



INFINITE GROWTH OPPORTUNITIES

2022 ANNUAL REPORT



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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, Indonesia. 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

AUTOMOTIVE



OFFSHORE MARINE



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 577,000 sqm, consists of 200 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 BIE 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 14,500m³/day and 10,000m³/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 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, Alila Villas Bintan, Dialog 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. PT IMAS holds well-known brands of international reputation, namely Audi, Nissan, Volkswagen, Suzuki, KIA, Jaguar, Land Rover, Hino, Renault Trucks, Volvo, John Deere, Kalmar, Bandit, Datsun, HIAB, SDLG and Manitou.

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: 29 April 2022

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: 29 April 2022

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 30 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

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 34 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 AXTON SALIM

Non-Executive Director

Date of last election: 29 April 2022

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

BOARD OF DIRECTORS

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 PricewaterhouseCoopers 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 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.

MR LIM CHEE SAN

Non-Executive and Independent Director

Date of last election: 29 April 2022

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 40 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
- GS Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Hock San	Choo Kok Kiong
Date of appointment	01 February 2006	30 April 2014
Date of last re-appointment	29 April 2022	29 April 2022
Age	77	54
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 Lim is not subject to re-election at the AGM 2023.	Not applicable as Mr Choo is not subject to re-election at the AGM 2023.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	Yes, he is responsible to overseeing the Group and its corporate services.
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	Audit and Risk Management Committee (Chairman) Nominating Committee (Chairman) Remuneration Committee (Member)	Chief Financial Officer/Chief Risk Officer
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.	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).
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 Choo has over 30 years of finance experience, having held the positions of Vice-President of Finance at Sembcorp Parks Management and Sembcorp Parks Holdings Ltd. He is a Non-Executive Director of QAF Limited since 2014 and Non-Executive Independent Director of Singapore Kitchen Equipment Limited.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 1,714,000 shares, 0.0314%	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

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Hock San	Choo Kok Kiong
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 – Moneylenders Pte Ltd	■ 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 – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Teachcast Global Pte Ltd – Trinity Consulting – BOMC Pte Ltd – Batamindo Shipping and Warehousing Pte Ltd – Sembcorp Parks Management 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	Lim Hock San	Choo Kok Kiong
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	Choo Kok Kiong
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	Choo Kok Kiong
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	Axton Salim	Foo Ko Hing
Date of appointment	30 April 2014	08 December 2004
Date of last re-appointment	29 April 2022	30 April 2021
Age	44	66
Country of principal residence	Indonesia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable as Mr Axton is not subject to re-election at the AGM 2023.	Not applicable as Mr Foo is not subject to re-election at the AGM 2023.
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.)	Nil	Remuneration Committee (Chairman) Audit and Risk Management Committee (Member) Nominating Committee (Member)
Professional qualifications	Bachelor of Science in Business Administration from University of Colorado, USA.	BA Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.
Working experience and occupation(s) during the past 10 years	Mr Axton serves as Global Co-chair of Scaling Up Nutrition (SUN) Business Advisory Group.	Mr Foo has over 15 years of experience in investment origination, M&A, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has been with the Group since 2004.
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	Son of Mr Anthoni Salim who is a substantial shareholder of the Company.	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

Name of Director	Axton Salim	Foo Ko Hing
Other Principal Commitments including Directorship	■ Past (for the last 5 years) – Art Photography Centre Ltd ■ Present: – Indofood Agri Resources Ltd – First Pacific Company Ltd – Several private enterprises in Indonesia.	■ Past (for the last 5 years) – Amara Holdings Ltd ■ Present: – Cerealtech 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
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

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Axton Salim	Foo Ko Hing
(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
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

Name of Director	Axton Salim	Foo Ko Hing
(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	Axton Salim	Foo Ko Hing
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 Chee San	Eugene Cho Park
Date of appointment	01 November 2021	01 February 2006
Date of last re-appointment	29 April 2022	30 April 2021
Age	63	63
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 Lim is not subject to re-election at the AGM 2023.	The re-election of Mr Park as a Director of the Company at the AGM 2023 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Park's contributions, qualifications, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	Yes, he is responsible for the overall management of the Group.
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	Audit and Risk Management Committee (Member) Nominating Committee (Member) Remuneration Committee (Member)	Chief Executive Officer
Professional qualifications	Member of the Chartered Association of Certified Accountants, Member of the Institute of Singapore Chartered Accountants, Member of the British Computer Society, Chartered Information Technology Professional, Bachelor of Law (Honours) from University of London, Barrister at Law (Lincoln's Inn) England, Advocate and Solicitor Singapore.	Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.
Working experience and occupation(s) during the past 10 years	Mr Lim has been an accountant, a banker and a lawyer at different times during the last 40 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.	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.
Shareholding interest in the listed issuer and its subsidiaries	Nil	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

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Chee San	Eugene Cho Park
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) – HupSteel Limited – Soon Lian Holdings Limited – Allied Technologies Limited ■ 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 – GS Holdings Limited	■ 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
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 Chee San	Eugene Cho Park
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

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Lim Chee San	Eugene Cho Park
(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
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

Name of Director	Lim Chee San	Eugene Cho Park
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
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?	Mr Lim has been the subject of a past complaint to the Law Society of 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 Mr Lim. Hence, Mr Lim has not been the subject of any current or past disciplinary proceeding and has 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.	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	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	Gianto Gunara	Dr Tan Chin Nam
Date of appointment	08 November 2006	25 May 2009
Date of last re-appointment	26 June 2020	30 April 2021
Age	60	73
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 Gunara as a Director of the Company at the AGM 2023 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Gunara's contributions, qualifications, expertise and past experiences.	The re-election of Dr Tan as a Director of the Company at the AGM 2023 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Tan'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 Operations.	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	Chief Operating Officer	Nil
Professional qualifications	Bachelor in Business Administration degree from Simon Fraser University, Vancouver, Canada.	Degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from 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	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.	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	Direct interest of 200,000 shares, 0.0037%	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

Name of Director	Gianto Gunara	Dr Tan Chin Nam
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) – 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 – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Tropical Bintan Pte Ltd – BOMC Pte Ltd – Pacific Medco Solar Energy 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

ADDITIONAL INFORMATION ON DIRECTORS

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

ASSOCIATES

49.49% PT Indomobil Sukses Internasional Tbk Indonesia	33% PT Bintan Aviation Investments Indonesia	30% PT Persada Hijau Permai Indonesia	26% BOMC Pte Ltd Singapore
36% Batamindo Carriers Pte Ltd Singapore	30% PT Soxal Batamindo Industrial Gases Indonesia	30% PT Persada Hijau Cemerlang Indonesia	26% Pacific Medco Solar Energy 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.
1 Raffles Place #04-63
One Raffles Place, Tower 2
Singapore 048616

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
1 Raffles Place #04-61/62
One Raffles Place, Tower 2
Singapore 048616

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

As we look back on 2022 and look forward to 2023, we are pleased to report that our company has weathered the pandemic and is well positioned to thrive in the coming years. Indonesia enters 2023 with around 70% of the population vaccinated, and a record number of 135.6 million employed persons in the work force. In 2022 the economy grew at over 5.3% on the back of strong demand for commodities such as coal, palm oil and base metals, as well as a 5.1% increase household consumption (notably travel related spending – transportation and hospitality). Manufacturing GDP is at record levels, and these non-commodity exports now make up almost half of the \$292 billion total exports, contributing to a record trade surplus of \$54 billion. The manufacturing sector also saw an increase in FDI of 57%, partially attributable to the simplified procedures of the Online Single Submission (“OSS”) and the relaxation of restricted investment areas in the 2021 Omnibus law. And the November 2022 hosting of the G20 meeting in Bali showcased Indonesia’s ability to act as a statesman on the world stage.

These factors have had a direct positive impact on a number of our businesses:

- Strong commodity prices increased demand for heavy equipment sales, leasing and spare parts – all of which showed strong growth in our associated company, PT IMAS’s businesses.
- Travel related spending increased our Bintan Resorts businesses both directly from increasing visitor arrivals as well as indirectly from increased utility demand from the hotels and businesses in Bintan Resorts.
- Strong domestic growth increased interest in purchase of passenger vehicles by almost 18% year on year.
- Increased manufacturing activity was reflected in our high occupancy rates in our industrial parks, as well as indirectly in increased utility consumption.
- Increased FDI led to the new factories currently being built (handing over in 2023 and 2024) whose results will be reflected in next year numbers.

LETTER TO SHAREHOLDERS

We are also heartened by the fact that in 2022 the Indonesian government was successful (albeit with some initial negative press and complaints) in the increase in electricity, diesel and petrol prices – thereby taking the first step in Indonesia’s energy transition and reducing subsidies going forward.

There are however some downside risks in 2023.

- A potential weakening of the global economy on the back of inflation and higher interest rates in the USA and Europe could reduce demand from our manufacturing tenants.
- There is also a risk of postponement of some FDI in the period of uncertainty that typically precedes the Presidential elections scheduled for February 2024.
- Geo-economic fragmentation, if unchecked, could also cause reallocation of FDI to other locations.
- Inflation could also reduce household consumption and potentially travel expenditures.

However, we should note that even during the pandemic, China remained the largest trading partner of Indonesia. We expect to see a significant uptick in growth as the Chinese economy accelerates out of their severe Covid restrictions. Last year global growth was good, but the strength of the European and US economies was partially offset by China’s weakness. In 2023, if high rates slow the European and US economies, global growth may still be reasonable because of the strength of the Chinese economy post reopening. The Chinese economy reopening should also have a significant positive effect on their Asian trading partners including Indonesia. Similarly, the full re-openings of Japan, India and Korea will benefit Indonesia as some of its largest export partners.

While we are aware of the increasing onshoring/near shoring/friend shoring arguments, we are hopeful that calmer heads will review the logic of incurring enormous capital investment and long-term subsidies to shift production to unproven

but more convenient locations. We believe using economic policies to achieve political goals can result in inefficient allocation of capital and reduce global trade and global growth. That being said, there is a clear trend to de-risk manufacturing exposure through diversifying geographical exposure. We believe that our Bintan/Batam twinned with Singapore location will allow us to capture an increasing amount of this segment especially since we effectively collocate our manufacturing with the super-efficient flexible and world class multi-modal Singapore logistics infrastructure.

We believe that the strength of the Indonesian economy, both export and domestic, will continue to grow our businesses in 2023 and beyond. We are also hopeful that the “revenge travel trend” dominating US and European tourism in 2021-22, will be reflected in the Chinese and Asian traveler market in 2023 and further contribute to our businesses rebound in 2023. We believe that Indonesia’s non-confrontational neutrality, twinned with the fair-mindedness of Singapore, puts us in a good political position to continue to attract non-politically sensitive manufacturing FDI to our industrial parks.

Therefore, we believe that our portfolio of investments, that combine our Indonesian and Singaporean competitive advantages, will continue to provide an excellent base for us to grow and prosper in the years to come. Thank you for continuing to support us on our journey.

Sincerely,

MR LIM HOCK SAN
Non-Executive Chairman
Independent Director

MR EUGENE CHO PARK
Chief Executive Officer
Executive Director

BUSINESS REVIEW

MACROECONOMIC ENVIRONMENT

After nearly three years of disruption caused by COVID-19, global economies and businesses are finally returning to normalcy. Singapore lifted all COVID-19 border restrictions in 2022 and hosted several international events, such as the F1 night race, attracting tourists and businesses. Similarly, COVID-19-related travel restrictions eased as most countries attempted to revive their economy. Several Southeast Asia countries witnessed a strong recovery in their tourism industry after reopening. All are hopeful that global tourism will return to pre-Covid level as China gradually opens up its border restrictions and our Bintan Resorts poised to benefit from outbound from China. While the tourism industry is recovering, businesses are experiencing strong headwinds from inflation and geopolitical risks.

Geopolitical risks continue to dominate the world scene. The war in Ukraine has caused business disruption and resulted in elevated energy costs, increased food prices, disrupted supply chains, and severely impacted downstream activities, especially in developing countries. In 2022, the US Federal Reserve increased interest rates seven times to tame inflation which consequentially resulted in higher borrowing costs. The continuing escalation of tensions between the two largest economies, the US and China, could have a significant impact on international trade, potentially changing the global operating environment and disrupting business operations and supply chains. With de-escalation unlikely to happen in the short term, these could pose significant risks to the global economy in 2023 and beyond.

Indonesia has returned to a pre-pandemic economic growth path after going through the COVID-19 pandemic. Indonesia's economy grew 5.31% as the government eased COVID-19

restrictions and businesses slowly returned to normalcy. The growth was supported by elevated household consumption and rising commodity prices, where Indonesia is a major exporter of commodities such as coal, palm oil, and nickel, which contributed to a healthier balance of payments. Indonesia has undertaken several initiatives to sustain robust growth, which include:

- Continue to implement tax reforms to create space for investments and create resilience to external shocks;
- Boost the growth of exports for services; and
- To boost investment in infrastructure and human capital development; and
- Trade reform tap into the growing demand for goods and technologies to reduce carbon emissions, enable the climate transition, and access lower-cost and higher-quality environmentally friendly products and services.

2022 was a historic year for Indonesia as the nation hosted the G20 summit for the first time in Bali, Indonesia. Indonesia is the only Southeast Asian nation to become a G20 member and the first Southeast Asia country to host this prestigious summit. Indonesia has demonstrated its big role on the world stage by pulling together a creditable series of events and concluding the summit successfully.

The Rise of Indonesia on the global stage and economic powerhouse in this region will benefit the growth of the Group's core businesses in Indonesia, where the Group operates.



BUSINESS REVIEW

FINANCIAL HIGHLIGHTS

The Group's revenue increased by 15% to S\$166.8 million in FY2022, driven by higher contributions from its industrial parks, utilities, and resort segments. With the recovery of global travel and tourism in 2H2022, our resort segment saw an increase of S\$15.2 million in revenue compared to FY2021.

Coupled with the turnaround of PT IMAS to profitability in FY2022, the Group's loss attributable to the owners of the Company has decreased significantly from S\$55.6 million to S\$13.6 million in FY2022.

At the Group level, the net asset value per share for FY2022 was 13.76 cents compared to 14.90 cents in FY2021. The Group's basic and diluted loss per share was 0.25 cents in FY2022 compared to FY2021's 1.02 cents.

Barring unforeseen circumstances, the Group expects revenue and contribution from its core business segments and PT IMAS to continue to grow in 2023. With a strong development pipeline in our Batamindo Industrial Park, the Group is on track to achieve profitability soon.

KEY BUSINESS SEGMENTS

INDUSTRIAL PARKS

Our industrial parks business has continued to outperform with a 9.4% y-o-y increase in revenue, driven by the strong demand for the industrial space. The Group expects an increase of approximately 5.3% and 16.3% in 2023 and

2024 from the new-build factories. The Group will continue to invest and expand the industrial parks as the demand for industrial spaces is expected to remain buoyant due to tenants' business expansions and the colocation of its supply chain. The Group believes its strong product offering and business-friendly local authority will sustain growth in the near term. The following are updates for our industrial parks in Batam and Bintan, Indonesia:

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

In 2022, 7 new factories totaling approximately 18,600 sqm were completed and handed over to the tenants, bringing BIP to full occupancy. Currently, 19 new factories, approximately 137,000 sqm, including one customised factory of 85,000 sqm, are under construction, and we expect to hand them over to the tenants over the next 2 years. From 2019, BIP's total factory lettable area has increased by 3.3%, and with the completion of the 19 new factories, BIP's total factory lettable area will increase by another 23.6% by 2024.

With the full occupancy in the industrial park and demand remaining high for industrial spaces, the Group has earmarked approximately 40.15 ha of vacant land for expansion.



(ii) Bintan Industrial Estate (“BIE”) (Bintan)

BIE has performed well this year. During the year, BIE has secured net new leases of 12,068 sqm of factory spaces and a new lease of 13,500 sqm of land. The factory occupancy rate has climbed from 65% to 69%, while the average rental yield improved by 11.8%. The Group has a few new pipelines under discussion with several food-related companies to take up to 10 factories for their expansion in BIE.

The Group has recently signed MOU with one of the leading aviation schools to explore the development of a flying school in Bintan to train airline pilots. The Group will continue to pursue aerospace industries to set up their facilities in BIE, leveraging on its proximity to the future Bintan International Airport.

In December 2022, BIE was awarded the Top 3 best halal industrial estates in Indonesia. It is one of the Indonesian government's strategic initiatives to develop the country's halal industry to make Indonesia a global halal producer hub in 2024. This put BIE in an advantageous position to capture this business segment.

UTILITIES

Utilities consumption and revenue in our industrial parks segment have increased by 2.0% and 1.9% in tandem with the increase in factory occupancy and land lease. The Group expects an incremental increase of approximately 8.0% and 21.8% in 2023 and 2024 from the new-build factories. With the recovery of travel and tourism in the region, the utilities consumption and revenue in the resort segment increased significantly by 70.2% and 79.3%, respectively. The Group is optimistic that the revenue from this segment will further improve in 2023 with the lifting of travel restrictions in China.

We are on track to achieving our solar panel deployment target of at least 12 megawatts (MWp) by early 2023, which could supply up to 20% of green energy to our tenants in BIP. Subsequently, the Group will deploy green energy solutions in BIE and Bintan Resorts. In addition, the Group has allocated up to 1,000 ha of land in Bintan for further development of solar farms to increase the supply of green energy in middle term. We are exploring emerging low-carbon technologies such as green hydrogen and carbon capture that will help to reduce our carbon footprint in the longer term.

We are gradually transiting from traditional fuel sources to greener fuel sources for power generation. We are investing in clean production technologies to change how we provide electricity to our tenants and customers. The Group believes that by positioning our industrial parks and Bintan Resorts as eco-industrial parks and sustainable tourism destinations, we will be able to sustain our growth.

PROPERTY DEVELOPMENT

We remain optimistic about the long-term potential of our property development business, notwithstanding that we ended the year without any land sales. Over the years, our project team has developed in-house capabilities and expertise in project management and infrastructure development. We can cost-effectively optimize our internal resources for our in-house maintenance, restoration, renovation, development, and upgrading of our group's infrastructure and assets in Bintan Resorts. In addition, our project team has been providing construction management support for constructing our new factories in BIP. However, these activities may not translate into revenue for the segment; the Group has wholly benefited in cost saving and lower capital investment.

While the Group continues to pursue land sales, we decided not to depend purely on lumpy land sales. As such, we have been focusing on development that will benefit our resort segment in Bintan to grow a sustainable and recurring income derived from these developments.

Currently, the Group is focusing on master planning and development of several projects in Bintan, which include:

- (i) New Bintan International Airport;
- (ii) Solar Power Plant and Greenhouse farming;
- (iii) Bintan Motorsport;
- (iv) 2nd phase of the Group's resort development (“**Kepri Bay**”) after the success of the Lagoi Bay Development; and
- (v) New hotels, commercial/retail complexes, and theme parks.

The Group believes the above new development will further increase the attractiveness of Bintan Resort as a well-connected eco-tourism destination and spur the land demand for tourism-related investment. The Group hopes to conclude some land sales and Joint Ventures in 2023 on the back of improved tourism prospects in Asia.

BUSINESS REVIEW

RESORT OPERATION

Tourist arrival to Bintan Resorts surged by 334.6% from 88,325 in 2021 to 383,819 in 2022 on the gradual and partial recovery in tourism. Correspondingly, our ferry ridership increased from 123 pax in 2021 to 136,301 pax in 2022. The road to recovery was not an easy feat. During this difficult time, the Group prepared extensively for a seamless and safe travel between Singapore and Bintan, lobbying for a safe travel corridor between both locations and organising major activities/events to bring back tourists. The following major milestones that the Group achieved during 2022:

Key Date	Activities
Before - 13 Jan 22	Preparation of safe travel to Bintan including: - Established audited safe working systems and policies (CHSE in Indonesia and CovSafeSG in Singapore) - Implementation of contact tracing tool - Vaccination of all employees and their family members - Setting up PCR laboratory for COVID-19 testing
24 Jan 22	Travel Bubble between Bintan Resorts and Singapore.
25 Jan 22	Prime Minister Lee Hsien Loong attended the Singapore-Indonesia Leaders' Retreat hosted by Indonesia President Joko Widodo in The Sanchaya, Bintan Resorts.
25 Feb 22	Two-way quarantine-free travel between Bintan and Singapore started with a group travel agent among the first international visitors to step foot on Bintan for travel bubble fam trips.
8 Mar 22	Simplification of COVID-19 rules in Bintan Resorts for domestic travelers.
31 Mar 22	Singapore opened international arrival with Vaccinated Travel Lane (VTL) with On Arrival Test (OAT) and Test before Departure (TBD).
8 Jun 22	Indonesia opened its borders to international visitors.
25 Jun 22	The Embassy of the Republic of Indonesia in Singapore, in collaboration with Bintan Resorts, supports the rise of tourism in Indonesia, especially in Bintan.
14 - 16 Oct 22	1st mass sports event, Tour de Bintan 2022, was held with more than 500 cyclists participating.
31 Dec 22	KasmaRun and New Year's Eve activities attracted thousands of participants.

Our Bintan Resorts, during the World Tourism Day 2022 held in Bali on 27 September 2022, received the Sustainable Tourism Destination Certificate and Certificate of Merit Sustainable Tourism Destination for the period 2022 to 2025 from the Ministry of Tourism and Creative Economy of the Republic of Indonesia. The certificates validate the Group's sustainability programs to provide sustainable tourism and reflect the Group's commitment to eco-tourism. The travel and tourism industry relies on the quality of the surrounding natural environment. Investing in reducing our environmental impact benefits our brand and community and promotes the long-term sustainable development of Bintan Resorts.

There are several new hotels in Bintan Resorts to look forward to in 2023. Each hotel features unique offerings that appeal to a diverse pool of travelers. These new products are expected to cater to a wider demographic and attractions that appeal to all ages.

Hotels joining Bintan Resorts in 2023 are:

- **Mövenpick Hotel:** 412 rooms and 6 function rooms, the first Mövenpick-managed property in Bintan to offer Swiss-inspired hospitality
- **Fourpoint by Sheraton:** Beachfront, 300+ rooms, 8 Villas, Signature beachfront restaurant
- **Hotel Indigo:** 120 rooms including 5 luxury villas, 3 culinary beach clubs, resort centre, wedding chapel, and swimming pool
- **Holiday Inn Resort:** 258 rooms, Ballroom, spa, and swimming pool

In 2022, the Group partnered with Resorts World Cruises, a new Asian luxury and dynamic cruise to make Bintan Resorts a port of call. This was not the first time the Group collaborated with cruise liners. The same initiative was established with other cruise lines in 2018 but was disrupted by the COVID-19 pandemic. The re-initiation of this arrangement shows Bintan Resorts' attractiveness and value added to the cruise industry. At the same time, the Group is also working with its partners to resume chartered flights to Bintan for Chinese travelers. The Group hopes the restart of these initiatives will boost international visitors in the coming years.

The Group is working on the following initiatives to increase the living population in Bintan Island to achieve critical mass for its resort/residential business.

- (i) **International School;** The Group is working with one of the largest owner-operators of International Business School to set up operations in Bintan Resorts. The school in Bintan will provide education services and short-term outdoor education programs using experiential learning to foster an individual's values and strengthen their life skills.
- (ii) **Independent living facilities;** The Group is discussing with several investors setting up facilities in Bintan Resort to offer housing, amenities, activities, and services designed for healthy retirement to independent seniors.

With most countries, including China, having completely lifted all travel restrictions, the Group is optimistic that tourist arrival into Bintan will gradually return to pre-pandemic levels.

OTHER BUSINESS INTERESTS

AUTOMOTIVE

PT IMAS has reported net profit of S\$53.0 million in FY2022, reversing from its net loss of S\$53.2 million in the corresponding year before. The turnaround came as revenue rose 32.8% to S\$2.38 billion as its financial services, trucks and heavy-duty equipment sales, after-sale services, vehicle rental-related income, and mini petrol kiosk business posted double-digit growth. Its associated companies has also contributed significantly to its bottom line with an increased contribution of S\$22.3 million. Consequently, the Group's share of PT IMAS's results was a profit of S\$17.7 million compared to a S\$17.6 million loss in FY2021.



New developments during the year were as follows:

- Indomobil Finance Indonesia ("IMFI") received the "Indonesia Most Acclaimed Company 2022 with Outstanding Financing Business Development" award in the finance company category, and Indonesia Best CSR Award 2022 with Outstanding Program in Supporting Communities Basic Needs from Warta Ekonomi on 19 May 2022 and 30 June 2022.
- PT IMAS's distributor of the Suzuki brand, PT Suzuki Indomobil Sales, has officially launched the locally-made all-new Suzuki Ertiga Hybrid, its first electrified car in the LMPV class for the domestic market and export to various destination countries around the world.
- PT IMAS and Stellantis N.V., the parent company of Automobiles Citroën, entered a strategic partnership in Oct 2022 to launch the Citroën brand to the Indonesian market in 2023. PT IMAS will be the exclusive distributor of Citroën vehicles and a nonexclusive distributor for the import, promotion, distribution, and sale of spare parts and accessories for 5 years.
- Building on the previous success of its partnership with Seino on the logistic business, PT IMAS has entered into another joint venture with Mitsui & Co., Ltd., and Penske Truck Leasing to establish a truck operating lease business in Indonesia.
- PT IMAS signed MOU with ExxonMobil and Plastic Energy to assess the potential for large-scale implementation of advanced plastic recycling technology in Indonesia to embrace a circular economy in managing plastic waste.
- PT IMAS has entered into an exclusive partnership with Yadea, a global leader in developing and manufacturing electric two-wheel vehicles, including electric motorcycles, electric mopeds, electric bicycles, and electric kid scooters, as the sole distributor for Yadea's high-quality electric vehicles in Indonesia.

BUSINESS REVIEW

Over the years, PT IMAS has diversified its portfolio of businesses and increased its market share by expanding its product range. The Group is confident that PT IMAS's integrated and resilient portfolio strategy will enable it to attain long-term profitability and sustainable growth and continue contributing positively to the Group.

OFFSHORE MARINE

The Group's share of profit from BOMC was S\$1.3 million compared to S\$0.5 million in FY2021, an increase of 160.0%. This was due to the accelerated completion of its turnkey projects in 2022. With the completion of 2nd phase of development, the spool base facility for fabrication of the undersea pipeline, BOMC is proceeding with the next phase of development for decommissioning of rigs and vessels as this region is set to become the next key market in the decommissioning of offshore oil and gas assets.

BOMC has officially achieved its ISO 9001/14001/45001 accreditation. Preparation for ISO 37001 certification is in progress. This is essential in developing BOMC into the region's premier offshore marine hub. The Group is confident that BOMC is well-positioned for growth and will contribute significantly.

OUTLOOK AND FORGING AHEAD

While the global economic outlook has been clouded by uncertainties caused by geopolitical tensions, the war in Ukraine, rising prices, and higher interest costs, we will continue to grow our core businesses in Batam and Bintan to the next level and remain focused to:

- (a) expand our industrial parks segment;
- (b) scaling up the deployment of renewable energy in our utility segment;
- (c) drive tourism and related investment into Bintan Resorts;
- (d) optimize the capital structure to manage our cash and liquidity; and
- (e) create a long-term sustainable value for our stakeholders.



FINANCIAL HIGHLIGHTS

	FY2022	FY2021
INCOME STATEMENT (IN S\$ MILLION)		
Revenue	166.8	145.1
Gross profit	55.3	33.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	56.1	4.9
Profit/(loss) before taxation	1.6	(44.8)
Loss attributable to owners of the Company	(13.6)	(55.6)
STATEMENT OF FINANCIAL POSITION (IN S\$ MILLION)		
Total assets	1,378.6	1,409.8
Total liabilities	619.8	588.7
Total equity	758.8	821.1
Equity attributable to owners of the Company	751.8	813.9
Total debt	390.2	389.4
Total cash and cash equivalents	127.8	134.1
SEGMENT (IN S\$ MILLION)		
Revenue		
– Industrial Parks	41.7	38.1
– Utilities	108.8	104.1
– Resorts	16.3	1.1
– Property Developments	n.m ⁽¹⁾	1.8
EBITDA		
– Industrial Parks	23.3	22.5
– Utilities	32.2	38.5
– Resorts	(1.2)	(12.0)
– Property Developments	(6.5)	(9.7)
– Corporate	8.3	(34.4)
PER SHARE DATA (IN CENTS)		
Loss per share	0.25	1.02
Net asset value per share	13.76	14.90
OTHER FINANCIAL INFORMATION		
Current ratio (no. of times)	4.3	5.0
EBITDA margin (%)	33.6%	3.4%
Return of equity (%)	-1.8%	-6.8%
Return of assets (%)	-1.0%	-3.9%
Gross debt to equity ratio (no. of times)	0.5	0.5
Net debt to equity ratio (no. of times)	0.3	0.3

⁽¹⁾ "n.m" denotes not meaningful

FINANCIAL REVIEW



GROUP FINANCIAL PERFORMANCE

The Group revenue was S\$166.8 million, 15.0% higher than FY2021's S\$145.1 million. It was mainly due to higher revenue from 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 lifting of travel restrictions in the region and was partially offset by lower contribution from the 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\$111.5 million, mainly due to lower depreciation. The Group's cost of sales to revenue ratio was 0.67 in FY2022 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\$55.3 million in FY2022.

The Group's "other expenses" was S\$1.1 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 due to low base effect as a result of travel restrictions in 2021 and:

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

The Group's "other operating expenses" of S\$24.3 million was comparable to FY2021's S\$24.3 million.

The Group recorded a share of profit from its associate companies of S\$19.1 as compared to FY2021's loss of S\$16.7 million, mainly due to the following:

- PT IMAS contributed profit of S\$17.7 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\$589.0 million from S\$1,795.2 million in FY2021 to FY2022's S\$2,384.2 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\$139.9 million in FY2022; and
 - (ii) PT IMAS's share of its associate companies' profit increased from FY2021's S\$2.4 million to FY2022's S\$24.7 million.
- The Group's share of BOMC's profit was S\$1.3 million in FY2022 compared to S\$0.5 million in 2021, 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, mainly due to the rising interest rate of external bank borrowings.

The Group's net loss attributable to the owners of the Company for FY2022 was lower at S\$13.6 million as compared to FY2021's S\$55.6 million.

In line with higher operating profit and contributions from associated companies, the Group's EBITDA was S\$56.1 million compared to 2021's S\$4.9 million.

The Group's basic and diluted net loss per share was 0.25 cents for the year under review.

SEGMENTAL FINANCIAL PERFORMANCE

INDUSTRIAL PARKS

Revenue increased from S\$38.1 million in FY2021 to S\$41.7 million in FY2022 and 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 higher revenue, this segment reported a net profit of S\$5.8 million in FY2022 compared to \$2.2 million in FY2021. EBITDA contribution was S\$23.3 million compared to S\$22.5 million in FY2021.

UTILITIES

Revenue increased by S\$4.7 million, from S\$104.1 million in FY2021 to S\$108.8 million in FY2022, mainly due to higher utility consumption in the industrial parks and resorts. Profit decreased from S\$20.2 million to S\$7.2 million and was mainly due to higher finance costs and a foreign exchange loss of S\$10.5 million as compared to a foreign exchange gain of S\$1.5 million in FY2021. EBITDA contribution was S\$32.2 million compared to S\$38.5 million in FY2021.

PROPERTY DEVELOPMENT

This segment reported a lower net loss of S\$10.2 million in FY2022 as compared to S\$13.4 million in FY2021 and was mainly due to foreign exchange gain as compared to foreign exchange loss in the previous year but partially offset by higher operating expenses and absence of land sales in the current year as compared to S\$1.8 million in FY2021. EBITDA contribution was -\$6.5 million as compared to -\$9.7 million in FY2021.

RESORT OPERATIONS

Revenue surged by 15 times to S\$16.3 million in FY2022 and was mainly due to the gradual resumption of leisure travel and tourism activities in Bintan Resorts after the reopening of regional travel. The net loss has reduced from FY2021's S\$17.1 million in FY 2021 to FY2022's S\$5.4 million. EBITDA contribution was -\$1.2 million compared to -\$12.0 million in FY2021.

FINANCIAL POSITION

As at 31 December 2022, the Group's total assets were S\$1,378.6 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\$9.5 million, mainly due to depreciation.

The Group's associates decreased by S\$30.8 million mainly due to foreign currency translation losses related to the translation of PT IMAS's results and net assets from Indonesian Rupiah to Singapore dollar, where the Singapore Dollar strengthened as of 31 December 2022.

In line with higher revenue, the Group's trade and other receivables increased by S\$1.2 million.



FINANCIAL REVIEW

The Group's other non-current assets increased by S\$3.2 million, mainly due to the recognition of prepaid taxes.

As of 31 December 2022, the Group's total liabilities were S\$619.8 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 of 31 December 2022 were S\$390.2 million as compared to S\$389.4 million as of 31 December 2021.

The Group's trade and other payables increased by S\$1.2 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\$35.5 million due to deposits received from the industrial park tenants and higher receipt of deposits from travel agents for purchase of tour packages to Bintan Resorts.

The Group's Net Asset Value ("**NAV**") per share as of 31 December 2022 was 13.76 cents.

CASH FLOWS

For the period under review, net cash inflow from operating activities was S\$22.0 million compared to S\$5.0 million generated in the previous period. S\$41.2 million of the S\$63.2 million cash generated from operating activities was used to finance the payment of income tax and interest.

The Group's net cash used in investing activities of S\$14.5 million as compared to S\$18.4 million in the previous period, mainly due to increased capital expenditure for constructing new factories in Batamindo Industrial Park.

The Group's net cash used in financing activities of S\$13.4 million was due to higher borrowing costs. The net cash received from financing activities in the previous period was mainly due to refinancing syndicated loans.

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





SUSTAINABILITY REPORT 2022



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SUSTAINABILITY REPORT

ABOUT THE REPORT

This is the sixth consecutive Sustainability Report (“**SR2022**”) published annually by Gallant Venture Ltd. (“**GV**” or the “**Group**”). The report provides an overview of the Group’s priorities, strategies, initiatives, targets, and performances with respect to the Environmental, Social and Governance (“**ESG**”) issues identified to be material to our businesses and stakeholders. It covers the financial year 2022 (“**FY2022**”) from 1 January 2022 to 31 December 2022. Stakeholders are advised to refer to this report in conjunction with the Group’s Annual Report 2022.

REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“**GRI Standards**”), which is the most widely used sustainability reporting standard globally. We have also updated our sustainability disclosures to be aligned with the latest 2021 version of its Universal Standards. For the full list of GRI references disclosed in this report, please refer to the GRI Content Index on pages 75 to 77. This report is also aligned with the Sustainability Reporting Guide as set out under the Singapore Exchange’s (“**SGX**”) Listing Rules 711A and 711B.

In line with SGX’s requirement for mandatory climate-related disclosures, we have started incorporating recommendations by the Taskforce on Climate-related Financial Disclosures (“**TCFD**”) in our reporting journey this year. Our TCFD disclosures can be found on pages 72 to 74. We also actively support the United Nations Sustainable Development Goals (“**UN SDGs**”) and report our contributions towards these SDGs.

REPORTING SCOPE AND BOUNDARIES

GRI 2-2, 2-4

The Group is organised into operating segments according to the nature of its products and services. For a detailed overview of our operating segments, please refer to our Group structure on page 27. All sustainability data and information presented in this report relate to three of the Group’s reportable segments, namely Industrial Parks, Utilities and Resort Operations, unless otherwise stated. We are working towards the inclusion of data and information from our Property Development Segment in the next reporting period. There are no restatements of information made in this report.

In FY2022, we re-evaluated the Group’s material ESG topics through a comprehensive materiality assessment involving stakeholder engagement and peer benchmarking (see page 49). Based on the findings from this year’s materiality assessment, we continued to report on the nine key topics

disclosed in our SR2021 and added three more key topics for this year (see pages 50 to 51). These key topics were identified to be the most important and relevant to our stakeholders. We will continue to review our material topics on an annual basis and ensure that topics relevant to our business and our stakeholders are identified and disclosed adequately.

REPORTING QUALITY

GRI 2-5

While the Group has not sought external assurance for our report, 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 enhance the quality of our report. In line with the updated SGX Listing Rules that took effect on 1 January 2022, the sustainability reporting process is also being subjected to internal review by the Group’s internal audit function and approved by the Audit and Risk Management Committee (“**ARMC**”). This internal review is conducted in accordance with the standards for the Professional Practice of Internal Auditing as prescribed by The Institute of Internal Auditors.

FEEDBACK

GRI 2-3

The Group values the perspectives of all our stakeholders and strives to continuously improve our sustainability practices and performances. We welcome any feedback, suggestions, questions, or comments on our report, as well as on how we can drive our sustainability commitments. Please share them with us at: gallant@gallantventure.com.



SUSTAINABILITY REPORT

ABOUT GALLANT VENTURE

OUR CORE VALUES

Vision	Create growth and build value
Mission	Leverage 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. Employees are required to undergo training on annual basis to ensure that they are aware of and aligned with the Group's values, policies and guidelines. For more details on employee training, please refer to page 59.

OUR OPERATIONS

GRI 2-1, 2-6

Core Business Operations

The Group operates in four core business segments, namely Utilities, Industrial Parks, Resort Operations and Property Development. 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. Our Group Structure, showing a complete list of companies can be found on page 27 of the FY2022 Annual Report.

Operating Countries

GV is headquartered and listed in Singapore, with core operations in Batam and Bintan Islands, Indonesia. Our businesses leverage the strategic proximity of Singapore and close economic cooperation between the Singapore and Indonesian governments to promote investments in Batam and Bintan.

SUPPLY CHAIN

Our talent pool consists of skilled professionals catering to diverse business operations. We also work closely with other personnel including consultants, contractors, and equipment suppliers to outsource engineering and construction work concerning our business development activities. Our supply chain consists of 279 suppliers mainly from Singapore, Indonesia, Malaysia, and the United Kingdom. Approximately 88% of suppliers are based in Indonesia, where our core operations are located.

We strive to source products in a responsible manner and establish strong working relationships with our suppliers. As part of our sustainability strategy, we integrate ESG considerations into the procurement processes and perform regular assessments of key suppliers to ensure that they meet our requirements for quality, sustainable practices and compliance with relevant laws and legislations. We believe that close collaboration with them can increase the resilience of our supply chain to shocks and help position our business for growth.



SUSTAINABILITY REPORT

SUSTAINABILITY AT THE GROUP

BOARD SUSTAINABILITY STATEMENT

GRI 2-22

The Board of Directors of GV is pleased to present the Sustainability Report for FY2022.

- This report presents an overview of GV's sustainability performance thus far and highlights our dedication to generating long-term value for our stakeholders.
- In 2022, we have actively adapted to the recovery from the COVID-19 pandemic, while navigating the global slowdown in growth, unpredictable risk premiums in the financial markets and extreme weather conditions.
- In such a dynamic environment, the Group remains committed to developing agile strategies and leveraging our expertise to deliver sustainable value to our stakeholders.

Key Sustainability Achievements

The following achievements illustrate GV's commitment to conducting our business sustainably and responsibly while ensuring sustainable growth.

- This year, we conducted a comprehensive materiality assessment, which included a stakeholder survey involving 28 internal and external stakeholders (i.e., Board members, management, staff, shareholders, customers, suppliers and Procurement team acting as a proxy for a regulator).
- We continued to disclose the nine existing GRI topics and added three new material topics, namely Environmental Impact Assessment, Employee Safety and Well-being, and Staff Diversity and Equal Opportunity. This list of material topics was reviewed and validated by the SRC and approved by the Board.
- We also extended our greenhouse gas ("GHG") inventory to include Scope 2 emissions. Furthermore, we are looking to expand further to include Scope 3 categories in the next reporting period.
- We also started the process to align our reporting practices with the guidelines outlined by the TCFD, disclosing how we identify, assess and manage key physical and transition risks that may impact our businesses. This provided a better understanding of our exposure to climate-related risks and opportunities, allowing us to make better informed business decisions.



SUSTAINABILITY REPORT

- We are pleased to showcase the key awards we received this year:



*PT Batamindo Investment Cakrawala –
Second best Company contribute
energy In Batam in year 2022*



*PT Bintan Inti Industrial
Estate – Top 3 Best Halal Industrial Estate
Awards 2022*



*PT Batamindo Investment Cakrawala –
Blue PROPER Award in maintaining the
environment quality*



*PT Bintan Resort Cakrawala –
Awards of Sustainable Tourism Destinations*

Building a Sustainable Future

- As the world faces an urgent need to tackle climate change, we are dedicated to enhancing our climate risk and opportunity management and playing a part in building a sustainable future for everyone.
- The Group will remain vigilant in monitoring, reviewing, and assessing our material sustainability concerns periodically.
- We express our gratitude to our customers, employees, suppliers, and communities for their ongoing support and collaboration as we continue to make progress in our sustainability journey and contribute towards creating a better and more sustainable world for the upcoming generations.

SUSTAINABILITY REPORT

CORPORATE GOVERNANCE

GRI 2-12, 2-13, 2-14, 2-16, 2-17, 2-26

Sustainability Management

The Group has established a governance structure for sustainability-related issues involving the Board, the Executive Committee as well as the management team. In line with the new SGX Listing Rules effective 1 January 2022, the Group has also arranged for all directors to undergo relevant sustainability training to ensure that they keep abreast with the ever-evolving ESG landscape and better manage sustainability-related issues. The Group will continue to ensure that all directors receive adequate training and are equipped with the necessary knowledge about sustainability.

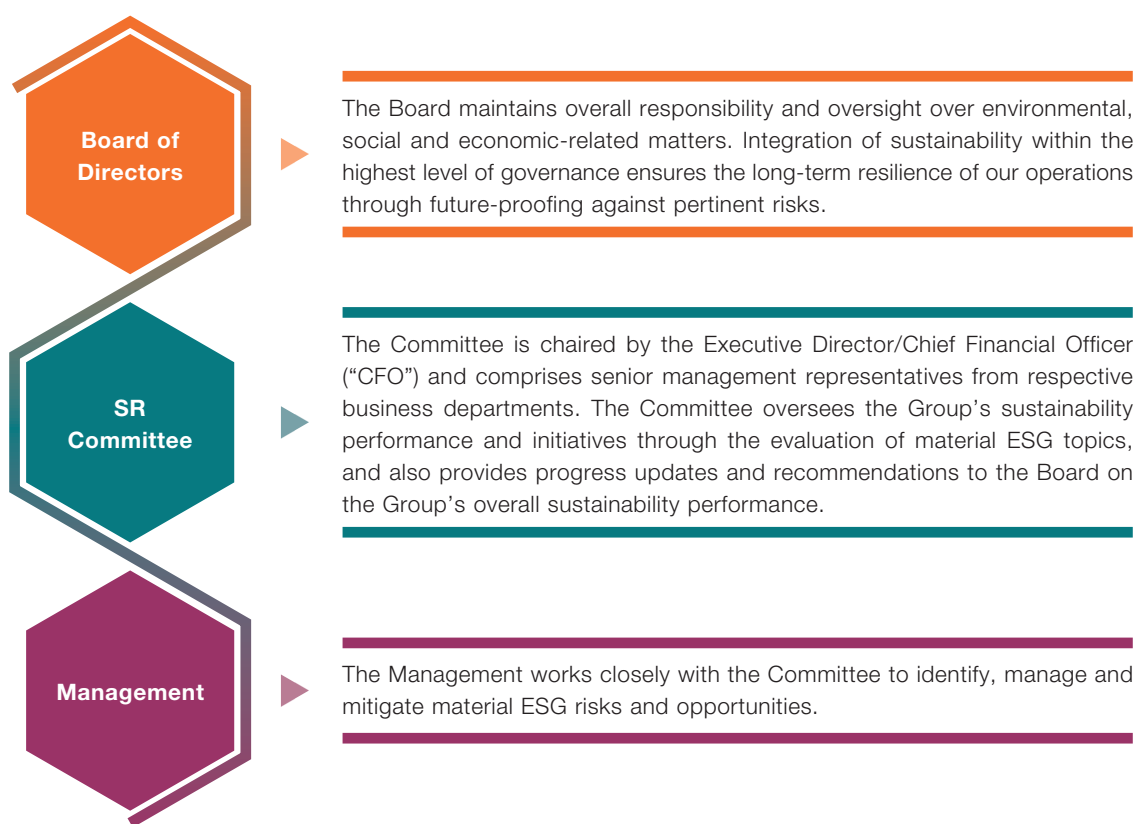


Figure 1: GV's Sustainability Governance Structure

The Group has also established a separate risk governance structure, led by the Audit and Risk Management Committee ("**ARMC**") and Management, and with oversight by the Board. Our risk management policies and framework have also been developed with guidance and alignment with the United Nations Precautionary Principle Approach (Article 15). Based on our risk management framework, reviews by the ARMC, Management and internal auditors are conducted regularly to ensure that the Group's internal controls are adequate and effective in addressing the financial, operational, compliance and information technology risks.

The Group conducts our business in accordance with the MAS Code of Corporate Governance 2018 ("**Code**") administered by SGX, which is aligned with global corporate governance best practices. We apply the 13 Principles of the Code throughout our business operations and maintain accountability, transparency, sustainability and ethicality through business practices. This helps to ensure that the best interests of all stakeholders are served while achieving continued business performance. For more details on our corporate governance policies, please refer to pages 79 to 101.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

GRI 2-29

Our Group acknowledges the importance of integrating stakeholder feedback to continually improve our sustainability approach. 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 potentially affect our business strategies.

We engage key stakeholders regularly to gain valuable insights into their perspectives on key issues and to build strong relationships with our stakeholders.

Stakeholder Groups	Areas of Concern	Engagement Channels	Frequency of Engagement
Investors/ Shareholders	- Profitability and return - Growth and long-term value - Ethical business practices	- 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 - Effective energy management	- 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	- Conferences/seminars on new regulatory requirements held by relevant governmental agencies - Participation in governmental initiatives - Annual report	As and when required
Communities	- Environmental and social impacts - Ethical business conduct	Corporate social responsibility initiatives	Ongoing basis
Employees	- Career progression - Benefits and remuneration - Fair employment practices	- Annual performance reviews - Dialogue sessions within internal departments - Company gatherings and team bonding activities	- Annually - Ongoing basis

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

GRI 3-1, 3-2

Methodology

Our Group discloses material ESG topics deemed relevant to our business and stakeholders in the annual sustainability report. We also review these material topics every year to ensure that relevant topics are identified and adequately disclosed, in line with the GRI Reporting Principles.

In FY2022, the SRC conducted a comprehensive materiality assessment in a step-by-step process with the assistance of an external consultant and involvement of the Group's senior management:

Materiality Assessment Process	Key Activities
Identification of relevant topics	- Review of relevant sustainability topics disclosed by industry peers - Stakeholder engagement with both internal and external stakeholders to accurately identify and address their areas of concern
Prioritisation of identified topics	Ranking of identified topics through a stakeholder survey, in which the importance of each topic is rated on a scale based on the significance of its economic, environmental and social impact
Assessment of prioritised topics	Gap analysis of prioritised topics against the material topics disclosed in our last sustainability report (SR2021) to highlight key topics to be disclosed in this and subsequent reporting cycles
Validation of selected material topics	Validation of the materiality matrix, selected material topics and disclosures for this reporting cycle with the SRC and Board

We surveyed a total of 28 stakeholders – 20 internal stakeholders and 8 external stakeholders – to understand their perspective on the Group's material topics.

The industry peer research and stakeholder survey results were incorporated in a gap analysis of prioritised topics against the material topics disclosed in SR2021, allowing us to assess and select key topics that matter most to our business and stakeholders. The SRC reviewed and validated the list of selected material topics for FY2022 before submitting it to the Board for approval. The materiality assessment process above has allowed us to identify key areas of concern material to our business and external stakeholders.

SUSTAINABILITY REPORT

Material Topics

The Group has identified 12 key ESG topics deemed to have a material impact on our operations, with 4 topics from each of the E, S and G pillars. The relative importance of each material topic to GV and external stakeholders is also mapped in Figure 2, showing material topics that are the most critical to both parties.

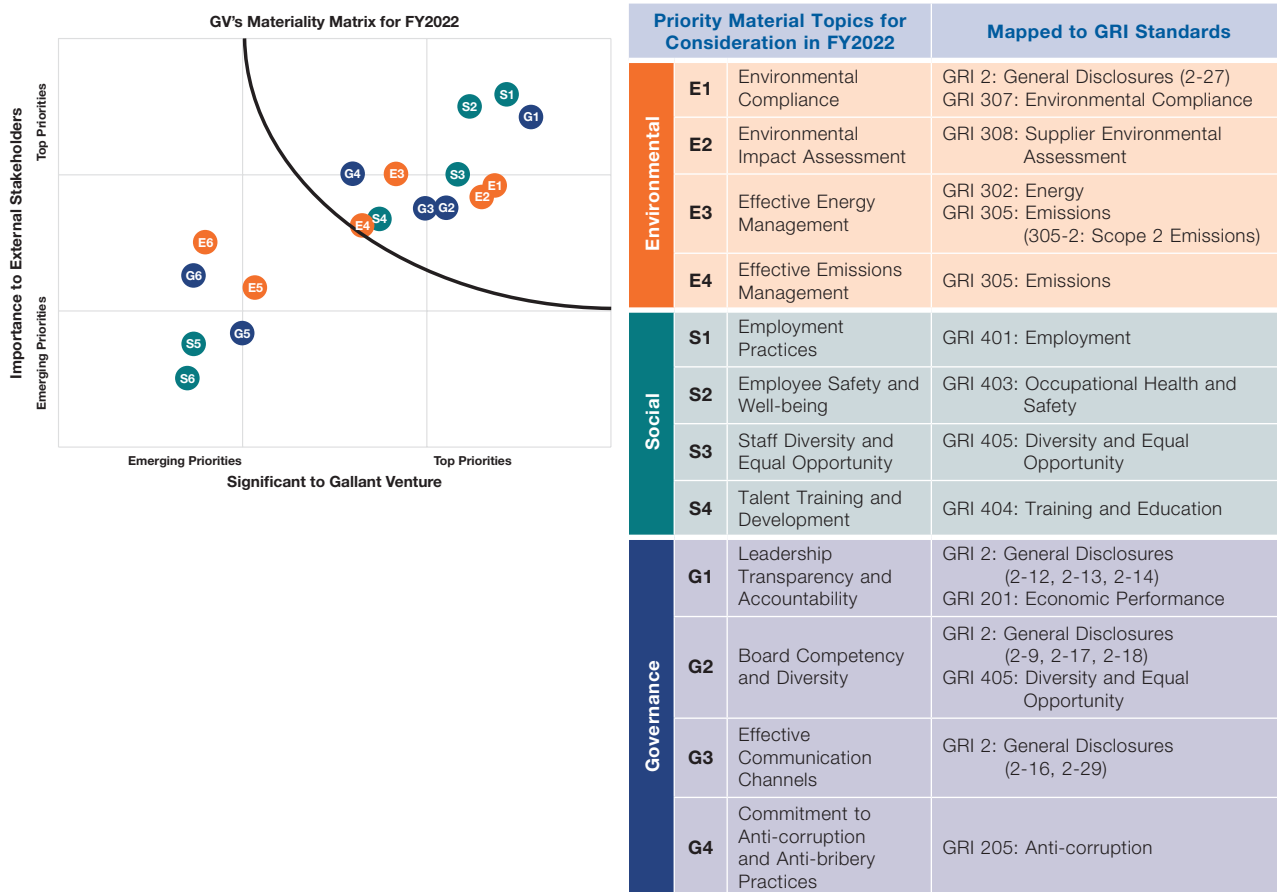


Figure 2: GV's Materiality Matrix

Based on the findings from the comprehensive gap analysis of industry peers and FY2022 stakeholder survey, our Group continue to disclose the nine existing GRI topics reported in SR2021 as they remain highly relevant to our stakeholders. Additionally, three new GRI topics were identified for this reporting cycle: *GRI 308 Supplier Environmental Assessment*, *GRI 403 Occupational Health and Safety*, and *GRI 405 Diversity and Equal Opportunity*.

SUSTAINABILITY REPORT

Please refer to the table below for more information regarding the corresponding disclosures for our material topics.

Material Topics for FY2022	Mapped to GRI Standards	Key Disclosures
Environmental Compliance	GRI 2: General Disclosures	GRI 2-27: Compliance with laws and regulations
Effective Energy Management	GRI 302: Energy	- GRI 302-1: Energy consumption within the organisation - GRI 302-3: Energy intensity
Effective Emissions Management	GRI 305: Emissions	- GRI 305-1: Direct (Scope 1) GHG emissions - GRI 305-2: Energy indirect (Scope 2) GHG emissions - GRI 305-4: GHG emissions intensity
Environmental Impact Assessment <i>(new material topic)</i>	GRI 308: Supplier Environmental Assessment	GRI 308-1: New suppliers that were screened using environmental criteria
Employment Practices	GRI 401: Employment	GRI 401-1: New employee hires and employee turnover
Talent Training and Development	GRI 404: Training and Education	GRI 404-1: Average hours of training per year per employee
Employee Safety and Well-being <i>(new material topic)</i>	GRI 403: Occupational Health and Safety	- GRI 403-1 to 403-7: Topic management disclosures - GRI 403-9: Work-related injuries - GRI 403-10: Work-related ill health
Staff Diversity and Equal Opportunity <i>(new material topic)</i>	GRI 405: Diversity and Equal Opportunity	GRI 405-1: Diversity of governance bodies and employees
Leadership Transparency and Accountability	GRI 2: General Disclosures GRI 201: Economic Performance	- GRI 2-12: Role of the highest governance body in overseeing the management of impacts - GRI 2-13: Delegation of responsibility for managing impacts - GRI 2-14: Role of the highest governance body in sustainability reporting - GRI 201-1: Direct economic value generated and distributed
Board Competency and Diversity	GRI 2: General Disclosures GRI 405: Diversity and Equal Opportunity	- GRI 2-9: Governance structure and composition - GRI 2-17: Collective knowledge of the highest governance body - GRI 2-18: Evaluation of the performance of the highest governance body - GRI 405-1: Diversity of governance bodies and employees
Effective Communication Channels	GRI 2: General Disclosures	- GRI 2-16: Communication of critical concerns - GRI 2-29: Approach to stakeholder engagement
Commitment to Anti-corruption and Anti-bribery Practices	GRI 205: Anti-corruption	GRI 205-2: Communication and training about anti-corruption policies and procedures

We will continue to review the list of material ESG topics key to our business and external partners to ensure that it remains relevant and significant. We are also looking at expanding our scope of reporting for future cycles, disclosing other potential topics such as Waste, Employee Non-Discrimination and Customer Health and Safety.

SUSTAINABILITY REPORT

BUSINESS FOUNDATION

ECONOMIC SUSTAINABILITY

GRI 2-23, 2-24, 2-25, 3-3, 201

Economic sustainability refers to the ability of an economic system to maintain its productivity and viability over the long term while minimising negative impacts on the environment and society.

Our Group's long-term success relies heavily on the economic performance, which is why we are dedicated to generating economic value and ensuring sustained earnings for our shareholders. Our commitment to economic sustainability requires a balance between economic growth, social equity, and environmental protection. Through the efficient use of resources, minimisation of waste and investment in sustainable technologies and infrastructure, GV seeks to reduce the environmental footprint of economic activities while also improving economic efficiency and competitiveness.

The Group also seeks to create economic value while also ensuring the long-term sustainability of our operations. This involves adopting sustainable business practices, investing in sustainable technologies, and engaging in responsible resource management. By doing so, we consider the long-term impacts of our economic activities on people, communities and the planet, rather than just focusing on short-term gains.

Performance

The table below captures our economic performance for this reporting year:

	Industrial Parks		Utilities		Resort Operations	
	2022	2021	2022	2021	2022	2021
Revenue (S\$ mil)	41.7	38.1	108.8	104.1	16.3	1.1
Gross profit (S\$ mil)	18.9	11.0	37.7	34.0	2.1	(10.2)
EBITDA ⁽¹⁾ (S\$ mil)	23.3	22.5	32.2	38.5	(1.2)	(12.0)
NPAT ⁽²⁾ (S\$ mil)	5.8	2.2	7.2	20.2	(5.4)	(17.1)
Total assets (S\$ mil)	91.7	92.2	104.7	107.1	25.2	14.6

For more details on our economic performance, please refer to the ESG Performance Data section under the Appendix, as well as the following sections in our Annual Report 2022:

- Financial Highlights, page 37
- Financial Review, pages 38 to 40
- Financial Statements, pages 102 to 207



⁽¹⁾ EBITDA refers to "Earnings Before Interest, Tax, Depreciation and Amortisation".

⁽²⁾ NPAT refers to "Net Profit After Tax".

SUSTAINABILITY REPORT

ANTI-CORRUPTION

GRI 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205

The Group is dedicated to conducting itself with honesty and adhering to ethical practices at all times. We have implemented strong measures to prevent corruption and protect our business continuity. We have a zero-tolerance policy against all forms of unethical corporate behavior, including bribery, corruption and fraud. All employees, including Directors and Officers, are bound by our Anti-Corruption Policy, which includes anti-corruption principles and guidance.

While the Group has developed a comprehensive Anti-Corruption Policy, we recognise that the Anti-Corruption Policy cannot anticipate every possible scenario that an employee may encounter while working. As a result, we strongly advise employees to promptly seek guidance from their supervisors, the Human Resource ("HR") Department, the Legal Department, or senior management if they are uncertain about a situation.

The Anti-Corruption Policy has three main objectives:

1. To establish the responsibilities of the Group and each employee in maintaining the Group's zero-tolerance approach towards corruption and bribery.
2. To provide employees with information and guidance on how to identify, address, resolve, avoid, and prevent instances of corruption and bribery that may arise during their employment.
3. To offer clear guidance and explanations regarding ethical conduct, compliance with laws, anti-corruption measures, acceptance of gifts and hospitality, and donations and contributions.

Our Anti-Corruption Policy undergoes regular reviews and revisions to align with the Group's evolving procedures. We evaluate its effectiveness by assessing the outcomes of various preventive, detective and responsive anti-corruption measures.

Types of measures	Key measures in place
Preventive measures	• Code of business conduct • Employee code of conduct • Conflict of interest policy • Corporate gift policy • Fraud risk assessments • Third-party due diligence
Detective measures	• Whistle-blowing policy • Forensic data analysis • Compliance and monitoring • Pre-employment screening
Responsive measures	• Fraud reporting procedures • Fraud investigation procedures • Grievance handling procedures

All new hires must also comply with our policies from the start of their employment. Furthermore, the Group has implemented rigorous controls over its procurement processes to emphasise our commitment to ethical business practices, which signals our suppliers about our zero-tolerance policy towards corruption.

We aim to maintain communicating our anti-corruption policies and procedures to 100% of the Board and employees. We also aim to maintain a 100% coverage of the Board and employees that have received training on anti-corruption.

Performance

We are pleased to announce that since the start of our sustainability reporting journey in 2017, there have been no significant violations of our anti-corruption policies identified.

In FY2022, the Group's Anti-Corruption Policy and other relevant policies and procedures were communicated to 100% of the Board and employees⁽³⁾. We also achieved a 100% coverage of the Board and employees that have received training on anti-corruption.

For more details on our anti-corruption performance, please refer to the ESG Performance Data section under the Appendix.

ENVIRONMENT

ECO-EFFICIENT OPERATIONS

GRI 2-23, 2-24, 2-25, 3-3, 302, 303, 305

The Group is cognisant that our operations contribute to a wide range of impacts, and therefore, is dedicated to taking climate action, enhancing resource efficiency, and decreasing our environmental footprint. To achieve this goal, we have established various measures to increase operational efficiency and minimise the use of energy, water and generation of waste. Our compliance controls are designed to monitor our operations and ensure that we comply with relevant environmental regulations while improving our operational efficiency. We also engage our key stakeholders through different channels to address their concerns and incorporate their feedback into our business approach and strategy.

GV's eco-efficient operations strategy involves several initiatives, including:

1. Energy Efficiency: GV has been working to improve energy efficiency in its properties by adopting energy-efficient technologies and practices such as LED lighting, motion sensors, and efficient air conditioning systems.
2. Waste Management: GV has implemented waste management strategies such as reducing the use of single-use plastics, recycling waste, and composting organic waste.

⁽³⁾ Employees are provided at a Group-level, including the other business segment – Property Development.

SUSTAINABILITY REPORT

3. **Water Conservation:** GV has been promoting water conservation by using water-efficient fixtures and fittings and implementing water recycling and harvesting systems.
4. **Sustainable Transportation:** GV has been encouraging sustainable transportation options such as electric vehicles, bicycles, and public transportation for its employees and customers.
5. **Green Building:** GV has been constructing and retrofitting buildings with eco-friendly materials and technologies, such as green roofs and solar panels.

Energy and Emissions

Climate change will inevitably have a significant impact on our business operations, and the Group recognises that we need to take urgent action to limit the effects of climate change. In 2022, we started to align with the TCFD framework, covering key physical and transition risks that may impact our businesses. For more details on our TCFD disclosures, please refer to pages 72 to 74.

As an energy provider, we recognise that effective energy and emissions management is critical to minimising our environmental footprint, as well as reducing our operational costs. We regularly monitor and evaluate how our business operations contribute to climate change to identify areas for improvement that inform our sustainability priorities. In 2022, we have also taken the step to include Scope 2 emissions in our GHG emissions inventory. Furthermore, we are looking to expand our GHG inventory to include Scope 3 categories in the next reporting period.

Our energy and emissions 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.
- Fulfill our duty to protect the environment and conserve resources while providing competitive and dependable solutions for our stakeholders.
- Enhance energy efficiency by adopting best practices and economically viable solutions.

As we strive for profitability in our utility business, we also aim to balance our financial goals with our commitment to reducing our environmental footprint. We have developed optimisation strategies to identify opportunities for cost and internal usage reductions while staying mindful of our environmental impact.

We have taken several new initiatives and measures to reduce our energy consumption and carbon footprint, such as:

- We have partnered with a green energy product and solution provider to installed solar photovoltaic system to supply up to 20% of green energy to our tenants in the industrial parks in Batam by 2023.
- We will also roll up the same initiative to supply the green energy to our industrial park and resorts in Bintan.
- We have allocated up to 1,000 ha of land in Bintan for further development of solar farms to increase supply of green energy to our tenants and customers in the next phase.
- Exploring emerging low-carbon technologies such as green hydrogen and carbon capture that will help to reduce our carbon footprint in the longer term.

Our goals are to achieve 80% efficiency in our power generation process every year and reduce our GHG emissions by 10% from our 2017 baseline year by 2024. In 2022, we obtained 93% efficiency rate and achieved a 15.4% reduction in GHG emissions from 2017 (17,962.0 tCO₂e). If there are any significant deviations from these goals, we will flag and escalate to senior management in the form of a monthly report for prompt advice on corrective actions and remediation measures.

Performance

The table below captures our energy and emissions performance for this reporting year:

	2022	2021
Energy consumption ⁽⁴⁾ (kWh)	51,360,204.0	37,052,112.0
Energy intensity ⁽⁵⁾ (kWh/S\$)	0.308	0.255
GHG emissions (Scope 1 and 2) ⁽⁶⁾ (tCO ₂ e)	Scope 1: 12,723.8	Scope 1: 9,916.0
	Scope 2: 2,477.6	
	Total 15,201.4	
GHG emissions intensity ⁽⁷⁾ (kgCO ₂ e/S\$)	0.091	New disclosure in FY2022 – data not available for FY2021

For more details on our energy and emissions performance, please refer to the ESG Performance Data section under the Appendix.

⁽⁴⁾ Energy consumption includes transmission loss during the power production, internal usage, and office electricity bill for the reporting period restricted within the organisation.

⁽⁵⁾ Energy intensity is calculated using total revenue for the current financial year as metric.

⁽⁶⁾ GHG emissions only account for Scope 1 and 2 emissions under the three reportable business segments – Industrial Parks, Utilities and Resort Operations. Gases included in the calculation are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), with the total expressed in units of tonnes of carbon dioxide equivalent (tCO₂e).

⁽⁷⁾ Energy intensity is calculated using total revenue for the current financial year as metric.

SUSTAINABILITY REPORT



Water

Similar to energy and emissions, the Group is committed to building a future of sustainable water usage and minimising the negative effects associated with excessive water consumption. With our business segments being heavily reliant on water supply, we recognise the importance of preserving this essential resource. We aim to minimise our impact on water resources by implementing best practices in our operations and supply chain. This includes reducing water usage through efficient water management practices, promoting water conservation initiatives, and ensuring that the water we use is sourced responsibly and sustainably. We also work closely with our suppliers and stakeholders to ensure they share our commitment to sustainable water sourcing and conservation. Our ultimate goal is to operate in a way that safeguards water resources and ensures their availability for future generations.

Our water management strategy strives to create a balanced business portfolio that considers our stakeholders' financial expectations and our businesses' impact on the climate. We also perform environmental impact assessments in accordance with national and international standards and practices (such as the WHO Standard Guidelines and ISO 14001) to identify environmental risks and support water conservation. Moreover, we have taken various steps and launched several initiatives to diminish our water usage by enhancing the effectiveness of our water treatment facilities. This includes:

- Benchmarking with key industry practices to set, promote, and achieve performance targets.

- Evaluating new technology for producing water; and
- Monitoring, evaluating, and analysing infrastructure performance and identifying any adjustments that are needed to further improve efficiencies.

Our goal is to attain an 80% efficiency rate in our water treatment process every year. In 2022, we achieved this goal and obtained an 87% efficiency rate. Similar to energy and emissions, we will flag any significant deviations from these goals and escalate them to senior management.

Performance

The table below captures our water performance for this reporting year:

	2022	2021
Water consumption ⁽⁶⁾ (megalitre)	472.0	489.1

For more details on our water performance, please refer to the ESG Performance Data section under the Appendix.

⁽⁶⁾ Our methodology for computing the water consumption is based on the difference between the water withdrawn and water sold for the reporting period.

SUSTAINABILITY REPORT

SUSTAINABLE SOURCING

GRI 2-23, 2-24, 2-25, 3-3, 308

Supplier Environmental Assessment

We believe that building a secure and trustworthy supply chain is crucial to ensuring the smooth operation of our production activities; hence, we added supplier environmental assessment to our list of material topics for this year. We also actively advocate for local suppliers whenever possible and work with them to identify improvement areas and implement sustainable practices.

As part of our commitment to sustainability, we conduct supplier environmental assessments to ensure that our suppliers meet our environmental standards. These assessments include evaluations of suppliers' environmental management systems, their compliance with relevant environmental regulations and laws, and their environmental performance. A new supplier can only be added to our Approved Supplier List if all requirements are fulfilled. Through these assessments, we aim to reduce the environmental impact of our supply chain and promote sustainable business practices throughout our operations.

While we currently do not have a target for our supplier environmental performance, we are working towards setting one in the next reporting period.

Performance

The table below captures our supplier environmental assessment performance for this reporting year:

	2022	2021
Percentage of new suppliers subjected to screening using environmental criteria	11.5%	New disclosure in FY2022 – data not available for FY2021

For more details on our supplier environmental assessment performance, please refer to the ESG Performance Data section under the Appendix.



SUSTAINABILITY REPORT

PEOPLE AND COMMUNITY

HUMAN CAPITAL

GRI 2-7, 2-8, 2-23, 2-24, 2-25, 3-3, 401, 404, 405

GV recognises that building a talented and motivated workforce is vital to our continued success. We are committed to attracting, developing and retaining employees who are fully engaged in advancing our mission, while also cultivating a conducive organisational culture and workplace that prioritises diversity, equality, safety and meritocracy. To achieve this, we uphold fair employment practices, provide ample learning and development opportunities, and strive to create an environment where all employees feel valued and supported.

Employment

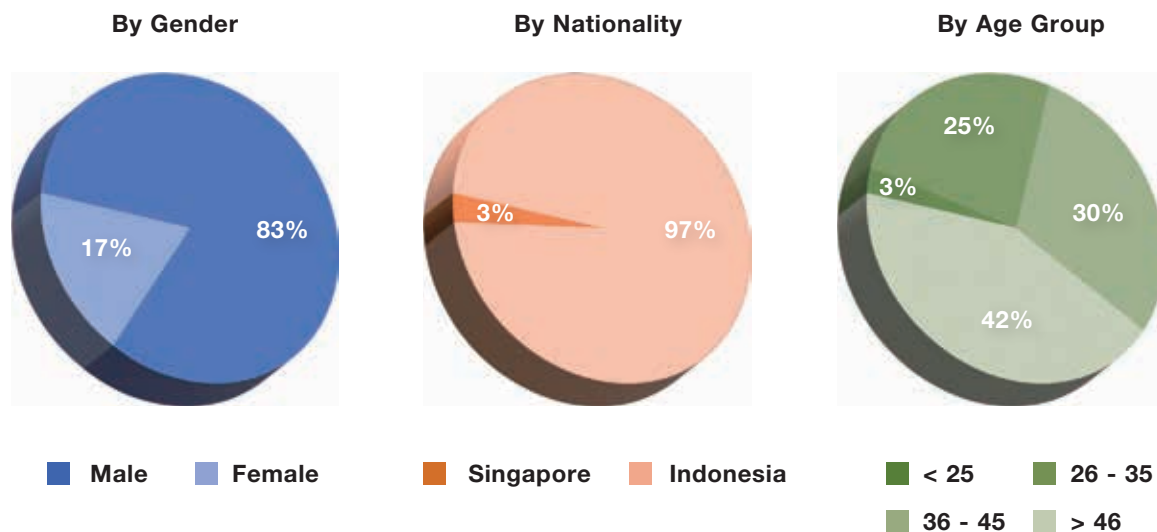
Recognising that employees are essential to the growth of our businesses, the Group places significant emphasis on employee satisfaction and has implemented policies to design remuneration and benefits that effectively attract, retain, and motivate top talent. To achieve this, we ensure that our remuneration packages are appropriately set, in line with the Group's long-term interests and risk policies. By doing so, we aim to create a workplace culture that attracts and retains exceptional employees who share our values and vision for the future.

In addition to these initiatives, we have also fostered an open and transparent culture where employees are encouraged to share their feedback, suggestions, and grievances with the HR or Legal Department. The Group strictly prohibits any form of retaliation against employees for complaints made in good faith. In the event that such retaliation is detected, the case will be reported directly to the CEO. By cultivating a culture of openness and trust, we aim to foster greater employee engagement and build a more resilient organisation that can withstand challenges and adapt to changes in the business environment.

Performance

The table below captures our employee new hire and turnover performance for this reporting year:

TOTAL NUMBER OF EMPLOYEES



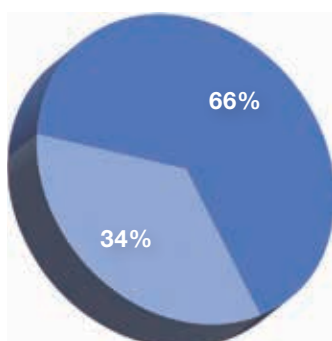
Total number of employees: 1,112

SUSTAINABILITY REPORT



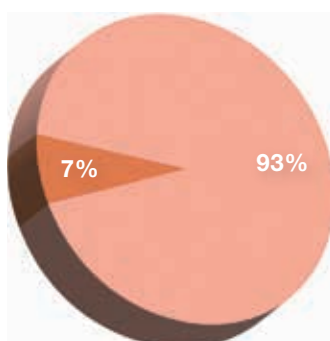
TOTAL NUMBER OF NEW HIRES

By Gender



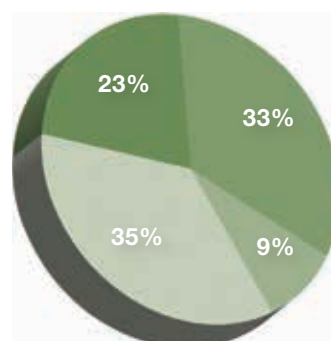
Male Female

By Nationality



Singapore Indonesia

By Age Group

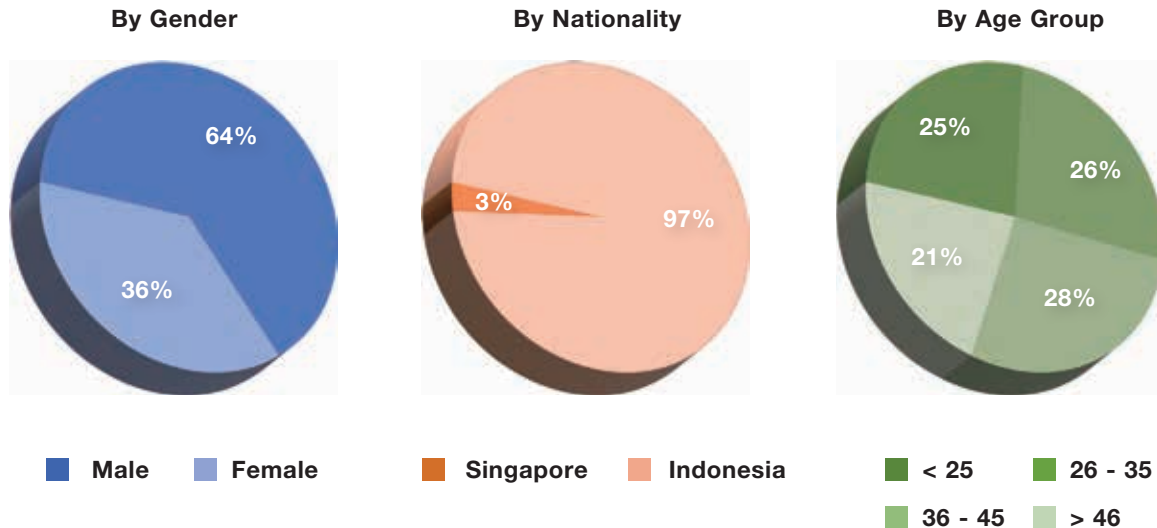


< 25 26 - 35
36 - 45 > 46

Total number of new hires: 207

SUSTAINABILITY REPORT

TOTAL NUMBER OF TURNOVER



Total number of turnover: 262

	2022	2021
New hire rate	18.6%	6.3%
Turnover rate	23.6%	11.4%

This year, we have set a new goal of keeping our turnover rate below 20% every year. While we did not meet this goal in FY2022, we are working to improve our employee retention practices and achieve it in subsequent reporting cycles.

For more details on our employee new hire and turnover performance, please refer to the ESG Performance Data section under the Appendix.

Training and Education

The Group is committed to promoting a workplace culture that values learning and prioritises the professional development of its employees. With this in mind, the Group provides ample resources and training opportunities to support the growth and development of its workforce. By acquiring new knowledge and skills, our employees gain greater autonomy, value, and confidence in their work.

At GV, we believe in creating a conducive work environment that encourages employees to participate in training and development programmes. The Group prioritises offering our employees organisation-wide opportunities to achieve their career development goals. We believe that this is crucial to retain exceptional talent and achieve our business objectives. In addition, we conduct annual performance appraisals to assess our employees' strengths and areas of improvement. This allows us to identify specific development needs and create tailored training programmes to support their career growth and development.

We measure the effectiveness of our training programmes through the number of training hours that are recorded annually for all employees. In FY2022, we surpassed our goal of achieving an average of 10 training hours per employee, reaching an average of 13.0 training hours per employee, which is a significant increase from 9.8 training hours in FY2021. Looking ahead to FY2023, we aim to increase our average training hours per employee to 15 hours to further support the development of our employees.

Moreover, we provide ongoing feedback and coaching to empower our employees to reach their personal and professional goals. This approach enables GV in supporting our employees' growth and development, leading to a more skilled and engaged workforce.

SUSTAINABILITY REPORT

Performance

The table below captures our employee training performance for this reporting year:

	2022	2021
Average training hours per employee	13.0	9.8
By gender:		
• Male	14.4	10.5
• Female	6.5	6.5
By employee category		
• Managerial	13.5	14.5
• Executive	8.7	7.9
• Non-executive	13.8	9.9

For more details on our employee training performance, please refer to the ESG Performance Data section under the Appendix.

Diversity and Equal Opportunity

At GV, we believe that having a diverse workforce fosters greater innovation, creativity and productivity. To achieve this, we strive to employ individuals from various backgrounds, ethnicities, ages and experiences. Our employees' recruitment, development, and promotions are also solely based on their merit and performance.

GV is dedicated to ensuring fair employment practices by implementing recruitment policies and procedures that are unbiased and inclusive. We review and assess them to ensure that these values are upheld across the company. In addition, we aim to provide a harmonious working environment by organising various engagement events that foster positive interactions and relationships among our employees.

We will continue to cultivate an environment where all employees are treated fairly and feel appreciated for their contribution to our business.

Performance

The table below captures our Board diversity performance for this reporting year:

	2022	2021
Total number of Board members	8	New disclosure in FY2022 – data not available for FY2021
By gender:		
• Male	100%	N.A.
• Female	0%	N.A.
By age group:		
• Under 25 years old	0%	N.A.
• Between 25-35 years old	0%	N.A.
• Between 36-45 years old	12.5%	N.A.
• Over 45 years old	87.5%	N.A.

For more details on our employee diversity performance, please refer to the ESG Performance Data section under the Appendix.



SUSTAINABILITY REPORT

HEALTH AND SAFETY

GRI 2-23, 2-24, 2-25, 3-3, 403

Occupational Health and Safety

GV ensures that all employees work in an environment that promotes safe and healthy working conditions. We conduct medical and health assessments before and during employment to ensure that employees are physically capable of fulfilling the requirements of their roles and to monitor any health effects related to the workplace. Additionally, GV collaborates with third-party service providers to conduct health screening checks for employees, as needed. We provide insurance to all employees to ensure that they are protected.

Within our industrial parks and resorts, we prioritise the safety of our stakeholders, including employees, tenants, contractors, visitors, and the surrounding community. Our ultimate goal is to achieve a zero-accident and injury workplace environment, both within our office facility and across our sites. To achieve this, we diligently comply with all relevant health and safety regulations while continuously striving to enhance our health and safety programmes and performance.

Our Health and Safety policies provide employees with guidance on maintaining a safe work environment. As per our policies, all employees receive training on safety aspects, and we conduct regular reviews of our Workplace Health and Safety ("WHS") systems to ensure their effectiveness.

We engage contractors to carry out specific tasks on our behalf, such as sub-contracted project work. To ensure the safety and well-being of all stakeholders, we vet contractors and ensure that they assume full responsibility for their workers' safety and protection while working on our sites. Additionally, contractors are required to adhere to our WHS policies and execute their occupational health and safety activities in accordance with our standards.

Performance

The table below captures our occupational health and safety performance for this reporting year:

	2022	2021
<i>All Employees</i>		
Total number and rate of fatalities as a result of work-related injury	Number: 5 Rate: 0.468	New disclosure in FY2022 – data not available for FY2021

	2022	2021
Total number and rate of high-consequence work-related injuries (excl. fatalities)	Number: 0 Rate: 0	N.A.
Total number and rate of recordable work-related injuries	Number: 5 Rate: 0.468	N.A.
Total number of fatalities as a result of work-related ill health	Number: 0	N.A.
Total number of cases of recordable work-related ill health	Number: 0	N.A.

For more details on our occupational health and safety performance, please refer to the ESG Performance Data section under the Appendix.

Hazard Identification, Risk Assessment and Incident Investigation

At our organisation, risk management is an essential part of our operational processes. Our detailed risk management procedures cover hazard identification, risk assessment, and control. We have a three-step approach to risk management, which includes identifying hazards that affect our organisational performance, assessing potential risks to employees' health and safety, and implementing adequate controls to eliminate risks. We maintain a Group-level risk register to assess, monitor and manage the risks identified. We also update it with risk registers from our subsidiaries on a quarterly basis to ensure that the risks and controls are adequate.

We understand that our activities, products, and services carry inherent risks that may pose a threat to our employees, visitors, and contractors. Therefore, our risk management process starts with a thorough risk assessment of all our operations. This includes an evaluation of the hazards associated with our activities and services, considering their severity and likelihood of occurrence. Based on this evaluation, we determine the level of risk and document it in a risk register form. We use this register to identify the activities that need additional risk control measures and set objectives and targets for risk management.

SUSTAINABILITY REPORT

GV takes a proactive approach to risk management, and our employees play an active role in this process. All workers are required to report work-related incidents immediately to their supervisors and are encouraged to report any potential hazards to management without any fear of retaliation. Employees also have the right to suspend any work in progress if they consider the equipment, machinery, personnel, or work conditions to be unsafe or non-compliant with any applicable rules, regulations, or procedures. Additionally, our sub-contractors undergo safety induction and are expected to follow our risk management process.

Employee Participation, Consultation, Training and Communication on OHS

The Group places great importance on effective consultation and communication at all levels of the organisational structure to create a healthy, safe, and enjoyable workplace with a positive culture. We believe that by empowering employees and contractors, we can ensure their active participation in maintaining workplace safety and well-being.

To further enhance worker consultation and communication, we have implemented a WHS programme. Under this programme, Safety Fieldmen, Safety Supervisors, and Safety Coordinators are elected from among our peers to conduct safety meetings onsite and participate in procedure review, risk assessments, workplace inspections, and other health and safety functions. We conduct weekly safety inspections and provide annual in-house safety training to all employees.

In addition to the WHS programme, we have procedures and systems in place to determine employee competence levels, training needs, and appropriate training courses. We

ensure that only individuals with appropriate knowledge, skills, and experience carry out all training and competency assessments.

COMMUNITY-BASED EMPOWERMENT

GRI 2-23, 2-24, 2-25, 3-3, 413

Local Community Initiatives and Engagements

GV strives to create long-lasting social, economic, and environmental benefits for the communities in which it operates. By engaging and nurturing these communities, the company contributes to the development of a sustainable future.

The Group holds the view that our business growth should be aligned with the social progress of the communities in Batam and Bintan islands, where our primary operations are located. Consequently, community development projects are an integral part of our business strategy, aimed at improving social and environmental standards in these areas.

As part of our ongoing commitment to improving our corporate social responsibility (“CSR”) programmes, we will persist in engaging with charities or organisations where we operate. This is demonstrated by our active participation in a range of community development projects focused on education, environment, and health, which have received favourable feedback from the local communities.

During FY2022, we took part in several community, environmental, and educational programmes, which are illustrated below:

Community



The Group not only provided donation support but also encouraged the tenants in its Industrial Park to support National Health Insurance-Indonesian Health Card Programme (Jaminan Kesehatan Nasional-Kartu Indonesia Sehat, or “JKN-KIS”). The JKN-KIS programme met Universal Health Coverage of 91% in Bintan Regency by the end of 2022, with around 154,057 residents having national health insurance.

SUSTAINABILITY REPORT



The Orphan Sponsorship programme is a long-term programme that looks after the welfare of orphans. It ensures that their fundamental rights to identity, growth and social protection are recognised and preserved.

Our subsidiary, PT Batamindo Investment Cakrawala participated in the New Electricity Assistance Programme organised by the Ministry of Energy and Mineral Resources ("ESDM"). This programme aimed to provide free electricity to all households connected in the Riau Island area.



Education



SUSTAINABILITY REPORT



Scholarship programmes run continuously and are designed to help local students further their education and alleviate the cost of their studies.



Free English courses were provided to junior high school teachers in SMPN 16 Bintan to build their English-speaking confidence and inspire them to continue developing their English skills. This programme aimed to improve the conversational English standards in Bintan.



Besides scholarship programmes, workshops were also organised to create a common understanding of industrial parks for high school students. The main objective of these workshops was to provide a general understanding of key concepts, methods and tools related to industrial symbiosis detection and implementation.

Environment



To improve the environment and beautify the surroundings of Batam and Bintan, tree planting programme was organised and carried out. Under this programme, 500 trees were planted at Lagoi Safari Park, Bintan and 200 golden teak trees were planted along the road in Batam City. This reforestation programme is to support Batam and Bintan as eco-tourism destination as well as to prevent the effects of global warming.

SUSTAINABILITY REPORT



To build awareness and encourage action for environmental protection, the Group organises a monthly Environment Day in the middle of each month. This programme aims to raise awareness of the employees to take initiative to clean up and protect Bintan Island.



Bintan Resorts hold a Mangrove Rejuvenation activity to commemorate World Tourism Day. Mangrove Rejuvenation activities, which included the replanting of 1,000 mangrove seedlings and a cleaning exercise along the mangrove river.

SUSTAINABILITY REPORT

APPENDIX

ESG PERFORMANCE DATA

Economic & Governance

Direct economic value generated and distributed (GRI 201-1)		
Metrics	2022	2021
• Direct economic value generated: revenue (in S\$ million)	166.8	143.3
• Economic value distributed (in S\$ million)	149.1	142.6
• Economic value retained (in S\$ million)	17.7	0.7

Communication and training about anti-corruption policies and procedures (GRI 205-2)		
Metrics	2022	2021
<i>Governance Body Members: Board of Directors</i>		
• Total number of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	Singapore: 7 Indonesia: 1 Total: 8	Singapore: 7 Indonesia: 1 Total: 8
• Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	Singapore: 100% Indonesia: 100% Total: 100%	Singapore: 100% Indonesia: 100% Total: 100%
• Total number of governance body members that have received training on anti-corruption	Singapore: 7 Indonesia: 1 Total: 8	Singapore: 7 Indonesia: 1 Total: 8
• Percentage of governance body members that have received training on anti-corruption	Singapore: 100% Indonesia: 100% Total: 100%	Singapore: 100% Indonesia: 100% Total: 100%
<i>Employees*: Managerial, Executive, Non-Executive</i> <i>*at Group-level, including the other business segment – Property Development</i>		
• Total number of employees that the organisation's anti-corruption policies and procedures have been communicated to	Singapore: 85 Indonesia: 1,519 Total: 1,604	Singapore: 78 Indonesia: 1,529 Total: 1,607
• Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	Singapore: 100% Indonesia: 100% Total: 100%	Singapore: 100% Indonesia: 100% Total: 100%
• Total number of employees that have received training on anti-corruption	Singapore: 85 Indonesia: 1,519 Total: 1,604	Singapore: 78 Indonesia: 1,529 Total: 1,607
• Percentage of employees that have received training on anti-corruption	Singapore: 100% Indonesia: 100% Total: 100%	Singapore: 100% Indonesia: 100% Total: 100%
<i>Business Partners: Not limited to suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients</i>		
• Total number of business partners that the organisation's anti-corruption policies and procedures have been communicated to	GV communicates its Anti-Corruption Policy to business partners, but does not track the actual number of business partners.	
• Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to		

SUSTAINABILITY REPORT

Environmental

Energy consumption within the organisation (GRI 302-1)		
Metrics	2022	2021
• Total energy consumption within the organisation (in GJ)	184,896.7	133,387.6
• Total energy consumption from non-renewable sources (in GJ)	1,653,509.2	1,542,507.2
• Total energy consumption from renewable sources (in GJ)	1,271.5	0
• Total electricity consumption (in GJ)	10,993.8	9,949.0
• Total electricity sold (in GJ)	1,480,877.7	1,419,068.5

Energy intensity (GRI 302-3)		
Metrics	2022	2021
• Energy intensity ratio for the organisation (in kWh/S\$)	0.308	0.255
• Total energy consumption within the organisation (in kWh)	51,360,204.0	37,052,112.0
• Organisation-specific metric (denominator)	Revenue for FY2022	Revenue for FY2021
• Types of energy included in the intensity ratio	Fuel and electricity consumption within the organisation	

Water consumption (GRI 303-5)		
Metrics	2022	2021
• Total water consumption from all areas (in megalitre)	472.0	489.1
• Total water consumption from areas with water stress (in megalitre)	N.A.	N.A.
• Change in water storage (in megalitre)	N.A.	N.A.

Direct (Scope 1) GHG emissions (GRI 305-1)		
Metrics	2022	2021
• Gross direct (Scope 1) GHG emissions (in tCO₂e)	12,723.8	9,916.0
• Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄ , N ₂ O
• Biogenic CO emissions (in tCO ₂ e)	N.A.	N.A.
• Base year for the calculation	2017	2017
• Source of the emission factors and the GWP rates used	DEFRA – Greenhouse gas reporting: conversion factors 2022	DEFRA – Greenhouse gas reporting: conversion factors 2021
• Consolidation approach for emissions	Operational control	
• Standards, methodologies, assumptions, and/or calculation tools used	Greenhouse Gas Protocol Corporate Accounting and Reporting Standards	

SUSTAINABILITY REPORT

Energy indirect (Scope 2) GHG emissions (GRI 305-2)		
Metrics	2022	2021
• Gross location-based energy indirect (Scope 2) GHG emissions (in tCO₂e)	2,477.6	New disclosure in FY2022 – data not available for FY2021
• Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	N.A.
• Base year for the calculation	2022	N.A.
• Source of the emission factors and the GWP rates used	IGES List of Grid Emission Factors v11.0	N.A.
• Consolidation approach for emissions	Operational control	N.A.
• Standards, methodologies, assumptions, and/or calculation tools used	Greenhouse Gas Protocol Corporate Accounting and Reporting Standards	N.A.

GHG emissions intensity (GRI 302-4)		
Metrics	2022	2021
• GHG emissions intensity ratio for the organisation (in kgCO₂e/\$)	0.091	New disclosure in FY2022 – data not available for FY2021
• Gross GHG emissions included in the intensity ratio (Scope 1 and Scope 2) (in tCO ₂ e)	15,201.4	N.A.
• Organisation-specific metric (denominator)	Revenue for FY2022	N.A.
• Types of GHG emissions included in the intensity ratio	Scope 1 and Scope 2	N.A.
• Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	N.A.

New suppliers that were screened using environmental criteria (GRI 308-1)		
Metrics	2022	2021
• Percentage of new suppliers that were screened using environmental criteria (in %)	11.5	New disclosure in FY2022 – data not available for FY2021
• Total number of new suppliers within the reporting period	174	N.A.
• Total number of new suppliers that were screened using environmental criteria	20	N.A.

SUSTAINABILITY REPORT

Social

New employee hires and employee turnover (GRI 401-1)			
Metrics		2022	2021
<i>All Employees</i>			
• Total number of employees		1,112	1,167
• By age group	• Under 25 years old	37	75
	• Between 25-35 years old	280	328
	• Between 36-45 years old	334	403
	• Over 45 years old	461	361
• By gender	• Male	921	953
	• Female	191	214
• By region	• Singapore	38	31
	• Indonesia	1,074	1,136
<i>New Employee Hires</i>			
• New employee hire rate		18.6%	6.3%
• Total number of new employee hires		207	73
• By age group	• Under 25 years old	47	29
	• Between 25-35 years old	69	24
	• Between 36-45 years old	19	15
	• Over 45 years old	72	5
• By gender	• Male	136	52
	• Female	71	21
• By region	• Singapore	15	0
	• Indonesia	192	73
<i>Employee Turnover</i>			
• Employee turnover rate		23.6%	11.4%
• Total number of employee turnover		262	133
• By age group	• Under 25 years old	64	4
	• Between 25-35 years old	68	42
	• Between 36-45 years old	74	26
	• Over 45 years old	56	61
• By gender	• Male	168	98
	• Female	94	35
• By region	• Singapore	8	23
	• Indonesia	254	110

SUSTAINABILITY REPORT

Work-related injuries (GRI 403-9)		
Metrics	2022	2021
<i>All Employees</i>		
• Total number and rate of fatalities as a result of work-related injury	Number: 5 Rate: 0.468	New disclosure in FY2022 – data not available for FY2021
• Total number and rate of high-consequence work-related injuries (excl. fatalities)	Number: 0 Rate: 0	
• Total number and rate of recordable work-related injuries	Number: 5 Rate: 0.468	
• Main types of work-related injury	Cuts by industrial machines and metal objects, and exposure to dust and other harmful substances	N.A.
• Total number of hours worked	2,135,040	N.A.
<i>All Workers (who are not employees but whose work and/or workplace is controlled by GV)</i>		
• Total number and rate of fatalities as a result of work-related injury	Number: 1 Rate: 0.076	New disclosure in FY2022 – data not available for FY2021
• Total number and rate of high-consequence work-related injuries (excl. fatalities)	Number: 0 Rate: 0	
• Total number and rate of recordable work-related injuries	Number: 1 Rate: 0.076	
• Main types of work-related injury	Cuts by metal objects	N.A.
• Total number of hours worked	2,645,280	N.A.
Work-related ill health (GRI 403-10)		
Metrics	2022	2021
<i>All Employees</i>		
• Total number of fatalities as a result of work-related ill health	Number: 0	New disclosure in FY2022 – data not available for FY2021
• Total number of cases of recordable work-related ill health	Number: 0	
• Main types of work-related ill health	No cases of work-related ill health	N.A.
<i>All Workers (who are not employees but whose work and/or workplace is controlled by GV)</i>		
• Total number of fatalities as a result of work-related ill health	Number: 0	New disclosure in FY2022 – data not available for FY2021
• Total number of cases of recordable work-related ill health	Number: 0	
• Main types of work-related ill health	No cases of work-related ill health	N.A.
Average hours of training per year per employee (GRI 404-1)		
Metrics	2022	2021
• Average hours of training per employee	13.0	9.8
• By gender		
• Male	14.4	10.5
• Female	6.5	6.5
• By employee category		
• Managerial	13.5	14.5
• Executive	8.7	7.9
• Non-executive	13.8	9.9

SUSTAINABILITY REPORT

Diversity of governance bodies and employees (GRI 405-1)

Metrics		2022	2021
<i>Governance Body Members: Board of Directors</i>			
• Total number of governance body members		8	New disclosure in FY2022 – data not available for FY2021
• By gender	• Male	100%	N.A.
	• Female	0%	N.A.
• By age group	• Under 25 years old	0%	N.A.
	• Between 25-35 years old	0%	N.A.
	• Between 36-45 years old	12.5%	N.A.
	• Over 45 years old	87.5%	N.A.
<i>Managerial Employees</i>			
• Total number of managerial employees		60	New disclosure in FY2022 – data not available for FY2021
• By gender	• Male	70.0%	N.A.
	• Female	30.0%	N.A.
• By age group	• Under 25 years old	0%	N.A.
	• Between 25-35 years old	11.7%	N.A.
	• Between 36-45 years old	18.3%	N.A.
	• Over 45 years old	70.0%	N.A.
<i>Executive Employees</i>			
• Total number of executive employees		170	New disclosure in FY2022 – data not available for FY2021
• By gender	• Male	71.2%	N.A.
	• Female	28.8%	N.A.
• By age group	• Under 25 years old	0%	N.A.
	• Between 25-35 years old	27.1%	N.A.
	• Between 36-45 years old	30.0%	N.A.
	• Over 45 years old	42.9%	N.A.
<i>Non-executive Employees</i>			
• Total number of non-executive employees		882	New disclosure in FY2022 – data not available for FY2021
• By gender	• Male	85.9%	N.A.
	• Female	14.1%	N.A.
• By age group	• Under 25 years old	4.2%	N.A.
	• Between 25-35 years old	25.7%	N.A.
	• Between 36-45 years old	30.8%	N.A.
	• Over 45 years old	39.2%	N.A.

SUSTAINABILITY REPORT

TCFD DISCLOSURES

In December 2021, the Singapore Exchange Regulation (“SGX RegCo”) announced that all listed issuers must provide climate reporting on a “comply or explain” basis in their sustainability reports from FY2022 onwards. Climate reporting will subsequently be mandatory in a phased approach for certain industries identified by the TCFD to be the most affected by climate change and the transition to a low-carbon economy. For the energy industry, it will become mandatory from FY2023.

Climate-related Risks

In line with the TCFD recommendations, we have integrated climate risk into our organisation’s risk management framework. Climate risk is split into two broad categories: physical risk (the impact of extreme weather threats brought on by climate change), and transitional risk (the impact of existing and emerging regulatory requirements related to climate change).

We conduct risk assessments on an annual or as-needed basis. Short-term risks (until 2025) are flagged out to our senior management team, who will develop mitigation measures. Medium (until 2030) and long-term (until 2050) risks will be escalated to our Board of Directors, who will take them into consideration when guiding the company’s broader strategy.

Physical Risks

In 2022, we conducted a preliminary risk assessment on our revenue streams under two scenarios (1.5- and 3-degree Celsius warming). This risk assessment will be updated every year based on the latest climate science and understanding to inform the scenarios.

The following key physical risks were identified across the short-, medium- and long-term time frames:

- Increased frequency of extreme weather events such as cyclones and flash floods could adversely impact our resort operation and property development activities as well as the livelihoods of our employees in Bintan Resort Island. This is identified as a short-term risk.

- Increased frequency of extreme weather events can also affect our future master planning and development of Bintan Resort Island as a tourism destination. This is identified as a medium-term risk.
- The rising global sea level can leave our infrastructure and physical assets situated at coastal locations of the island vulnerable in the long term. This is identified as a long-term risk.

We are taking steps to minimise the potential damages caused by the abovementioned physical risks. As the master planner for the Bintan Resort Island, we will evaluate our growth strategies and develop new objectives for a sustainable tourism plan that respects and improves the existing natural and socio-economic environment to manage these physical risks caused by extreme weather events and global sea level rise.

Transition Risks

Our Sustainability Committee monitors regulatory changes in all geographic regions that affect our operations and keeps abreast of current affairs that may impact regulations.

The following key transition risks were identified:

- The increase in prices of traditional fuel sources (e.g., fuel, gas, etc.) in Indonesia may increase our costs of production for the supply of power to the tenants in our industrial parks, leading to higher costs for our utilities segment.
- As tenants from resorts/hotels and industrial parks begin to account for their carbon footprints, they are increasingly requesting more sustainable features and services. The inability to meet their expectations may lead to tenants shifting out of our industrial parks and impact future investment in resorts/hotels in Bintan Resort Island.
- The increase in carbon tax in different jurisdictions that affect our operations may lead to increased overall costs. This is identified as a long-term risk.

In order to mitigate these risks, we are exploring options to diversify our supply lines, and are investing in clean alternatives.

SUSTAINABILITY REPORT

TCFD Content Index

This section describes how we manage climate-related risks and opportunities with reference to the four key pillars recommended by TCFD.

Recommended Disclosure	Key Points
<i>TCFD Pillar: Governance</i>	
Describe the board's oversight of climate-related risks and opportunities	The Board oversees the Company's overall climate-related strategy and initiatives, and reviews the materiality matrix, targets and disclosures. The Board reviews the Company's progress and performance regarding ESG metrics and discusses future outlooks. The Board has attended ESG training courses to build their knowledge of TCFD Recommendations and SGX Listing Rules on sustainability reporting to assess and review the Company's commitment to climate action.
Describe the management's role in assessing and managing climate-related risks and opportunities	The management conducts the climate risk assessment and monitors the progress to ensure the exposure is within an acceptable level. The Company's climate risk is assessed via the risk management process. Management's role includes identifying significant threats and opportunities, evaluating the risk profile and guiding mitigation strategies on a regular basis. The movement and mitigation status of material climate risks are reviewed and deliberated to ensure oversight and adequate risk governance.
<i>TCFD Pillar: Strategy</i>	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Through our scenario analysis, we have identified opportunities and key risks in the short-, medium- and long-term that have the potential to affect our operations as below: <u>Opportunities</u> - Increased demand for eco-industrial parks. - Increased demand for services and investments as an attractive sustainable tourism destination. <u>Risks</u> - Physical risks include extreme weather and flooding in both short- and long-term disrupting services and damaging critical infrastructure. - Material transition risks include increased energy costs, indirect price increase, carbon pricing, and reputational damage, e.g. stakeholders' loss of confidence leading to revenue loss.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Possible impact over short (until 2025), medium (until 2030) and long (until 2050) term horizons with scenario analysis outcome summarised as climate-related risks and opportunities. Both physical and transition risks can potentially influence the company's financial standing (revenue, cost and balance sheet in the long term). Opportunities primarily reflect an expected growth of resort/hotel investment into Bintan Resort Island as an attractive sustainable tourism destination and increased demand for industrial space in our industrial parks for promoting eco-industrial park initiatives.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Our scenario analysis has highlighted potential implications of physical and transition risks, shaping our strategy to ensure our organisation remains resilient in the face of change. We are actively working with various partners to bring renewable energy to our tenants in the resorts and industrial parks to minimise our impact on the environment and to help our tenants to operate more sustainably.

SUSTAINABILITY REPORT

Recommended Disclosure	Key Points
<i>TCFD Pillar: Governance</i>	
Describe the organisation's processes for identifying and assessing climate-related risks.	We identify, assess and manage risks to reduce the uncertainty associated with executing our business strategies, and mitigate potential adverse impacts on our business. Climate-related risks are assessed in our annual materiality assessment exercise facilitated by an independent third-party consultant. We have established a Risk Management Framework at the enterprise level, which includes our governance structure for risk management, risk appetite and tolerance levels, management approach and risk factors.
Describe the organisation's processes for managing climate-related risks.	Short-term climate risks are addressed and managed by respective line managers within their areas of responsibility. This risk management process is embedded in the day-to-day business and decision-making processes. Medium and long-term climate risks are discussed with the Board to deliberate significant threats and opportunities, evaluate the risk profile and guide mitigation strategies on a regular basis.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We identify and assess climate-related risks through regular stakeholder engagement during our annual materiality assessments. We integrate climate risk assessment in our risk management framework – aligned to our risk register, planned actions and annual business strategy planning. Climate transition and physical risks are identified, assessed and managed as part of our strategy and operations.
<i>TCFD Pillar: Metrics and Targets</i>	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The metrics and targets we have set relate to our Scope 1 and 2 GHG emissions. Besides GHG emissions, we also track, monitor and report on key metrics regarding energy and water consumption in our sustainability report.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please refer to page 54 in the Sustainability Report for details on our Scope 1 and 2 emissions. We will be expanding our reporting scope to include Scope 3 categories by FY2023.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We are committed to establishing science-based targets and are looking to validate our Scope 1, 2 and 3 targets by FY2023.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GENERAL DISCLOSURES		
GRI STANDARD	DISCLOSURE	PAGE NUMBER
GRI 1: Foundation 2021		Sustainability Report 2022
GRI 2: General Disclosures 2021	The organisation and its reporting practices	
2-1	Organisational details	ABOUT GALLANT VENTURES – Our Operations
2-2	Entities included in the organisation's sustainability reporting	ABOUT THE REPORT – Reporting Scope and Boundaries
2-3	Reporting period, frequency and contact point	ABOUT THE REPORT – Feedback
2-4	Restatements of information	ABOUT THE REPORT – Reporting Scope and Boundaries
2-5	External assurance	ABOUT THE REPORT – Reporting Quality
	Activities and workers	
2-6	Activities, value chain and other business relationships	ABOUT GALLANT VENTURES – Our Operations, Annual Report 2022 – Group Profile, Group Businesses and Business Review
2-7	Employees	PEOPLE AND COMMUNITY – Human Capital
2-8	Workers who are not employees	PEOPLE AND COMMUNITY – Human Capital
	Governance	
2-9	Governance structure and composition	Annual Report 2022 – Board of Directors, Additional Information on Directors and Statement of Corporate Governance
2-10	Nomination and selection of the highest governance body	Annual Report 2022 – Board of Directors, Additional Information on Directors and Statement of Corporate Governance
2-11	Chair of the highest governance body	Annual Report 2022 – Statement of Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	SUSTAINABILITY AT THE GROUP – Corporate Governance, Annual Report 2022 – Statement of Corporate Governance
2-13	Delegation of responsibility for managing impacts	SUSTAINABILITY AT THE GROUP – Corporate Governance, Annual Report 2022 – Statement of Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	SUSTAINABILITY AT THE GROUP – Corporate Governance, Annual Report 2022 – Statement of Corporate Governance
2-15	Conflicts of interest	Annual Report 2022 – Statement of Corporate Governance
2-16	Communication of critical concerns	SUSTAINABILITY AT THE GROUP – Corporate Governance, Annual Report 2022 – Statement of Corporate Governance
2-17	Collective knowledge of the highest governance body	SUSTAINABILITY AT THE GROUP – Corporate Governance, Annual Report 2022 – Statement of Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Annual Report 2022 – Statement of Corporate Governance
2-19	Remuneration policies	Annual Report 2022 – Statement of Corporate Governance
2-20	Process to determine remuneration	Annual Report 2022 – Statement of Corporate Governance
2-21	Annual total compensation ratio	Annual Report 2022 – Statement of Corporate Governance

SUSTAINABILITY REPORT

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE		PAGE NUMBER
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	SUSTAINABILITY AT THE GROUP – Board Sustainability Statement
	2-23	Policy commitments	BUSINESS FOUNDATION, ENVIRONMENT, PEOPLE AND COMMUNITY
	2-24	Embedding policy commitments	BUSINESS FOUNDATION, ENVIRONMENT, PEOPLE AND COMMUNITY
	2-25	Processes to remediate negative impacts	BUSINESS FOUNDATION, ENVIRONMENT, PEOPLE AND COMMUNITY
	2-26	Mechanisms for seeking advice and raising concerns	SUSTAINABILITY AT THE GROUP – Corporate Governance, BUSINESS FOUNDATION – Anti-corruption
	2-27	Compliance with laws and regulations	BUSINESS FOUNDATION – Anti-corruption, ENVIRONMENT
	2-28	Membership associations	• American Chamber of Commerce in Singapore • Indonesian Employers Association • Indonesian Chamber of Commerce and Industry • Indonesian Industrial Estates Association • Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika - Majelis Ulama Indonesia • Singapore Business Federation • Singapore National Employers Federation • Singaporean-German Chamber of Industry and Commerce
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	SUSTAINABILITY AT THE GROUP – Stakeholder Engagement
GRI 3: Material Topics 2021	2-30	Collective bargaining agreements	NA
	3-1	Process to determine material topics	SUSTAINABILITY AT THE GROUP – Materiality Assessment
	3-2	List of material topics	SUSTAINABILITY AT THE GROUP – Materiality Assessment

MATERIAL TOPICS

GRI STANDARD	DISCLOSURE		PAGE NUMBER
Economic Sustainability			
GRI 3: Material Topics 2021	3-3	Management of material topics	BUSINESS FOUNDATION – Economic Sustainability
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	BUSINESS FOUNDATION – Economic Sustainability, APPENDIX – ESG Performance Data
Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	BUSINESS FOUNDATION – Anti-corruption
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	BUSINESS FOUNDATION – Anti-corruption, APPENDIX – ESG Performance Data

SUSTAINABILITY REPORT

MATERIAL TOPICS			
GRI STANDARD	DISCLOSURE		PAGE NUMBER
Eco-efficient Operations			
GRI 3: Material Topics 2021	3-3	Management of material topics	ENVIRONMENT – Eco-efficient Operations
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	ENVIRONMENT – Eco-efficient Operations, APPENDIX – ESG Performance Data
	302-3	Energy intensity	
GRI 303: Water and Effluents 2018	303-5	Water consumption	ENVIRONMENT – Eco-efficient Operations, APPENDIX – ESG Performance Data
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ENVIRONMENT – Eco-efficient Operations, APPENDIX – ESG Performance Data
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Sustainable Sourcing			
GRI 3: Material Topics 2021	3-3	Management of material topics	ENVIRONMENT – Sustainable Sourcing
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	ENVIRONMENT – Sustainable Sourcing, APPENDIX – ESG Performance Data
Human Capital			
GRI 3: Material Topics 2021	3-3	Management of material topics	PEOPLE AND COMMUNITY – Human Capital
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	PEOPLE AND COMMUNITY – Human Capital, APPENDIX – ESG Performance Data
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	PEOPLE AND COMMUNITY – Human Capital, APPENDIX – ESG Performance Data
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	PEOPLE AND COMMUNITY – Human Capital, APPENDIX – ESG Performance Data
Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	PEOPLE AND COMMUNITY – Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	PEOPLE AND COMMUNITY – Health and Safety
	403-2	Hazard identification, risk assessment and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-9	Work-related injuries	PEOPLE AND COMMUNITY – Health and Safety, APPENDIX – ESG Performance Data
	403-10	Work-related ill health	
	Community-based Empowerment		
GRI 3: Material Topics 2021	3-3	Management of material topics	PEOPLE AND COMMUNITY – Community-based Empowerment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	PEOPLE AND COMMUNITY – Community-based Empowerment



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**”) issued on 6 August 2018 and accompanying Practice Guidance (updated on 11 January 2023) 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 2022 (“**FY2022**”).

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 ensures 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 shareholders’ interests and the company’s assets, supervises the Management and monitors the 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 a 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 instil 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 their fiduciary duties and other general duties and obligations. They will be briefed by the Chairman on their duties and obligations and introduced to the Group's business and governance practices 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 familiarise themselves with their 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.

The 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 2022, all directors attended the sustainability training conducted by the Singapore Institute of Directors ("**SID**") as prescribed by the SGX-ST.

During the financial year reported on, the Directors had received information pertaining to the Group's business, including information to keep them abreast of issues and developments relevant to the Group's businesses, changes in regulations, listing rules and accounting standards and Companies Act. The Chief Executive Officer ("**CEO**") 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 conducting 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.

The 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 value. The Group's sustainability report for FY2022 is set out on pages 41 to 78 in this Annual Report.

Provision 1.3: Matters requiring Board approval

The Board has internal guidelines governing matters that require Board's approval and this is clearly communicated to Management. Matters requiring Board's approval include:

- (a) matters involving a conflict of interest for a substantial shareholder or a director;
- (b) strategic policies of the Group;

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- (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.

The matters which are decided and approved by the Board are documented in the minutes of the meetings and board resolutions and kept with the Company.

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 and Board Committee members are as follows:

Name of Director	Nature of Appointment	Board Committees			
		Board	ARMC	NC	RC
Mr Lim Hock San	Non-Executive and Independent	Chairman	Chairman	Chairman	Member
Mr Eugene Cho Park	Executive	Member			
Mr Gianto Gunara	Executive	Member			
Mr Choo Kok Kiong	Executive	Member			
Dr Tan Chin Nam	Non-Executive	Member			
Mr Axton Salim	Non-Executive	Member			
Mr Foo Ko Hing	Non-Executive and Independent	Member	Member	Member	Chairman
Mr Lim Chee San	Non-Executive and Independent	Member	Member	Member	Member

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 reference 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.

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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 FY2022:

	Board	ARMC	NC	RC	General Meetings
Number of meetings held in FY2022	2	2	1	1	1
Name of Directors	Number of meetings attended in FY2022				
Mr Lim Hock San	2	2	1	1	1
Mr Eugene Cho Park	2	2*	1*	1*	1
Mr Gianto Gunara	2	2*	N/A	N/A	1
Mr Choo Kok Kiong	2	2*	1*	1*	1
Dr Tan Chin Nam	2	2*	N/A	N/A	1
Mr Axton Salim	2	2*	N/A	N/A	1
Mr Foo Ko Hing	2	2	1	1	1
Mr Lim Chee San	2	2	1	1	1

* Attended the meeting as an 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 of board members in other forms including periodic review, level of discussion at board meetings, and 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.

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 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 in specific projects.

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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 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 are 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

The Board comprises eight Directors, three of whom are Independent Directors, constituting more than one-third of the Board. As at the date of this Report, our Independent Directors are Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San. The majority of the Board comprises Non-Executive Directors, namely five out of eight.

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 judgment 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 NC based on the definition of independence as stated in the Code and the Listing Rules.

Review of Directors' independence in 2022

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.

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Under Rule 210(5)(d)(iii) of the Listing Rules of SGX-ST, which took 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, and for him to continue in office as an independent director, approval had to be sought from shareholders under two-tiered 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, obtained the approval of shareholders under the two-tiered voting at the Company's Annual General Meeting ("**AGM**") on 30 April 2021 to continue in office as Independent Directors. However, Listing Rule 210(5)(d)(iii) was deleted effective from 11 January 2023.

Under new Listing Rule 210(5)(d)(iv) effective from 11 January 2023 and Transitional Practice Note 4 of the Listing Rules, an independent director who has been a director for an aggregate period of more than nine years may continue to be considered independent until the conclusion of the AGM for the financial year ending on or after 31 December 2023. Mr Lim and Mr Foo, who have been Directors of the Company for more than 9 years, will be considered independent until the Company's AGM in 2024 for the financial year ending 31 December 2023.

For good governance, the NC has continued to conduct a rigorous review of the independence of Independent Directors who have served as Directors for an aggregate period of more than nine years. 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 for 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 into the Group's business and operations, and can continue to provide significant and valuable contributions 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 believes 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, Mr Lim Hock San, is an Non-Executive and Independent Director. Non-Executive and Independent Director form one-third of the Board composition. 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.

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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 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 regard 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 operation 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.

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

A detailed description of their background and experience is disclosed under the "Board of Directors" section of the Annual Report. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

Provision 2.5: Role of Non-Executive Directors

The Non-Executive Directors assist the Board in performing its role by constructively challenging the development of its strategies and bringing 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.

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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 “CEO” are separate and distinct, each having its areas of responsibilities. The Board believes that a clear segregation 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.

Mr Eugene Cho Park is the CEO of the Company whose responsibilities include setting the corporate directions and business strategies and providing leadership and vision for the Company. He, together with the assistance of a team of key management personnel, is responsible for the day-to-day management of the Company and the Group’s affairs and ensures that the strategies and policies adopted by the Board are executed.

Provision 3.3: Lead Independent Director

As the Chairman of the Board, Mr Lim Hock San, is an Independent Director, the Board is of the view that the appointment of a lead independent director is not necessary. 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.

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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 the Chairman, are independent. The members of the NC are:

Mr Lim Hock San (Chairman)

Mr Foo Ko Hing

Mr Lim Chee San

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 for all board appointments, re-appointments and re-nominations;
- (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 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, qualifications, 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, the 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 done through relevant institutions such as SID, professional organisations or business federations or external search consultants. New directors will be appointed through a Board resolution after the NC makes the necessary recommendation to the Board.

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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 Eugene Cho Park, Mr Gianto Gunara and Dr Tan Chin Nam will retire by rotation pursuant to the Constitution of the Company. The NC has recommended to the Board their re-election at the forthcoming AGM.

In recommending the above Directors for re-election, the NC has taken into consideration these Directors' contributions and performance. The Board has accepted the NC's recommendations. Mr Eugene Cho Park, Mr Gianto Gunara and Dr Tan Chin Nam 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 Eugene Cho Park, Mr Gianto Gunara, and Dr Tan Chin Nam 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. In assessing their independence, the NC, having considered the guidelines set out in the Code and the Listing Rules is of the view that Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San are independent. There are no relationships identified which would deem them not to be independent. Mr Lim Hock San, Mr Foo Ko Hing and Mr Lim Chee San have also declared their independence.

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 FY2022.

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.

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 in discharging 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.

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The evaluation of the 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 a focus on the contribution of 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. It will consider the use of such facilitators 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 remuneration.

Provision 6.1 and 6.2: Remuneration Committee

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

Mr Foo Ko Hing (Chairman)

Mr Lim Hock San

Mr Lim Chee San

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 employees is commensurate with his or her duties and responsibilities and no preferential treatment is given to him or her.

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Provision 6.3: Review of Remuneration

All aspects of remuneration, including but not limited to directors' fees, 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 Executive Director or 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 that are not overly generous.

Provision 6.4: Engagement of Remuneration Consultants

The RC will be provided with expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2022, 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 the individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders and promote the long-term success of the Group. Executive Directors receive remuneration as employees of the Company and do not receive directors' fees or other remuneration from the Company or its subsidiaries.

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

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

Provision 7.2: Remuneration of Non-Executive and Independent Directors

All the Non-Executive Directors have no service contract and are compensated with directors' fees taking into consideration their respective contributions and attendance at meetings. Additional fees are paid for serving as the chairman or member of the Board committees according to the level of responsibilities and expected time spent for the respective roles.

The RC reviews the directors' fees for Non-Executive Directors to ensure the remuneration is commensurate with their contribution and responsibilities. The directors' fees are subject to approval by the shareholders of the Company as a lump sum at each AGM of the Company.

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The RC has reviewed the fee structure for non-executive directors as reflective of their responsibilities and work commitments without over-compensation to the extent that their independence will be compromised and recommends the directors' fees for FY2022 to the Board for tabling at the forthcoming AGM 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.

Provision 7.3: Appropriate remuneration to attract, retain and motivate directors and key management personnel

The RC is satisfied that the remuneration structure of the Executive Directors and key management personnel as described under Provision 7.1 and that for the Non-Executive Directors as described under Provision 7.2 are appropriate to attract, retain and motivate the Directors to continue in their role as stewards of the Company and the key management personnel to contribute to the performance of the Group.

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 to the Directors for the financial year ended 31 December 2022 are as follows:

	Salary	Bonus	Director's Fee	Other Benefits	Total
	%	%	%	%	%
S\$500,000 to S\$1,499,999					
Eugene Cho Park	52	39	–	9	100
Gianto Gunara	52	39	–	9	100
Choo Kok Kiong	51	39	–	10	100
Below S\$500,000					
Lim Hock San	–	–	100	–	100
Dr Tan Chin Nam	–	–	100	–	100
Axton Salim*	–	–	100	–	100
Foo Ko Hing	–	–	100	–	100
Lim Chee San	–	–	100	–	100

* Mr Axton Salim, Non-Executive Director of the Company, is an immediate family member of Mr Anthoni Salim, the substantial shareholder of the Company.

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Given the highly competitive conditions in the marketplace 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 believes 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 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' fees of less than S\$500,000.

The remunerations paid to or accrued to the top five key management personnel (who are not directors of the Company or the CEO) for the financial year ended 31 December 2022 are as follows:

	Salary	Bonus	Other Benefits	Total
	%	%	%	%
S\$250,000 to S\$500,000				
Executive 1	78	19	3	100
Executive 2	74	18	9	100
Executive 3	70	22	8	100
Executive 4	75	17	7	100
Executive 5	68	22	10	100

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

The remuneration of all the Company's top 5 key management personnel is above S\$250,000. The total remuneration paid to the top 5 key management personnel in 2022 is approximately S\$1,522,706.

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 the poaching of its personnel in a highly competitive marketplace vying for talent. The competitors have publicly available information on the profile of the Company's key personnel and remuneration benchmark. The Company does not have similar information and is seriously disadvantaged compared to its competitors in retaining and recruiting key personnel. Loss of its key personnel involves considerable loss of operational know-how and cost in recruiting 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 not be 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 the provision of information to shareholders and is consistent with the intent of Principle 8 of the Code.

STATEMENT OF CORPORATE GOVERNANCE

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, no employee of the Company or its subsidiaries 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 2022.

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 components paid out in cash has continued to be effective in incentivising the 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 risk management system 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 include financial, operational, compliance, and information technology controls and risk management systems 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 to safeguard 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.

STATEMENT OF CORPORATE GOVERNANCE

Provision 9.2: Assurances to the Board

The Board has received the following assurances as at 31 December 2022:

- (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 ("**CRO**") that the Group's risk management and internal control systems were adequate and effective in addressing key financial, operational, compliance, and information technology risks.

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, reviews performed by the Group's internal and external auditors, regular reviews performed by the Management, and assurances from the CEO, CFO, and CRO, 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 2022. 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 judgment 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)

Mr Foo Ko Hing

Mr Lim Chee San

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 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 in 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 believes 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.

STATEMENT OF CORPORATE GOVERNANCE

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 judgments 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;
- (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 and CFO on the financial records and financial statements; and from the CEO and CRO on the risk management system;
- (g) To review the adequacy of the finance functions and the quality of finance staff and cooperation 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 it necessary to discharge 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 cooperation 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 its audit plan, the scope of work, and auditors' report for FY2022, the ARMC was satisfied with its work.

The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2022 was approximately S\$1,054,000, of which audit fees amounted to approximately S\$952,000 and non-audit fees amounted to approximately S\$102,000.

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 an 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 an 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 an independent adviser to assist in the investigation and evaluation of the complaint. Following the 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 appropriate members of senior management for authorization and implementation, respectively. The Group will treat the information received confidentially and protect the whistleblower's identity. No employee shall suffer reprisal for raising concerns in good faith, even if 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

The ARMC does not include anyone who was a former partner or director of the company's external auditors, FKT, within the last 12 months or holds any financial interest in FKT.

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 ("PwC IA"). The PwC IA reports directly to the ARMC Chairman on all internal audit matters. The primary reporting line of the internal audit function is to the ARMC. The ARMC reviews and approves the annual internal audit plan proposed by the PwC IA.

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.

PwC IA 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 PwC IA has confirmed its independence from the ARMC. The PwC IA performs the internal audit according to standards set by the Institute of Internal Auditors and independently reports their findings and recommendations to the ARMC. The ARMC's terms of reference provide for it to review and approve the appointment, termination, and remuneration of the PwC IA. The PwC IA has unrestricted access to all the Company's documents, records, properties, and personnel, including access to the ARMC, and has appropriate standing within the Company. 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. Based on the internal auditor's 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 using other forums, such as analyst briefings. The Company's Investor Relations team ("IR team"), as and when appropriate, participates in investor seminars, conferences, and roadshows to keep the market and investors apprised of the Group's developments and has contact details of the IR team in its website for investors to channel their comments and queries.

STATEMENT OF CORPORATE GOVERNANCE

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.

In the previous AGM, the Company had presented 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 the 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 number of votes cast for or against the resolutions is also announced after the general meetings via SGXNet.

In 2022, the Company held one general meeting, the AGM. Due to the COVID-19 situation, the AGM in 2022 was held by electronic means according to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts, and Debenture Holders) Order 2020. If members could not attend the meetings in person, an 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, with the 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 SGXNet. With the option to continue to convene a virtual general meeting, the 2023 AGM will be convened via electronic means with enhancements to include live voting and live communication with shareholders for the questions and answers session in accordance with the guidance issued by SGX RegCo.

Provision 11.2: Separate Resolutions at General Meetings

The Company tables separate resolutions at each general meeting on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", (if any), the Company will explain the reasons and material implications in the notice of meeting according to the relevant requirements. Each item of special business included in the notice of the meeting is accompanied by a statement regarding the effect of the proposed resolution in respect of such business.

Provision 11.3: Attendance of Directors and Auditors at General Meetings

The Directors and members of Board Committees attend the AGMs to answer any questions relating to the work of these Committees. The Company's external auditors are also present to address shareholders' queries, if any, related to the conduct of the audit and the preparation and content of the auditors' report. In 2022, the Company's AGM, which was held by way of electronic means, was 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 empowers CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

STATEMENT OF CORPORATE GOVERNANCE

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. In FY2022, the Company published minutes of general meetings of shareholders as required by the listing rules and/or applicable laws in light of the COVID-19 situation. In general, 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 the 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.

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 the debt before proposing to declare a dividend. The Notice for the forthcoming AGM does not carry a declaration of dividend for FY2022 as the Company is committing its cash resources to develop its Utilities and Industrial Parks businesses further. The Company will consider the declaration of dividends 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 the continuing 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 releases;
- (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 www.gallantventure.com where 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 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.

STATEMENT OF CORPORATE GOVERNANCE

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 immediately where required under the Listing Rules.

Price-sensitive or trade-sensitive information will be publicly released 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.

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 ongoing 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 is set out in its Sustainability Report for FY2022 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.gallanventure.com> where 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 to reach 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 Company's securities 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 possessing 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 securities during the restricted dealing periods.

STATEMENT OF CORPORATE GOVERNANCE

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 FY2022, or if not then subsisting, entered into since the end of FY2022.

INTERESTED PERSON TRANSACTIONS POLICY

The Company adopted an internal policy regarding any transactions with the interested person and has established procedures for reviewing and approving the interested person's transactions entered into by the Group. The ARMC has reviewed the rationale and terms of the Group's interested person transactions and believes that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

The interested person transactions transacted for the financial year ended 31 December 2022 by the Group are as follows:

Name of interested Person	Nature of Relationship	The aggregate value of all interested person transactions entered into during the 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)	The 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

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 2022

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 2022.

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 2022 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 in 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)

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 2022

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	
	As at 1.1.2022	As at 31.12.2022 and 21.1.2023	As at 1.1.2022	As at 31.12.2022 and 21.1.2023
The Company				
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 performed the following:

- (i) reviewed the 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) reviewed the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) reviewed the reliability and integrity of the financial statements;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Audit and Risk Management Committee (Cont'd)

- (iv) reviewed the 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) reviewed the 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 associate companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2023

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 2022, 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 2022 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) (Reversal of)/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 2022, the Company's investments in subsidiaries and associate companies amounted to S\$1.13 billion and S\$347.8 million, respectively. This represents about 73% and 22% of the Company's total assets. The Group's investments in associate companies of S\$358.5 million, represent about 26% of the Group's total assets.

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.

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) (Reversal of)/impairment assessment of investments in subsidiaries (Note 7) of the Company and associate companies (Note 8) of the Company and of the Group (Cont'd)

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.

The Company has also reassessed for indications that an impairment loss previously recognised may no longer exist or decreases. The investments in these certain subsidiaries are tested for their recoverable amounts.

An impairment loss is reversed to its recoverable amount 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.

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, which involved judgement, the management has 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 or no longer exists for investment in subsidiaries of the Company and associate 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.

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

As at 31 December 2022, the land inventories of the Group amounted to S\$599.4 million, representing about 43% 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 for their sales, and the estimated selling prices and demand.

Our response and work performed

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) and right-of-use assets (Note 5) of the Group

As at 31 December 2022, the Group's property, plant and equipment and right-of-use assets amounts to S\$129.4 million and S\$13.2 million respectively, collectively representing about 10% of the Group's total assets. Property, plant and equipment comprises mainly leasehold land, building and infrastructure, utilities plant and machinery, machinery and equipment. Right-of-use assets comprises leasehold buildings, leased office, transportation equipment and motor vehicles.

The Group has assessed for impairment indications in the property, plant and equipment and right-of-use assets and concluded that impairment indications existed in certain property, plant and equipment and right-of-use assets. 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 FVLCD and 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 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.

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) and right-of-use assets (Note 5) of the Group (Cont'd)

In determining appropriate CGU level, which involved judgement, the Group has performed the impairment assessment of property, plant and equipment and right-of-use assets 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 and right-of-use assets, typical of similar industries, to estimate the recoverable amount.

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 and right-of-use assets are included in Note 4 and Note 5 respectively 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

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

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.

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.

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)

- 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.

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 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		The Group		The Company	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Non-Current					
Intangible assets	3	123	187	–	–
Property, plant and equipment	4	129,353	134,843	8	15
Right-of-use assets	5	13,178	3,272	981	1,249
Investment properties	6	91,019	95,067	–	–
Subsidiaries	7	–	–	1,131,649	1,123,985
Associates	8	358,502	389,347	347,826	381,948
Deferred tax assets	9	1,390	1,627	–	–
Trade and other receivables	13	244	93	530	172
Other non-current assets	10	5,584	2,402	148	181
		599,393	626,838	1,481,142	1,507,550
Current					
Land inventories	11	599,396	597,371	–	–
Other inventories	12	6,882	7,587	–	–
Trade and other receivables	13	45,134	43,912	76,254	77,258
Cash and cash equivalents	14	127,786	134,080	932	796
		779,198	782,950	77,186	78,054
Total assets		1,378,591	1,409,788	1,558,328	1,585,604
Equity and Liabilities					
Equity					
Share capital	15	1,963,457	1,963,457	1,963,457	1,963,457
Treasury shares	16	(50)	(50)	(50)	(50)
Accumulated losses		(1,276,513)	(1,262,906)	(1,339,408)	(1,307,419)
Reserves	17	64,890	113,363	80,000	80,000
Equity attributable to owners of the Company		751,784	813,864	703,999	735,988
Non-controlling interests		7,052	7,206	–	–
Total equity		758,836	821,070	703,999	735,988
Liabilities					
Non-Current					
Deferred tax liabilities	9	2,237	2,377	–	–
Borrowings	18	328,726	362,385	247,465	269,827
Employee benefits liabilities	19	11,743	15,876	–	–
Other non-current liabilities	20	29,674	28,089	54	88
Lease liabilities	21	9,288	2,883	1,428	1,915
Contract liabilities	23	56,153	21,442	–	–
		437,821	433,052	248,947	271,830
Current					
Borrowings	18	47,052	23,007	438,127	419,666
Lease liabilities	21	5,130	1,114	487	463
Trade and other payables	22	118,048	119,687	165,703	156,531
Contract liabilities	23	4,227	3,391	–	–
Current tax payable		7,477	8,467	1,065	1,126
		181,934	155,666	605,382	577,786
Total liabilities		619,755	588,718	854,329	849,616
Total equity and liabilities		1,378,591	1,409,788	1,558,328	1,585,604

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 2022

		The Group	
		Year ended 31 December 2022 \$'000	Year ended 31 December 2021 \$'000
	Note		
Revenue	23	166,836	145,105
Cost of sales		(111,531)	(112,090)
Gross profit		55,305	33,015
Other expenses	24	(1,141)	(1,392)
General and administrative expenses		(20,016)	(15,598)
Other operating expenses	25	(24,267)	(24,319)
Share of associate companies' results		19,078	(16,747)
Finance costs	26	(27,312)	(19,772)
Profit/(Loss) before taxation		1,647	(44,813)
Taxation	28	(15,401)	(13,743)
Loss for the year	27	(13,754)	(58,556)
Other comprehensive (loss)/income after taxation:			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Currency translation differences arising from foreign operations		(613)	(79)
Share of other comprehensive (loss)/income of associates			
– Currency translation differences		(59,333)	6,944
– Fair value of cash flow hedges		2,444	7,609
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of defined benefit plans		1,172	528
Share of other comprehensive income/(loss) of associates			
– Change in fair value on equity instruments at fair value through other comprehensive income		6,164	38,726
– Remeasurements of defined benefit plans		1,749	(1,763)
Other comprehensive (loss)/income for the year after taxation	29	(48,417)	51,965
Total comprehensive loss for the year		(62,171)	(6,591)
Loss attributable to:			
– Owners of the Company		(13,607)	(55,575)
– Non-controlling interests		(147)	(2,981)
		(13,754)	(58,556)
Total comprehensive loss attributable to:			
– Owners of the Company		(62,021)	(3,628)
– Non-controlling interests		(150)	(2,963)
		(62,171)	(6,591)
		Cents	Cents
Loss per share	30		
– Basic		0.249	1.021
– Diluted		0.249	1.021

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 2022

	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 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 year	-	-	-	-	-	-	-	(13,607)	(13,607)	(147)	(13,754)
Other comprehensive (loss)/income	-	-	-	(581)	-	-	1,143	-	562	(3)	559
Share of other comprehensive (loss)/income of associates	-	-	-	(59,333)	2,444	6,164	1,749	-	(48,976)	-	(48,976)
Total comprehensive (loss)/income for the year	-	-	-	(59,914)	2,444	6,164	2,892	(13,607)	(62,021)	(150)	(62,171)
Transactions with owners, recorded directly in equity											
Changes in ownership interests in subsidiaries and other capital transactions											
Dividend paid	-	-	-	-	-	-	-	-	-	(4)	(4)
Share of reserves of associates	-	-	-	-	-	-	(59)	-	(59)	-	(59)
Total changes in ownership interests in subsidiaries and other capital transactions	-	-	-	-	-	-	(59)	-	(59)	(4)	(63)
Total transaction with owners	-	-	-	-	-	-	(59)	-	(59)	(4)	(63)
Balance at 31 December 2022	1,963,457	(50)	80,000	(65,659)	3,097	44,890	2,562	(1,276,513)	751,784	7,052	758,836

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 2022

	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 CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		The Group	
		Year ended 31 December 2022	Year ended 31 December 2021
	Note	\$'000	\$'000
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		1,647	(44,813)
Adjustments for:			
Amortisation of intangible assets	3, 27	67	67
Depreciation of property, plant and equipment, investment properties and right-of-use assets	27	29,854	32,722
Impairment on goodwill	3, 27	–	1,814
Gain on disposal of property, plant and equipment	24	(11)	(18)
Net allowance/(reversal) for expected credit losses of trade and other receivables	27	136	(260)
Allowance for inventories obsolescence	12, 27	202	1,254
Provision for employees' benefits	19, 27	875	2,150
Write off unamortised transaction costs in relation to previous bank borrowing		–	2,758
Interest expense	26	27,312	19,772
Interest income	24	(2,754)	(2,815)
Share of associate companies' results		(19,078)	16,747
Operating profit before working capital changes		38,250	29,378
Increase in land inventories		(2,025)	(995)
Decrease/(increase) in other inventories		473	(214)
(Increase)/decrease in operating receivables		(4,480)	30,101
Increase/(decrease) in operating payables and contract liabilities		30,962	(19,081)
Cash generated from operating activities		63,180	39,189
Income tax paid		(16,678)	(16,504)
Interest paid	A	(24,498)	(17,574)
Interest received		2,304	2,001
Employee benefit paid	19	(2,356)	(2,103)
Net cash generated from operating activities		21,952	5,009
Cash Flows from Investing Activities			
Acquisition of intangible assets	3	(3)	(57)
Acquisition of property, plant and equipment		(12,140)	(15,465)
Acquisition of investment properties	6	(3,425)	(3,965)
Dividend from associates	8	1,013	1,010
Proceeds from disposal of property, plant and equipment		68	50
Addition in investment in associate		(26)	–
Acquisition of a subsidiary, net of cash acquired	7(a)	–	1
Net cash used in investing activities		(14,513)	(18,426)
Cash Flows from Financing Activities			
Payment of principal portion of lease liabilities	A	(4,622)	(1,459)
Proceeds from borrowings	A	14,800	396,097
Repayment of borrowings	A	(23,597)	(353,976)
Proceeds from additional capital stock contribution of 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	14	127,786	134,080

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 2022

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.

The Group	Note	Cash flows				Non-cash flows			
		As at	Proceeds	Repayment	Interest paid	Addition	Interest expenses	The effect of changes in foreign rates	As at
		1 January							
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022									
Borrowings	18	385,392	14,800	(23,597)	(24,498)	–	25,727	(2,046)	375,778
Lease liabilities	21	3,997	–	(4,622)	–	14,254	1,137	(348)	14,418
					<u>(24,498)</u>		<u>26,864</u>		
2021									
Borrowings	18	343,272	396,097	(353,976)	(17,574)	–	19,025	(1,452)	385,392
Lease liabilities	21	4,495	–	(1,459)	–	1,140	256	(435)	3,997
					<u>(17,574)</u>		<u>19,281</u>		

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 2022

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 statement of financial position of the Company for the financial year ended 31 December 2022 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.

(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 2022, the Company's current liabilities exceeded its current assets by S\$528,196,000 (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 amounts due to its subsidiaries of S\$88,818,000 (31 December 2021 – S\$80,636,000). Excluding the loans and amounts due to its subsidiaries, the Company's net current liabilities was S\$22,548,000 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

(a) Going concern (Cont'd)

The Group incurred a loss after tax of S\$13,754,000 (31 December 2021 – S\$58,556,000) and a total comprehensive loss of S\$62,171,000 (31 December 2021 – S\$6,591,000), and net cash inflows from operating activities of S\$21,952,000 (31 December 2021 – S\$5,009,000) for the year ended 31 December 2022. 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\$597,264,000 (31 December 2021 – S\$627,284,000) which is able to support its working capital requirements. The Group has outstanding borrowings of S\$47,052,000 as at 31 December 2022 (31 December 2021 – S\$23,007,000) 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 is able to continue to raise funds through bank borrowings and capital market;
- the Group has unutilised credit facilities amounting to approximately S\$5.2 million (31 December 2021 – S\$20 million); and
- the Group is able to collect its total trade receivables as they fall due to settle its current liabilities.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

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

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 2022 is S\$119,209,000 (31 December 2021 – S\$109,696,000).

(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.

(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 2022 is S\$1,390,000 (31 December 2021 – S\$1,627,000).

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

(h) Determination of the lease term (Note 21) (Cont'd)

As at 31 December 2022, 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)

Significant judgement is required in determining whether the Group exercise significant influence in PT IMAS, by its ability to participate in the financial and operating decisions of PT IMAS. Judgement is exercised and the Group has assessed that it 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 2022 is S\$347,800,000 (31 December 2021 – S\$379,220,000).

(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.

(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 2022 amounts to S\$11,743,000 (31 December 2021 – S\$15,876,000).

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\$3,355,000 (31 December 2021 – S\$3,078,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

(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 Group's property, plant and equipment as at 31 December 2022 is S\$129,353,000 (31 December 2021 – S\$134,843,000). 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\$1,396,000 (31 December 2021 – S\$1,990,000).

(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 2022 is S\$91,019,000 (31 December 2021 – S\$95,067,000). If the depreciation of the investment properties increases/decreases by 10%, the Group's loss for the year will increase/decrease by S\$1,166,000 (31 December 2021 – S\$1,151,000).

(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 ("IRIL") and, if the IRIL 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 assets in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIL 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

(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 2022 are S\$599,396,000 (31 December 2021 – S\$597,371,000) and S\$6,882,000 (31 December 2021 – S\$7,587,000) respectively. If the net realisable value of the other inventories decreases by 10% from management's estimates, the Group's loss for the year will increase by S\$268,000 (31 December 2021 – S\$248,000).

(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 CGU, either at the business segment or entity level. 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 2021, the Group has recognised an impairment charge of S\$1,814,000 as disclosed in Note 3.

(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 management noted favourable changes in the indicators that led to the previously recognised impairment loss relating to its investment in subsidiaries and performed reassessment of their recoverable amounts. As such, the Company recognised a reversal of impairment loss of S\$5,020,000 on investment in subsidiaries during the financial year as disclosed in Note 7. For its investment in associates, the Company has recognised an impairment charge of S\$34,148,000 as disclosed in Note 8 for the year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

(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.

The carrying amount of the Group's property, plant and equipment and right-of-use assets as at 31 December 2022 is S\$129,353,000 (31 December 2021 – S\$134,843,000) and S\$13,178,000 (31 December 2021 – S\$3,272,000) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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)

The net carrying amounts of the Company's and the Group's trade and other receivables as at 31 December 2022 amounted to S\$76,784,000 (31 December 2021 – S\$77,430,000) and S\$45,378,000 (31 December 2021 – S\$44,005,000) 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 2022

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I)s INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022. The adoption of these new or revised SFRS(I)s and SFRS(I)s INT on 1 January 2022 did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statements.

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

The following are the new accounting standards, amendments and interpretations issued that are not yet applicable, but may be early adopted for the current year.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	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) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
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 new or amended accounting standards and interpretations listed above are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group, upon adoption of these new or amended accounting standards, in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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

The amendments provide guidance and examples to help a reporting entity apply materiality judgement to accounting policy disclosures. The amendments aim to help the entity to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and by adding guidance on how the entity applies the concept of materiality in making decisions about accounting policy disclosures.

The amendments to SFRS(I) 1-1 are effective for reporting periods beginning on or after 1 January 2023 and are applied prospectively. Early application is permitted. The amendments to SFRS(I) Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to SFRS(I) 1-8 Definition of Accounting Estimates

The amendments replace the definition of 'change in accounting estimates' with a definition of 'accounting estimates'. The amendments clarify the distinction between change in accounting estimates and change in accounting policies and correction of errors, and that entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for reporting periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of the period of initial application. Early application is permitted.

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, a reporting entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The amendments are effective for reporting periods beginning on or after 1 January 2023. Early application is permitted. The amendments shall be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

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

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the reporting entity will exercise its 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 to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for reporting periods beginning on or after 1 January 2024. Early application is permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

Amendments to SFRS(I) 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SFRS(I) 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

The amendments are effective for reporting periods beginning on or after 1 January 2024. Early application is permitted. The amendments are applied retrospectively to sale and leaseback transactions that have been entered into on or after the date of initial application of SFRS(I) 16.

Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants

The amendments specify that covenants with which a reporting entity must comply after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. The amendments require the entity to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are applied retrospectively for reporting periods beginning on or after 1 January 2024. Early application is permitted.

Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. The amendments confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' as defined in SFRS(I) 3. Where the non-monetary assets constitute a business, the investor shall recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture.

The effective date of the amendments has yet to be set, but early application is permitted. The amendments are applied prospectively.

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 intra-group transactions and dividends are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(i) Consolidation (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(i) Consolidation (Cont'd)

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;
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(iii) Intangible assets (Cont'd)

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 associate 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 associate companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associate 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.

(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:

	<u>Years</u>
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(iv) Property, plant and equipment and depreciation (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(v) Investment properties (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(vii) Investment in associates (Cont'd)

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.

(viii) Inventories

a. Land

Land inventories are carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs of completion and the estimated 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(viii) Inventories (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(x) Financial assets (Cont'd)

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.
- **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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(x) Financial assets (Cont'd)

c. Measurement (Cont'd)

Equity instruments (Cont'd)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Significant increase in credit risk (Cont'd)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Definition of default (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xii) Financial liabilities (Cont'd)

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.

(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 owners of the Company, 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 goods 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xv) Contract liabilities and contract assets (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xvi) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) *Lease liability* (Cont'd)

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 assets 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;
- 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 assets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xvi) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(b) *Right-of-use assets* (Cont'd)

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 assets, unless those costs are incurred to produce inventories.

Depreciation on right-of-use asset 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:

	<u>Years</u>
Office and buildings	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 assets 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xvi) Leases (Cont'd)

(i) The Group as lessor (Cont'd)

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.

(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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xvii) Derivative financial instruments and hedging activities (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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)

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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xviii) Income tax (Cont'd)

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.

The Group also makes contributions to a defined contribution pension plan which is administered by legal entity, "Dana Pensiun Lembaga Keuangan Indolife Pensionsama" 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xix) Employee benefits (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xx) Impairment of non-financial assets (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xxi) Related parties (Cont'd)

- (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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xxii) Revenue recognition (Cont'd)

(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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xxii) Revenue recognition (Cont'd)

(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) 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.

(xxv) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(xxv) Conversion of foreign currencies (Cont'd)

Transactions and balances (Cont'd)

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.

(xxvi) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Intangible assets

		The Group		The Company	
	Goodwill	Computer	Total	Computer	Total
	\$'000	software	\$'000	software	\$'000
		\$'000		\$'000	
<u>Cost</u>					
At 1 January 2021	–	2,030	2,030	676	676
Acquisition of subsidiary (Note 7 (a))	1,814	–	1,814	–	–
Additions	–	57	57	–	–
Exchange translation differences	–	1	1	–	–
At 31 December 2021	1,814	2,088	3,902	676	676
Additions	–	3	3	–	–
Exchange translation differences	–	(8)	(8)	–	–
At 31 December 2022	1,814	2,083	3,897	676	676
<u>Accumulated amortisation and impairment</u>					
At 1 January 2021	–	1,833	1,833	676	676
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	676	676
Amortisation for the year (Note 27)	–	67	67	–	–
Exchange translation differences	–	(8)	(8)	–	–
At 31 December 2022	1,814	1,960	3,774	676	676
<u>Net book value</u>					
At 31 December 2022	–	123	123	–	–
At 31 December 2021	–	187	187	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Intangible assets (Cont'd)

a. 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.

In 2021, 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(a)) 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 cost 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	
	2022 \$'000	2021 \$'000
General and administrative expenses (Note 27)	67	67
	67	67

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Property, plant and equipment

	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
The Group												
<u>Cost</u>												
At 1 January 2022	96,330	9,420	225,524	25,307	288,036	94,847	56,932	11,698	5,613	24,795	2,712	841,214
Exchange translation differences	-	-	(166)	-	-	7	-	-	(37)	(124)	-	(320)
Additions	-	-	3,058	-	344	568	506	-	59	997	6,609	12,141
Reclassification/transfers to investment properties (Note 6)	(4,060)	-	-	-	80	-	-	-	-	-	(1,318)	(5,298)
Disposal	-	-	-	-	(323)	(446)	(929)	-	(277)	(610)	-	(2,585)
At 31 December 2022	92,270	9,420	228,416	25,307	288,137	94,976	56,509	11,698	5,358	25,058	8,003	845,152
<u>Accumulated depreciation</u>												
At 1 January 2022	29,947	9,281	215,698	15,197	272,105	82,545	44,309	10,573	5,310	21,406	-	706,371
Exchange translation differences	-	-	(84)	-	-	(731)	-	-	(30)	(122)	-	(967)
Depreciation for the year (Note 27)	1,801	21	2,340	544	3,161	2,230	2,478	393	241	751	-	13,960
Reclassification/transfers to investment properties (Note 6)	(986)	-	-	-	-	-	-	-	-	-	-	(986)
Disposals	-	-	-	-	(321)	(443)	(929)	-	(277)	(609)	-	(2,579)
At 31 December 2022	30,762	9,302	217,954	15,741	274,945	83,601	45,858	10,966	5,244	21,426	-	715,799
<u>Net book value</u>												
At 31 December 2022	61,508	118	10,462	9,566	13,192	11,375	10,651	732	114	3,632	8,003	129,353

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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
<u>Cost</u>												
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
<u>Accumulated depreciation</u>												
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
<u>Net book value</u>												
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 2022

4 Property, plant and equipment (Cont'd)

The Company	Furniture fixtures and equipment \$'000	Office equipment \$'000	Leasehold improvements \$'000	Total \$'000
<u>Cost</u>				
At 1 January 2021	126	282	242	650
Additions	–	2	–	2
Disposals	–	(3)	–	(3)
At 31 December 2021	126	281	242	649
Additions	–	4	–	4
Disposal	–	(2)	–	(2)
At 31 December 2022	126	283	242	651
<u>Accumulated depreciation</u>				
At 1 January 2021	111	249	210	570
Depreciation for the year	15	20	32	67
Disposals	–	(3)	–	(3)
At 31 December 2021	126	266	242	634
Depreciation for the year	–	11	–	11
Disposal	–	(2)	–	(2)
At 31 December 2022	126	275	242	643
<u>Net book value</u>				
At 31 December 2022	–	8	–	8
At 31 December 2021	–	15	–	15

Depreciation expense

		The Group	
	Note	2022 \$'000	2021 \$'000
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		13,213	18,820
(b) Other operating expenses	25	349	415
(c) General and administrative expenses		398	662
	27	13,960	19,897

- (i) As at 31 December 2022, certain property, plant and equipment with carrying value totalling approximately S\$64,190,000 (31 December 2021 – S\$67,811,000) 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 2022

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	22 September 2043 (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\$61,508,000 (31 December 2021 – S\$66,383,000) 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 amount of property, plant and equipment are reviewed for any impairment and possible write-down of carrying amount whenever events or changes in circumstances indicate that their carrying amount exceed its recoverable amount. Management is of the opinion that the carrying amount of all the property, plant and equipment of the Group does not exceed its recoverable amount, and hence no impairment is necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 Right-of-use assets

	The Group			The Company	
	Office and buildings \$'000	Transportation equipment and motor vehicles \$'000	Total \$'000	Office and buildings \$'000	Total \$'000
<u>Costs</u>					
At 1 January 2021	6,127	823	6,950	3,115	3,115
Exchange translation differences	10	2	12	–	–
Additions	906	234	1,140	–	–
Derecognition of right-of-use assets ⁽¹⁾	(1,061)	–	(1,061)	(1,061)	(1,061)
Terminated/Disposals	–	(15)	(15)	–	–
At 31 December 2021	5,982	1,044	7,026	2,054	2,054
Exchange translation differences	(203)	14	(189)	–	–
Additions	14,062	192	14,254	–	–
Terminated/Disposals	(119)	–	(119)	–	–
At 31 December 2022	19,722	1,250	20,972	2,054	2,054
<u>Accumulated depreciation</u>					
At January 2021	2,265	306	2,571	557	557
Exchange translation differences	3	2	5	–	–
Depreciation for the year (Note 27)	1,129	191	1,320	375	375
Derecognition of right-of-use assets ⁽¹⁾	(127)	–	(127)	(127)	(127)
Terminated/Disposals	–	(15)	(15)	–	–
At 31 December 2021	3,270	484	3,754	805	805
Exchange translation differences	(34)	(93)	(127)	–	–
Depreciation for the year (Note 27)	4,002	231	4,233	268	268
Terminated/Disposals	(66)	–	(66)	–	–
At 31 December 2022	7,172	622	7,794	1,073	1,073
<u>Net book value</u>					
At 31 December 2022	12,550	628	13,178	981	981
At 31 December 2021	2,712	560	3,272	1,249	1,249

(1) Derecognition of the right-of-use assets is as a result of entering into a finance sub-lease

		The Group	
	Note	2022 \$'000	2021 \$'000
Depreciation expense			
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		3,258	–
(b) Other operating expenses	25	975	1,320
	27	4,233	1,320

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 2022

5 Right-of-use assets (Cont'd)

The Group evaluates any indication of impairment in the right-of-use assets at the end of reporting period. Carrying amount of right-of-use assets are reviewed for any impairment and possible write-down of carrying amount whenever events or changes in circumstances indicate that their carrying amount exceed its recoverable amount. Management is of the opinion that the carrying amount of all the right-of-use assets of the Group does not exceed its recoverable amount, and hence no impairment is necessary.

6 Investment properties

	The Group	
	2022	2021
	\$'000	\$'000
<u>Cost</u>		
Balance at beginning of year	603,141	599,152
Additions	3,425	3,965
Disposals	(37,661)	–
Transfer from property, plant and equipment	5,298	–
Translation differences	(221)	24
Balance at end of year	573,982	603,141
<u>Accumulated depreciation</u>		
Balance at beginning of year	508,074	496,558
Depreciation for the year (Note 27)	11,661	11,505
Disposals	(37,661)	–
Transfer from property, plant and equipment	986	–
Translation differences	(97)	11
Balance at end of year	482,963	508,074
Net book value	91,019	95,067
Rental income (Note 27)	32,920	28,656
Direct operating expenses arising from investment property that generated rental income (Note 27)	(9,349)	(7,871)
Gross profit arising from investment properties	23,571	20,785

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:

<u>Description and location</u>	<u>Gross Area (approximately)</u>
Factories, dormitories, commercial complex, housing and villas in Batamindo Industrial Park, Bintan Inti Industrial Estate, Southlinks Country Club and Bintan Resorts situated at Batam and Bintan Island	1,079,559 sqm

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Investment properties (Cont'd)

The fair value of the investment properties situated at Batam and Bintan islands as at 31 December 2022 is S\$539,084,000 (31 December 2021 – S\$542,522,000). The fair values are mostly determined by independent professional valuers, KJPP Rengganis Hamid & Rekan using generally accepted approaches to valuation, namely, income approach, the market approach and the cost approach. The Group's investment properties as at 31 December 2022 and 31 December 2021 are classified under level 3 of the fair value hierarchy.

7 Subsidiaries

	The Company	
	2022	2021
	\$'000	\$'000
<u>Unquoted equity shares, at cost</u>		
Balance on beginning of year	1,213,370	1,208,350
Addition ⁽¹⁾	2,644	5,020
Balance at end of year	1,216,014	1,213,370
Amount due from subsidiary being net extension of investment	14,973	14,973
	1,230,987	1,228,343
<u>Less: Accumulated impairment</u>		
Balance on beginning of year	104,358	86,265
Impairment loss ⁽²⁾	–	18,093
Reversal of impairment loss ⁽³⁾	(5,020)	–
Balance at end of year	99,338	104,358
Net investment	1,131,649	1,123,985

(1) In 2022, the Company has undertaken an internal restructuring by acquiring 9,800 shares, representing 98% each 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 7(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\$1,819,000 for its direct shareholding in PT Bintan Resort Cakrawala and S\$3,201,000 in Singapore-Bintan Resort Holdings Pte Ltd as a result of the favourable changes in indicators that led to higher recoverable amounts.

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 2022

7 Subsidiaries (Cont'd)

Key assumptions used for value-in-use calculations:

	2022	2021
Gross margin ⁽¹⁾	27.24% to 44.59%	15.07% to 27.87%
Growth rate ⁽²⁾	3.05% to 3.54%	3.00% to 3.50%
Discount rate ⁽³⁾	11.94% to 14.70%	9.00% to 11.72%

(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

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.

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		Principal activities
		2022	2021	
		%	%	
<u>Directly held</u>				
PT Batamindo Investment Cakrawala ("PT BIC") ⁽¹⁾	Indonesia	99.99	99.99	Development and management of industrial estate
<u>Held by Verizon Resorts Limited</u>				
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, Nurdyaman Mulyadi, Tjahjo & Rekan, a member firm of Crowe Global.

(2) Audited by Johan Malonda Mustika & Rekan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
		2022	2021
Data Centers	Singapore	1	1
Data Centers	Indonesia	1	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	1
Investment holding	British Virgin Islands	3	3
Investment holding	Malaysia	1	1
Investment holding	Seychelles	1	1
Investment holding	Singapore	3	3
Management and consultancy services	Singapore	2	2
Provision of ferry services	Singapore	1	1
Solar energy	Indonesia	1	1
Telecommunication services	Indonesia	1	1
		37	37

There are no subsidiaries that have non-controlling interests that are material to the Group.

7(a) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7 Subsidiaries (Cont'd)

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

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
<i>Consideration transferred for the acquisition</i>	
Equity instruments issued (38,306,922 ordinary shares of the Company) (Note 15)	4,980
Total purchase consideration	4,980
<i>Identifiable assets acquired and liabilities assumed at fair value on 6 July 2021</i>	
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
<i>Goodwill arising on acquisition</i>	
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
<i>Effects on cash flows of the Group</i>	
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 2022

8 Associates

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount				
Beginning of the year	389,347	355,097	381,948	381,948
Additions during the year ⁽¹⁾	126	–	26	–
Impairment loss ⁽²⁾	–	–	(34,148)	–
	389,473	355,097	347,826	381,948
Group' share of:				
– Profit/(Loss)	19,078	(16,747)	–	–
– OCI	(48,976)	51,516	–	–
– Total comprehensive (loss)/income	(29,898)	34,769	–	–
Dividend received during the year	(1,013)	(1,010)	–	–
Group's share of other reserves	(60)	491	–	–
End of the year	358,502	389,347	347,826	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 and the Group subscribed 1,050,000 shares for S\$100,000 in PT Bintan Aviation Investments in accordance to the new regulation of issued share capital.

(2) In 2022, the Company recognised an impairment loss of S\$34,148,000 in PT IMAS.

At the reporting date, the Group and the Company carried out a review of the recoverable amounts of its investment in its material associates, PT IMAS in view of the market capitalisation below the carrying book value. 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 the revalued net assets value.

Key assumptions used for value-in-use calculations:

	2022
Gross margin ⁽¹⁾	20.28%
Growth rate ⁽²⁾	3.50%
Discount rate ⁽³⁾	17.17%

(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8 Associates (Cont'd)

The Group has two (31 December 2021 – 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		Principal activities
		2022 %	2021 %	
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 Purwanto, 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 2022 (2021 – 30 June 2021) and appropriate adjustments are made for the effects of significant transactions between 30 June 2022 and 31 December 2022 (2021 – 30 June 2021 and 31 December 2021).

Shares held in PT IMAS have been pledged as securities for bank borrowings (Note 18 (ii)).

As at 31 December 2022, the quoted value of the Group's interest in PT IMAS, which is listed on the Indonesia Stock Exchange, was S\$147,506,000 (31 December 2021 – S\$164,202,000).

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 2022	PT IMAS \$'000	BOMC \$'000	Other individually immaterial associates \$'000	Total \$'000
Current assets	1,939,815	24,934		
Non-current assets	2,987,252	28,073		
Current liabilities	(2,594,208)	(23,664)		
Non-current liabilities	(1,117,728)	–		
Net assets	1,251,131	29,343		
Attributable to investee's shareholder	974,379	29,343		
Attributable to non-controlling interests	240,752	–		
Revenue	2,384,200	28,158		
Profit after tax	52,977	4,832	233	58,042
Other comprehensive income/(loss)	39,982	(2,576)	–	37,406
Total comprehensive income	92,959	2,256	233	95,448
Dividend received from associate during the year	743	–	270	1,013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8 Associates (Cont'd)

The unrecognised share of losses of associate for the year is S\$247,000 and the cumulative unrecognised share of loss of associate is S\$1,822,000.

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 2022	PT IMAS \$'000	BOMC \$'000	Total \$'000
Net assets attributable to investee's shareholder	974,379	29,343	1,003,722
Proportion of the Group's ownership interest in the associate	49.49%	26%	–
	482,220	7,629	489,849
Adjustment ⁽¹⁾	(134,420)	–	(134,420)
Goodwill	–	1,747	1,747
Carrying amount of the Group's interest in the associate	347,800	9,376	357,176
Add: Carrying value of individually immaterial associates, in aggregate			1,326
Carrying value of Group's interest in associates			358,502

(1) Adjusted for differences in accounting policies between the Group and the associates.

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 investee's shareholder	1,022,874	27,087		
Attributable to non-controlling interests	196,654	–		
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8 Associates (Cont'd)

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.

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	
	2022 \$'000	2021 \$'000
Deferred tax assets		
To be recovered within one year	–	–
To be recovered after one year	1,390	1,627
	1,390	1,627
Deferred tax liabilities		
To be recovered within one year	–	–
To be recovered after one year	2,237	2,377
	2,237	2,377

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 Deferred taxation (Cont'd)

	Balance at 1 January 2022 \$'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 2022 \$'000
The Group						
Deferred tax assets						
Estimated liability for employee service entitlements	1,345	(87)	(23)	–	(130)	1,105
Property, plant and equipment	248	(140)	–	–	(24)	84
Lease transaction	14	188	–	–	(1)	201
Others	20	(20)	–	–	–	–
	<u>1,627</u>	<u>(59)</u>	<u>(23)</u>	<u>–</u>	<u>(155)</u>	<u>1,390</u>
Deferred tax liabilities						
Fiscal loss net of expired tax loss	–	(42)	–	–	–	(42)
Estimated liability for employee service entitlements	864	(214)	(71)	–	(43)	536
Property, plant and equipment	(3,243)	336	–	–	173	(2,734)
Lease transaction	2	1	–	–	–	3
	<u>(2,377)</u>	<u>81</u>	<u>(71)</u>	<u>–</u>	<u>130</u>	<u>(2,237)</u>
	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
The Group						
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
Property, plant and equipment	(103)	(80)	398	29	4	248
Lease transaction	9	4	–	1	–	14
Others	12	–	8	–	–	20
	<u>1,638</u>	<u>(232)</u>	<u>54</u>	<u>149</u>	<u>18</u>	<u>1,627</u>
Deferred tax liabilities						
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
	<u>(1,901)</u>	<u>(172)</u>	<u>(100)</u>	<u>(181)</u>	<u>(23)</u>	<u>(2,377)</u>

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

Deferred income tax liabilities of S\$120,200,000 (31 December 2021 – S\$118,900,000) 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 remittance is controlled by the holding company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 Other non-current assets

	Note	The Group		The Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other receivables	(i)	96	56	–	–
Prepayment		4,945	1,740	–	–
Deposits		543	606	148	181
		5,584	2,402	148	181

(i) 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	
	2022 \$'000	2021 \$'000
Land for sale, at cost	599,396	597,371

As at 31 December 2022, PT BMW's land inventories comprise 14,016 ha (31 December 2021 – 14,016 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,247 ha (31 December 2021 – 310 ha) will expire in 30 years while the HGB of 1,769 ha (31 December 2021 – 13,706 ha) has been extended and renewed for a period of 80 years.

As at 31 December 2022, land inventories of PT Surya Bangun Pertiwi ("PT SBP") comprise 3,745 ha (31 December 2021 – 3,745 ha) with Building Use Right ("HGB"). Part of the land's HGB for 3,284 ha (31 December 2021 – 1.5 ha) will expire in 30 years while the HGB of 461 ha (31 December 2021 – 3,743.5 ha) has been extended and renewed for period of 80 years.

Certain plot of lands under land inventories have been pledged as collateral for bank borrowings (Note 18 (ii)).

12 Other inventories

	The Group	
	2022 \$'000	2021 \$'000
At cost		
Fuel and lubrication oil	2,406	2,192
Consumables and supplies	1,110	1,242
Others	6,047	6,632
Allowance for inventories obsolescence	(2,681)	(2,479)
	6,882	7,587

Movements in the allowance for inventories obsolescence are as follows:

The Group	The Group	
	2022 \$'000	2021 \$'000
Beginning of the year	2,479	1,225
Allowance for the year (Note 27)	202	1,254
End of the year	2,681	2,479

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 Trade and other receivables

Note	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables				
– related parties	108	30	–	–
– external parties	35,418	35,570	–	–
Expected credit losses of trade receivables	(3,918)	(5,105)	–	–
Net trade receivables (i)	31,608	30,495	–	–
Other receivables:				
Refundable deposits	1,050	324	1,001	269
Amounts due from subsidiaries	–	–	72,519	73,904
Amounts due from related parties	2,404	2,732	1	–
Lease receivables	327	406	710	882
Others	9,110	9,479	2,285	2,129
	12,891	12,941	76,516	77,184
Expected credit losses of other receivables	(1,346)	(1,347)	–	–
Net other receivables (ii)	11,545	11,594	76,516	77,184
At amortised cost (i) + (ii)	43,153	42,089	76,516	77,184
Prepayments	2,225	1,916	268	246
Total	45,378	44,005	76,784	77,430
Non-current	244	93	530	172
Current	45,134	43,912	76,254	77,258
	45,378	44,005	76,784	77,430

Trade and other receivables (excluding prepayment) are denominated in the following currencies:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore Dollar	18,312	13,993	76,516	77,184
Indonesian Rupiah	18,173	20,812	–	–
United States Dollar	6,668	7,284	–	–
(i) + (ii)	43,153	42,089	76,516	77,184

The ageing of trade and other receivables past due but not impaired is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Past due 1 – 30 days	1,605	1,746	–	–
Past due 31 – 60 days	646	718	–	–
Past due more than 60 days	23,617	24,228	2,285	2,129
	25,868	26,692	2,285	2,129

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 Trade and other receivables (Cont'd)

Trade and other receivables that were neither past due nor impaired amounting to S\$19,510,000 (31 December 2021 – S\$17,313,000) and S\$74,499,000 (31 December 2021 – S\$75,301,000) 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 allowance for expected credit losses 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 expected credit losses on doubtful receivables in respect of trade and other receivables were as follows:

	The Group			
	Allowance for expected credit losses on trade receivables		Allowance for expected credit losses on other receivables	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	5,105	5,406	1,347	1,472
Allowance during the year	344	746	–	–
Allowance written off during the year	(1,269)	(47)	–	(124)
Reversal of allowance during the year	(208)	(1,005)	–	(1)
Translation differences	(54)	5	(1)	–
At 31 December	3,918	5,105	1,346	1,347

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 expected credit losses is made based on the estimated irrecoverable amount determined by reference to past default experience.

The non-trade amounts due from subsidiaries represents (i) interest bearing loans at 2.5% per annum + 3 months SIBOR rate (31 December 2021 – 2.5% per annum + 3 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 amounts due from related parties represents mainly advanced payment of expenses, is non-interest bearing, unsecured and repayable on demand.

The related parties are corporate entities that 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 2022

14 Cash and cash equivalents

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	63,784	65,615	882	746
Time deposits	64,002	68,465	50	50
	127,786	134,080	932	796

- (i) The fixed deposits have an average maturity of 1 day to 365 days (31 December 2021 – 1 day to 365 days) from the end of the financial year with the following effective interest rates:

	The Group and the Company	
	2022	2021
Singapore Dollar	0.05% – 5.00%	0.05% – 6.00%
United States Dollar	1.00%	1.00% – 6.50%
Indonesian Rupiah	1.90% – 6.50%	2.30% – 4.65%

- (ii) The cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore Dollar	11,225	12,942	578	588
United States Dollar	49,520	63,423	354	208
Indonesian Rupiah	67,041	57,715	–	–
	127,786	134,080	932	796

15 Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 Share capital (Cont'd)

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(a)). 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.

16 Treasury shares

	The Group and the Company			
	No. of ordinary share		Amount	
	2022	2021	2022 \$'000	2021 \$'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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Capital reserve	80,000	80,000	80,000	80,000
Translation reserve	(65,659)	(5,745)	–	–
Hedging reserve	3,097	653	–	–
Fair value reserve	44,890	38,726	–	–
Other reserves	2,562	(271)	–	–
	64,890	113,363	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 share of associate's cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions.

Fair value reserve comprises the share of associate's 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 2022

18 Borrowings

	Note	The Group		The Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current					
Loans from subsidiaries	(i)	–	–	416,830	404,573
Bank loans	(ii)	47,052	23,007	21,297	15,093
		47,052	23,007	438,127	419,666
Non-current					
Bank loans	(ii)	328,726	362,385	247,465	269,827
Total borrowings		375,778	385,392	685,592	689,493
Represented by:					
Secured		372,709	385,392	268,762	284,920
Unsecured		3,069	–	416,830	404,573
		375,778	385,392	685,592	689,493

(i) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 2.94% to 9.08% (31 December 2021 – 3.75% to 4.57%) 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 2022

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 6.29% (31 December 2021 – 2.81%) 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% (31 December 2021 – 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current portion:				
– at floating interest rate	45,802	23,007	438,127	140,487
– at fixed interest rate	1,250	–	–	279,179
	47,052	23,007	438,127	419,666
Non-current portion:				
– at floating interest rate	326,907	359,339	247,465	269,827
– at fixed interest rate	1,819	3,046	–	–
	328,726	362,385	247,465	269,827
	375,778	385,392	685,592	689,493

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 Borrowings (Cont'd)

The borrowings are denominated in the following currencies:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore Dollar	17,869	4,296	134,245	110,933
United States Dollar	357,909	381,096	299,114	299,381
Indonesian Rupiah	–	–	252,233	279,179
	375,778	385,392	685,592	689,493

The borrowing repayment maturity profile is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Repayable:				
Not later than one year	47,052	23,007	438,127	419,666
Later than one year and not later than five years	328,726	362,385	247,465	269,827
	375,778	385,392	685,592	689,493

The effective interest rates per annum of the total borrowings at the end of reporting period are as follows:

	The Group		The Company	
	2022 Per annum	2021 Per annum	2022 Per annum	2021 Per annum
Bank loans	2.00% to 7.95%	2.00% to 4.93%	4.57% to 7.95%	4.48% to 4.93%
Loan from subsidiaries	–	–	2.94% to 9.08%	3.75% to 4.57%

19 Employee benefits liabilities

	The Group	
	2022 \$'000	2021 \$'000
Balance at beginning of year	15,876	16,281
Net employee benefits expense for the year (Note 27)	875	2,150
Actual benefit payments	(2,356)	(2,103)
Foreign exchange difference	(1,445)	162
Income recognised in other comprehensive income	(1,207)	(614)
Balance at end of year	11,743	15,876

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 Employee benefits liabilities (Cont'd)

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.

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 7.40% (31 December 2021 – 5.00% to 7.45%) per annum
Mortality rate	: Tabel Mortalita Indonesia (TMI-IV) – 2019 (2021 – Tabel Mortalita Indonesia (TMI-III) – 2011 & (TMI-IV) – 2019)
Annual salary increases	: 8.00% to 12.50% (31 December 2021 – 6.00% to 12.50%) per annum
Normal retirement age	: 55 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	
	2022	2021
	\$'000	\$'000
Current service cost	44	746
Interest expense	683	883
Excess payment	148	521
	875	2,150
Net present value of employee benefits liabilities	11,743	15,876

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

The Group	Change in assumption		Impact on defined benefit obligation			
			Changes in assumption		Changes in assumption	
	2022	2021	2022	2021	2022	2021
			\$'000	\$'000	\$'000	\$'000
Discount rate	1%	1%	Decrease by: 3,355	3,078	Increase by: (3,355)	(3,078)
Salary growth rate	1%	1%	Increase by: 3,419	3,103	Decrease by: (3,419)	(3,103)

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 2022

19 Employee benefits liabilities (Cont'd)

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
2022					
Defined benefit obligation	3,775	1,290	3,561	15,785	24,411
2021					
Defined benefit obligation	3,977	1,282	4,067	16,592	25,918

The weighted average duration of the defined benefit obligation is 10.16 years (31 December 2021: 9.96 years).

20 Other non-current liabilities

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deposits from tenants	29,674	28,089	54	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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore Dollar	18,582	18,482	54	88
Indonesian Rupiah	11,092	9,607	-	-
	29,674	28,089	54	88

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 Lease liabilities

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Undiscounted lease payments due:				
– Year 1	6,107	1,131	585	585
– Year 2	5,315	963	585	585
– Year 3	3,794	883	585	585
– Year 4	729	881	391	585
– Year 5	260	579	–	391
– Year 6 and onwards	264	269	–	–
	16,469	4,706	2,146	2,731
Less: Unearned interest cost	(2,051)	(709)	(231)	(353)
Lease liabilities	14,418	3,997	1,915	2,378
Presented as:				
Current liabilities	5,130	1,114	487	463
Non-current liabilities	9,288	2,883	1,428	1,915
	14,418	3,997	1,915	2,378

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Total cash outflows for all leases in the year amounted to S\$4,622,000 (31 December 2021 – S\$1,459,000).

Interest expense on lease liabilities of S\$1,137,000 (31 December 2021 – S\$256,000) 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Short-term leases	139	76	7	6
Leases of low value assets	25	26	5	3

As at 31 December 2022, 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Short term leases:				
– Not later than one year	–	–	–	–
Leases of low value assets:				
– Not later than one year	23	25	5	5
– Later than one year and not later than five years	45	49	9	14
	68	74	14	19

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 Lease liabilities (Cont'd)

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	2,420	2,651	1,915	2,378
Indonesian Rupiah	11,998	1,346	–	–
	14,418	3,997	1,915	2,378

22 Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade				
Trade payables	6,261	6,217	–	–
Non-trade				
Accruals	11,256	10,797	973	882
Other payables	93,528	96,125	74,312	74,214
Interest payable on bank loan	1,973	904	1,600	799
Amounts due to related parties	5,030	5,644	–	–
Amounts due to subsidiaries	–	–	88,818	80,636
	118,048	119,687	165,703	156,531

Trade payables are generally on 30 days (31 December 2021 – 30 days) credit terms.

Other payables represent non-trade advances and balances, which are unsecured, non-interest bearing and repayable on demand.

Amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

Amounts due to related parties comprise mainly the Group's associate companies and associates of ultimate holding company, which 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	27,451	26,432	17,166	12,789
Indonesian Rupiah	14,084	16,781	66,408	63,256
United States Dollar	76,513	76,474	82,129	80,486
	118,048	119,687	165,703	156,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23 Revenue

Disaggregated revenue information

The Group	For the financial year ended 31 December 2022				
	Industrial park	Utilities	Resort operations	Property development	Total
Segments	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services					
Rendering of services	5,529	–	601	–	6,130
Electricity and water supply	–	103,956	–	–	103,956
Sale of residential units/land	303	–	–	–	303
Golf revenue	1,920	–	–	–	1,920
Ferry services	–	–	13,744	–	13,744
Telecommunication	–	4,837	–	–	4,837
Others	1,168	–	1,446	–	2,614
Revenue from contracts with customers	8,920	108,793	15,791	–	133,504
Rental income	32,779	–	479	74	33,332
Total revenue	41,699	108,793	16,270	74	166,836
Timing of revenue recognition					
At a point in time	8,920	103,956	15,194	–	128,070
Over time	–	4,837	597	–	5,434
Revenue from contracts with customers	8,920	108,793	15,791	–	133,504

The Group	For the financial year ended 31 December 2021				
	Industrial park	Utilities	Resort operations	Property development	Total
Segments	\$'000	\$'000	\$'000	\$'000	\$'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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23 Revenue (Cont'd)

Disaggregated revenue information (Cont'd)

The Group operates mainly in Indonesia. Accordingly, revenue by geographical market is not presented.

Contract liabilities

	The Group	
	31 December	
	2022	2021
	\$'000	\$'000
<u>Non-Current liabilities</u>		
Contract liabilities	56,153	21,442
<u>Current liabilities</u>		
Contract liabilities	4,227	3,391

Contract liabilities relate primarily to advance consideration received from customers and unearned revenue arising from contract with customers.

As at 1 January 2022, the Group's gross contract liabilities related to revenue from contracts with customers amounted to S\$24,833,000 (2021: S\$19,405,000).

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	
	2022	2021
	\$'000	\$'000
Revenue recognised that was included in contract liabilities at the beginning of the year	3,391	2,667
Increases due to cash received, excluding amounts recognised as revenue during the year	(38,938)	(8,095)

24 Other expenses

	The Group	
	2022	2021
	\$'000	\$'000
Exchange loss, net	4,566	3,046
Gain on disposal of property, plant and equipment	(11)	(18)
Interest income	(2,754)	(2,815)
Other telecommunication income	(706)	(727)
Bank charges	297	21
Bad debt recovered	(101)	(246)
Rental income	(176)	(242)
Write off unamortised transaction costs in relation to previous bank borrowings	-	2,758
Others	26	(385)
	1,141	1,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25 Other operating expenses

	The Group	
	2022	2021
	\$'000	\$'000
Communication	240	236
Depreciation of property, plant and equipment (Note 4)	349	415
Depreciation of right-of-use assets (Note 5)	975	1,320
Entertainment	493	323
Insurance	321	321
Marketing and promotion expenses	1,109	284
Professional fees	609	801
Rental	187	111
Repairs and maintenance	2,258	1,342
Representation costs	588	630
Staff costs and related expenses	9,244	8,783
Taxes and licences	1,352	1,995
Transport and travelling	1,415	901
Packing and delivery	288	253
Printing and stationeries	125	92
Security expenses	263	297
Utilities	708	624
Office supplies	59	52
Impairment on goodwill (Note 3)	–	1,814
Others	3,684	3,725
	24,267	24,319

26 Finance costs

	The Group	
	2022	2021
	\$'000	\$'000
Interest expense on:		
– Bank loans and short-term loans	25,727	19,025
– Lease liabilities	1,137	256
– Others	448	491
	27,312	19,772

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27 Loss for the year

Other than as disclosed elsewhere in these financial statements, loss for the year has been arrived after charging/ (crediting):

	Note	The Group	
		2022 \$'000	2021 \$'000
Audit fee paid to:			
– auditor of the Company		509	458
– other auditors		443	436
Non-audit fees paid to:			
– auditor of the Company		41	14
– other auditors		61	109
Allowance for inventories obsolescence	12	202	1,254
Amortisation of intangible assets	3	67	67
Depreciation of property, plant and equipment	4	13,960	19,897
Depreciation of right-of-use assets	5	4,233	1,320
Depreciation of investment properties	6	11,661	11,505
		29,854	32,722
Directors' fees		405	405
Salaries and related costs (including CPF contributions)			
– Directors		3,937	2,929
– Employees		25,676	22,466
		29,613	25,395
Foreign exchange loss, net		4,566	3,046
Net allowance/(reversal) for impairment of receivables			
– Trade receivables		136	(259)
– Other receivables		–	(1)
		136	(260)
Operating lease rentals – office equipment and office premises		503	655
Employees' benefits expenses	19	875	2,150
Rental income (included in revenue) – investment properties	6	(32,920)	(28,656)
Operating expenses arising from investment properties			
that generated rental income	6	9,349	7,871
Impairment on goodwill	3, 25	–	1,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28 Taxation

	The Group	
	2022	2021
	\$'000	\$'000
Current taxation		
Indonesia corporate statutory tax rate of 22% (2021 – 22%)	15,063	13,117
Singapore corporate statutory tax rate of 17% (2021 – 17%)	358	244
Under/(over) provision in prior years	2	(22)
	15,423	13,339
Deferred taxation		
Indonesia tax	(22)	404
	15,401	13,743

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:

	The Group	
	2022	2021
	\$'000	\$'000
Profit/(Loss) before tax	1,647	(44,813)
Tax using Singapore tax rate of 17%	280	(7,618)
Difference of tax effects on gross income subject to final tax instead of corporate tax	9,262	6,537
Effect of different tax rates in foreign jurisdictions	3,255	2,013
Under/(over) provision in respect of prior year	2	(22)
Tax effects on non-taxable income ⁽¹⁾	(126)	(527)
Tax effects on non-deductible expenses ⁽²⁾	2,411	8,731
Deferred tax on temporary differences not recognised	317	4,629
	15,401	13,743

(1) Included in non-taxable 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 and interest expenses.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2022	2021
	\$'000	\$'000
Tax losses	133,519	132,075
Tax effect on tax losses	29,374	29,057

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29 Other comprehensive (loss)/income for the year after taxation

Disclosure of tax effects relating to each component of other comprehensive (loss)/income:

	2022		2021		
	Before	Tax	Before	Tax	Net of
	tax	expense	tax	expense	tax
The Group	\$'000	\$'000	\$'000	\$'000	\$'000
Currency translation differences	(613)	–	(613)	(79)	(79)
Actuarial gain	1,078	94	1,172	574	(46)
Share of other comprehensive (loss)/income of associates	(48,976)	–	(48,976)	51,516	–
	(48,511)	94	(48,417)	52,011	(46)
					51,965

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 5,463,155,283 (31 December 2021 – 5,444,001,822) shares during the financial year.

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

The calculation of basic and diluted loss per share is based on:

- (i) Loss used in calculating loss per share

	The Group	
	2022	2021
	\$'000	\$'000
Loss attributable to owners of the Company	(13,607)	(55,575)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31 Leases (Cont'd)

(ii) The Group as lessor (Cont'd)

Investment property (Cont'd)

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

	The Group	
	2022 \$'000	2021 \$'000
Undiscounted lease payments to be received:		
– Year 1	29,477	28,001
– Year 2	25,308	23,740
– Year 3	18,120	18,169
– Year 4	14,431	14,534
– Year 5	8,675	12,263
– Year 6 and onwards	23,198	12,989
	119,209	109,696

The leases on the Group's premises on which rentals are received will expire between 31 March 2027 and not later than 31 March 2039. 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.

(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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Undiscounted lease payments to be received:				
– Year 1	100	100	217	217
– Year 2	100	100	217	217
– Year 3	100	100	217	217
– Year 4	67	100	145	217
– Year 5	–	66	–	145
– Year 6 and onwards	–	–	–	–
	367	466	796	1,013

During the year, the Group recognised interest income on lease receivable of S\$20,866 (31 December 2021 – S\$9,210) in consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32 Commitments

Repair and maintenance contracted for at end of year but not recognised as liabilities is as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Contractual obligation for future repairs and maintenance		
– not recognised as a liability	344	1,397

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.

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	
	2022	2021
	\$'000	\$'000
(a) With associates		
Sales of goods and services	(2,052)	(759)
Purchase of goods and services	4	6
Dividend received	(1,013)	(1,010)
(b) With related companies and associates of ultimate holding company		
Broker and guarantee fee	70	70
Management fees paid	403	408
Human resource management fee	207	245
Interest income	(3,268)	(2,893)
Purchase of goods and services	58,578	56,842
Rental income	–	(95)
Sales of goods and services	(88,947)	(59,792)
Dividend received	(7,882)	(3,732)
(c) Remuneration of Directors of the Company and key management personnel of the Group		
Salaries and other short-term employee benefits	3,937	2,929

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34 Segment information (Cont'd)

The Group	Industrial Parks \$'000	Utilities \$'000	Resort Operations \$'000	Property Development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
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	41,699	108,870	16,291	205	-	(229)	166,836
Segment results							
Profit/(loss) from operations	11,497	23,847	(4,889)	(9,794)	(10,780)	-	9,881
Share of associates' results							19,078
Finance costs							(27,312)
Profit before taxation							1,647
Taxation							(15,401)
Loss after taxation							(13,754)
Assets and liabilities							
Segment assets	91,689	104,671	25,192	664,304	5,057	-	890,913
Associates							358,502
Unallocated corporate assets							129,176
Total assets							1,378,591
Segment liabilities	40,272	85,974	9,193	18,814	87,487	-	241,740
Unallocated corporate liabilities							378,015
Total liabilities							619,755
Other material information							
Capital expenditure	13,862	629	686	144	4	-	15,325
Depreciation and amortisation	12,265	10,341	3,729	3,308	278	-	29,921
Allowance for inventories obsolescence	202	-	-	-	-	-	202
Gain on disposal of property, plant and equipment	11	-	-	-	-	-	11
Allowance for expected credit losses of trade and other receivables	27	-	109	-	-	-	136

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34 Segment information (Cont'd)

The Group	Industrial Parks \$'000	Utilities \$'000	Resort Operations \$'000	Property Development \$'000	Corporate \$'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	4,532	–	884,734
Associates							389,347
Unallocated corporate assets							135,707
Total assets							1,409,788
Segment liabilities	28,890	55,443	8,089	22,104	86,423	–	200,949
Unallocated corporate liabilities							387,769
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 inventories obsolescence	1,254	–	–	–	–	–	1,254
(Loss)/gain on disposal of property, plant and equipment	(7)	–	–	25	–	–	18
Reversal of expected credit losses 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 2022

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 and tax 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 2022

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, United States Dollar and Indonesian Rupiah interest rates had been 50 (31 December 2021 – 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar				
– lower 50 basis points	89	21	671	555
– higher 50 basis points	(89)	(21)	(671)	(555)
United States Dollar				
– lower 50 basis points	1,790	1,905	1,496	1,497
– higher 50 basis points	(1,790)	(1,905)	(1,496)	(1,497)
Indonesian Rupiah				
– lower 50 basis points	–	–	1,261	–
– higher 50 basis points	–	–	(1,261)	–

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 2022, 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 2022

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) amounted to S\$116,561,000 (31 December 2021 – S\$121,138,000) and S\$354,000 (31 December 2021 – S\$208,000) 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 2022

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		United States Dollar		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other non-current assets (Note 10)	491	481	–	–	491	481
Trade and other receivables (Note 13)	18,173	20,812	6,668	7,284	24,841	28,096
Cash and cash equivalents (Note 14)	67,041	57,715	49,520	63,423	116,561	121,138
Trade and other payables (Note 22)	(14,084)	(16,781)	(76,513)	(76,474)	(90,597)	(93,255)
Other non-current liabilities (Note 20)	(11,092)	(9,607)	–	–	(11,092)	(9,607)
Borrowings (Note 18)	–	–	(357,909)	(381,096)	(357,909)	(381,096)
Net assets/(liabilities) exposure	60,529	52,620	(378,234)	(386,863)	(317,705)	(334,243)

	Appreciation/(depreciation) of foreign currency rate	Effect on loss before tax (increase)/decrease \$'000
2022		
Indonesian Rupiah	(1.08%)	(654)
Indonesian Rupiah	1.08%	654
United States Dollar	2.62%	(9,910)
United States Dollar	(2.62%)	9,910
2021		
Indonesian Rupiah	(0.73%)	(384)
Indonesian Rupiah	0.73%	384
United States Dollar	2.58%	(9,981)
United States Dollar	(2.58%)	9,981

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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		United States Dollar		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and cash equivalents (Note 14)	–	–	354	208	354	208
Trade and other payables (Note 22)	(66,408)	(63,256)	(82,129)	(80,486)	(148,537)	(143,742)
Borrowings (Note 18)	(252,233)	(279,179)	(299,114)	(299,381)	(551,347)	(578,560)
Net liabilities exposure	(318,641)	(342,435)	(380,889)	(379,659)	(699,530)	(722,094)

	Appreciation/(depreciation) of foreign currency rate	Effect on loss before tax (increase)/decrease \$'000
2022		
Indonesian Rupiah	1.08%	(3,441)
Indonesian Rupiah	(1.08%)	3,441
United States Dollar	2.62%	(9,979)
United States Dollar	(2.62%)	9,979
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

The average and year end exchange rates for 2022 and 2021 are as follows:

	2022		2021	
	Year end	Average	Year end	Average
Indonesian Rupiah	Rp.11,659/\$1	Rp.10,721/\$1	Rp.10,534/\$1	Rp.10,685/\$1
United States Dollar	US\$0.74/\$1	US\$0.73/\$1	US\$0.74/\$1	US\$0.74/\$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 2022

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 (31 December 2021 – S\$Nil). 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 2022

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 considers “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 have 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 2022 and 2021 was determined as follows for trade and other receivables:

	Trade and other receivables				
	Current \$'000	Days past due			Total \$'000
		1-30 days \$'000	31-60 days \$'000	>60 days \$'000	
The Group					
As at 31 December 2022					
Expected credit loss rate	7.22%	–	–	14.23%	10.87%
Gross carrying amount	18,631	1,605	646	27,535	48,417
Provision for allowance	(1,346)	–	–	(3,918)	(5,264)
As at 31 December 2021					
Expected credit loss rate	8.04%	–	–	17.40%	13.29%
Gross carrying amount	16,744	1,746	718	29,333	48,541
Provision for allowance	(1,347)	–	–	(5,105)	(6,452)
	Trade and other receivables				
	Current \$'000	Days past due			Total \$'000
		1-30 days \$'000	31-60 days \$'000	>60 days \$'000	
The Company					
As at 31 December 2022					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	74,231	–	–	2,285	76,516
Provision for allowance	–	–	–	–	–
As at 31 December 2021					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	75,055	–	–	2,129	77,184
Provision for allowance	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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			
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	\$'000	\$'000	\$'000	\$'000
The Group				
As at 31 December 2022				
Non-derivative financial liabilities:				
Trade and other payables	118,048	–	–	118,048
Borrowings	50,796	402,284	–	453,080
Other non-current liabilities	–	29,674	–	29,674
Lease liabilities	6,107	10,098	264	16,469
	174,951	442,056	264	617,271
As at 31 December 2021				
Non-derivative financial liabilities:				
Trade and other payables	119,687	–	–	119,687
Borrowings	24,093	423,870	–	447,963
Other non-current liabilities	–	28,089	–	28,089
Lease liabilities	1,131	3,306	269	4,706
	144,911	455,265	269	600,445

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

	Contractual undiscounted cash flows				Total carrying amount \$'000
	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000	
The Company					
As at 31 December 2022					
Non-derivative financial liabilities:					
Trade and other payables	165,703	–	–	165,703	165,703
Borrowings	456,404	303,109	–	759,513	685,592
Other non-current liabilities	–	54	–	54	54
Lease liabilities	585	1,561	–	2,146	1,915
	<u>622,692</u>	<u>304,724</u>	<u>–</u>	<u>927,416</u>	<u>853,264</u>
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
	<u>591,790</u>	<u>318,120</u>	<u>–</u>	<u>909,910</u>	<u>848,490</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

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 2022 and 2021 were as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net Debt	262,410	255,309	686,575	691,075
Total equity + debt	1,149,032	1,210,459	1,391,506	1,427,859
Capital net debt ratio	0.23	0.21	0.49	0.48

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
		2022	2021	2022	2021
	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Financial assets at amortised cost					
Trade and other receivables	13	43,153	42,089	76,516	77,184
Cash and cash equivalents	14	127,786	134,080	932	796
Other non-current assets ⁽¹⁾	10	639	662	148	181
		171,578	176,831	77,596	78,161

(1) Comprises restricted cash/time deposits, deposits and other receivables

		The Group		The Company	
		2022	2021	2022	2021
Financial liabilities	Note	\$'000	\$'000	\$'000	\$'000
Financial liabilities at amortised cost					
Trade and other payables	22	118,048	119,687	165,703	156,531
Borrowings	18	375,778	385,392	685,592	689,493
Other non-current liabilities	20	29,674	28,089	54	88
Lease liabilities	21	14,418	3,997	1,915	2,378
		537,918	537,165	853,264	848,490

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38 Fair value measurement (Cont'd)

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 2022 and 31 December 2021.

(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.

39 Events after end of reporting period

There were no material events subsequent to 31 December 2022 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 17 MARCH 2023

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	1.16	1,111	0.00
100-1,000	437	14.40	201,002	0.00
1,001-10,000	879	28.97	6,301,429	0.12
10,001-1,000,000	1,656	54.58	129,499,688	2.37
1,000,001 and above	27	0.89	5,327,602,053	97.51
Total	3,034	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	16.89
3	CITIBANK NOMS SPORE PTE LTD	433,835,000	8.25
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	205,570,400	7.93
5	HSBC (SINGAPORE) NOMINEES PTE LTD	150,161,667	3.77
6	PHILLIP SECURITIES PTE LTD	102,609,023	2.01
7	TERRAFIRMA PROPERTY HOLDINGS LTD	31,091,577	1.88
8	DBS NOMINEES PTE LTD	20,129,603	0.50
9	MAYBANK SECURITIES PTE. LTD.	18,770,000	0.37
10	CIGA ENTERPRISES PTE LTD	17,705,210	0.34
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	0.09
14	UNITED OVERSEAS BANK NOMINEES P L	4,218,352	0.08
15	PT ELITINDO CITRALESTARI	3,147,100	0.06
16	LIM KEE YEK	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:		5,318,237,981	97.34

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2023

PUBLIC FLOAT

Based on the information available to the Company as at 17 March 2023, 26.85% 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
River Point Ventures Limited (" River Point ")	397,000,000	–	397,000,000	7.27
Smart Head Assets Limited (" Smart Head ") ⁽⁵⁾	–	397,000,000	397,000,000	7.27
Anthoni Salim ⁽⁶⁾	–	3,993,980,577	3,993,980,577	73.11

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) Smart Head has a controlling interest in River Point and is deemed to be interested in the Shares in which River Point has an interest.
- (6) Anthoni Salim is deemed to have an interest in the Shares in which PHL, PVP, River Point 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, 28 April 2023 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 2022 together with the Directors’ Statement and Auditors’ Report thereon.
(Resolution 1)
2. To approve the Directors’ fee of S\$455,000/- for the financial year ended 31 December 2022 (2021: S\$360,000/-).
(Resolution 2)
3. To re-elect the following Directors retiring under Regulation 111 of the Constitution of the Company.
 - (a) Mr Eugene Cho Park
(Resolution 3)
(See Explanatory Note 1)
 - (b) Mr Gianto Gunara
(Resolution 4)
(See Explanatory Note 1)
 - (c) Dr Tan Chin Nam
(Resolution 5)
(See Explanatory Note 1)
4. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

5. 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 7)
(See Explanatory Note 2)

6. 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 of the SGX-ST ("**Chapter 9**"), 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 "**IPM 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 8)

(See Explanatory Note 3)

7. 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 9)
(See Explanatory Note 4)

ANY OTHER BUSINESS

8. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Choo Kok Kiong
Company Secretary
Singapore, 12 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- Mr Eugene Cho Park will, upon being re-elected as Director, continue as an Executive Director and Chief Executive Officer.

Mr Gianto Gunara will, upon being re-elected as Director, continue as an Executive Director.

Dr Tan Chin Nam will, upon being re-elected as Director, continue as a Non-Executive, and Non-Independent Director.

The detailed information of Mr Eugene Cho Park, Mr Gianto Gunara and Dr Tan Chin Nam can be found under the "Additional Information on Directors" section on pages 17 to 26 of the Annual Report 2022.
- Ordinary Resolution 7 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.
- Ordinary Resolution 8 relates to the renewal of the mandate, which was approved by the shareholders on 29 April 2022 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.
- Ordinary Resolution 9 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:

General

- 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 (as amended from time to time). Members will **NOT** be allowed to attend the AGM in person.
- There will be no despatch of the printed copies of this Notice of AGM. Instead, this Notice of AGM, together with the following documents are made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://gallantventure.listedcompany.com/> :
 - Annual Report;
 - Appendix to the Notice of AGM; and
 - Proxy Form in relation to the AGM.
- Alternative arrangements are instead put in place to allow members/proxies to participate in the AGM by:
 - watching or listening to the AGM proceedings via a live webcast (as defined below). Members/proxies who wish to participate will have to pre-register in the matter outlined in Notes 4 to 5 below;
 - voting (i) "live" by the members or by their duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to Notes 6 to 11 below for further details; and
 - submitting questions ahead of or "live" at the AGM. Please refer to Notes 12 to 16 below for further details.

Participation in the AGM via live webcast or live audio feed

- 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/> by no later than 10.00 a.m. on 25 April 2023 ("**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 27 April 2023. Members and CPF/SRS investors who do not receive any email by 10.00 a.m. on 27 April 2023, 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 1967) ("**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 him for the AGM. 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 25 April 2023.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Proxy Forms to vote or voting "live" at the AGM

6. Members who wish to vote on any or all of the resolutions at the AGM may vote "live" via electronic means at the AGM or by appointing proxy(ies) or the Chairman of the AGM as proxy to vote on his/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, Shareholders must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
7. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, submit text-based question(s) and vote "live" at the AGM to be held electronically. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
8. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, submit text-based question(s) and vote "live" at the AGM to be held electronically, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

9. A proxy need not be a member of the Company.
10. CPF and SRS investors:
 - (a) may participate and vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. They should contact their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 18 April 2023 at 5.00 p.m.) in order to allow sufficient time for the CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
11. 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>. 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 25 April 2023, 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.

12. 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 IIIA 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.

Submission of questions prior to the AGM

13. Members and CPF/SRS investors may submit questions related to the resolutions to be tabled at the AGM or the Company's business ahead of the AGM by no later than 10:00 a.m. on 20 April 2023 ("**prescribed deadline**") through any of the following means:
 - (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.
14. Investors holding Shares through relevant intermediaries (other than CPF/SRS investors) will not be able to submit questions related to the resolutions 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 prior to the AGM.
15. The Company will answer all substantial and relevant questions received by the prescribed deadline and post the answers on SGXNet and the Company's website by 10.00 a.m. on 23 April 2023. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions “live” at the AGM

16. Members and CPF/SRS investors may submit textual questions “live” in the following manner:
 - (a) Members and CPF/SRS investors or where applicable, their appointed proxy(ies) who have pre-registered and are verified to attend the AGM can ask questions relating to the resolutions tabled for approval at the AGM “live” at the AGM, by typing and submitting their questions through the “live” ask-a-question function via the webcast platform during the AGM;
 - (b) Members who wish to appoint proxy(ies) (other than the Chairman of the AGM) to ask questions “live” at the AGM on their behalf must, in addition to completing and submitting a Proxy Form, ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email upon verification of the Proxy Form(s); and
 - (c) Members and CPF/SRS investors or where applicable, their appointed proxy(ies) must access the AGM proceedings via the “live” webcast platform in order to ask questions “live” at the AGM.
17. The Company will, during the AGM, address the substantial and relevant questions received after the prescribed deadline which have not already been addressed prior to the AGM as well as the questions raised “live” at the AGM, as reasonably practicable. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

Personal data privacy:

By submitting the Proxy Form appointing a proxy(ies) to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company (i) 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 and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) 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.

In the case of a member who is a relevant intermediary, by submitting the Proxy Form containing personal data of individuals (including the consolidated list of Investors set out in Note 5 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

- 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 (as amended from time to time). 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", and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 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 ahead of or "live" at the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting "live" via electronic means at the AGM or by appointing proxies or the Chairman as proxy at the AGM, are set out in the accompanying Company's announcement dated 12 April 2023. 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>.
- 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 shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF and SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them.
- An Investor (other than CPF and 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 him for the AGM. 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 25 April 2023.
- CPF and SRS investors:
 - may participate and vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - may appoint the Chairman as proxy to vote on their behalf at the AGM. They should contact their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 18 April 2023 at 5.00 p.m.) in order to allow sufficient time for the CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
- 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 12 April 2023.
- 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)

_____ (*NRIC/Passport/Co Reg No.)

of _____ (Address)

being a *member/members of Gallant Venture Ltd. (the "**Company**") hereby appoint:

Name	Address	Email Address [#]	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
				No. of Shares	%

*and/or (delete as appropriate)

Name	Address	Email Address [#]	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
				No. of Shares	%

or failing *him/them, the Chairman of the AGM as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on Friday, 28 April 2023 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 2022			
2.	To approve Directors' fee of S\$455,000 for the financial year ended 31 December 2022			
3.	To re-elect Mr Eugene Cho Park as a Director			
4.	To re-elect Mr Gianto Gunara as a Director			
5.	To re-elect Dr Tan Chin Nam as a Director			
6.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration			
Special business				
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore			
8.	To approve the renewal of the IPT Mandate for Interested Person Transactions			
9.	To approve the renewal of the Share Purchase Mandate			

* Delete accordingly

Appointed proxy(ies) will be prompted via email (within 2 business days after the receipt of a validly completed and executed Proxy Form) to pre-register via the URL <http://gallantventure.listedcompany.com/> to access the live audio-visual webcast or live audio-only feed of the AGM.

** A tick or cross would represent that 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. If you have appointed the Chairman as the proxy, **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.** In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this _____ day of _____ 2023

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. Members will not be able to attend the AGM in person. Members who wish to vote on any or all of the resolutions at the AGM may vote "live" via electronic means at the AGM or by appointing proxy(ies) or the Chairman of the AGM as proxy to vote on his/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, members must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, submit text-based question(s) and vote "live" at the AGM to be held electronically. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, submit text-based question(s) and vote "live" at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member can appoint the Chairman of the AGM as his/its proxy, but this is not mandatory.

fold here

Affix
Postage
Stamp

The Company Secretary
GALLANT VENTURE LTD.
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

fold here

5. A proxy need not be a member of the Company.
6. 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 25 April 2023, 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.

7. 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, or if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. 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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