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**GALLANT VENTURE LTD.
FINANCIAL RESULTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31
DECEMBER 2022**

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FINANCIAL STATEMENTS

(a) Condensed interim consolidated statement of comprehensive income

		The Group					
		6 months Ended 31 December 2022 \$'000	6 months Ended 31 December 2021 \$'000	Incr/ (Decr) %	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000	Incr/ (Decr) %
Note							
	Revenue	91,072	72,546	26	166,836	145,105	15
	Cost of sales	(57,411)	(58,564)	(2)	(111,631)	(112,090)	(0)
	Gross profit	33,661	13,982	141	55,205	33,015	67
	Other income/(expenses)	5,293	2,198	141	(1,241)	(1,392)	(11)
	General and administrative expenses	(9,922)	(7,949)	25	(20,034)	(15,598)	28
	Other operating expenses	(11,766)	(12,843)	(8)	(24,156)	(24,319)	(1)
	Share of associate companies' results	12,036	(9,106)	n.m	19,993	(16,747)	n.m
	Finance costs	(16,589)	(11,230)	48	(27,311)	(19,772)	38
	Profit/(Loss) before taxation	12,713	(24,948)	n.m	2,456	(44,813)	n.m
	Taxation	(8,273)	(6,939)	19	(15,383)	(13,743)	12
	Profit/(Loss) after taxation	4,440	(31,887)	n.m	(12,927)	(58,556)	(78)
	Other comprehensive (loss)/income after taxation:						
	<u>Items that are/may be reclassified subsequently to profit or loss</u>						
	Currency translation differences from foreign subsidiaries	(556)	(21)	n.m	(627)	(79)	n.m
	Share of other comprehensive (loss)/income of associates						
	- Currency translation differences	(50,839)	15,022	n.m	(59,072)	6,944	n.m
	- Fair value of cash flow hedges	(2,162)	(2,704)	(20)	1,144	7,609	(85)
	<u>Items that will not be reclassified subsequently to profit or loss</u>						
	Remeasurements of defined benefit plans	1,175	528	123	1,175	528	123
	Share of other comprehensive income/(loss) of associates						
	- Changes in fair value on equity instruments at fair value through other comprehensive income	-	43,282	n.m	-	38,726	n.m
	- Remeasurements of defined benefit plans	762	1,332	(43)	758	(1,763)	n.m
	Other comprehensive (loss)/income for the period after taxation	(51,620)	57,439	n.m	(56,622)	51,965	n.m
	Total comprehensive (loss)/income for the period	(47,180)	25,552	n.m	(69,549)	(6,591)	n.m
	Profit/(Loss) attributable to:						
	- Equity holders of the Company	4,030	(30,324)	n.m	(12,780)	(55,575)	(77)
	- Non-controlling interests	410	(1,563)	n.m	(147)	(2,981)	(95)
		4,440	(31,887)	n.m	(12,927)	(58,556)	(78)
	Total comprehensive (loss)/income attributable to:						
	- Equity holders of the Company	(47,591)	27,095	n.m	(69,399)	(3,628)	n.m
	- Non-controlling interests	411	(1,543)	n.m	(150)	(2,963)	(95)
		(47,180)	25,552	n.m	(69,549)	(6,591)	n.m
	Earnings/(Loss) per share	Cents	Cents		Cents	Cents	
	- Basic	0.074	(0.556)		(0.234)	(1.021)	
	- Diluted	0.071	(0.556)		(0.234)	(1.021)	

"n.m" denotes not meaningful

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(b) Condensed interim consolidated statement of financial position

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-Current					
Intangible assets	9	123	187	-	-
Property, plant and equipment	10	131,852	134,843	8	15
Right-of-use assets		13,178	3,272	981	1,249
Investment properties	11	88,520	95,067	-	-
Subsidiaries	12	-	-	1,131,649	1,123,985
Associates	13	368,188	389,347	262,136	381,948
Deferred tax assets		1,390	1,627	-	-
Trade and other receivables	14	244	93	530	172
Other non-current assets	15	5,390	2,402	148	181
		608,885	626,838	1,395,452	1,507,550
Current					
Land inventories		599,396	597,371	-	-
Other inventories		6,882	7,587	-	-
Trade and other receivables	14	45,839	43,912	76,253	77,258
Cash and cash equivalents		127,786	134,080	932	796
		779,903	782,950	77,185	78,054
Total assets		1,388,788	1,409,788	1,472,637	1,585,604
Equity and Liabilities					
Equity					
Share capital	16	1,963,457	1,963,457	1,963,457	1,963,457
Treasury shares	17	(50)	(50)	(50)	(50)
Accumulated losses		(1,275,686)	(1,262,906)	(1,425,098)	(1,307,419)
Reserves		73,749	113,363	80,000	80,000
Equity attributable to equity holders of the Company		761,470	813,864	618,309	735,988
Non-controlling interests		7,052	7,206	-	-
Total equity		768,522	821,070	618,309	735,988
Liabilities					
Non-Current					
Deferred tax liabilities		2,194	2,377	-	-
Borrowings	18	329,980	362,385	248,718	269,827
Employee benefits liabilities		11,676	15,876	-	-
Other non-current liabilities		30,815	28,089	54	88
Lease liabilities		9,348	2,883	1,428	1,915
Contract liabilities		51,138	21,442	-	-
		435,151	433,052	250,200	271,830
Current					
Borrowings	18	45,798	23,007	436,874	419,666
Lease liabilities		5,062	1,114	487	463
Trade and other payables	19	122,556	119,687	165,702	156,531
Contract liabilities		4,353	3,391	-	-
Current tax payable		7,346	8,467	1,065	1,126
		185,115	155,666	604,128	577,786
Total liabilities		620,266	588,718	854,328	849,616
Total equity and liabilities		1,388,788	1,409,788	1,472,637	1,585,604

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(c) Condensed interim consolidated statement of changes in equity (The Group)

	Attributable to equity holders of the Company										Total Equity \$'000
	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	
Balance as at 1 January 2022	1,963,457	(50)	80,000	(5,745)	653	38,726	(271)	(1,262,906)	813,864	7,206	821,070
Loss for the period	-	-	-	-	-	-	-	(12,780)	(12,780)	(147)	(12,927)
Share of other comprehensive (loss)/ income of associates	-	-	-	(59,072)	1,144	-	758	-	(57,170)	-	(57,170)
Other comprehensive (loss)/income	-	-	-	(595)	-	-	1,146	-	551	(3)	548
Total comprehensive (loss)/income for the period	-	-	-	(59,667)	1,144	-	1,904	(12,780)	(69,399)	(150)	(69,549)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(4)	(4)
Share of reserves of associates	-	-	-	-	-	-	17,005	-	17,005	-	17,005
Balance as at 31 December 2022	1,963,457	(50)	80,000	(65,412)	1,797	38,726	18,638	(1,275,686)	761,470	7,052	768,522
Balance as 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 period	-	-	-	-	-	-	-	(55,575)	(55,575)	(2,981)	(58,556)
Share of other comprehensive income/(loss) of associates	-	-	-	6,944	7,609	38,726	(1,763)	-	51,516	-	51,516
Other comprehensive (loss)/income	-	-	-	(82)	-	-	513	-	431	18	449
Total comprehensive income/(loss) for the period	-	-	-	6,862	7,609	38,726	(1,250)	(55,575)	(3,628)	(2,963)	(6,591)
Issuance of shares	4,980	-	-	-	-	-	-	-	4,980	-	4,980
Share issuance expenses	(69)	-	-	-	-	-	-	-	(69)	-	(69)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	1,613	1,613
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	(4,998)	(4,998)
Share of reserves of associates	-	-	-	-	-	-	491	-	491	-	491
Balance as 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

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(c) Condensed interim consolidated statement of changes in equity (The Company)

	Share Capital \$'000	Treasury Shares \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 January 2022	1,963,457	(50)	80,000	(1,307,419)	735,988
Total comprehensive loss for the period	-	-	-	(117,679)	(117,679)
Balance as at 31 December 2022	1,963,457	(50)	80,000	(1,425,098)	618,309
Balance as at 1 January 2021	1,958,546	(50)	80,000	(1,262,795)	775,701
Total comprehensive loss for the period	-	-	-	(44,624)	(44,624)
Issuance of shares	4,980	-	-	-	4,980
Share issuance expenses	(69)	-	-	-	(69)
Balance as at 31 December 2021	1,963,457	(50)	80,000	(1,307,419)	735,988

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(d) Condensed interim consolidated statement of cash flows

	The Group	
	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
	Note	
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	2,456	(44,813)
Adjustments for:		
Amortisation of intangible assets	67	67
Depreciation of property, plant and equipment, investment properties and right-of-use assets	29,959	32,722
Impairment loss on goodwill	-	1,814
Gain on disposal of property, plant and equipment	(10)	(18)
Net reversal or impairment of trade and other receivables	280	(260)
Allowance for inventories obsolescence	-	1,254
Provision for employees' benefits	1,136	2,150
Write off unamortised transaction costs in relation to previous bank borrowing	-	2,758
Interest expense	27,311	19,772
Interest income	(2,754)	(2,815)
Share of associate companies' results	(19,993)	16,747
Operating profit before working capital changes	38,452	29,378
Increase in land inventories	(2,026)	(995)
Decrease/(increase) in other inventories	675	(214)
(Increase)/decrease in operating receivables	(5,034)	30,101
Increase/(decrease) in operating payables and contract liabilities	45,010	(19,081)
Cash generated from operating activities	77,077	39,189
Income tax paid	(16,678)	(16,504)
Interest paid	(24,498)	(17,574)
Interest received	2,304	2,001
Employee benefit paid	(2,063)	(2,103)
Net cash generated from operating activities	36,142	5,009
Cash Flows from Investing Activities		
Acquisition of intangible assets	(3)	(57)
Acquisition of property, plant and equipment (incl. right-of-use assets)	(24,745)	(15,465)
Acquisition of investment properties	(5,074)	(3,965)
Dividend from associates	1,013	1,010
Proceeds from disposal of property, plant and equipment	132	50
Addition in investments	(26)	-
Acquisition of subsidiary, net of cash acquired	-	1
Net cash used in investing activities	(28,703)	(18,426)
Cash Flows from Financing Activities		
Payment of principal portion of lease liabilities	(4,622)	(1,459)
Proceeds from borrowings	14,800	396,097
Repayment of borrowings	(23,597)	(353,976)
Dividends paid to non-controlling interests	(4)	-
Net cash (used in)/generated from financing activities	(13,423)	40,662
(Decrease)/increase in cash and cash equivalents	(5,984)	27,245
Cash and cash equivalents at beginning of year	134,080	106,807
Effect of currency translation on cash and cash equivalents	(310)	28
Cash and cash equivalents at end of year	127,786	134,080

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(e) Notes to the condensed interim consolidated financial statements

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”).

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022, comprise the Company and its subsidiaries (“the Group”). The principal activity of the Company is investment holding. The principal activities of the Group are:

- (a) utilities provider;
- (b) master planner and developer of industrial parks;
- (c) property developer; and
- (d) master planner and developer of resorts.

2(a) Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2(b). The condensed interim 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) New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2(c) Use of judgments and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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(e) Notes to the condensed interim consolidated financial statements

2(c) Use of judgments and estimates (Cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Going Concern

As at 31 December 2022, the Company's current liabilities exceeded its current assets by S\$526,943,000 (31 December 2021 – S\$499,732,000). The Company's net current liability position is mainly due to the Company's loan from subsidiaries of S\$416,830,000 (31 December 2021 – S\$404,573,000) and amount owing to its subsidiaries of S\$88,818,000 (31 December 2021 – S\$80,636,000). Excluding the loans and amount owing to its subsidiaries, the Company's net current liabilities was S\$21,295,000 as at 31 December 2022 (31 December 2021 – S\$14,523,000). 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.

As at 31 December 2022, the Group has cash and cash equivalents of S\$127,786,000 (31 December 2021 – S\$134,080,000) and net current assets of S\$594,788,000 (31 December 2021 – S\$627,284,000) which is able to support its working capital requirements. The Group has outstanding borrowings of S\$45,798,000 as at 31 December 2022 (31 December 2021 – S\$23,007,000) which is due within 12 months after the end of reporting period.

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

- the Group has unutilised credit facilities of up to approximately S\$5.2 million;
- the Group is able to continue to raise funds through bank borrowings and capital market; and
- the Group is able to collect its total trade receivables as they fall due to repay its current liabilities.

(ii) Classification of properties as investment properties (Note 11)

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 supply of building management services and/or for administration purposes.

(iii) Investment in Associates (Note 13)

Judgement is required when the Group assessed whether it has control or 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 associate companies.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

(i) Impairment assessment of goodwill (Note 9)

Goodwill is tested for impairment annually and whenever there are indications that the goodwill may be impaired. The assessment of impairment of goodwill is determine based on the recoverable amount of the Group's smallest cash-generating units ("CGU"), either at the business segment or entity level. The recoverable amount of the CGU is determined based on value-in-use calculation.

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(e) Notes to the condensed interim consolidated financial statements

2(c) Use of judgments and estimates (Cont'd)

(ii) 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.

(iii) Impairment assessment of investment in subsidiaries and associates (Notes 12 and 13)

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 and there is no impairment loss required.

The carrying amount of the Company's investment in subsidiaries and investment in associates as at 31 December 2022 are S\$1,131,649,000 (31 December 2021 – S\$1,123,985,000) and S\$262,136,000 (31 December 2021 – S\$381,948,000) respectively.

(iv) Impairment assessment of property, plant and equipment (Note 10)

Determining whether property, plant and equipment 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 as of 31 December 2022.

The carrying amount of the Group's property, plant and equipment as at 31 December 2022 is S\$131,852,000 (31 December 2021 – S\$134,843,000).

3 Seasonal fluctuations

Save for the resort operations segment, the Group's businesses are generally not affected significantly by seasonal or cyclical factors during the financial period. Historically, the peak demand for the Group's ferry services and resort related services is in first quarter, June and December of each year that coincides with Singapore school holidays.

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

(a) Segment information

The Group is organised into the following reportable operating segments as follows:

(i) 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.

(ii) 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.

(iii) 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.

(iv) Property development segment

Property development segment is engaged in the activities of developing industrial and resort properties in Batam Island and Bintan Island.

These operating segments are reported in a manner consistent with internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments

(b) Geographical segments

The Group operates mainly in Indonesia. Accordingly, analysis by geographical segments is not presented.

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments

The Group	Industrial parks \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
From 1 July 2022 to 31 December 2022							
Operating revenue							
External sales	22,216	55,676	13,111	69	-	-	91,072
Inter segment sales	-	77	17	65	-	(159)	-
Total revenue	<u>22,216</u>	<u>55,753</u>	<u>13,128</u>	<u>134</u>	<u>-</u>	<u>(159)</u>	<u>91,072</u>
Segment results							
Profit/(loss) from operations	<u>5,668</u>	<u>8,895</u>	<u>1,954</u>	<u>(3,106)</u>	<u>3,855</u>	<u>-</u>	<u>17,266</u>
Share of associates' results							12,036
Finance costs							(16,589)
Profit before taxation							12,713
Taxation							(8,273)
Profit after taxation							<u>4,440</u>
31 December 2022							
Assets and liabilities							
Segment assets	<u>91,996</u>	<u>104,371</u>	<u>25,192</u>	<u>664,708</u>	<u>5,156</u>	<u>-</u>	<u>891,423</u>
Associates							368,188
Unallocated corporate assets							129,177
Total assets							<u>1,388,788</u>
Segment liabilities	<u>40,275</u>	<u>85,980</u>	<u>9,270</u>	<u>19,086</u>	<u>87,683</u>	<u>-</u>	<u>242,294</u>
Unallocated corporate liabilities							377,972
Total liabilities							<u>620,266</u>

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments (Cont'd)

The Group	Industrial parks \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
From 1 July 2021 to 31 December 2021							
Operating revenue							
External sales	18,771	53,212	565	(2)	-	-	72,546
Inter segment sales	-	86	4	66	-	(156)	-
Total revenue	18,771	53,298	569	64	-	(156)	72,546
Segment results							
Profit/(loss) from operations	1,697	17,525	(7,350)	(8,638)	(7,846)	-	(4,612)
Share of associates' results							(9,106)
Finance costs							(11,230)
Loss before taxation							(24,948)
Taxation							(6,939)
Loss after taxation							(31,887)
31 December 2021							
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

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments (Cont'd)

The Group	Industrial Parks \$'000	Utilities \$'000	Resort Operations \$'000	Property Development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
From 1 January 2022 to 31 December 2022							
Operating revenue							
External sales	41,699	108,793	16,270	74	-	-	166,836
Inter segment sales	-	77	21	131	-	(229)	-
Total revenue	<u>41,699</u>	<u>108,870</u>	<u>16,291</u>	<u>205</u>	<u>-</u>	<u>(229)</u>	<u>166,836</u>
Segment results							
Profit/(loss) from operations	<u>11,123</u>	<u>24,222</u>	<u>(4,880)</u>	<u>(9,811)</u>	<u>(10,880)</u>	<u>-</u>	<u>9,774</u>
Share of associates' results							19,993
Finance costs							(27,311)
Profit before taxation							2,456
Taxation							(15,383)
Loss after taxation							<u>(12,927)</u>
31 December 2022							
Assets and liabilities							
Segment assets	<u>91,996</u>	<u>104,371</u>	<u>25,192</u>	<u>664,708</u>	<u>5,156</u>	<u>-</u>	<u>891,423</u>
Associates							368,188
Unallocated corporate assets							129,177
Total assets							<u>1,388,788</u>
Segment liabilities	<u>40,275</u>	<u>85,980</u>	<u>9,270</u>	<u>19,086</u>	<u>87,683</u>	<u>-</u>	<u>242,294</u>
Unallocated corporate liabilities							377,972
Total liabilities							<u>620,266</u>

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments (Cont'd)

The Group	Industrial Parks \$'000	Utilities \$'000	Resort Operations \$'000	Property Development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
From 1 January 2021 to 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	<u>38,119</u>	<u>104,214</u>	<u>1,065</u>	<u>1,933</u>	<u>-</u>	<u>(226)</u>	<u>145,105</u>
Segment results							
Profit/(loss) from operations	<u>6,913</u>	<u>32,102</u>	<u>(16,611)</u>	<u>(12,929)</u>	<u>(17,769)</u>	<u>-</u>	<u>(8,294)</u>
Share of associates' results							(16,747)
Finance costs							(19,772)
Loss before taxation							(44,813)
Taxation							(13,743)
Loss after taxation							<u>(58,556)</u>
31 December 2021							
Assets and liabilities							
Segment assets	<u>92,178</u>	<u>107,068</u>	<u>14,557</u>	<u>666,399</u>	<u>4,533</u>	<u>-</u>	<u>884,735</u>
Associates							389,347
Unallocated corporate assets							135,706
Total assets							<u>1,409,788</u>
Segment liabilities	<u>28,890</u>	<u>55,443</u>	<u>8,089</u>	<u>22,104</u>	<u>86,424</u>	<u>-</u>	<u>200,950</u>
Unallocated corporate liabilities							387,768
Total liabilities							<u>588,718</u>

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(d) Disaggregated revenue information

Segments	6 months ended 31 December 2022				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	2,803	-	280	-	3,083
Electricity and water supply	-	53,127	-	-	53,127
Sale of residential units/land	303	-	-	-	303
Golf revenue	1,169	-	-	-	1,169
Ferry services	-	-	11,535	-	11,535
Telecommunication	-	2,549	-	-	2,549
Others	366	-	1,057	-	1,423
Revenue from contracts with customers					
	4,641	55,676	12,872	-	73,189
Rental income	17,575	-	239	69	17,883
Total revenue	22,216	55,676	13,111	69	91,072
Timing of revenue recognition					
At a point in time	4,641	53,127	12,677	-	70,445
Over time	-	2,549	195	-	2,744
Revenue from contracts with customers					
	4,641	55,676	12,872	-	73,189

Segments	6 months ended 31 December 2021				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	2,574	-	129	-	2,703
Electricity and water supply	-	51,166	-	-	51,166
Sale of residential units/land	57	-	-	(7)	50
Golf revenue	929	-	-	-	929
Ferry services	-	-	58	-	58
Telecommunication	-	2,046	-	-	2,046
Others	1,255	-	201	-	1,456
Revenue from contracts with customers					
	4,815	53,212	388	(7)	58,408
Rental income	13,956	-	177	5	14,138
Total revenue	18,771	53,212	565	(2)	72,546
Timing of revenue recognition					
At a point in time	4,815	51,166	237	(7)	56,211
Over time	-	2,046	151	-	2,197
Revenue from contracts with customers					
	4,815	53,212	388	(7)	58,408

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(d) Disaggregated revenue information (Cont'd)

Segments	12 months ended 31 December 2022				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	5,529	-	464	-	5,993
Electricity and water supply	-	103,956	-	-	103,956
Sale of residential units/land	303	-	-	-	303
Golf revenue	1,912	-	-	-	1,912
Ferry services	-	-	13,882	-	13,882
Telecommunication	-	4,837	-	-	4,837
Others	911	-	1,477	-	2,388
Revenue from contracts with customers					
	8,655	108,793	15,823	-	133,271
Rental income	33,044	-	447	74	33,565
Total revenue	41,699	108,793	16,270	74	166,836
Timing of revenue recognition					
At a point in time	8,655	103,956	15,334	-	127,945
Over time	-	4,837	489	-	5,326
Revenue from contracts with customers					
	8,655	108,793	15,823	-	133,271
12 months 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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(e) The breakdown of sales

	The Group		
	Financial year ending		Increase/ (Decrease)
	31 December		
	2022	2021	%
	\$'000	\$'000	
Revenue reported for the first half year	75,764	72,559	4
Loss after tax before non-controlling interests reported for the first half year	(17,367)	(26,669)	(35)
Revenue reported for second half year	91,072	72,546	26
Profit/(Loss) after tax before non-controlling interests reported for the second half year	4,440	(31,887)	n.m

5 Profit/(Loss) after taxation

5(a) Significant items

The profit/(loss) after taxation has been arrived after charging/(crediting) the following significant items:

	Note	The Group			
		6 months	6 months	12 months	12 months
		ended 31	ended 31	ended 31	ended 31
		December	December	December	December
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Amortisation of intangible assets	9	33	39	67	67
Impairment on goodwill	9(a)	-	1,814	-	1,814
Depreciation of property, plant and equipment and right-of-use asset		10,804	11,836	18,463	21,217
Depreciation of investment properties	11	5,745	5,780	11,496	11,505
Allowance for inventories obsolescence		-	1,254	-	1,254
Gain on disposal of property, plant and equipment		(4)	(18)	(10)	(18)
Allowance/(written back) of impairment loss for trade and other receivables		204	(325)	280	(260)
Write off unamortised transaction costs in relation to the previous bank borrowings		-	-	-	2,758
Provision for employee benefits		608	1,563	1,136	2,150
Exchange (gain)/loss		(4,459)	573	4,566	3,046
Interest income		(1,347)	(1,414)	(2,754)	(2,815)
Interest expense		16,589	11,230	27,311	19,772

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

5 Profit/(Loss) after taxation (Cont'd)

5(b) Taxation

The Group calculates the period income tax expense using the tax rate that would apply to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Current income tax expense	8,441	6,604	15,403	13,339
Deferred income tax expense relating to origination and reversal of temporary differences	(168)	335	(20)	404
	8,273	6,939	15,383	13,743

6 Earnings/(Loss) per share

The basic earnings/(loss) per share is calculated based on the consolidated losses attributable to owners of the Company divided by the weighted average number of shares in issue of 5,463,155,283 (31 December 2021 - 5,444,001,822) shares during the financial period.

Fully diluted earnings per share was calculated on the consolidated losses attributable to owners of the Company divided by 5,463,155,283 (31 December 2021 - 5,444,001,822) ordinary shares.

The calculation of basic and diluted earnings/(loss) per share is based on:

(i) Earnings/(Loss) used in calculating loss per share

	The Group			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Profit/(Loss) attributable to equity holders of the Company	4,030	(30,324)	(12,780)	(55,575)

(ii) Weighted average number of ordinary shares used in calculating loss per share

	The Group			
	6 months ended 31 December 2022 '000	6 months ended 31 December 2021 '000	12 months ended 31 December 2022 '000	12 months ended 31 December 2021 '000
Weighted average number of ordinary shares for basic and diluted loss per share	5,463,155	5,444,002	5,463,155	5,444,002

As at 31 December 2022 and 31 December 2021, 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.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

7 Net asset value

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net asset value per ordinary share	13.94 cents	14.90 cents	11.32 cents	13.47 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital (excluding treasury shares) of 5,463,155,283 ordinary shares as at 31 December 2022 and 31 December 2021 respectively.

8 Dividends

The Board of Directors ("Board") does not recommend any dividends for FY2022 as the Company is committing its cash resources to further develop and expand its Industrial Parks businesses.

9 Intangible assets

	The Group			The Company	
	Goodwill \$'000	Computer software \$'000	Total \$'000	Computer software \$'000	Total \$'000
At 30 June 2022					
Cost	1,814	2,088	3,902	676	676
Accumulated amortisation and impairment	(1,814)	(1,935)	(3,749)	(676)	(676)
Net book value	-	153	153	-	-
6 months ended 31 December 2022					
Opening net book value	-	153	153	-	-
Additions	-	3	3	-	-
Amortisation charge	-	(33)	(33)	-	-
Closing net book value	-	123	123	-	-
At 31 December 2022					
Cost	1,814	2,053	3,867	676	676
Accumulated amortisation	(1,814)	(1,930)	(3,744)	(676)	(676)
Net book value	-	123	123	-	-

9(a) Goodwill impairment

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 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.

In 2021, the Company recognised an impairment loss of S\$1,814,000 for the goodwill arising from the acquisition of SBRH (Note 12(a)) in view of its continuing losses. The recoverable amount was determined based on the higher of fair value less costs of disposal.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

10 Property, plant and equipment

The Group	Leasehold land and improve- ments \$'000	Land improve- ments and landfill \$'000	Building and infrastru- -ctures \$'000	Golf course \$'000	Utilities plant and machinery \$'000	Machinery and equipment \$'000	Vessels and ferry equipment \$'000	Working wharf and reservoir \$'000	Transport -ation equipment and vehicles \$'000	Furniture, fixtures and equipment \$'000	Construc- -tion in progress \$'000	Total \$'000
At 30 June 2022												
Cost	96,330	9,420	226,015	25,307	288,057	95,312	57,029	11,698	5,496	24,991	7,522	847,177
Accumulated depreciation	(30,929)	(9,291)	(216,816)	(15,469)	(273,819)	(83,452)	(45,559)	(10,770)	(5,299)	(21,700)	-	(713,104)
Net book value	65,401	129	9,199	9,838	14,238	11,860	11,470	928	197	3,291	7,522	134,073
6 months ended 31 December 2022												
Opening net book value	65,401	129	9,199	9,838	14,238	11,860	11,470	928	197	3,291	7,522	134,073
Additions	-	-	2,543	-	323	110	409	-	38	720	87	4,230
Disposal	-	-	-	-	(3)	(261)	-	-	-	-	(42)	(306)
Exchange differences	-	-	(69)	-	81	782	-	-	(6)	(3)	25	810
Depreciation for the period	(983)	(11)	(1,211)	(272)	(1,447)	(1,116)	(1,228)	(196)	(115)	(376)	-	(6,955)
Closing net book value	64,418	118	10,462	9,566	13,192	11,375	10,651	732	114	3,632	7,592	131,852
At 31 December 2022												
Cost	96,330	9,420	228,416	25,307	288,137	94,976	56,509	11,698	5,358	25,058	7,592	848,801
Accumulated depreciation	(31,912)	(9,302)	(217,954)	(15,741)	(274,945)	(83,601)	(45,858)	(10,966)	(5,244)	(21,426)	-	(716,949)
Net book value	64,418	118	10,462	9,566	13,192	11,375	10,651	732	114	3,632	7,592	131,852

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

10 Property, plant and equipment (Cont'd)

The Company	Leasehold land and improve- ments \$'000	Land improve- ments and landfill \$'000	Building and infrastru- -ctures \$'000	Golf course \$'000	Utilities plant and machinery \$'000	Machinery and equipment \$'000	Vessels and ferry equipment \$'000	Working wharf and reservoir \$'000	Transport -ation equipment and vehicles \$'000	Furniture, fixtures and equipment \$'000	Construc- -tion in progress \$'000	Total \$'000
At 30 June 2022												
Cost	242	-	-	-	-	281	-	-	-	126	-	649
Accumulated depreciation	(242)	-	-	-	-	(272)	-	-	-	(126)	-	(640)
Net book value	-	-	-	-	-	9	-	-	-	-	-	9
6 months ended 31 December 2022												
Opening net book value	-	-	-	-	-	9	-	-	-	-	-	9
Additions	-	-	-	-	-	4	-	-	-	-	-	4
Depreciation for the period	-	-	-	-	-	(5)	-	-	-	-	-	(5)
Closing net book value	-	-	-	-	-	8	-	-	-	-	-	8
At 31 December 2022												
Cost	242	-	-	-	-	283	-	-	-	126	-	651
Accumulated depreciation	(242)	-	-	-	-	(275)	-	-	-	(126)	-	(643)
Net book value	-	-	-	-	-	8	-	-	-	-	-	8

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(e) Notes to the condensed interim consolidated financial statements

11 Investment properties

The Group's investment properties consist of factories, dormitories, commercial complex and housing in Batamindo Industrial Park and Batamindo Executive Village in Batam Island and Bintan Inti Industrial Estate and villas in Bintan Island. Investment properties of the Group are held mainly for use by tenants under operating leases.

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 Group	\$'000
At 30 June 2022	
Cost	603,318
Accumulated depreciation	(513,811)
Net book value	89,507
6 months ended 31 December 2022	
Opening net book value	89,507
Additions	4,864
Translation differences	(106)
Depreciation for the period	(5,745)
Closing net book value	88,520
At 31 December 2022	
Cost	570,334
Accumulated depreciation	(481,814)
Net book value	88,520

12 Subsidiaries

	The Company	
	31 December 2022 \$'000	31 December 2021 \$'000
<u>Unquoted equity shares, at cost</u>		
Balance on beginning of period/year	1,228,343	1,208,350
Addition ⁽¹⁾	2,644	5,020
Balance at end of year	1,230,987	1,213,370
Amount due from subsidiary being net extension of investment	-	14,973
	1,230,987	1,228,343
<u>Less: Accumulated impairment</u>		
Balance on beginning of period/year	(104,358)	(86,265)
Impairment loss ⁽²⁾	-	(18,093)
Reversal of impairment loss ⁽³⁾	5,020	-
Balance at end of period/year	(99,338)	(104,358)
Net investment	1,131,649	1,123,985

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(e) Notes to the condensed interim consolidated financial statements

12 Subsidiaries (Cont'd)

- (1) In 2022, the Company has undertaken an internal restructuring by acquiring 9,800 shares, representing 98% in the share capital of PT Batamindo Solar Perkasa and PT Batamindo Green Perkasa from its subsidiary, PT Batamindo Investment Cakrawala. The restructuring is to streamline the Group's corporate structure for improved business planning.

In 2021, the Company has acquired Singapore-Bintan Resort Holdings Pte Ltd. Please refer to Note 12(a) for details of acquisition. In addition, 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).

- (2) In 2021, the Company recognised an impairment loss of S\$1,570,000 for its direct shareholding in PT Bintan Resort Cakrawala and S\$16,523,000 for its total net investment (including amount due from) in Singapore-Bintan Resort Holdings Pte Ltd as the recoverable amounts were lower than the cost of investment.
- (3) During the year, the Company recognised a reversal of impairment loss of S\$1,819,329 for its direct shareholding in PT Bintan Resort Cakrawala and S\$3,201,410 in Singapore-Bintan Resort Holdings Pte Ltd as the favourable changes in indicators led to higher recoverable amounts.

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.

During the period, the Group carried out a review of the recoverable amounts of its investment in 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. The estimated of value-in-use was determined using gross margin of 27.24% to 44.59% (31 December 2021 - 15.07% to 27.87%), growth rate of 3.05% to 3.54% (31 December 2021 - 3.00% to 3.50%) and discount rate of 11.94% to 14.70% (31 December 2021 - 9.00% to 11.72%). Fair value less costs of disposal is determined based on revalued net assets value.

12(a) Acquisition of subsidiary

For the year ended 31 December 2021

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 for 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.

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(e) Notes to the condensed interim consolidated financial statements

12 Subsidiaries (Cont'd)

12(a) Acquisition of subsidiary (Cont'd)

For the year ended 31 December 2021 (Cont'd)

Details of the consideration, assets acquired, liabilities assumed and goodwill arising, and the effects on the cash flows of the group on 6 July 2021 were as follows:

	SBRH \$'000
<u>Consideration transferred for the acquisition</u>	
Equity instruments issued (38,306,922 ordinary shares of the Company)	4,980
Total purchase consideration	<u>4,980</u>
<u>Identifiable assets acquired and liabilities assumed at fair value</u>	
Cash and cash equivalents	1
Investment in equity	4,999
Trade and other payables	<u>(221)</u>
Identifiable net assets acquired	4,779
Less: Non-controlling interests	<u>(1,613)</u>
	<u>3,166</u>
<u>Goodwill arising on acquisition</u>	
Consideration transferred	4,980
Less: Fair value of identifiable net assets acquired, net of non-controlling interests	<u>(3,166)</u>
Goodwill arising on acquisition (Note 9)	<u>1,814</u>
<u>Effects on cash flows of the Group</u>	
Cash consideration paid	-
Less: Cash and cash equivalents of subsidiary acquired	<u>1</u>
Net cash inflows on acquisition	<u>1</u>

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(e) Notes to the condensed interim consolidated financial statements

13 Associates

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<u>Carrying amount</u>				
Beginning of the period/year	389,347	355,097	381,948	381,948
Addition ⁽¹⁾	26	-	26	-
Impairment loss ⁽²⁾	-	-	(119,838)	-
	389,373	355,097	262,136	381,948
Group' share of:				
- Profit/(Loss)	19,993	(16,747)	-	-
- OCI	(57,170)	51,516	-	-
- Total comprehensive (loss)/income	(37,177)	34,769	-	-
Dividend received during the period/year	(1,013)	(1,010)	-	-
Group's share other reserves	17,005	491	-	-
End of the period/year	368,188	389,347	262,136	381,948

(1) In 2022, the Company has subscribed 26,000 new shares, representing 26% of the share capital of Pacific Medco Solar Energy Pte. Ltd. for S\$26,000.

(2) In 2022, the Company recognised an impairment loss of S\$119,838,060 in PT IMAS.

14 Trade and other receivables

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Trade receivables	32,353	30,495	-	-
Other receivables:				
- Refundable deposits	1,153	324	1,001	269
- Amount owing by subsidiaries	-	-	72,418	73,904
- Amount owing by related parties	1,356	1,582	-	-
- Lease receivables	327	406	710	882
- Others	9,027	9,282	2,386	2,129
	11,863	11,594	76,515	77,184
Prepayments	1,867	1,916	268	246
Total	46,083	44,005	76,783	77,430
Non-current	244	93	530	172
Current	45,839	43,912	76,253	77,258
	46,083	44,005	76,783	77,430

(i) The amounts are mainly contract assets and advance expenses for the airport project and Bintan Resort's development.

(ii) The prepayments relate to advance payment mainly for renewal of land rights, capital expenditure and operating expense.

(iii) Non-current trade and other receivables relate to the non-current portion of the lease receivables on the sublease of the Company's office premise to a third party.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

15 Other non-current assets

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Other receivables	7	56	-	-
Prepayment ⁽¹⁾	4,945	1,740	-	-
Deposits	438	606	148	181
	5,390	2,402	148	181

(1) The prepayment relates to prepaid corporate tax.

16 Share capital

The Company and The Group	No. of ordinary share		Amount	
	31 December 2022	31 December 2021	31 December 2022 \$'000	31 December 2021 \$'000
Issued and fully paid:				
Beginning of the period/year	5,463,605,283	5,425,298,361	1,963,457	1,958,546
Issuance of new shares	-	38,306,922	-	4,911
End of the period/year	5,463,605,283	5,463,605,283	1,963,457	1,963,457

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.

17 Treasury share

The Company and The Group	No. of ordinary share		Amount	
	31 December 2022	31 December 2021	31 December 2022 \$'000	31 December 2021 \$'000
Beginning and end of the period/year	450,000	450,000	(50)	(50)

18 Borrowings

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
(i) Amount payable in one year or less, or on demand				
- Loans from subsidiaries	-	-	416,830	404,573
- Bank loans	45,798	23,007	20,044	15,093
	45,798	23,007	436,874	419,666
(ii) Amount repayable after one year				
- Bank loans	329,980	362,385	248,718	269,827
Total borrowings	375,778	385,392	685,592	689,493
Represented by:				
- Secured	375,778	385,392	268,762	284,920
- Unsecured	-	-	416,830	404,573
	375,778	385,392	685,592	689,493

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

18 Borrowings (Cont'd)

- (i) On 24 June 2021, the Company and its subsidiary, PT Batamindo Investment Cakrawala ("PT BIC"), 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% 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"), fund 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.
- (ii) Key terms of the New Facilities are as follows:

The New Facilities are secured by the Company's and its subsidiaries' assets as follows:

- (a) 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 Megawisata ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP");
- (b) Charge on bank accounts of PT BIC, PT BIIE, PT BRC, PT BMW, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;
- (c) Fiducia Security over insurance claim proceeds, receivables and movable assets of PT BIC and PT BIIE; and
- (d) Pledge of PT Indomobil Sukses Internasional Tbk ("PT IMAS") shares.

Certain covenants as stated below, among others, need to be maintained at the end of the relevant testing period are:

- (a) Net Debt to Adjusted EBITDA shall not exceed between 4.50 to 9.00;
- (b) Debt Service Cover shall not be less than 1.25;
- (c) Minimum Net Worth shall not at any time be less than S\$650 million; and
- (d) Cash balance shall not at any time be less than S\$50 million.

19 Trade and other payables

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Trade payables	12,178	6,217	-	-
Other payables:				
- Accruals	8,970	10,797	973	882
- Other payables	94,012	96,125	74,311	74,214
- Interest payable on bank loan	1,783	904	1,600	799
- Amount owing to related parties	5,613	5,644	-	-
- Amount owing to subsidiaries	-	-	88,818	80,636
	110,378	113,470	165,702	156,531
Total	122,556	119,687	165,702	156,531

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

20 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements

21 Financial assets and financial liabilities

The fair values of financial assets are as follows:

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Financial assets at amortised cost				
Trade and other receivables	44,216	42,089	76,515	77,184
Cash and cash equivalents	127,786	134,080	932	796
Other non-current assets	445	662	148	181
	172,447	176,831	77,595	78,161

The fair values of financial liabilities are as follows:

	The Group		The Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Financial liabilities at amortised cost				
Trade and other payables	122,556	119,687	165,702	156,531
Borrowings	375,778	385,392	685,592	689,493
Other non-current liabilities	30,815	28,089	54	88
Lease liabilities	14,410	3,997	1,915	2,378
	543,559	537,165	853,263	848,490

22 Fair value measurement

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; and
- Level 3: unobservable inputs for the asset or liability.

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 2022 and 31 December 2021.

23 Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION

(f) Review of financial statements

The condensed consolidated statements of financial position of the Company and its subsidiaries as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month year ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the financial year ended 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(g) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit or Loss

2H 2022 vs. 2H 2021

The Group revenue was S\$91.1 million, 25.5% higher than 2H 2021's S\$72.5 million and was mainly due to higher revenue from industrial rental and related income and utilities driven by the improved occupancy from the industrial parks segment coupled with improvement in the resort segment as a result of the relaxed travel restrictions with quarantine-free entry into Bintan, Indonesia.

The Group's cost of sales decreased from S\$58.6 million in 2H 2021 to 2H 2022's S\$57.4 million, mainly due to lower depreciation. The Group's cost of sales to revenue ratio was 0.63 in 2H 2022 as compared to 0.81 in 2H 2021. In line with higher revenue, the Group's gross profit increased from S\$14.0 million in 2H 2021 to S\$33.7 million in 2H 2022.

The Group's "other income" was S\$5.3 million income as compared to S\$2.2 million in 2H 2021 and was mainly due to unrealised foreign exchange gain of S\$4.5 million in 2H 2022. The foreign exchange gain was mainly due to the translation of the Group's US Dollar-denominated loan, where the Singapore Dollar appreciated against the US Dollar in 2H 2022.

The Group's "general and administrative expenses" was S\$9.9 million, higher than 2H 2021's S\$7.9 million, mainly due to higher manpower-related costs and professional fees.

The Group's "other operating expenses" was lower at S\$11.8 million compared to 2H 2021's S\$12.8 million and was mainly due to the impairment charge of S\$1.8 million on goodwill in relation to the acquisition of SBRH in 2H 2021.

The Group recorded a share of profit from its associate companies of S\$12.0 as compared to 2H 2021's loss of S\$9.1 million, mainly due to the following:

- PT IMAS contributed profit of S\$11.9 million to the Group in 2H 2022 as compared to S\$15.2 million loss in 2H 2021 as:
 - (i) PT IMAS's revenue increased by S\$356.9 million from S\$910.2 million in 2H 2021 to 2H 2022's S\$1,267.1 million, mainly due to higher demand for its financial services, higher trucks and heavy-duty equipment sales, after-sales services, vehicle rental-related income and higher contributions from its mini petrol kiosk business. In line with higher revenue, PT IMAS's gross profit has increased by S\$78.5 million in 2H 2022, and
 - (ii) PT IMAS's share of profit from its associate companies increased from 2H 2021's S\$0.7 million to 2H 2022's S\$14.4 million.

Group's "finance costs" was S\$16.6 million, higher than 2H 2021's S\$11.2 million, mainly due to the rising interest rate of external bank borrowings.

The Group recorded a net profit attributable to the equity holders of the Company of S\$4.0 million compared to S\$30.3 million loss in 2H 2021.

12 Months 2022 (FY2022) vs. 12 Months 2021 (FY2021)

The Group revenue was S\$166.8 million, 15.0% higher than FY2021's S\$145.1 million, and was mainly due to higher revenue from industrial rental and related income and utilities driven by the improved occupancy from the industrial parks segment coupled with improvement in the resort segment as a result of the relaxed travel restrictions with quarantine-free entry into Bintan, Indonesia, but was offset by lower contribution from housing project and absence of land sales in the current year.

The Group's cost of sales decreased from S\$112.1 million in FY2021 to FY2022's S\$111.6 million mainly due to lower depreciation. The Group's cost of sales to revenue ratio was 0.67 in FY2022 as compared to 0.77 in FY2021. In line with the higher revenue, the Group's gross profit increased from S\$33.0 million in FY2021 to S\$55.2 million in FY2022.

The Group's "other expenses" was S\$1.2 million and were marginally lower than FY2021's S\$1.4 million.

The Group's "general and administrative expenses" was S\$20.0 million, higher than FY2021's S\$15.6 million, and was mainly due to:

- Higher manpower-related costs. The increase in manpower-related costs was mainly due to lower expenses in the previous year due to COVID-19 related cost-saving measures such as no-pay leave, temporary salary reductions, and suspension of annual bonuses. With the gradual reopening of regional economies, the Group reinstated salary and bonus payments in FY2022, and
- Higher professional fees and travelling expenses.

The Group's "other operating expenses" was marginally lower at S\$24.2 million as compared to FY2021's S\$24.3 million.

The Group recorded share of profit from its associate companies of S\$20.0 as compared to FY2021's loss of S\$16.7 million, mainly due to the following:

- PT IMAS contributed profit of S\$18.5 million to the Group in FY2022 as compared to S\$17.6 million loss in FY2021 as:
 - (i) PT IMAS's revenue increased by S\$586.9 million from S\$1,795.2 million in FY2021 to FY2022's S\$2,382.1 million, mainly due to higher demand for its financial services, higher trucks and heavy-duty equipment sales, after-sales services, vehicle rental-related income and higher contributions from its mini petrol kiosk business. In line with higher revenue, PT IMAS's gross profit has increased by S\$144.5 million in FY2022, and
 - (ii) PT IMAS's share of profit from its associate companies increased from FY2021's S\$2.4 million to FY2022's S\$24.4 million.
- The Group's share of BOMC Pte. Ltd.'s profit was higher at S\$1.3 million in FY2022 compared to FY2021's S\$0.5 million, mainly due to the accelerated completion of turnkey projects.

The Group's "finance costs" was S\$27.3 million, higher than FY2021's S\$19.8 million, and was mainly due to the rising interest rate of external bank borrowings.

The Group's net loss attributable to the equity holders of the Company for FY2022 was lower at S\$12.8 million as compared to FY2021's S\$55.6 million.

Financial position

As at 31 December 2022, the Group's total assets were S\$1,388.8 million as compared to the previous year-end of S\$1,409.8 million.

The Group's property, plant and equipment, and investment properties decreased by S\$3.0 million mainly due to depreciation.

The Group's associates decreased by S\$21.1 million mainly due to foreign currency translation losses related to the translation of IMAS's results and net assets from the Indonesia Rupiah to the Singapore dollar, where the Singapore Dollar strengthened as of 31 December 2022.

In line with higher revenue, the Group's trade receivables increased by S\$1.9 million. Other receivables increased by S\$0.2 million mainly due to the advances paid to contractors for the construction of new industrial factories, development of the airport project, construction of resort-related facilities, and Solar PV project.

The Group's other non-current assets increased by S\$3.0 million mainly due to the recognition of prepaid taxes.

As of 31 December 2022, the Group's total liabilities were S\$620.3 million compared to the previous year-end of S\$588.7 million.

The Group's borrowings decreased by S\$9.6 million, mainly due to the repayment of the bank borrowings. The Group's total debts, including lease liabilities, as at 31 December 2022 were S\$390.2 million as compared to S\$389.4 million as at 31 December 2021.

The Group's trade and other payables increased by S\$2.9 million, mainly due to expenses incurred from third parties for the expansion and construction of new factories in the Group's industrial parks and joint development of hotels/resorts in Bintan Resorts.

The Group's lease liabilities increased by S\$10.4 million, mainly due to the recognition of the lease liability on the additional rental of gensets for the utilities business.

The Group's contract liabilities increased by S\$30.7 million mainly due to higher rental received in advance from the industrial park tenants and higher receipt of advances from travel agents for tour packages to Bintan Resorts after the reopening of regional economies.

Cash Flow

For the period under review, net cash inflow from operating activities was S\$36.1 million compared to S\$5.0 million generated in the previous period. S\$41.2 million of the S\$77.1 million cash generated from operating activities was used to finance the payment of income tax and interest.

The Group had a net cash outflow of S\$28.7 million from investing activities as compared to S\$18.4 million in the previous period, which was mainly due to increased capital expenditure for the construction of new factories in Batamindo Industrial Park.

The Group had a net cash outflow of S\$13.4 million from financing activities compared to a S\$40.7 million net cash inflow in the previous period. The net cash inflow in the previous period was due to the higher borrowing from the refinancing of the previous syndicated loans.

The Group's cash and cash equivalents were S\$127.8 million as at 31 December 2022 compared with S\$134.1 million as at 31 December 2021.

(h) In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Industrial Parks

Higher industrial parks revenue was mainly due to higher factory rental and related income due to higher occupancy in Batamindo Industrial Park and Bintan Industrial Estate coupled with the S\$0.3 million contributions from the housing project in Batam. In line with increased revenue, this segment reported an operating profit of S\$11.1 million in FY2022 as compared to an operating profit of S\$6.9 million in FY2021.

Utilities

Utility-related revenue increased by S\$4.7 million and was mainly due to higher utility consumption in the industrial parks and the resorts. This segment's operating profit decreased by S\$7.9 million for the period under review mainly due to a foreign exchange loss of S\$10.3 million compared to a foreign exchange gain of S\$1.5 million in the previous period.

Resort Operations

The Resorts segment reported a significant increase in revenue which was mainly due to the gradual resumption of leisure travel and tourism activities in Bintan Resorts after reopening of regional economies. Consequentially, the operating loss has reduced from FY2021's S\$16.6 million in FY 2021 to FY 2022's S\$4.9 million.

Property Development

Property Development segment reported a lower operating loss of S\$9.8 million in FY2022 and was mainly due to foreign exchange gain as compared to foreign exchange loss in previous year but partially offset by higher operating expenses and absence of land sales in the current period as comparable to S\$1.8 million in FY2021.

- (i) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed.

- (j) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

For our industrial parks, the demand for our industrial spaces remains high and we expect this segment to continue to outperform with sustained growth in industrial lettable spaces and rental yield. Our current construction of new factories in Batamindo Industrial Park will further add approximately 70,800 sqm of new industrial space by the end of 2023. Increased industrial activities will also contribute positively to our utilities segment.

With the removal of travel restrictions in this region, we saw gradual increase in tourist arrival and tourism activities in our Bintan Resort. The Group is optimistic that the further easing of outbound travel from China and pent-up demand for leisure travel will fuel travel recovery for Bintan Resort and put it back onto the tourist map. While we are positive about the recovery of the tourism sectors and resumption of leisure travel, we continue to exercise prudence and vigilance in managing our business costs and cash flow to safeguard our financial position.

- (k) A breakdown of the total annual dividends (in dollar value) for the issuer's latest full year and its previous full year as follows: - (a) Ordinary, (b) Preference, and (c) Total**

Not applicable.

- (l) If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 902(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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	4,664
IMAS Group	See Note (2)	N.A	25,925
Purchase of Goods and Services			
Salim Group	See Note (1)	N.A	29,711
IMAS Group	See Note (2)	N.A	27,432
Interest Income			
Salim Group	See Note (1)	N.A	877
Dividend Income			
IMAS Group	See Note (2)	N.A	7,882

Note:

- (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.

(m) Disclosure required pursuant to Rule 706A

During 2H 2022, save as disclosed below, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increase its shareholding percentage in any subsidiary or associated company. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decrease its shareholding percentage in any subsidiary or associated company.

During 2H 2022, the Company had subscribed for 26,000 new ordinary shares in the share capital of Pacific Medco Solar Energy Pte. Ltd. ("**PMSE**" or the "**JV Co**") for S\$26,000 (representing 26% of the total number of issued shares of PMSE) for its initial investment (the "**JV Investment**") in the solar joint venture project (the "**Joint Venture**"), which was previously announced on 25 October 2021. With the subscription, PMSE has become an associated company of the Company.

At the same time, Pacificlight Renewables Pte. Ltd. and Medco Power Global Pte. Ltd. (collectively, the "**Other Shareholders**") had each paid proportionate amounts (proportionate to their shareholding percentages) for their respective 37% stakes in PMSE. The Other Shareholders did not have an existing equity interest in PMSE prior to the participation of the Company in PMSE. The Company's controlling shareholder, Mr Anthoni Salim, has indirect shareholding interests in the Other Shareholders through various intermediate companies.

Under Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual, the JV Investment is an interested person transaction within the meaning set out in the Listing Manual. The Company's Audit and Risk Management Committee has reviewed the terms of the JV Investment and is of the view that the terms of the JV Investment are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and further that:

- (a) the risks and rewards of each of the joint venture parties (being the Other Shareholders) in PMSE are in proportion to the equity interest of each joint venture party; and
- (b) the terms of each of the joint venture parties in PMSE are not prejudicial to the interests of the Company and its minority shareholders.

The amount of the JV Investment, being S\$26,000, represents approximately 0.003% of the Group's latest audited net tangible assets for the financial year ended 31 December 2021. The JV Investment is not expected to have any material impact on the Company's consolidated net tangible assets and earnings per share for the current financial year ended 31 December 2022. The Company and the Other Shareholders intend to enter into a shareholders' agreement to govern the terms of the Joint Venture. The Company will make further announcements to update its shareholders on any material developments of the Joint Venture as may be necessary or appropriate.

Save as disclosed above, the Board of Directors of the Company is not aware that any of the other directors or any of the controlling shareholders of the Company has any interest, direct or indirect, in the JV Investment other than through their respective shareholding interest (if any) in the Company.

(n) Confirmation that the issuer has procured undertakings from all its directors and executive officers.

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

(o) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Gallant Venture Ltd (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

EUGENE CHO PARK
DIRECTOR

CHOO KOK KIONG
DIRECTOR

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY

24 FEBRUARY 2023