

GALLANT VENTURE LTD

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Full Year 2020 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the year ended 31 December 2020.

1(a)(i). *An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.*

	Group		
	Full Year		Incr/ (Decr) %
2020 S\$'000	2019 S\$'000 Restated		
Continuing operations			
Revenue	138,190	173,498	(20)
Cost of sales	(113,114)	(139,916)	(19)
Gross profit	25,076	33,582	(25)
Other income	10,530	463	N.M
General and administrative expenses	(18,245)	(18,204)	0
Other operating expenses	(24,777)	(26,153)	(5)
Share of associate companies' results	(6,160)	185	N.M
Finance costs	(21,933)	(30,271)	(28)
Loss from continuing operations, before tax	(35,509)	(40,398)	(12)
Taxation	(12,815)	(12,293)	4
Loss from continuing operations, after tax	(48,324)	(52,691)	(8)
Discontinued operations			
Loss from discontinued operations, net of tax	(642,735)	(202,397)	218
Loss for the year	(691,059)	(255,088)	171
Attributable to:			
Equity holders of the Company			
- Loss from continuing operations, net of tax	(45,455)	(52,426)	(13)
- Loss from discontinued operations, net of tax	(628,389)	(169,550)	271
	(673,844)	(221,976)	204
Non-controlling interest			
- Loss from continuing operations, net of tax	(2,869)	(265)	983
- Loss from discontinued operations, net of tax	(14,346)	(32,847)	(56)
	(17,215)	(33,112)	(48)
Loss for the year	(691,059)	(255,088)	171

1(a)(i). **A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	Full Year		
	2020	2019	Incr/ (Decr)
	S\$'000	S\$'000	%
		Restated	
Loss for the year	(691,059)	(255,088)	171
Other comprehensive (loss)/income after taxation:			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Change in fair value of cash flow hedges, net of tax	(6,712)	(17,171)	(61)
Currency translation differences from foreign subsidiaries	(8,001)	21,211	N.M
Realisation of reserves upon deconsolidation of subsidiaries	32,514	-	N.M
Share of other comprehensive loss of associates	(15,659)	-	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Change in fair value on equity instruments at fair value through other comprehensive income	-	10,623	N.M
Remeasurements of defined benefit plans	485	(1,079)	N.M
Share of other comprehensive income of associates	114	-	N.M
Other comprehensive income for the year after taxation	2,741	13,584	(80)
Total comprehensive loss for the year	(688,318)	(241,504)	185
Total comprehensive loss attributable to:			
- Equity holders of the Company	(421,756)	(212,170)	99
- Non-controlling interests	(266,562)	(29,334)	N.M
	(688,318)	(241,504)	185
Total comprehensive loss attributable to:			
Equity holders of the Company			
- Total comprehensive loss from continuing operations, net of tax	(60,309)	(52,588)	15
- Total comprehensive loss from discontinued operations, net of tax	(361,447)	(159,582)	126
	(421,756)	(212,170)	99

N.M. denotes "Not Meaningful"

Note:

- (a) The exchange rate of S\$1=IDR 10,644 (31 December 2019: S\$1=IDR 10,321) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,593 (31 December 2019: S\$1=IDR 10,387) was used for translating the results for the period.
- (b) As reported in the Company's announcement on 30 April 2020, 4 May 2020 and 10 June 2020 on the potential dilution of IMAS as a result of the Company for not subscribing its proportionate entitlement of IMAS's issuance of new shares with pre-emptive rights, the Company's shareholding in IMAS would be diluted from 71.49% to 49.49%. Consequentially, IMAS ceased to be the subsidiary of the Group but will remain as an associated company of the Group. On 25 August 2020, the Company further announced the completion of the IMAS's right issues with the Company's shareholding in IMAS reduced to 49.49%.

In compliance to Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Group has deconsolidated IMAS in 1H 2020 due to loss of control to govern its financial and operating policies while retains only significant influence as a result of loss of power to cast majority of votes at IMAS's Board level. The deconsolidation involved de-recognition of the assets and liabilities of

IMAS, goodwill and intangible assets related to the acquisition of IMAS and recognition of reserves previously accounted in the Group's comprehensive losses (“**Deconsolidation Event**”).

The operating performance of IMAS prior to deconsolidation, together with the net loss on deconsolidation of S\$595.7 million has been presented separately under “Discontinued operations” on the income statement. As a result, loss from discontinued operations was S\$642.7 million in FY 2020. Comparative figures have been restated to conform to current period’s presentation. With effect from Jun 2020, the Group’s share of IMAS’s result for its 49.49% after deconsolidation is presented under “Share of associate companies’ results”.

1(a)(ii). The following items, if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Loss before taxation from continuing operations is arrived at after charging/(crediting) the following significant items.

	Full Year		Incr/ (Decr) %
	2020 S\$'000	2019 S\$'000 Restated	
Amortisation of intangible assets	88	88	-
Depreciation of property, plant and equipment and right-of-use asset	20,251	23,699	(15)
Depreciation of investment properties	14,759	25,441	(42)
(Gain)/loss on disposal of property, plant and equipment	(28)	2,110	N.M
Allowance/(written back) of impairment loss for trade and other receivables	1,388	(132)	N.M
Reversal of inventories obsolescence	-	(66)	N.M
Provision for employee benefits	1,098	980	N.M
Gain on disposal of subsidiaries	-	(255)	N.M
Insurance claims on damaged power generator	3,884	-	N.M
Exchange gain	(1,267)	(1,679)	(25)
Interest income	(3,156)	(3,330)	(5)
Interest expense	21,933	30,271	(28)

1(b)(i). A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.20 S\$'000	31.12.19 S\$'000	31.12.20 S\$'000	31.12.19 S\$'000
Assets				
Non-current				
Intangible assets	197	644,062	-	27
Property, plant and equipment	139,475	1,153,404	81	158
Right-of-use assets	4,379	44,236	2,557	409
Investment properties	102,594	101,775	-	-
Subsidiaries	-	-	1,122,085	2,460,620
Associates	368,578	149,940	381,948	-
Financing receivables	-	807,801	-	-
Deferred tax assets	1,638	41,079	-	-
Other non-current assets	5,413	264,380	155	155
	622,274	3,206,677	1,506,826	2,461,369
Current				
Land inventories	596,376	595,241	-	-
Other inventories	8,627	274,606	-	-
Financing receivables	-	587,013	-	-
Trade and other receivables	70,654	674,981	65,788	76,960
Cash and cash equivalents	106,807	230,524	745	1,747
	782,464	2,362,365	66,533	78,707
Total assets	1,404,738	5,569,042	1,573,359	2,540,076
Equity and liabilities				
Equity				
Share capital	1,958,546	1,958,546	1,958,546	1,958,546
Treasury shares	(50)	(50)	(50)	(50)
Accumulated losses	(1,193,729)	(547,610)	(1,262,795)	(280,912)
Reserves	60,925	(164,388)	80,000	80,000
Equity attributable to equity holders of the Company	825,692	1,246,498	775,701	1,757,584
Non-controlling interests	13,554	272,642	-	-
Total equity	839,246	1,519,140	775,701	1,757,584
Liabilities				
Non-current				
Deferred tax liabilities	1,901	101,790	-	-
Borrowings	4,271	1,490,111	-	290,495
Debt securities	-	103,369	-	-
Employee benefits liabilities	16,281	43,867	-	-
Other non-current liabilities	25,966	72,056	88	88
Lease liabilities	3,494	6,195	2,378	165
Contract liabilities	16,738	12,873	-	-
	68,651	1,830,261	2,466	290,748
Current				
Borrowings	339,001	1,610,633	664,555	404,457
Debt securities	-	67,474	-	-
Lease liabilities	953	13,405	234	231
Trade and other payables	145,746	495,584	128,970	85,307
Contract liabilities	2,667	20,153	-	-
Current tax payable	8,474	12,392	1,433	1,749
	496,841	2,219,641	795,192	491,744
Total liabilities	565,492	4,049,902	797,658	782,492
Total equity and liabilities	1,404,738	5,569,042	1,573,359	2,540,076

1(b)(ii). In relation to the aggregate amount of the group's borrowings and debt securities, the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group	
	31.12.20 S\$'000	31.12.19 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	339,001	1,678,107
Unsecured	953	13,405
	339,954	1,691,512
(ii) Amount repayable after one year		
Secured	4,271	1,593,480
Unsecured	3,494	6,195
	7,765	1,599,675
 TOTAL	 347,719	 3,291,187

Note:

(a) Included the Group's borrowings, debt securities and lease liabilities

(b) The Group's non-current portion of the syndicated loan led by Bank Mandiri of S\$299.2 million was reclassified into current liabilities on the non-compliance of one of its financial covenant for Net Debt to EBITDA of not more than 5.75. The Company has sought waiver from the lenders on the non-compliance of the financial covenant and consent not to demand for repayment.

(iii) Details of any collaterals

The Group's borrowings and debt securities are secured with the following:-

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. Pledge of accounts of PT BIC, PT BIIE, PT BRC, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;
3. Assignment of insurance proceeds, receivables and movable assets of PT BIC and PT BIIE; and
4. Pledge of shares of PT Indomobil Sukes Internasional Tbk ("PT IMAS") and PT BMW.

1(c). **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	Group	
		YTD	
		31.12.20	31.12.19
		S\$'000	S\$'000
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		(35,509)	(40,399)
Loss before taxation from discontinued operations		(641,257)	(179,571)
Adjustment for:			
Amortisation of intangible assets		6,849	16,316
Depreciation of property, plant and equipment, investment properties and right-of-use assets		63,212	118,928
Impairment loss on goodwill		-	100,100
(Gain)/loss on disposal of property, plant and equipment		(147)	2,216
Net impairment of financing receivables		19,384	53,244
Net reversal of trade and other receivables		-	(551)
Loss on sales of foreclosed assets		4,474	12,366
Reversal of allowance for inventories obsolescence		-	(66)
Provision for employees' benefits		3,074	6,559
Net loss/(gain) on deconsolidation or disposal of subsidiaries	A	595,708	(255)
Gain on disposal of investment properties		-	(358)
Reversal of allowance for foreclosed assets		-	(350)
Interest expense		85,746	186,240
Interest income		(12,665)	(27,859)
Share of associate companies' results		10,972	3,744
Cash from operations before working capital changes		99,841	250,304
Increase in land inventories		(1,135)	(587)
Decrease in other inventories		15,499	98,216
Decrease/(increase) in operating receivables		120,160	(70,862)
Decrease in operating payables and contract liabilities		(31,131)	(21,557)
Cash generated from operating activities		203,234	255,514
Income tax paid		(40,914)	(73,356)
Interest paid		(136,341)	(221,416)
Interest received		3,172	8,382
Employee benefit paid		(267)	(1,302)
Net cash generated from/(used in) operating activities		28,884	(32,178)
Cash Flows from Investing Activities			
Acquisition of intangible assets		(48)	(142)
Acquisition of property, plant and equipment		(40,306)	(438,910)
Acquisition of investment properties		(1,456)	(40,100)
Dividend from associates		1,099	2,023
Proceeds from disposal of property, plant and equipment		798	5,882
Proceeds from disposal of investment properties		-	33
Acquisition of subsidiary, net of cash acquired	B	-	(29,602)
Net (outflow)/inflow on deconsolidation or disposal of subsidiaries	A	(284,257)	495
Proceeds from sales of equity instruments at fair value through other comprehensive income		-	144,943
Proceeds from disposal/(addition) in investments		23,564	(39,320)
Placement of restricted cash and time deposits		(2,819)	(105)
Net cash used in investing activities		(303,425)	(394,803)

1(c). **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	Group	
	YTD	
Note	31.12.20 S\$'000	31.12.19 S\$'000
Cash Flows from Financing Activities		
Proceeds from issuance of new shares	-	10,239
Repayment of debt securities	(44,802)	(195,951)
Payment of principal portion of lease liabilities	(2,016)	(3,625)
(Acquisition of)/proceeds from capital stock contribution of NCI	(1,274)	21,794
Proceeds from borrowings	1,359,018	4,062,642
Repayment of borrowings	(1,173,452)	(3,467,432)
Dividends paid to non-controlling interests	-	(2,450)
Net cash generated from financing activities	137,474	425,217
Net decrease in cash and cash equivalents	(137,067)	(1,764)
Cash and cash equivalents at beginning of year	230,524	228,879
Effect of currency translation on cash and cash equivalents	13,350	3,409
Cash and cash equivalents at end of year	106,807	230,524

Note A: Deconsolidation/disposal of subsidiaries

During the year, the Group's shareholding in PT Indomobil Sukses Internasional Tbk ("PT IMAS") was diluted from 71.49% to 49.49% following the Group's decision not to subscribe to its proportionate entitlement of IMAS's issuance of new shares with pre-emptive rights. Consequentially, the Group lost its control to govern IMAS's financial and operating policies while retains only significant influence as a result of loss of power to cast majority of votes at IMAS's Board level.

In the previous year, the Group disposed the entire equity interest in PT Bumi Bintan Abadi and its subsidiaries ("PT BBA Group") as the proposed joint property development between PT BBA Group and the investors did not materialise.

Details of the deconsolidation/disposal are as follows:

	Group	
	YTD	
	31.12.20 S\$'000	31.12.19 S\$'000
	PT IMAS	PT BBA Group
	S\$'000	S\$'000
<u>Carrying amounts of net assets over which control was lost</u>		
Non-current assets	2,766,026	-
Current assets	1,795,883	732
Non-current liabilities	(1,330,001)	-
Current liabilities	(2,286,766)	(492)
Less: Non-controlling interests	(243,999)	-
Add: Realisation of reserves	276,513	-
Net assets derecognised	977,656	240
<u>(Loss)/gain on deconsolidation/disposal</u>		
Investment retained at fair value	381,948	-
Cash consideration	-	495
	381,948	495
Less: Net assets derecognised	977,656	240
	(595,708)	255
<u>Effect of the deconsolidation/disposal on cash flows</u>		
Cash consideration	-	495
Cash balance in subsidiaries deconsolidated/disposed off	284,257	-
Net cash (outflows)/inflows arising on deconsolidation/disposal	(284,257)	495

1(c). A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Note A: Deconsolidation/disposal of subsidiaries (cont'd)

The loss on deconsolidation of PT IMAS is presented under "Loss from discontinued operation, net of tax" on the income statement. The gain on disposal of PT BBA Group is recorded within "other income" in the Consolidated Statement of Comprehensive Income - Profit or Loss in the previous year.

Note B: Acquisition of subsidiaries

In previous year, the Group's subsidiary, PT IMAS had acquired 97.5% of equity interest in PT Prima Sarana Gemilang ("PT PSG"). As a result, PT IMAS's effective interest in PT PSG increased from 1.5% to 98.99%, granting it control of PT PSG. PT PSG engages in coal mining contractor which has significant interest in PT IMAS's heavy equipment products. The acquisition of PT PSG will allow the PT IMAS to achieve synergy between PT PSG and its heavy equipment segment.

In previous year, the Group's subsidiary, PT IMAS had converted the convertible bond issued by PT Jasa Kencana Utama ("PT JKU") for 12,500,000,000 new shares in PT JKU, representing 99.01% of the enlarged share capital. PT IMAS took control of PT JKU based on the Preferential Rights Agreement signed on 30 April 2019. PT JKU engages in E-commerce and contract services in forestry sector. The acquisition of PT JKU will expand the PT IMAS's business in E-commerce platform and contract services in forestry.

Details of the consideration paid, assets acquired, liabilities assumed, and goodwill arising, and the effects on the cash flows of the group in FY2019 are as follows:

	PT PSG \$'000	PT JKU \$'000
<u>Purchase consideration</u>		
Cash	28,560	1,211
Total purchase consideration	<u>28,560</u>	<u>1,211</u>
<u>Identifiable assets acquired and liabilities assumed at fair value</u>		
Cash and cash equivalents	104	66
Trade and other receivables	28,145	4,024
Inventories	3,611	51
Property, plant and equipment	63,235	8,645
Investment properties	-	6,411
Deferred tax assets	5,358	-
Other non-current asset	-	53,471
Loan and borrowings	(22,360)	(30,236)
Trade and other payables	(92,033)	(41,365)
Current tax liabilities	(1,592)	(12)
Identifiable (net liabilities assumed)/net assets acquired	<u>(15,532)</u>	<u>1,055</u>
Add: Non-controlling interests	156	(10)
	<u>(15,376)</u>	<u>1,045</u>
<u>Goodwill arising on acquisition</u>		
Consideration transferred	28,560	1,211
Less: Fair value of identifiable (net liabilities assumed)/net assets acquired, net of non-controlling interests	<u>(15,376)</u>	<u>1,045</u>
Goodwill arising on acquisition	<u>43,936</u>	<u>166</u>
<u>Effects on cash flows of the Group</u>		
Cash consideration paid	28,560	1,211
Less: Cash and cash equivalents in acquiree	<u>(104)</u>	<u>(66)</u>
Net cash outflows on acquisition	<u>28,456</u>	<u>1,145</u>

1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity of the Group for the period ended 31 December 2019

	Attributable to owners of the Company										
	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Translation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
Balance as at 1 January 2019	1,948,307	(50)	(105,771)	(108,341)	(2,254)	64,175	15,597	(373,273)	1,438,390	293,995	1,732,385
Loss for the year	-	-	-	-	-	-	-	(221,976)	(221,976)	(33,112)	(255,088)
Other comprehensive income/(loss)	-	-	-	13,666	(12,358)	7,588	910	-	9,806	3,778	13,584
Total comprehensive income/(loss) for the period	-	-	-	13,666	(12,358)	7,588	910	(221,976)	(212,170)	(29,334)	(241,504)
Transfer of fair value reserve of equity instruments designated as FVOCI	-	-	-	-	-	(47,639)	-	47,639	-	-	-
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	(145)	(145)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,450)	(2,450)
Issuance of shares	10,300	-	-	-	-	-	-	-	10,300	-	10,300
Share issuance expenses	(61)	-	-	-	-	-	-	-	(61)	-	(61)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	10,039	-	10,039	10,576	20,615
Balance as at 31 December 2019	1,958,546	(50)	(105,771)	(94,675)	(14,612)	24,124	26,546	(547,610)	1,246,498	272,642	1,519,140

1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity of the Group for the period ended 31 December 2020

	Attributable to owners of the Company										
	Share Capital	Treasury Shares	Capital Reserve	Translation Reserve	Hedging Reserve	Fair Value Reserve	Other Reserves	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	1,958,546	(50)	(105,771)	(94,675)	(14,612)	24,124	26,546	(547,610)	1,246,498	272,642	1,519,140
Loss for the period	-	-	-	-	-	-	-	(673,844)	(673,844)	(17,215)	(691,059)
Other comprehensive (loss)/income	-	-	-	(4,877)	(4,900)	-	897	-	(8,880)	(5,348)	(14,228)
Share of other comprehensive income of associates	-	-	-	(8,703)	(6,956)	-	114	-	(15,545)	-	(15,545)
Realisation of reserves upon deconsolidation of subsidiaries	-	-	185,771	95,648	19,512	(24,124)	(28,019)	27,725	276,513	(243,999)	32,514
Total comprehensive income/(loss) for the period	-	-	185,771	82,068	7,656	(24,124)	(27,008)	(646,119)	(421,756)	(266,562)	(688,318)
Share of reserves of associates	-	-	-	-	-	-	835	-	835	-	835
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	115	-	115	7,474	7,589
Balance as at 31 December 2020	1,958,546	(50)	80,000	(12,607)	(6,956)	-	488	(1,193,729)	825,692	13,554	839,246

- 1(d)(i). *A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.*

Statement of changes in equity of the Company for the period ended 31 December 2020

	Share Capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2019	1,948,307	(50)	80,000	(148,600)	1,879,657
Total comprehensive loss for the period	-	-	-	(132,312)	(132,312)
Issuance of shares	10,300	-	-	-	10,300
Share issuance expenses	(61)	-	-	-	(61)
Balance as at 31 December 2019	<u>1,958,546</u>	<u>(50)</u>	<u>80,000</u>	<u>(280,912)</u>	<u>1,757,584</u>
Balance as at 1 January 2020	1,958,546	(50)	80,000	(280,912)	1,757,584
Total comprehensive loss for the period	-	-	-	(981,883)	(981,883)
Balance as at 31 December 2020	<u>1,958,546</u>	<u>(50)</u>	<u>80,000</u>	<u>(1,262,795)</u>	<u>775,701</u>

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

(a) Total number of issued shares excluding treasury shares

	As at 31 Dec 2020	As at 31 Dec 2019
Number of issue shares		
At the beginning of financial year	5,425,298,361	5,338,010,225
Issuance of ordinary shares ⁽¹⁾	-	87,288,136
At the end of financial period ended	<u>5,425,298,361</u>	<u>5,425,298,361</u>
Treasury shares		
At the beginning of financial year and end of financial period	<u>(450,000)</u>	<u>(450,000)</u>
Total number of issued shares excluding treasury shares	<u>5,424,848,361</u>	<u>5,424,848,361</u>

⁽¹⁾ In 2019, the Company has issued 87,288,136 new ordinary shares at S\$0.118 per share.

(b) Convertible bond

	As at 31 Dec 2020	As at 31 Dec 2019
Conversion right of convertible bond	250,000,000	250,000,000

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 December 2020 and 31 December 2019 were 5,424,848,361 and 5,424,848,361 respectively.

1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion; (a) Updates on the efforts taken to resolve each outstanding audit issue and (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2019, except for those as disclosed under paragraph 5.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INTs**") which are effective for the financial periods beginning on or after 1 January 2020. The adoption of the new standards has no material financial impact on the Group's financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)**

Loss per ordinary share for the period based on loss attributable to equity holders of the company:

	Group	
	YTD	
	31.12.20	31.12.19
Net loss attributable to equity owners of the Company (S\$'000)	(673,844)	(221,976)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(12.421)	(4.153)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(12.421)	(4.153)

⁽¹⁾ The conversion right of convertible bond has not been included in the calculation of diluted loss per shares as these will have an anti-dilutive effect (i.e. resulting in a reduction in loss per share)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Net asset value per ordinary share	15.22 cents	22.98 cents	14.30 cents	32.40 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital of 5,424,848,361 ordinary shares as at 31 December 2020 and 5,424,848,361 as at 31 December 2019.

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

As per the Company's announcement on 30 April 2020, 4 May 2020 and 10 June 2020 on the potential dilution of shareholding in IMAS as a result of the Company for not subscribing to its proportionate entitlement of IMAS's issuance of new shares with pre-emptive rights. Consequentially, in compliance to Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, IMAS was deconsolidated with effect from June 2020. On 25 August 2020, the Company further announced the completion of IMAS's right issues with the Company's shareholding in IMAS diluted to 49.49%. The operating performance of IMAS prior to deconsolidation, together with the net loss on deconsolidation of S\$595.7 million, has been presented separately under "Discontinued operations" on the income statement. The Group's share of IMAS's result after deconsolidation, for its post-dilution 49.49% stake, is presented under "Share of associate companies' results".

12 Months 2020 (FY 2020) vs. 12 Months 2019 (FY 2019) (Restated)

(* all references to FY 2019 in this section are with reference to FY 2019 (Restated))

Profit & Loss Statement

The Group revenue was S\$138.2 million, 20% lower than FY 2019's S\$173.5 million and was mainly due to lower utilities revenue in the resort segment, ferry services and tourism related services as a result of COVID-19 outbreak and consequential travel restrictions imposed in the region.

In line with the decreased revenue, the Group's cost of sales decreased from S\$139.9 million in FY 2019 to FY 2020's S\$113.1 million. The Group's cost of sales to revenue ratio was 0.82 in FY 2020 as compared to 0.81 in FY 2019. The Group's gross profit was S\$25.1 million in FY 2020 as compared to S\$33.6 million in FY 2019 and was in line with lower revenue.

The Group's "other income" was S\$10.5 million income as compared to S\$0.5 million income in FY 2019 and was mainly due to government grant received under the Job Support Scheme and one-time insurance claim of S\$3.9 mil from damaged power generator.

The Group's "general and administrative expenses" was S\$18.3 million which marginally higher by S\$0.1 million as compared to FY 2019's S\$18.2 million.

The Group's "other operating expenses" was S\$24.8 million as compared to FY 2019's S\$26.2 million and was mainly due to lower repairs and maintenance, marketing and rental expenses.

The Group's FY 2020 "share of associate companies' results" was S\$6.2 million loss as compared to FY 2019's S\$0.2 million profit and mainly due to equity accounting of S\$7.1 million loss for the Group's 49.49% share of IMAS's results after deconsolidation.

Group's "finance costs" was S\$21.9 million as compared to FY 2019's S\$30.3 million and was mainly due to repayment of external bank borrowings.

The Group's net loss from continuing operations attributable to equity holder of the Company was S\$45.5 million as compared to FY 2019's S\$52.4 million. Including loss from discontinued operations, the Group reported a net loss attributable to equity holder of the Company of S\$673.8 million as compared to FY 2019's S\$222.0 million.

Balance Sheet

(a) Explanatory notes to the Statement of financial position

The Group's total assets of S\$1,404.7 million as at 31 December 2020 were S\$4,164.3 million lower than as at the previous year end and was mainly due to the Deconsolidation Event.

The Group's total liabilities of S\$565.5 million were S\$3,484.4 million lower than the previous year end and was mainly due to the Deconsolidation Event. The Group's debts as at 31 December 2020 were S\$347.7 million.

(b) Explanatory notes to the Statement of financial position assuming the Deconsolidation Event had happened by 31 December 2019

The following shows the balance sheet (extract) as at 31 December 2020 and 31 December 2019 (continuing operations) assuming the Deconsolidation Event had happened by 31 December 2019:-

<u>Assets</u>	31.12.20	31.12.19
	S\$'000	S\$'000
Non-current		
Intangible assets	197	230
Property, plant and equipment	139,475	154,770
Investment properties	102,594	116,358
Right-of-use assets	4,379	3,366
Associates	368,578	1,045
Deferred tax assets	1,638	1,921
Other non-current assets	5,413	5,999
	<hr/>	<hr/>
	622,274	283,689
Current		
Land inventories	596,376	595,241
Other inventories	8,627	8,993
Trade and other receivables	70,654	70,353
Cash and cash equivalents	106,807	95,860
	<hr/>	<hr/>
	782,464	770,447
	<hr/>	<hr/>
Total assets	1,404,738	1,054,136

The Group's property, plant and equipment and investment properties were lower than as at previous year end mainly due to depreciation. Increase in associates in the current year was mainly due to the equity accounting of PT IMAS after the Group's shareholding in PT IMAS was diluted from 71.49% to 49.49% and the Group's investment in BOMC Pte Ltd for 26% as per the Company' announcement date 18 March 2020. The increase in current assets was mainly due to higher cash and cash equivalents.

<u>Liabilities</u>	31.12.20	31.12.19
	S\$'000	S\$'000
Non-current		
Deferred tax liabilities	1,901	2,738
Borrowings	4,271	326,095
Employee benefits liabilities	16,281	16,376
Other non-current liabilities	25,966	29,001
Lease liabilities	3,494	2,380
Contract liabilities	16,738	10,246
	<hr/>	<hr/>
	68,651	386,836
Current		
Borrowings	339,001	40,210
Lease liabilities	953	1,014
Trade and other payables	145,746	97,578
Contract liabilities	2,667	4,176
Current tax payable	8,474	4,645
	<hr/>	<hr/>
	496,841	147,623
	<hr/>	<hr/>
Total liabilities	565,492	534,459

The Group's non-current liabilities of S\$68.7 million were S\$318.1 million higher than the previous year-end's and was mainly due to reclassification of the non-current portion of the bank borrowing to current liabilities. Higher current liabilities was mainly due to reclassification of non-current portion of the bank borrowings to current liabilities and deposits / advance payments received for expansion of factory building, development of high tech agriculture projects, among others, in the Group's industrial parks.

Going Concern

Notwithstanding that the Group has reported significant losses of S\$673.8 million for FY 2020 and the reclassification of non-current portion of bank borrowings to current liabilities, the Board of Directors is of the view that the Group's going concern assumption is appropriate and there is no material uncertainty related to going concern due to the following reasons:-

- (i) The net loss of S\$595.7 million on deconsolidation of IMAS and the Group's share of IMAS's loss of S\$7.1 million were non-cash;
- (ii) The Group sought waiver from the lenders on the non-compliance of financial covenant and consent not to demand repayment. The Group met all its financial obligations in FY2020 and is able to fulfill its financial commitments when come due;
- (iii) The Group's Industry parks have continued to perform well with improved occupancy and rental rates. This has mitigated some negative impacts from COVID-19 pandemic on the Group's resort segment. The Group's industrial space pipeline remains strong and has initiated factory expansion plan to further grow this segment and;
- (iv) The Group has sufficient liquidity to meet its ongoing operating and financial commitments.

Cash Flow Statement

For the year under review, net cash inflow from operating activities was S\$28.9 million as compared to S\$32.2 million used in the previous period. The Group generated cash from operating activities of S\$203.2 million which was used to finance the payment of income tax and interest.

The Group had net cash outflow of S\$303.4 million from investing activities as compared to S\$394.8 million in the previous period and was mainly due to the net outflow on deconsolidation of IMAS.

The Group had net cash inflow of S\$137.5 million from financing activities as compared to S\$425.2 million in the previous period and was mainly due to lower proceeds from the borrowings.

The Group's cash and cash equivalents was S\$106.8 million as at 31 December 2020 compared with S\$230.5 million as at 31 December 2019 after deconsolidation of IMAS.

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

No forecast or prospect statement has been previously disclosed.

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

Our Industrial parks have performed well notwithstanding the deteriorating economic impact caused by the COVID-19 in FY 2020. Overall, the occupancy and rental rates in our industrial parks have improved with Batamindo Industrial Park near full occupancy and Bintan Industrial Estate has recovered well with introduction of offshore marine center. Our industrial space pipeline remains strong and we expect to see continued growth in this segment. The Group has initiated factory expansion plan in its Batamindo Industrial Park.

Our demand for utilities, ferry services and tourism related services in the resort segment were severely affected as a result of COVID-19 pandemic in FY 2020. While we are positive on the recovery of the tourism sectors with the global effort to rollout vaccination programs and the gradual re-opening of international travel, we continue to maintain a cautious outlook for the rest of Year 2021.

We will continue to exercise prudence and vigilance in managing our business and cash flow to safeguard our financial position.

11. *If a decision regarding dividend has been made.*

Not applicable.

12. *If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.*

The Board of Directors ("Board") does not recommend any dividends for FY 2020 as the Company is committing its cash resources to further develop its Industrial Parks businesses.

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

The aggregate value of the interested person transactions for the financial period ended 31 December 2020 was as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
<u>Sales of Goods and Services</u>	
• Salim Group ⁽¹⁾	5,278
• IMAS Group ⁽²⁾	231
<u>Purchase of Goods and Services</u>	
• Salim Group	26,631
• IMAS Group ⁽²⁾	1,452
<u>Interest Income</u>	
• Salim Group	6,195
<u>Dividend Income</u>	
• IMAS Group	3,085

(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.

14. ***Confirmation that the issuer has procured undertakings from all its directors and executive officers.***

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

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year.**

The Group	Industrial Parks S\$'000	Utilities S\$'000	Resort Operations S\$'000	Property Development S\$'000	Corporate S\$'000	(Discontinued Operations) Automotive S\$'000	Adjustment/ Elimination S\$'000	Total S\$'000
31 December 2020								
Operating revenue								
External sales	35,103	97,612	5,460	15	-	600,278	(600,278)	138,190
Inter segment sales	-	75	15	142	-	-	(232)	-
Total revenue	<u>35,103</u>	<u>97,687</u>	<u>5,475</u>	<u>157</u>	<u>-</u>	<u>600,278</u>	<u>(600,510)</u>	<u>138,190</u>
Segment results								
(Loss)/profit from operations	<u>2,527</u>	<u>26,622</u>	<u>(16,321)</u>	<u>(12,917)</u>	<u>(7,327)</u>	<u>(572,631)</u>	<u>572,631</u>	<u>(7,416)</u>
Share of associates' results								(6,160)
Finance costs								(21,933)
Loss before taxation								(35,509)
Taxation								(12,815)
Loss after taxation								<u>(48,324)</u>
Assets and liabilities								
Segment assets	<u>98,853</u>	<u>107,840</u>	<u>26,797</u>	<u>668,653</u>	<u>25,572</u>	<u>-</u>	<u>-</u>	<u>927,715</u>
Associates								368,578
Unallocated corporate assets								108,445
Total assets								<u>1,404,738</u>
Segment liabilities	<u>26,789</u>	<u>48,349</u>	<u>9,183</u>	<u>56,456</u>	<u>79,543</u>	<u>-</u>	<u>-</u>	<u>220,320</u>
Unallocated corporate assets								345,172
Total liabilities								<u>565,492</u>

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year (cont'd).**

The Group	Industrial Parks S\$'000	Utilities S\$'000	Resort Operations S\$'000	Property Development S\$'000	Corporate S\$'000	(Discontinued Operations) Automotive S\$'000	Adjustment/ Elimination S\$'000	Total S\$'000
31 December 2019 (Restated)								
Operating revenue								
External sales	37,740	104,459	31,248	51	-	1,792,189	(1,792,189)	173,498
Inter segment sales	-	69	64	134	-	-	(267)	-
Total revenue	<u>37,740</u>	<u>104,528</u>	<u>31,312</u>	<u>185</u>	<u>-</u>	<u>1,792,189</u>	<u>(1,792,456)</u>	<u>173,498</u>
Segment results								
(Loss)/profit from operations	<u>(6,976)</u>	<u>24,592</u>	<u>(3,940)</u>	<u>(14,947)</u>	<u>(9,025)</u>	<u>(19,690)</u>	<u>19,674</u>	<u>(10,312)</u>
Share of associates' results								185
Finance costs								<u>(30,271)</u>
Loss before taxation								<u>(40,398)</u>
Taxation								<u>(12,293)</u>
Loss after taxation								<u><u>(52,691)</u></u>
Assets and liabilities								
Segment assets	<u>84,277</u>	<u>136,942</u>	<u>40,526</u>	<u>668,109</u>	<u>25,457</u>	<u>4,192,187</u>	<u>-</u>	<u>5,147,498</u>
Associates								149,940
Unallocated corporate assets								<u>271,604</u>
Total assets								<u><u>5,569,042</u></u>
Segment liabilities	<u>24,855</u>	<u>45,180</u>	<u>12,035</u>	<u>58,370</u>	<u>24,975</u>	<u>497,102</u>	<u>-</u>	<u>662,517</u>
Unallocated corporate assets								<u>3,387,385</u>
Total liabilities								<u><u>4,049,902</u></u>

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

Industrial Parks

Industrial parks revenue was lower mainly due to absence of revenue from the sales of housing project in Batam but was substantially mitigated by higher factory rental and related income as a result of higher occupancy in Batamindo Industrial Park and Bintan Industrial Estate. The segment reported operating profit of S\$2.5 million as compared to operating loss of S\$7.0 million mainly due to lower depreciation and operating expenses.

Utilities

Utilities related revenue decreased by S\$6.8 million and was mainly due to lower utilities consumption in Bintan resorts. Higher operating profit was mainly due to lower operating expenses.

Resort Operations

Resorts segments reported significantly lower revenue and was mainly due to the decline in the ferry and resort related services as a result of COVID-19 outbreak and consequential travel restrictions imposed in the region. As such, the segment's operating loss increased significantly from S\$3.9 million in FY 2019 to S\$16.3 million in FY 2020.

Property Development

Property Development business reported an operating loss of S\$12.9 million as compared to S\$14.9 million loss in FY2019 and was mainly due to lower operating expenses.

17. ***A breakdown of sales as follows:***

The breakdown of sales of the Group is as follows:

	GROUP		
	Full Year		
	2020 S\$'000	2019 S\$'000 Restated	+ / (-) %
(a) Revenue reported for the first half year	71,528	82,898	(14)
(b) Loss after tax before non-controlling interest reported for the first half year	(668,633)	(59,868)	N.M
(c) Revenue reported for second half year	66,662	90,600	(26)
(d) Loss after tax before non-controlling interest reported for second half year	(22,426)	(195,220)	(89)

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

Not applicable.

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

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

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
26 FEBRUARY 2021