolidation of subsidiaries	**–**	(4,425)
End of the year	**2,479**	1,225

The reversal of allowance during the prior year was made when the related inventories were sold above their carrying amount in previous periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13 Trade and other receivables

		The Group		The Company	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
Trade receivables					
– related parties		**30**	237	**–**	–
– external parties		**35,570**	38,411	**–**	–
Impairment of trade receivables		**(5,105)**	(5,406)	**–**	–
Net trade receivables	(i)	**30,495**	33,242	**–**	–
Other receivables:					
Refundable deposits		**324**	212	**269**	132
Amount owing by subsidiaries		**–**	–	**73,904**	63,462
Amount owing by related parties		**2,732**	2,734	**–**	–
Lease receivables		**406**	–	**882**	–
Others		**9,479**	31,954	**2,129**	2,132
		12,941	34,900	**77,184**	65,726
Impairment of other receivables		**(1,347)**	(1,472)	**–**	–
Net other receivables	(ii)	**11,594**	33,428	**77,184**	65,726
At amortised cost	(i) + (ii)	**42,089**	66,670	**77,184**	65,726
Prepayments		**1,916**	4,070	**246**	62
Total		**44,005**	70,740	**77,430**	65,788
Non-current		**93**	–	**172**	–
Current		**43,912**	70,740	**77,258**	65,788
		44,005	70,740	**77,430**	65,788

Trade and other receivables (excluding prepayment) are denominated in the following currencies:

		The Group		The Company	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
Singapore Dollar		**13,993**	16,730	**77,184**	65,726
Indonesian Rupiah		**20,812**	22,065	**–**	–
United States Dollar		**7,284**	27,875	**–**	–
	(i) + (ii)	**42,089**	66,670	**77,184**	65,726

The ageing of trade and other receivables past due but not impaired is as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Past due 1 – 30 days	**1,746**	1,287	**–**	–
Past due 31 – 60 days	**718**	901	**–**	–
Past due more than 60 days	**24,228**	50,342	**2,129**	2,132
	26,692	52,530	**2,129**	2,132

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13 Trade and other receivables (Cont'd)

Trade and other receivables that were neither past due nor impaired amounting to S$17,313,000 (2020 - S$18,210,000) and S$75,301,000 (2020 – S$63,656,000) for the Group and the Company respectively were related to a wide range of customers for whom there was no recent history of default. Trade and other receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 60 days. These receivables are mainly arising from customers that have a good credit record with the Group.

The movements in allowance for impairment losses on doubtful receivables in respect of trade and other receivables were as follows:

	The Group			
	Allowance for impairment losses on trade receivables		Allowance for impairment losses on other receivables	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**5,406**	15,433	**1,472**	2,050
Allowance during the year	**746**	3,424	**–**	40
Allowance written off during the year	**(47)**	(45)	**(124)**	10
Reversal of allowance during the year	**(1,005)**	(9)	**(1)**	–
Translation differences	**5**	(68)	**–**	(48)
Deconsolidation of subsidiaries	**–**	(13,329)	**–**	(580)
At 31 December	**5,105**	5,406	**1,347**	1,472

The reversal of allowance was due to the doubtful debts recovered from receivables which were previously provided for.

The average credit period for external and related parties on sales of goods and services rendered varies among the Group's businesses in which it is not more than 60 days and do not bear any interest. The credit quality of trade and other receivables is assessed based on credit policies established by the individual Group businesses. Significant financial difficulties of a trade and other debtor, probability that the trade and other debtor will enter bankruptcy or delinquency in payment are considered indicators that the trade and other debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The non-trade amount owing by subsidiaries represents (i) interest bearing loans at 2.5% per annum + 3 months SIBOR rate (2020 – 1.75% per annum + 1 month SIBOR rate), and (ii) advanced payment of expenses which are non-interest bearing. These balances are unsecured and repayable on demand.

The non-trade amount owing by related parties represents mainly advanced payment of expenses, is non-interest bearing, unsecured and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14 Cash and cash equivalents

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**65,615**	35,411	**746**	695
Time deposits	**68,465**	71,396	**50**	50
	134,080	106,807	**796**	745

(i) The fixed deposits have an average maturity of 1 day to 365 days (2020 – 1 day to 365 days) from the end of the financial year with the following effective interest rates:

	The Group and the Company	
	2021	**2020**
Singapore Dollar	**0.05% – 6.00%**	0.05% – 0.50%
United States Dollar	**1.00% – 6.50%**	1.50% – 1.75%
Indonesian Rupiah	**2.30% – 4.65%**	3.25% – 7.00%

(ii) The cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	**12,942**	14,562	**588**	437
United States Dollar	**63,423**	38,044	**208**	297
Indonesian Rupiah	**57,715**	54,201	**–**	11
	134,080	106,807	**796**	745

15 Share capital

	The Group and the Company			
	No. of ordinary share		Amount	
	2021	**2020**	**2021**	**2020**
			$'000	**$'000**
Issued and fully paid:				
At 1 January	**5,425,298,361**	5,425,298,361	**1,958,546**	1,958,546
Issuance of new shares	**38,306,922**	–	**4,911**	–
At 31 December	**5,463,605,283**	5,425,298,361	**1,963,457**	1,958,546

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

In July 2021, the Company has issued 38,306,922 new ordinary shares as the full settlement of S$4,979,900 for the acquisition of 66.25% interest in SBRH to the vendors (Note 7(b)). The value of the shares issued was S$4,911,380 (after deducting S$68,520 of share issuance expenses). The newly issued shares rank pari passu in all respects with existing issued shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16 Treasury shares

	The Group and the Company			
	No. of ordinary share		Amount	
	2021	2020	2021	2020
			$'000	$'000
At 1 January and 31 December	**450,000**	450,000	**(50)**	(50)

On 9 March 2018, the Group purchased 450,000 ordinary shares by way of market acquisition at a net consideration of S$50,000 and these were presented as a component within shareholders' equity.

17 Reserves

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Capital reserve	**80,000**	80,000	**80,000**	80,000
Translation reserve	**(5,745)**	(12,607)	**–**	–
Hedging reserve	**653**	(6,956)	**–**	–
Fair value reserve	**38,726**	–	**–**	–
Other reserves	**(271)**	488	**–**	–
	113,363	60,925	**80,000**	80,000

The Group and the Company

The capital reserve comprises equity component of convertible bonds issued for the acquisition of PT IMAS.

The Group

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions.

Fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

Other reserves comprise of the differences arising from the change in equity of subsidiaries, effects of transaction with non-controlling interests, actuarial losses from employee benefits and share of associate's other reserves.

Movement of the Group's reserves is disclosed in the Consolidated Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 Borrowings

	Note	The Group 2021 $'000	The Group 2020 $'000	The Company 2021 $'000	The Company 2020 $'000
Current					
Loans from subsidiaries	(i)	**–**	–	**404,573**	379,643
Bank loans	(ii)	**23,007**	339,001	**15,093**	287,671
		23,007	339,001	**419,666**	667,314
Non-current					
Bank loans	(ii)	**362,385**	4,271	**269,827**	–
Total borrowings		**385,392**	343,272	**689,493**	667,314
Represented by:					
Secured		**385,392**	343,272	**284,920**	287,671
Unsecured		**–**	–	**404,573**	379,643
		385,392	343,272	**689,493**	667,314

(i) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 3.75% to 4.57% (2020 – 1.70% to 5.00%) per annum.

(ii) Loans from banks

PT Bank Mandiri (Persero) Tbk

On 24 June 2021, the Company and its subsidiary, PT Batamindo Investment Cakrawala ("PT BIC"), have obtained term loan facilities and revolving loan facilities of up to an aggregate principal amount of US$295,000,000 with a tenure of 5 years ("the New Facilities"), arranged by PT Bank Mandiri (Persero) Tbk. The New Facilities bear annual interest which is the aggregate of a margin of 4.35% per annum and the applicable 3 months LIBOR. The proceeds of the New Facilities were used to refinance in full the Group's syndicated bank borrowings ("the Existing Facilities"), funding the debt service reserve account of the New Facilities and payment of fees, costs and expenses relating to the New Facilities. The terms and conditions of the New Facilities are substantially similar to those of the Existing Facilities.

Key terms of the New Facilities are as follows:–

The New Facilities are secured by the Company's and its subsidiaries' assets as follows:–

(1) Mortgage of certain land titles of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE"), PT Bintan Resort Cakrawala ("PT BRC"), PT Buana Megawisatama ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP");

(2) Charge on bank accounts of PT BIC, PT BIIE, PT BRC, PT BMW, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;

(3) Fiducia Security over insurance claim proceeds, receivables and movable assets of PT BIC and PT BIIE; and

(4) Pledge of shares of PT IMAS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 Borrowings (Cont'd)

(ii) Loans from banks (Cont'd)

PT Bank Mandiri (Persero) Tbk (Cont'd)

Certain covenants as below, among others, need to be maintained with as at end of the testing period:–

(1) Net Debt to Adjusted EBITDA shall not exceed between 4.50 to 9.00;

(2) Debt Service Cover shall not be less than 1.25;

(3) Minimum Net Worth shall not at any time be less than S$650 million; and

(4) Cash balance shall not at any time be less than S$50 million.

United Overseas Bank Limited

The Group has obtained a credit facility which has a maximum facility amounting to S$20,000,000. The facility bears an interest of 2.81% (2020 – 3.17%) per annum and is reprised every month. The facility is secured by first priority legal mortgage and collateral deed of covenant in relation to the vessels (Note 4). The facility is repayable on demand and is included under current liabilities.

On 16 April 2020, the Group has obtained a temporary bridging loan (TBL) facility which has a maximum facility amounting to S$5,000,000. The facility bears an interest of 2% (2020 – 2%) per annum and the principal is repayable from June 2021 until May 2025.

The borrowings of the Group and the Company exposed to interest rates are as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current portion:				
– at floating interest rate	**23,007**	338,272	**140,487**	305,367
– at fixed interest rate	**–**	729	**279,179**	361,947
	23,007	339,001	**419,666**	667,314
Non-current portion:				
– at floating interest rate	**359,339**	–	**269,827**	–
– at fixed interest rate	**3,046**	4,271	**–**	–
	362,385	4,271	**269,827**	–
	385,392	343,272	**689,493**	667,314

The borrowings are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**4,296**	177,883	**110,933**	225,639
United States Dollar	**381,096**	165,389	**299,381**	165,389
Indonesian Rupiah	**–**	–	**279,179**	276,286
	385,392	343,272	**689,493**	667,314

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 Borrowings (Cont'd)

The borrowing repayment maturity profile is as follows:–

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Repayable:				
Not later than one year	**23,007**	339,001	**419,666**	667,314
Later than one year and not later than five years	**362,385**	4,271	**269,827**	–
	385,392	343,272	**689,493**	667,314

The effective interest rates per annum of the total borrowings at the end of reporting period are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	Per annum	Per annum	Per annum	Per annum
Bank loans	**2.00% to 4.93%**	2.00% to 6.50%	**4.48% to 4.93%**	4.74% to 6.30%
Loan from subsidiaries	**–**	–	**3.75% to 4.57%**	1.70% to 5.00%

19 Employee benefits liabilities

	The Group	
	2021	2020
	$'000	$'000
Balance at beginning of year	**16,281**	43,867
Net employee benefits expense for the year (Note 27)	**2,150**	4,398
Actual benefit payments	**(2,103)**	(1,092)
Foreign exchange difference	**162**	(726)
Company contribution	**–**	(686)
Income recognised in other comprehensive income	**(614)**	(610)
Deconsolidation of subsidiaries (Note 7(a))	**–**	(28,870)
Balance at end of year	**15,876**	16,281

On 20 June 2000, under Indonesian Law, the Minister of Manpower of the Republic of Indonesia issued Decree No. Kep-150/Men/2000 regarding "The Settlement of Work Dismissal and Determination of Separation, Gratuity and Compensation Payment by Companies". Should there be any work dismissal, a company is obliged to settle any separation, gratuity and compensation payment, based on the duration of work of the respective employees and in accordance with the conditions stated in the Decree.

The Decree has been enacted into Law No.13 of 2003 regarding Manpower by the President of the Republic of Indonesia on 25 March 2003.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 Employee benefits liabilities (Cont'd)

The Group recognised a provision for employees' service entitlement in accordance with the above Law. The benefits are unfunded. The provision is estimated using the "Projected Unit Credit Method" based on the actuarial calculation performed by independent actuaries, PT Dayamandiri Dharmakonsilindo, PT Sentra Jasa Aktuaria, PT Bumi Dharma Akuaria and PT Sienco Aktuarindo Utama which considered the following assumptions:

Discount rate	:	5.00% to 7.45% (2020 – 5.60% to 8.18%) per annum
Mortality rate	:	Tabel Mortalita Indonesia (TMI-III) – 2011 & (TMI-IV) – 2019 (2020 – Tabel Mortalita Indonesia (TMI-III) – 2011 & (TMI-IV) – 2019)
Annual salary increases	:	6.00% to 12.50% (2020 – 6.00% to 12.50%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

	The Group	
	2021	**2020**
	$'000	**$'000**
Current service cost	**746**	3,079
Interest expense	**883**	1,012
Excess payment	**521**	307
	2,150	4,398
Net present value of employee benefits liabilities	**15,876**	16,281

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
The Group	**2021**	**2020**		**2021**	**2020**		**2021**	**2020**
				$'000	**$'000**		**$'000**	**$'000**
Discount rate	**1%**	1%	Decrease by:	**3,078**	2,665	Increase by:	**(3,078)**	(2,665)
Salary growth rate	**1%**	1%	Increase by:	**3,103**	2,625	Decrease by:	**(3,103)**	(2,625)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculation the defined benefit liability recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 Employee benefits liabilities (Cont'd)

The weighted average duration of the defined benefit obligation is 20 years. The expected maturity analysis of undiscounted pension is as follows:

	Less than a year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total $'000
2021					
Defined benefit obligation	**3,977**	**1,282**	**4,067**	**16,592**	**25,918**
2020					
Defined benefit obligation	3,219	975	4,154	18,980	27,328

20 Other non-current liabilities

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Deposits from tenants	**28,089**	25,966	**88**	88

Deposits from tenants represent deposits equivalent to certain months' factory and dormitory rentals, hawkers' centres, and deposits for electricity supply, in accordance with the provisions of their respective lease agreements. These deposits will be refunded or applied against rentals due at the end of the lease period.

The other non-current liabilities are denominated in the following currencies:

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Singapore Dollar	**18,482**	21,083	**88**	88
Indonesian Rupiah	**9,607**	4,883	**–**	–
	28,089	25,966	**88**	88

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21 Lease liabilities

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Undiscounted lease payments due:				
– Year 1	**1,131**	1,213	**585**	368
– Year 2	**963**	951	**585**	586
– Year 3	**883**	894	**585**	586
– Year 4	**881**	827	**585**	585
– Year 5	**579**	770	**391**	585
– Year 6 and onwards	**269**	759	**–**	390
	4,706	5,414	**2,731**	3,100
Less: Unearned interest cost	**(709)**	(919)	**(353)**	(488)
Lease liabilities	**3,997**	4,495	**2,378**	2,612
Presented as:				
Current liabilities	**1,114**	1,047	**463**	234
Non-current liabilities	**2,883**	3,448	**1,915**	2,378
	3,997	4,495	**2,378**	2,612

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Total cash outflows for all leases in the year amount to S$1,459,000 (2020 – S$11,433,000).

Interest expense on lease liabilities of S$256,000 (2020 – S$386,000) is recognised within "finance costs" in the consolidated statement of comprehensive income.

Rental expenses not capitalised in lease liabilities but recognised within "other operating expenses" in consolidated statement of comprehensive income are set out below:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Short-term leases	**76**	78	**6**	6
Leases of low value assets	**26**	33	**3**	4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21 Lease liabilities (Cont'd)

As at 31 December 2021, the Group's short-term lease commitments at the reporting date under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Short term leases:				
– Not later than one year	**–**	6	**–**	–
Leases of low value assets:				
– Not later than one year	**25**	31	**5**	3
– Later than one year and not later than five years	**49**	34	**14**	9
	74	71	**19**	12

Further information about leases and the financial risk management are disclosed in Note 31 and Note 35, respectively.

Lease liabilities are denominated in the following currencies which are the respective Group entities' functional currencies:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar	**2,651**	4,171	**2,378**	2,612
Indonesian Rupiah	**1,346**	324	**–**	–
	3,997	4,495	**2,378**	2,612

22 Trade and other payables

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade				
Trade payables	**6,217**	5,984	**–**	–
Non-trade				
Accruals	**10,797**	13,706	**882**	881
Other payables	**96,125**	112,842	**74,214**	60,194
Interest payable on bank loan	**904**	7,720	**799**	7,655
Amount owing to related parties	**5,644**	5,653	**–**	10
Amount owing to subsidiaries	**–**	–	**80,636**	57,471
	119,687	145,905	**156,531**	126,211

Trade payables are generally on 30 days (2020 – 30 days) credit terms.

Other payables represent non-trade advances and balances, which are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22 Trade and other payables (Cont'd)

Amounts owing to subsidiaries and related parties represent advances and are non-trade, unsecured, non-interest bearing and repayable on demand.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar	**26,432**	63,750	**12,789**	12,712
Indonesian Rupiah	**16,781**	18,355	**63,256**	53,232
United States Dollar	**76,474**	63,800	**80,486**	60,267
	119,687	145,905	**156,531**	126,211

23 Revenue

Disaggregated revenue information

The Group	**For the financial year ended 31 December 2021**				
Segments	**Industrial park $'000**	**Utilities $'000**	**Resort operations $'000**	**Property development $'000**	**Total $'000**
Type of goods or services					
Rendering of services	**5,065**	**–**	**305**	**–**	**5,370**
Electricity and water supply	**–**	**100,156**	**–**	**–**	**100,156**
Sale of residential units/land	**987**	**–**	**–**	**1,793**	**2,780**
Golf revenue	**1,484**	**–**	**–**	**–**	**1,484**
Ferry services	**–**	**–**	**63**	**–**	**63**
Telecommunication	**–**	**3,972**	**–**	**–**	**3,972**
Others	**1,937**	**–**	**320**	**–**	**2,257**
Revenue from contracts with customers	**9,473**	**104,128**	**688**	**1,793**	**116,082**
Rental income	**28,646**	**–**	**368**	**9**	**29,023**
Total revenue	**38,119**	**104,128**	**1,056**	**1,802**	**145,105**
Timing of revenue recognition					
At a point in time	**9,473**	**100,156**	**332**	**1,793**	**111,754**
Over time	**–**	**3,972**	**356**	**–**	**4,328**
Revenue from contracts with customers	**9,473**	**104,128**	**688**	**1,793**	**116,082**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23 Revenue (Cont'd)

Disaggregated revenue information (Cont'd)

The Group	For the financial year ended 31 December 2020				
Segments	**Industrial park $'000**	**Utilities $'000**	**Resort operations $'000**	**Property development $'000**	**Total $'000**
Type of goods or services					
Rendering of services	4,870	–	620	–	5,490
Electricity and water supply	–	94,252	–	–	94,252
Sale of residential units/land	–	–	–	–	–
Golf revenue	2,024	–	–	–	2,024
Ferry services	–	–	3,677	–	3,677
Telecommunication	–	3,360	–	–	3,360
Others	1,334	–	524	–	1,858
Revenue from contracts with customers	8,228	97,612	4,821	–	110,661
Rental income	26,875	–	639	24	27,538
Total revenue	35,103	97,612	5,460	24	138,199
Timing of revenue recognition					
At a point in time	8,228	94,252	4,230	–	106,710
Over time	–	3,360	591	–	3,951
Revenue from contracts with customers	8,228	97,612	4,821	–	110,661

The Group operates mainly in Indonesia. Accordingly, revenue by geographical market is not presented.

Contract liabilities

	The Group 31 December 2021 $'000	The Group 31 December 2020 $'000
Non-Current liabilities		
Contract liabilities	**21,442**	16,738
Current liabilities		
Contract liabilities	**3,391**	2,667

Contract liabilities relate primarily to advance consideration received from customers and unearned revenue arising from contract with customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23 Revenue (Cont'd)

Contract liabilities (Cont'd)

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	The Group	
	2021 $'000	2020 $'000
Revenue recognised that was included in contract liabilities at the beginning of the year	**2,667**	4,175
Increases due to cash received, excluding amounts recognised as revenue during the year	**(8,095)**	(9,159)
Deconsolidation of subsidiaries (Note 7(a))	**–**	20,127

24 Other (expenses)/income

	The Group	
From continuing operations	2021 $'000	2020 $'000
Exchange (loss)/gain, net	**(3,046)**	1,268
Gain on disposal of property, plant and equipment	**18**	35
Interest income	**2,815**	3,156
Other telecommunication income	**727**	743
Bank charges	**(21)**	(68)
Bad debt recovered	**246**	3
Rental income	**242**	114
Insurance claim	**–**	3,884
Write off unamortised transaction costs in relation to previous bank borrowings	**(2,758)**	–
Others	**385**	1,397
	(1,392)	10,532

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25 Other operating expenses

	The Group	
	2021	**2020**
From continuing operations	**\$'000**	**\$'000**
Communication	**236**	248
Depreciation of property, plant and equipment (Note 4)	**415**	752
Depreciation of right-of-use assets (Note 5)	**1,320**	1,331
Entertainment	**323**	138
Insurance	**321**	318
Marketing and promotion expenses	**284**	474
Professional fees	**801**	701
Rental	**111**	85
Repairs and maintenance	**1,342**	1,428
Representation costs	**630**	688
Staff costs and related expenses	**8,783**	9,555
Taxes and licences	**1,995**	2,677
Transport and travelling	**901**	899
Packing and delivery	**253**	–
Printing and stationeries	**92**	109
Security expenses	**297**	206
Utilities	**624**	702
Office supplies	**52**	46
Impairment on goodwill (Note 3)	**1,814**	–
Others	**3,725**	3,894
	24,319	24,251

26 Finance costs

	The Group	
	2021	**2020**
From continuing operations	**\$'000**	**\$'000**
Interest expense on:		
– Bank loans and short-term loans	**19,025**	20,233
– Lease liabilities	**256**	222
– Others	**491**	1,479
	19,772	21,934

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27 Loss for the year

Other than as disclosed elsewhere in these financial statements, loss for the year has been arrived after charging/(crediting):

		Continuing operations		Discontinued operations		Total	
		2021	2020	2021	2020	2021	2020
The Group	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Audit fee paid to:							
– auditor of the Company		**458**	444	**–**	–	**458**	444
– other auditors		**436**	351	**–**	–	**436**	351
Non-audit fees paid to:							
– auditor of the Company		**14**	14	**–**	–	**14**	14
– other auditors		**109**	66	**–**	–	**109**	66
Costs of inventories recognised as expenses		**–**	–	**–**	339,410	**–**	339,410
Allowance for/(reversal of) allowance for inventories obsolescence		**1,254**	(22)	**–**	–	**1,254**	(22)
Reversal of allowance for impairment of foreclosed assets		**–**	–	**–**	(134)	**–**	(134)
Amortisation of intangible assets	3	**67**	81	**–**	6,761	**67**	6,842
Depreciation of property, plant and equipment	4	**19,897**	19,087	**–**	25,583	**19,897**	44,670
Depreciation of right-of-use assets	5	**1,320**	1,331	**–**	1,469	**1,320**	2,800
Depreciation of investment properties	6	**11,505**	14,759	**–**	1,151	**11,505**	15,910
		32,722	35,177	**–**	28,203	**32,722**	63,380
Directors' fees		**405**	405	**–**	–	**405**	405
Salaries and related costs (including CPF contributions)							
– Directors		**2,929**	3,466	**–**	–	**2,929**	3,466
– Employees		**22,466**	28,230	**–**	53,097	**22,466**	81,327
		25,395	31,696	**–**	53,097	**25,395**	84,793
Foreign exchange loss/(gain), net		**3,046**	(1,268)	**–**	1,410	**3,046**	142
Net (reversal)/allowance for impairment of receivables							
– Financing receivables		**–**	–	**–**	26,359	**–**	26,359
– Trade receivables		**(259)**	1,412	**–**	2,003	**(259)**	3,415
– Other receivables		**(1)**	18	**–**	22	**(1)**	40
		(260)	1,430	**–**	28,384	**(260)**	29,814
Operating lease rentals – office equipment and office premises		**655**	433	**–**	–	**655**	433
Employees' benefits expenses	19	**2,150**	2,397	**–**	2,001	**2,150**	4,398
Rental income (included in revenue) – investment properties	6	**(28,656)**	(26,561)	**–**	(6,020)	**(28,656)**	(32,581)
Operating expenses arising from investment properties that generated rental income	6	**7,871**	12,905	**–**	3,469	**7,871**	16,374
Loss on deconsolidation/disposal of subsidiaries	7(a)	**–**	–	**–**	(595,708)	**–**	(595,708)
Impairment loss on goodwill	3, 25	**1,814**	–	**–**	–	**1,814**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28 Taxation

	Note	The Group 2021 $'000	The Group 2020 $'000
From continuing operations			
Current taxation			
Indonesia corporate statutory tax rate of 22% (2020 – 22%)		**13,117**	13,177
Singapore corporate statutory tax rate of 17% (2020 - 17%)		**244**	275
Overprovision in prior years		**(22)**	–
		13,339	13,452
Deferred taxation			
Indonesia tax		**404**	(636)
	i	**13,743**	12,816
From discontinued operations			
Current taxation			
Indonesia corporate statutory tax rate of 22% (2020 – 22%)		**–**	3,050
Deferred taxation			
Indonesia tax		**–**	(1,571)
	ii	**–**	1,479
	i + ii	**13,743**	14,295

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's loss as a result of the following:

	Note	The Group 2021 $'000	The Group 2020 $'000
Loss before tax:			
– Continuing operations		**(44,813)**	(49,110)
– Discontinued operations	7(a)	**–**	(45,548)
		(44,813)	(94,658)
Tax at domestic tax rates applicable to profit in the respective countries		**1,261**	(149,218)
Difference of tax effects on gross income subject to final tax instead of corporate tax		**(329)**	(1,216)
Overprovision in respect of prior year		**(22)**	–
Tax effects on non-taxable income[1]		**(527)**	(2,522)
Tax effects on non-deductible expenses[2]		**11,106**	169,252
Utilisation of deferred tax on temporary differences, previously not recognised		**–**	(2,001)
Deferred tax on temporary differences not recognised		**2,254**	–
		13,743	14,295

(1) Included in other income relates mainly to Job support scheme from government and dividend income.

(2) Included in non-deductible expenses relates mainly to depreciation of non-qualifying assets, interest expense and net loss on deconsolidation of a subsidiary in 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28 Taxation (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2021 $'000	2020 $'000
Tax losses	**445,240**	422,699
Tax effect on tax losses	**44,524**	42,270

Tax losses relate mainly to losses generated by Indonesian subsidiaries of the Company.

Under Indonesian taxation laws, tax losses may be carried forward for a period of five (5) years. The tax authorities may assess the Company within ten (10) years from the date the tax was payable.

29 Other comprehensive income for the year after taxation

Disclosure of tax effects relating to each component of other comprehensive income/(loss):

	2021			2020		
The Group	**Before tax $'000**	**Tax expense $'000**	**Net of tax $'000**	**Before tax $'000**	**Tax expense $'000**	**Net of tax $'000**
Derivative instruments	**–**	**–**	**–**	(6,712)	–	(6,712)
Currency translation differences	**(79)**	**–**	**(79)**	(8,001)	–	(8,001)
Actuarial gain	**528**	**–**	**528**	485	–	485
Share of other comprehensive income/(loss) of associates	**51,516**	**–**	**51,516**	(15,545)	–	(15,545)
Realisation of reserve upon deconsolidation of subsidiaries	**–**	**–**	**–**	32,514	–	32,514
	51,965	**–**	**51,965**	2,741	–	2,741

30 Loss per share

The Group

The basic loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares in issue of 5,444,001,822 (2020 – 5,424,848,361) shares during the financial year.

Fully diluted loss per share was calculated on the consolidated losses attributable to owners of the parent divided by 5,444,001,822 (2020 - 5,424,848,361) ordinary shares.

30 Loss per share (Cont'd)

The calculation of basic and diluted loss per share is based on:

(i) Loss used in calculating loss per share

	The Group	
	2021	**2020**
	$'000	**$'000**
Loss attributable to equity holders of the Company		
– Continuing operations	**(55,575)**	(59,057)
– Discontinued operations	**–**	(628,389)
	(55,575)	(687,446)

(ii) Weighted average number of ordinary shares used in calculating loss per share

	The Group	
	2021	**2020**
	'000	**'000**
Weighted average number of ordinary shares for basic loss and diluted loss per share	**5,444,002**	5,424,848

There are 250,000,000 shares granted under the conversion right of the convertible bonds that have not been included in the calculation of diluted loss per share because they are anti-dilutive.

31 Leases

(i) The Group as lessee

(a) *Properties*

The Group leases office premises, warehouse, land, ticketing counter and passenger lounge (Note 5). Certain of those office premises are sublet to non-related party, as discussed below under the Group's leasing activities as intermediate lessor of sublease.

The Group makes monthly lease payments for usage of office premises, warehouse, land, ticketing counter and passenger lounge under leasing agreements for operation and storage use.

There are no externally imposed covenants on these property lease arrangements.

(b) *Transportation equipment and motor vehicles*

The Group makes monthly lease payments to acquire transportation equipment and motor vehicles under hire purchase arrangements to render internal logistics support. These transportation equipment and motor vehicles are recognised as the Group's right-of-use assets (Note 5). The hire purchase agreements for transportation equipment and motor vehicles prohibit the Group from subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 21, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 Leases (Cont'd)

(ii) The Group as lessor

Investment property

Operating leases, in which the Group is the lessor, relate to investment property (Note 6) owned by the Group with lease terms of between 2 to 16 years. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk to the Group, as they relate to properties which are located in locations with constant increase in value over the last 5 years. The Group has not identified any indications that this situation will change.

The Group's revenue from rental income received on the investment properties are disclosed in Note 6.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Undiscounted lease payments to be received:				
– Year 1	**28,001**	26,122	**–**	235
– Year 2	**23,740**	18,474	**–**	–
– Year 3	**18,169**	12,898	**–**	–
– Year 4	**14,534**	8,405	**–**	–
– Year 5	**12,263**	6,534	**–**	–
– Year 6 and onwards	**12,989**	8,751	**–**	–
	109,696	81,184	**–**	235

The leases on the Group's premises on which rentals are received will expire between 31 August 2026 and not later than 31 March 2035. The current rent receivable on the lease ranges from S$6,480 to S$138,255 per month which are subject to revision on renewal of lease agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 Leases (Cont'd)

(iii) The Group and Company as intermediate lessor of sublease

Office premise

During the year, the Company has sub-leased its office premise to its subsidiary and non-related party for monthly lease payments. For the sublet of this office premise, the sublease period forms a major part of the remaining head lease terms, and accordingly, the sublease is classified as finance lease.

The leases on the Company's premises on which rentals are received had expired on 31 August 2026. The current rent receivable on the lease ranges from S$8,325 to S$9,760 per month.

The following sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Undiscounted lease payments to be received:				
– Year 1	**100**	–	**217**	–
– Year 2	**100**	–	**217**	–
– Year 3	**100**	–	**217**	–
– Year 4	**100**	–	**217**	–
– Year 5	**66**	–	**145**	–
– Year 6 and onwards	**–**	–	**–**	–
	466	–	**1,013**	–

During the year, the Group recognised interest income on lease receivable of S$9,210 (2020 – S$Nil) in consolidated statement of comprehensive income.

32 Commitments

Repair and maintenance contracted for at end of year but not recognised as liabilities is as follows:

	The Group	
	2021	2020
	$'000	$'000
Contractual obligation for future repairs and maintenance – not recognised as a liability	**1,397**	2,291

33 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33 Related parties transactions (Cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

	The Group	
	2021	**2020**
	$'000	**$'000**
(a) With associates		
Management fees paid	**–**	27
Sales of goods and services	**(759)**	(1,095)
Purchase of goods and services	**6**	591
Dividend received	**(1,010)**	(1,099)
(b) With related companies and associates of ultimate holding company		
Broker and guarantee fee	**70**	41
Management fees paid	**408**	324
Human resource management fee	**245**	128
Interest income	**(2,893)**	(8,268)
Purchase of goods and services	**56,842**	28,402
Rental income	**(95)**	–
Sales of goods and services	**(59,792)**	(43,904)
Dividend received	**(3,732)**	(3,085)
(c) Remuneration of Directors of the Company and key management personnel of the Group		
Salaries and other short-term employee benefits	**2,929**	3,466

34 Segment information

(a) Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:–

a. Industrial parks segment

Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

b. Utilities segment

Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunication services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

c. Resort operations segment

The resort operations segment is engaged in the activities of provision of services to resort operators in Bintan Resort including ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

d. Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

34 Segments information (Cont'd)

The Group	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Development $'000	Corporate $'000	(Discontinued Operations) Automotive $'000	Adjustment/ Elimination $'000	Total $'000
31 December 2021								
Operating revenue								
External sales	38,119	104,128	1,056	1,802	–	–	–	145,105
Inter segment sales	–	86	9	131	–	–	(226)	–
Total revenue	38,119	104,214	1,065	1,933	–	–	(226)	145,105
Segment results								
Profit/(loss) from operations	6,913	32,102	(16,611)	(12,929)	(17,769)	–	–	(8,294)
Share of associates' results								(16,747)
Finance costs								(19,772)
Loss before taxation								(44,813)
Taxation								(13,743)
Loss after taxation								(58,556)
Assets and liabilities								
Segment assets	92,178	107,068	14,557	666,399	4,533	–	–	884,735
Associates								389,347
Unallocated corporate assets								135,706
Total assets								1,409,788
Segment liabilities	28,890	55,443	8,089	22,104	86,424	–	–	200,950
Unallocated corporate liabilities								387,768
Total liabilities								588,718
Other material information								
Capital expenditure	9,009	3,055	5,007	58	2	–	–	17,131
Depreciation and amortisation	16,070	8,468	4,536	3,273	442	–	–	32,789
Allowance for/(reversal of) allowance for inventories obsolescence	1,254	–	–	–	–	–	–	1,254
(Loss)/gain on disposal of property, plant and equipment	(7)	–	–	25	–	–	–	18
Reversal of impairment of trade and other receivables	(355)	–	95	–	–	–	–	(260)
Impairment of goodwill	–	–	–	–	1,814	–	–	1,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34 Segments information (Cont'd)

The Group	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Development $'000	Corporate $'000	(Discontinued Operations) Automotive $'000	Adjustment/ Elimination $'000	Total $'000
31 December 2020								
Operating revenue								
External sales	35,103	97,612	5,460	24	–	600,278	(600,278)	138,199
Inter segment sales	–	75	15	133	–	–	(223)	–
Total revenue	35,103	97,687	5,475	157	–	600,278	(600,501)	138,199
Segment results								
Profit/(loss) from operations	2,528	26,621	(16,449)	(12,908)	(7,327)	(572,631)	572,631	(7,535)
Share of associates' results								(19,641)
Finance costs								(21,934)
Loss before taxation								(49,110)
Taxation								(12,816)
Loss after taxation								(61,926)
Assets and liabilities								
Segment assets	98,853	107,840	26,861	668,653	25,595	–	–	927,802
Associates								355,097
Unallocated corporate assets								108,444
Total assets								1,391,343
Segment liabilities	26,789	48,349	9,246	56,456	79,686	–	–	220,526
Unallocated corporate liabilities								345,173
Total liabilities								565,699
Other material information								
Capital expenditure	3,962	916	402	19	20	42,319	–	47,638
Depreciation and amortisation	15,901	10,141	5,527	3,285	404	34,964	(34,964)	35,258
Reversal of allowance for inventories obsolescence	(22)	–	–	–	–	–	–	(22)
Gain/(loss) on disposal of property, plant and equipment	34	–	–	1	–	(1,731)	1,731	35
Impairment of financing, trade and other receivables	106	–	1,324	–	–	28,384	(28,384)	1,430
Loss on deconsolidation of subsidiaries	–	–	–	–	(595,708)	–	–	(595,708)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34 Segment information (Cont'd)

(b) Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

(c) Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

(d) Segment assets and liabilities

Segment assets include all operating assets and consist principally of trade and other receivables, land inventories, other inventories, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, deferred tax assets, deferred tax liabilities, loans and borrowings.

The Group does not have any major customers.

35 Financial risk management objectives and policies

The Group and the Company have financial risk management policies setting out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets on the Group's and the Company's financial performance.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(i) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

The Group is financed through interest-bearing bank loans, other borrowings such as shareholders' loans, and advances from related parties and debt securities. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluates the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility.

Sensitivity analysis for interest rate risk

At the end of reporting period, if Singapore Dollar and United States Dollar interest rates had been 50 (2020 – 50) basis points lower/higher with all other variables held constant, the Group's profit/(loss) net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

	Profit/(loss)			
	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore Dollar				
– lower 50 basis points	**21**	889	**555**	1,128
– higher 50 basis points	**(21)**	(889)	**(555)**	(1,128)
United States Dollar				
– lower 50 basis points	**1,905**	827	**1,497**	827
– higher 50 basis points	**(1,905)**	(827)	**(1,497)**	(827)

Managing interest rate benchmark reference reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform"). As at 31 December 2021, the Group's main IBOR exposure was non-derivative financial liabilities for secured borrowings that indexed to USD LIBOR. The Group is in the process of communicating with counterparties for all LIBOR indexed exposures and specific changes have yet been agreed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore Dollar (SGD) and Indonesian Rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to S$121,138,000 (2020 – S$92,245,000) and S$208,000 (2020 – S$308,000) for the Group and the Company respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group may enter into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis (Cont'd)

As at each reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

The Group	Indonesian Rupiah 2021 $'000	Indonesian Rupiah 2020 $'000	United State Dollar 2021 $'000	United State Dollar 2020 $'000	Total 2021 $'000	Total 2020 $'000
Other non-current assets (Note 10)	**481**	3,792	**–**	–	**481**	3,792
Trade and other receivables (Note 13)	**22,337**	25,867	**7,284**	27,875	**29,621**	53,742
Cash and cash equivalents (Note 14)	**57,715**	54,201	**63,423**	38,044	**121,138**	92,245
Trade and other payables (Note 22)	**(16,781)**	(18,355)	**(76,474)**	(63,800)	**(93,255)**	(82,155)
Other non-current liabilities (Note 20)	**(9,607)**	(4,883)	**–**	–	**(9,607)**	(4,883)
Borrowings (Note 18)	**–**	–	**(381,096)**	(165,389)	**(381,096)**	(165,389)
Net assets/(liabilities) exposure	**54,145**	60,622	**(386,863)**	(163,270)	**(332,718)**	(102,648)

	Appreciation/(depreciation) of foreign currency rate	Effect on loss before tax (increase)/decrease $'000
2021		
Indonesian Rupiah	**(0.73%)**	**(395)**
Indonesian Rupiah	**0.73%**	**395**
United States Dollar	**2.58%**	**(9,981)**
United States Dollar	**(2.58%)**	**9,981**
2020		
Indonesian Rupiah	(2.10%)	(1,273)
Indonesian Rupiah	2.10%	1,273
United States Dollar	1.12%	(1,829)
United States Dollar	(1.12%)	1,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis (Cont'd)

The Company	Indonesian Rupiah 2021 $'000	Indonesian Rupiah 2020 $'000	United State Dollar 2021 $'000	United State Dollar 2020 $'000	Total 2021 $'000	Total 2020 $'000
Cash and cash equivalents (Note 14)	**–**	11	**208**	297	**208**	308
Trade and other payables (Note 22)	**(63,256)**	(53,232)	**(80,486)**	(60,267)	**(143,742)**	(113,499)
Borrowings (Note 18)	**(279,179)**	(276,286)	**(299,381)**	(165,389)	**(578,560)**	(441,675)
Net (liabilities)/assets exposure	**(342,435)**	(329,507)	**(379,659)**	(225,359)	**(722,094)**	(554,866)

	Appreciation/(depreciation) of foreign currency rate	Effect on loss before tax (increase)/decrease $'000
2021		
Indonesian Rupiah	**(0.73%)**	**2,500**
Indonesian Rupiah	**0.73%**	**(2,500)**
United States Dollar	**2.58%**	**(9,795)**
United States Dollar	**(2.58%)**	**9,795**
2020		
Indonesian Rupiah	(2.10%)	6,920
Indonesian Rupiah	2.10%	(6,920)
United States Dollar	1.12%	(2,524)
United States Dollar	(1.12%)	2,524

The average and year end exchange rates for 2021 and 2020 are as follows:

	2021 Year end	2021 Average	2020 Year end	2020 Average
Indonesian Rupiah	**Rp.10,534/$1**	**Rp.10,685/$1**	Rp.10,644/$1	Rp.10,593/$1
United States Dollar	**US$0.74/$1**	**US$0.74/$1**	US$0.76/$1	US$0.73/$1

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group does not have any exposure to market price risks. Accordingly, no sensitivity analysis is disclosed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. For the subsidiaries engaging in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances and trade and other receivables. For trade receivables, the Group and the Company adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security, where appropriate, to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objectives are to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximise installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk.

The Group's and the Company's major classes of financial assets are bank deposits, trade and other receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 13.

The Company gives corporate guarantees to banks for the bank borrowings of its subsidiaries. The maximum exposure of the Company in respect of these guarantees at the reporting date is the amount of S$Nil (2020 – S$15,000,000). At the reporting date, the Company has considered it is not probable that a claim will be made against the Company under such guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

Financial assets

The Group applies the SFRS(I) 9 expected credit losses which uses either a 12-month or a lifetime expected credit losses depending on the level of credit risk to measuring loss allowance for all trade receivables and other financial assets.

The Group and Company apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. For all other financial assets, the Group and Company apply the general approach.

While cash and cash equivalents are also subject to the impairment requirements, the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

Financial assets (Cont'd)

For the non-trade intercompany balances, it is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected credit losses. Management consider "low credit risk" when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flows obligations in the near term.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months for trade receivables and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The receivables with "non-performing" credit risk rating has been fully provided for, while the receivables with "performing" credit risk rating are not impaired.

On that basis, the loss allowance as at 31 December 2021 and 2020 was determined as follows for trade and other receivables:

	Trade and other receivables				
		Days past due			
The Group	**Current $'000**	**1-30 days $'000**	**31-60 days $'000**	**>60 days $'000**	**Total $'000**
As at 31 December 2021					
Expected credit loss rate	**6.26%**	**–**	**–**	**20.09%**	**13.29%**
Gross carrying amount	**21,529**	**1,093**	**507**	**25,412**	**48,541**
Provision for allowance	**(1,347)**	**–**	**–**	**(5,105)**	**(6,452)**
As at 31 December 2020					
Expected credit loss rate	3.46%	–	–	18.41%	9.35%
Gross carrying amount	42,555	999	633	29,361	73,548
Provision for allowance	(1,472)	–	–	(5,406)	(6,878)

	Trade and other receivables				
		Days past due			
The Company	**Current $'000**	**1-30 days $'000**	**31-60 days $'000**	**>60 days $'000**	**Total $'000**
As at 31 December 2021					
Expected credit loss rate	**–**	**–**	**–**	**–**	**–**
Gross carrying amount	**75,055**	**–**	**–**	**2,129**	**77,184**
Provision for allowance	**–**	**–**	**–**	**–**	**–**
As at 31 December 2020					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	63,594	–	–	2,132	65,726
Provision for allowance	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Contractual undiscounted cash flows				
The Group	**Not later than one year $'000**	**Later than one year and not later than five years $'000**	**Later than five years $'000**	**Total $'000**	**Total carrying amount $'000**
As at 31 December 2021					
Non-derivative financial liabilities:					
Trade and other payables	**119,687**	**–**	**–**	**119,687**	**119,687**
Borrowings	**24,093**	**423,870**	**–**	**447,963**	**385,392**
Other non-current liabilities	**–**	**28,089**	**–**	**28,089**	**28,089**
Lease liabilities	**1,131**	**3,306**	**269**	**4,706**	**3,997**
	144,911	**455,265**	**269**	**600,445**	**537,165**
As at 31 December 2020					
Non-derivative financial liabilities:					
Trade and other payables	145,905	–	–	145,905	145,905
Borrowings	357,775	3,494	–	361,269	343,272
Other non-current liabilities	–	25,966	–	25,966	25,966
Lease liabilities	1,213	3,442	759	5,414	4,495
	504,893	32,902	759	538,554	519,638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

	Contractual undiscounted cash flows				
The Company	**Not later than one year $'000**	**Later than one year and not later than five years $'000**	**Later than five years $'000**	**Total $'000**	**Total carrying amount $'000**
As at 31 December 2021					
Non-derivative financial liabilities:					
Trade and other payables	**156,531**	**–**	**–**	**156,531**	**156,531**
Borrowings	**434,674**	**315,886**	**–**	**750,560**	**689,493**
Other non-current liabilities	**–**	**88**	**–**	**88**	**88**
Lease liabilities	**585**	**2,146**	**–**	**2,731**	**2,378**
	591,790	**318,120**	**–**	**909,910**	**848,490**
As at 31 December 2020					
Non-derivative financial liabilities:					
Trade and other payables	126,211	–	–	126,211	126,211
Borrowings	698,102	–	–	698,102	667,314
Other non-current liabilities	–	88	–	88	88
Lease liabilities	368	2,342	390	3,100	2,612
	824,681	2,430	390	827,501	796,225

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company is able to raise funds through bank borrowings and capital market, and dividend income from subsidiaries to settle its current liabilities for the next twelve months.

(d) Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

36 Capital management

The Group's and Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's abilities to continue as a going concern;

(b) To support the Group's and the Company's stabilities and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capabilities; and

(d) To provide an adequate return to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36 Capital management (Cont'd)

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

The Group and the Company monitor capital net debt ratio, which is net debt divided by total capital plus debt. Net debt refers to all borrowings including lease liabilities, less bank balances and short-term deposits. Capital represents total equity of the Group. The Group and the Company do not have a defined gearing ratio benchmark or range.

The capital net debt ratios at 31 December 2021 and 2020 were as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Net Debt	**255,309**	240,960	**691,075**	669,181
Total equity + debt	**1,210,459**	1,173,411	**1,427,859**	1,445,627
Capital net debt ratio	**0.21**	0.21	**0.48**	0.46

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subjected to externally imposed capital requirements except as disclosed in Note 18.

37 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are as follows:

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Financial assets at amortised cost					
Trade and other receivables	13	**42,089**	66,670	**77,184**	65,726
Cash and cash equivalents	14	**134,080**	106,807	**796**	745
Other non-current assets[(1)]	10	**662**	3,947	**181**	155
		176,831	177,424	**78,161**	66,626

(1) Comprises restricted cash/time deposits, deposits and other receivables

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	22	**119,687**	145,905	**156,531**	126,211
Borrowings	18	**385,392**	343,272	**689,493**	667,314
Other non-current liabilities	20	**28,089**	25,966	**88**	88
Lease liabilities	21	**3,997**	4,495	**2,378**	2,612
		537,165	519,638	**848,490**	796,225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38 Fair value measurement

Definition of fair value

SFRS(I) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability.

Fair value measurement of financial instruments

(i) Level 1, 2 and 3 fair value measurements

The Group did not have any financial assets and financial liabilities measured at fair value in the statements of financial position that grouped into three levels of a fair value hierarchy as at 31 December 2021 and 31 December 2020.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount are reasonable approximation of fair value.

The carrying amounts of the current financial assets and financial liabilities approximate their respective fair values due to the relative short-term maturity of these financial assets and financial liabilities.

The fair values of non-current borrowings and lease liabilities are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rate for similar instruments at the end of the financial year. As at the end of the financial year, the fair values of the non-current borrowings and lease liabilities approximate their carrying amounts.

(iii) Non-financial assets and liabilities not carried at fair value but for which fair value is disclosed

The Group's investment properties and employee benefit liabilities are not measured at fair values but which fair values are disclosed. They are classified under Level 3 of the fair value hierarchy. The details on the fair value of investment properties and employee benefit liabilities are disclosed in Notes 6 and 19, respectively.

The fair value of the investment properties is based on advice from firms of independent professional valuers using the capitalisation method and/or market comparable. The valuations of the investment properties are based on the highest and best use. Current use, unless there are any evidence to the contrary, is considered highest and best use.

39 Events after end of reporting period

There were no material events subsequent to 31 December 2021 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2022

Number of Issued Shares	:	5,463,605,283
Number of Treasury Shares	:	450,000
Number of Issued Shares (excluding Treasury Shares)	:	5,463,155,283
Class of Shares	:	Ordinary
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	35	1.12	1,111	0.00
100-1,000	437	13.99	202,285	0.00
1,001-10,000	901	28.85	6,455,629	0.12
10,001-1,000,000	1,721	55.11	131,758,055	2.41
1,000,001 and above	29	0.93	5,325,188,203	97.47
Total	**3,123**	**100.00**	**5,463,605,283**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares	% of Shares
1	RAFFLES NOMINEES(PTE) LIMITED	2,976,134,012	54.47
2	UOB KAY HIAN PTE LTD	1,306,039,737	23.90
3	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	433,835,000	7.94
4	HSBC (SINGAPORE) NOMINEES PTE LTD	205,570,400	3.76
5	CITIBANK NOMS SPORE PTE LTD	150,161,667	2.75
6	TERRAFIRMA PROPERTY HOLDINGS LTD	102,609,023	1.88
7	DBS NOMINEES PTE LTD	31,091,577	0.57
8	MAYBANK SECURITIES PTE. LTD.	20,129,603	0.37
9	CIGA ENTERPRISES PTE LTD	18,770,000	0.34
10	PHILLIP SECURITIES PTE LTD	17,705,210	0.32
11	OCBC SECURITIES PRIVATE LTD	17,593,829	0.32
12	MORGAN STANLEY ASIA (S) SEC PTE LTD	9,873,900	0.18
13	GOH BEE LAN	4,295,000	0.08
14	UNITED OVERSEAS BANK NOMINEES P L	4,218,352	0.08
15	LIM KEE YEK	3,147,100	0.06
16	PT ELITINDO CITRALESTARI	3,106,688	0.06
17	OCBC NOMINEES SINGAPORE PTE LTD	2,491,600	0.05
18	CHNG BENG HUA	2,300,000	0.04
19	LEE KAI HENG	1,968,000	0.04
20	LIM CHYE SOON (LIN CAISHUN)	1,850,000	0.03
	Total:	**5,312,890,698**	**97.24**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2022

PUBLIC FLOAT

Based on the information available to the Company as at 16 March 2022, 34.12% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Direct interest	Deemed interest	Total interest	%
Parallax Holdings Limited ("**PHL**")	2,936,862,151	–	2,936,862,151	53.76
Diamond Mint Limited ("**Diamond Mint**")(1)	–	3,593,873,889	3,593,873,889	65.78
Dornier Profits Limited ("**Dornier**")(2)	189,545,100	467,466,638	657,011,738	12.03
Parallax Venture Partners XXX Ltd ("**PVP**")(3)	–	657,011,738	657,011,738	12.03
Jaslene Limited ("**Jaslene**")(4)	–	3,593,873,889	3,593,873,889	65.78
Anthoni Salim(5)	–	3,596,980,577	3,596,980,577	65.84

Notes:

(1) Diamond Mint has a controlling interest in PHL and PVP and is deemed to be interested in the Shares in which PHL and PVP have an interest.

(2) Dornier has a deemed interest in 467,466,638 Shares by virtue of an agreement pursuant to which Dornier agreed to acquire from PVP such Shares.

(3) PVP has a deemed interest in 657,011,738 Shares comprising:

(a) a deemed interest in 467,466,638 Shares held through financial institutions, by virtue of Section 4(3) of the SFA; and

(b) a deemed interest in Dornier's 189,545,100 Shares, by virtue of Section 4(5) of the SFA.

(4) Jaslene has a controlling interest in Diamond Mint and is deemed to be interested in the Shares in which PHL and PVP have an interest.

(5) Anthoni Salim is deemed to have an interest in the Shares in which PHL, PVP and Dornier have an interest and the 3,106,688 Shares owned by PT Elitindo Citralestari.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Gallant Venture Ltd. (the "**Company**") will be convened and held by way of electronic means on Friday, 29 April 2022 at 10.00 a.m. to transact the following businesses:–

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Auditor's Report thereon.

(Resolution 1)

2. To approve the Directors' fee of S$360,000 for the financial year ended 31 December 2021 (2020: S$405,000/-).

(Resolution 2)

3. To re-elect the following Directors retiring under Regulation 111 of the Constitution of the Company.

(a) Mr Lim Hock San **(Resolution 3)**
(See Explanatory Note 1)

(b) Mr Axton Salim **(Resolution 4)**
(See Explanatory Note 1)

(c) Mr Choo Kok Kiong **(Resolution 5)**
(See Explanatory Note 1)

4. To re-elect Mr Lim Chee San retiring under Regulation 115 of the Constitution of the Company.

(Resolution 6)
(See Explanatory Note 1)

5. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 7)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:–

6. Authority to issue shares

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) issue Shares in pursuance of any Instrument made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution),

NOTICE OF ANNUAL GENERAL MEETING

Provided that:

(c) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (d) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a *pro-rata* basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (d) below);

(d) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (c) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or the vesting of share awards, provided the share options or share awards were granted in compliance with the listing rules of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Shares,

provided further that adjustments in accordance with sub-paragraph (d)(i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time of the passing of this resolution;

(e) in this Resolution, "**subsidiary holdings**" shall have the meaning ascribed to it in the listing rules of the SGX-ST; and

(f) (unless revoked or varied by the Company in general meeting), the authority so conferred shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)
(See Explanatory Note 2)

7. Renewal of the Shareholders' Mandate for Interested Person Transactions

That:–

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to this Notice of AGM (the "**Appendix**"), with any party who falls within the classes of interested persons as described in the Appendix, provided that such transactions are made on normal commercial terms and are in accordance with the review procedures for Interested Person Transactions as set out in the Appendix (the "**IPT Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier;

(c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(Resolution 9)
(See Explanatory Note 3)

8. Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "**Companies Act**") as may be amended from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**subsidiary holdings**" has the meaning ascribed to it in the listing rules of the SGX-ST;

"**Prescribed Limit**" means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding subsidiary holdings and any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

where:

"**Average Closing Price**" means the average of the Closing Market Prices (as defined hereafter) of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

(Resolution 10)
(See Explanatory Note 4)

ANY OTHER BUSINESS

9. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Choo Kok Kiong
Company Secretary
Singapore, 13 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:–

1. Mr Lim Hock San will, upon being re-elected as Director, continue as a Non-Executive Director, and remain as the Chairman of the Audit and Risk Management Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

   Mr Axton Salim and Mr Choo Kok Kiong will, upon being re-elected as Directors, continue as Non-Executive Director and Executive Director respectively.

   Mr Lim Chee San will, upon being re-elected as Director, continue as a Non-Executive Director, and remain as a member of the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

   The detailed information of Mr Lim Hock San, Mr Axton Salim, Mr Choo Kok Kiong and Mr Lim Chee San can be found under the "Additional Information on Directors" section on pages 17 to 26 of the Annual Report 2021.

2. Ordinary Resolution 8 is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to issue Shares and convertible securities in the Company up to an amount not exceeding in total 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated on the basis set out in the said resolution. For issues of Shares and convertible securities other than on a pro rata basis to all Shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 20% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated on the basis set out in the said resolution. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 9 relates to the renewal of the mandate, which was approved by the shareholders on 30 April 2021 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of AGM for more information.

4. Ordinary Resolution 10 relates to the renewal of the mandate, which was first approved by the shareholders on 23 January 2009 and was renewed at the previous AGMs of the Company, authorising the Company to purchase its own Shares. Please refer to the Appendix to this Notice of AGM for more information.

Notes:–

1. The AGM is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at http://gallantventure.listedcompany.com/. This Notice of AGM will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM ("**Chairman**") in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the accompanying Company's announcement dated 13 April 2022. This announcement may be accessed at the Company's website at the URL http://gallantventure.listedcompany.com/and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. In particular, the proceedings of the AGM will be broadcasted "live" through an audio-visual webcast and an audio-only feed. Members and investors holding Shares in the Company through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at http://gallantventure.listedcompany.com/ no later than 10.00 a.m. on 26 April 2022 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the AGM will be sent to authenticate members and CPF/SRS investors by 10.00 a.m. on 28 April 2022. Members and CPF/SRS investors who do not receive any email by 10.00 a.m. on 28 April 2022, but have registered by the Registration Cut-Off Time, should contact the Company's Share Registrar, KCK CorpServe Pte Ltd. at sharereg@kckcs.com.sg or alternatively at +65 6430 8217 during office hours.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at http://gallantventure.listedcompany.com/ for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, KCK CorpServe Pte Ltd. via email to sharereg@kckcs.com.sg no later than 10.00 a.m. on 26 April 2022.

4. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("**Proxy Form**") may be accessed at the Company's website at http://gallantventure.listedcompany.com/ or the SGX website at URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

5. The Proxy Form is not valid for use by Investors who hold Shares through relevant intermediaries (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 19 April 2022, being at least 7 working days before the date of the AGM, to submit his/her voting instructions. This is so as to allow sufficient time for the respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf by 10.00 a.m. on 26 April 2022.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254; or

   (b) if submitted electronically, be submitted via email to proxy_forms@gallantventure.com,

   in either case, by 10.00 a.m. on 26 April 2022, being 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email. Any substantial or relevant question received after the Deadline will be addressed prior to or at the AGM itself.

7. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form submitted if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act 2001 of Singapore), as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

8. Members and Investors will not be able to ask questions "live" during the broadcast of the AGM. All members and CPF/SRS investors may submit questions relating to the business of the AGM no later than 10.00 a.m. on 21 April 2022 (the "**Deadline**").

   (a) via the pre-registration website at http://gallantventure.listedcompany.com/;

   (b) by email to questions@gallantventure.com; or

   (c) by post to the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254.

   In view of the current COVID-19 situation in Singapore, members and CPF/SRS investors are strongly encouraged to submit their questions via the pre-registration website or by email.

   Investors holding Shares through relevant intermediaries (other than CPF/SRS investors) will not be able to submit questions related to the resolutions to be tabled for approval at the AGM directly to the Chairman and should approach their respective relevant intermediaries through which they hold Shares as soon as possible in order for the necessary arrangements to be made for them to submit questions in advance of the AGM.

   The Company will answer all substantial and relevant questions by 10.00 a.m. on 24 April 2022. Any substantial or relevant questions received after the Deadline will be addressed prior to or at the AGM itself.

9. All documents (including the Annual Report 2021, the Proxy Form, this Notice of AGM and the Appendix to this Notice of AGM) or information relating to the business of the AGM have been, or will be, published on SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at http://gallantventure.listedcompany.com/. **Printed copies of the documents will not be despatched to members.** Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

Personal data privacy:

By submitting an instrument appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**").

In the case of a member who is a relevant intermediary, by submitting an instrument containing personal data of individuals (including the consolidated list of Investors set out in Note 3 of this Notice of AGM), such member (i) warrants that it has obtained the prior consent of such individuals for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such individuals in connection with their participation in the broadcast of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

GALLANT VENTURE LTD.

Co. Registration No. 200303179Z
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the URL http://gallantventure.listedcompany.com/ – please click on "investor relations" followed by "Announcements" which is under "Newsroom". The Notice of AGM will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below) in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the accompanying Company's announcement dated 13 April 2022. This announcement may be accessed at the Company's website at the URL http://gallantventure.listedcompany.com/ and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.**
4. This proxy form is not valid for use by investors holding Shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("**Investors**") (including investors holding through Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her/its voting instructions. CPF/SRS investors who wish to appoint the Chairman as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2022, being at least 7 working days before the date of the AGM.
5. By submitting an instrument appointing the Chairman as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2022.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

*I/We ____ (Name)

of ____ (Address)

being a *member/members of Gallant Venture Ltd. (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**Chairman**") as *my/our proxy to attend, speak and vote for *my/our behalf at the Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on **Friday, 29 April 2022 at 10.00 a.m.** and at any adjournment thereof in the following manner:

	Resolutions	For**	Against**	Abstain**
	Ordinary business			
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditor's Report for the financial year ended 31 December 2021			
2.	To approve Directors' fee of S$360,000 for the year ended 31 December 2021			
3.	To re-elect Mr Lim Hock San as a Director			
4.	To re-elect Mr Axton Salim as a Director			
5.	To re-elect Mr Choo Kok Kiong as a Director			
6.	To re-elect Mr Lim Chee San as a Director			
7.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special business			
8.	To authorise Directors to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore			
9.	To approve the renewal of the IPT Mandate for Interested Person Transactions			
10.	To approve the renewal of the Share Purchase Mandate			

* *Delete accordingly*

** A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**

Dated this ________ day of ______________ 2022

Total Number of Shares held	

____

Signature(s) or Common Seal of Members

Notes:

1. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members of the Company, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of Shares. If no number of Shares is inserted, this form of proxy will be deemed to relate to all the Shares held by the member of the Company.

2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. This proxy form may be accessed at the Company's website at http://gallantventure.listedcompany.com/ and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

3. This proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 19 April 2022, being at least 7 working days before the date of the AGM to submit his/her voting instructions.

fold here

Affix
Postage
Stamp

The Company Secretary
GALLANT VENTURE LTD.
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

fold here

4. This proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254; or

   (b) if submitted electronically, be submitted via email to proxy_forms@gallantventure.com,

   in either case, by 10:00 a.m. on 26 April 2022, being 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

GALLANT VENTURE LTD.
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#16-01 HarbourFront Tower Two
Singapore 099254
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