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**GALLANT VENTURE LTD.
INTERIM FINANCIAL RESULTS
FOR THE FIRST HALF ENDED 30 JUNE 2023**

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(a) Condensed interim consolidated statement of comprehensive income

	Note	The Group		
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	Incr/ (Decr) %
Revenue	4	87,933	75,764	16
Cost of sales		(55,689)	(54,220)	3
Gross profit		32,244	21,544	50
Other income/(expenses)		6,047	(6,534)	n.m
General and administrative expenses		(11,160)	(10,112)	10
Other operating expenses		(13,814)	(12,390)	11
Share of associate companies' results		13,385	7,957	68
Finance costs		(17,591)	(10,722)	64
Profit/(loss) before taxation		9,111	(10,257)	n.m
Taxation	5(b)	(8,426)	(7,110)	19
Profit/(loss) after taxation	5(a)	685	(17,367)	n.m
Other comprehensive income/(loss) after taxation:				
<u>Items that are/may be reclassified subsequently to profit or loss</u>				
Currency translation differences from foreign subsidiaries		268	(71)	n.m
Realisation of reserves upon deconsolidation of subsidiary		59	-	n.m
Share of other comprehensive income/(loss) of associates				
- Currency translation differences		29,415	(8,233)	n.m
- Fair value of cash flow hedges		521	3,306	(84)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Share of other comprehensive loss of associates				
- Remeasurements of defined benefit plans		(19)	(4)	375
Other comprehensive income/(loss) for the period after taxation		30,244	(5,002)	n.m
Total comprehensive income/(loss) for the period		30,929	(22,369)	n.m
Profit/(loss) attributable to:				
- Owners of the Company		803	(16,810)	n.m
- Non-controlling interests		(118)	(557)	(79)
		685	(17,367)	n.m
Total comprehensive income/(loss) attributable to:				
- Owners of the Company		31,031	(21,808)	n.m
- Non-controlling interests		(102)	(561)	(82)
		30,929	(22,369)	n.m
		Cents	Cents	
Earnings/(loss) per share	6			
- Basic		0.015	(0.308)	
- Diluted		0.014	(0.308)	

"n.m" denotes not meaningful

FINANCIAL STATEMENTS

(b) Condensed interim consolidated statement of financial position

		The Group		The Company	
		30 June 2023	31 December 2022	30 June 2023	31December 2022
Note		\$'000	\$'000	\$'000	\$'000
Assets					
Non-Current					
Intangible assets	9	133	123	-	-
Property, plant and equipment	10	135,477	129,353	12	8
Right-of-use assets		11,012	13,178	786	981
Investment properties	11	87,772	91,019	-	-
Subsidiaries	12	-	-	1,131,578	1,131,649
Associates	13	401,618	358,502	347,826	347,826
Deferred tax assets		1,388	1,390	-	-
Trade and other receivables	14	200	244	435	530
Other non-current assets	15	1,233	5,584	417	148
		638,833	599,393	1,481,054	1,481,142
Current					
Land inventories		600,066	599,396	-	-
Other inventories		7,586	6,882	-	-
Trade and other receivables	14	59,912	45,134	70,030	76,254
Cash and cash equivalents		110,417	127,786	589	932
		777,981	779,198	70,619	77,186
Total assets		1,416,814	1,378,591	1,551,673	1,558,328
Equity and Liabilities					
Equity					
Share capital	16	1,963,457	1,963,457	1,963,457	1,963,457
Treasury shares	17	(50)	(50)	(50)	(50)
Accumulated losses		(1,275,710)	(1,276,513)	(1,383,182)	(1,339,408)
Reserves		93,594	64,890	80,000	80,000
Equity attributable to owners of the Company		781,291	751,784	660,225	703,999
Non-controlling interests		6,950	7,052	-	-
Total equity		788,241	758,836	660,225	703,999
Liabilities					
Non-Current					
Deferred tax liabilities		2,286	2,237	-	-
Borrowings	18	308,573	328,726	233,526	247,465
Employee benefits liabilities		11,923	11,743	-	-
Other non-current liabilities		32,248	29,674	54	54
Lease liabilities		7,927	9,288	1,169	1,428
Contract liabilities		70,753	56,153	-	-
		433,710	437,821	234,749	248,947
Current					
Borrowings	18	49,948	47,052	475,233	438,127
Lease liabilities		4,579	5,130	470	487
Trade and other payables	19	124,966	118,048	180,776	165,703
Contract liabilities		7,983	4,227	-	-
Current tax payable		7,387	7,477	220	1,065
		194,863	181,934	656,699	605,382
Total liabilities		628,573	619,755	891,448	854,329
Total equity and liabilities		1,416,814	1,378,591	1,551,673	1,558,328

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

Attributable to equity 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 as at 1 January 2023	1,963,457	(50)	80,000	(65,659)	3,097	44,890	2,562	(1,276,513)	751,784	7,052	758,836
Profit/(loss) for the period	-	-	-	-	-	-	-	803	803	(118)	685
Other comprehensive income	-	-	-	252	-	-	-	-	252	16	268
Share of other comprehensive income/ (loss) of associates	-	-	-	29,415	521	-	(19)	-	29,917	-	29,917
Realisation of reserves upon deconsolidation of subsidiary	-	-	-	59	-	-	-	-	59	-	59
Total comprehensive income/(loss) for the period	-	-	-	29,726	521	-	(19)	803	31,031	(102)	30,929
Share of reserves of associates	-	-	-	-	-	-	(1,524)	-	(1,524)	-	(1,524)
Balance as at 30 June 2023	1,963,457	(50)	80,000	(35,933)	3,618	44,890	1,019	(1,275,710)	781,291	6,950	788,241
Balance as at 1 January 2022	1,963,457	(50)	80,000	(5,745)	653	38,726	(271)	(1,262,906)	813,864	7,206	821,070
Loss for the period	-	-	-	-	-	-	-	(16,810)	(16,810)	(557)	(17,367)
Other comprehensive loss	-	-	-	(67)	-	-	-	-	(67)	(4)	(71)
Share of other comprehensive (loss)/ income of associates	-	-	-	(8,233)	3,306	-	(4)	-	(4,931)	-	(4,931)
Total comprehensive (loss)/income for the period	-	-	-	(8,300)	3,306	-	(4)	(16,810)	(21,808)	(561)	(22,369)
Share of reserves of associates	-	-	-	-	-	-	(228)	-	(228)	-	(228)
Balance as at 30 June 2022	1,963,457	(50)	80,000	(14,045)	3,959	38,726	(503)	(1,279,716)	791,828	6,645	798,473

FINANCIAL STATEMENTS

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

	Share Capital \$'000	Treasury Shares \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 January 2023	1,963,457	(50)	80,000	(1,339,408)	703,999
Total comprehensive loss for the period	-	-	-	(43,774)	(43,774)
Balance as at 30 June 2023	<u>1,963,457</u>	<u>(50)</u>	<u>80,000</u>	<u>(1,383,182)</u>	<u>660,225</u>
Balance as at 1 January 2022	1,963,457	(50)	80,000	(1,307,419)	735,988
Total comprehensive loss for the period	-	-	-	(24,362)	(24,362)
Balance as at 30 June 2022	<u>1,963,457</u>	<u>(50)</u>	<u>80,000</u>	<u>(1,331,781)</u>	<u>711,626</u>

FINANCIAL STATEMENTS

(d) Condensed interim consolidated statement of cash flows

		The Group	
	Note	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation		9,111	(10,257)
Adjustments for:			
Amortisation of intangible assets	9	43	34
Depreciation of property, plant and equipment, investment properties and right-of-use assets		15,195	13,410
Loss/(gain) on disposal of property, plant and equipment	10	11	(6)
Net loss on deconsolidation of subsidiary	12(a)	54	-
Net allowance for expected credit losses of trade and other receivables		15	76
Provision for employees' benefits		555	528
Interest expense		17,591	10,722
Interest income		(1,463)	(1,407)
Share of associate companies' results		(13,385)	(7,957)
Operating profit before working capital changes		27,727	5,143
Increase in land inventories		(669)	(368)
(Increase)/decrease in other inventories		(692)	931
Increase in operating receivables		(10,095)	(7,361)
Increase in operating payables and contract liabilities		26,955	19,591
Cash generated from operating activities		43,226	17,936
Income tax paid		(10,316)	(10,763)
Interest paid		(17,416)	(10,100)
Interest received		1,237	1,087
Employee benefit paid		(395)	(656)
Net cash generated from/(used in) operating activities		16,336	(2,496)
Cash Flows from Investing Activities			
Acquisition of intangible assets	9	(53)	-
Acquisition of property, plant and equipment		(14,289)	(7,134)
Acquisition of investment properties		(1,147)	(210)
Net outflow on deconsolidation of subsidiary	12(a)	(1)	-
Proceeds from disposal of property, plant and equipment		50	29
Net cash used in investing activities		(15,440)	(7,315)
Cash Flows from Financing Activities			
Payment of principal portion of lease liabilities		(3,029)	(642)
Repayment of borrowings		(15,393)	(8,054)
Net cash used in financing activities		(18,422)	(8,696)
Decrease in cash and cash equivalents		(17,526)	(18,507)
Cash and cash equivalents at beginning of period		127,786	134,080
Effect of currency translation on cash and cash equivalents		157	(36)
Cash and cash equivalents at end of period		110,417	115,537

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(e) Notes to the condensed interim consolidated financial statements

1 General information

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023, comprise the Company and its subsidiaries ("the Group"). The principal activity of the Company is investment holding. The principal activities of the Group are:

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

2(a) Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2(b). The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information, presented in Singapore Dollar, is rounded to the nearest thousand (\$'000) unless otherwise stated.

2(b) New and amended standards adopted by the Group

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

2(c) Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2022.

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

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(e) Notes to the condensed interim consolidated financial statements

2(c) Use of judgements and estimates

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

(i) Going Concern

As at 30 June 2023, the Company's current liabilities exceeded its current assets by S\$586,080,000 (31 December 2022 – S\$528,196,000). The Company's net current liability position is mainly due to the Company's loan from subsidiaries of S\$451,572,000 (31 December 2022 – S\$416,830,000) and amount owing to its subsidiaries of S\$104,688,000 (31 December 2022 – S\$88,818,000). Excluding the loans and amount owing to its subsidiaries, the Company's net current liabilities was S\$29,820,000 as at 30 June 2023 (31 December 2022 – S\$22,548,000). The financial statements have been prepared on a going concern basis as the Company is able to meet its current liabilities obligation for the next twelve months from the dividend through its subsidiaries, financing through capital market and the subsidiaries not to recall the loan under the instruction from the Company.

As at 30 June 2023, the Group has cash and cash equivalents of S\$110,417,000 (31 December 2022 – S\$127,786,000) and net current assets of S\$583,118,000 (31 December 2022 – S\$597,264,000) which is able to support its working capital requirements. The Group has outstanding borrowings of S\$49,948,000 as at 30 June 2023 (31 December 2022 – S\$47,052,000) which is due within 12 months after the end of reporting period.

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

- the Group is able to continue to raise funds through bank borrowings and capital market;
- the Group has unutilised credit facilities amounting to approximately S\$79.0 million (31 December 2022 – S\$5.2 million); and
- the Group is able to collect its total trade receivables as they fall due to settle its current liabilities.

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

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

(iii) Investment in Associates (Note 13)

Judgement is required when the Group assesses whether it has significant influence over associate companies when the Group has the power to participate in their financial and operating policy decisions.

2(c) Use of judgements and estimates

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

(i) Impairment assessment of goodwill (Note 9)

Goodwill is tested for impairment annually and whenever there are indications that the goodwill may be impaired.

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(e) Notes to the condensed interim consolidated financial statements

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

(i) Impairment assessment of goodwill (Note 9) (Cont'd)

The assessment of impairment of goodwill is determined based on the recoverable amount of the Group's smallest cash-generating units ("CGU"), either at the business segment or entity level. The recoverable amount of the CGU is determined based on value-in-use calculation.

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

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

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

Determining whether property, plant and equipment are impaired requires an estimation of the recoverable amount which is the higher of fair value less costs of disposal and value-in-use. The value-in-use calculation requires the Group to estimate the future cash flow expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal is determined by external valuers based on either the market approach, cost approach or a combination of both. Based on the management's assessment, there are no indication of impairment in value of property, plant and equipment as of 30 June 2023.

The carrying amount of the Group's property, plant and equipment as at 30 June 2023 is S\$135,477,000 (31 December 2022 – S\$129,353,000).

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

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount which is the higher of fair value less costs of disposal and value-in-use. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal is determined based on the revalued net assets value. Management has evaluated the recoverability of the investments based on such key assumptions and estimates and there is no impairment loss required.

The carrying amount of the Company's investment in subsidiaries and investment in associates as at 30 June 2023 are S\$1,131,578,000 (31 December 2022 – S\$1,131,649,000) and S\$347,826,000 (31 December 2022 – S\$347,826,000) respectively.

3 Seasonal fluctuations

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

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

(a) Segment information

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

(i) Industrial parks segment

Industrial parks segment is engaged in activities consisting of the development, construction, operation and maintenance of industrial properties in Batam Island and Bintan Island together with the supporting infrastructure activities.

(ii) Utilities segment

Utilities segment is engaged in the activities of provision of electricity and water supply, telecommunication services and waste management and sewage treatment services to the industrial parks in Batam Island and Bintan Island as well as resorts in Bintan Island.

(iii) Resort operations segment

The resort operations segment is engaged in the activities of provision of tourism and travel related services and supporting services in Bintan Resort including ferry services and ferry terminal operations, workers accommodation, security, fire-fighting services and facilities required by resort operators.

(iv) Property development segment

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

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

(b) Geographical segments

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

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

(c) Reportable segments

The Group	Industrial parks \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
6 months ended 30 June 2023							
Operating revenue							
External sales	22,484	53,387	12,058	4	-	-	87,933
Inter segment sales	-	-	-	62	-	(62)	-
Total revenue	22,484	53,387	12,058	66	-	(62)	87,933
Segment results							
Profit/(loss) from operations	8,872	20,326	(2,210)	(9,634)	(4,037)	-	13,317
Share of associates' results							13,385
Finance costs							(17,591)
Profit before taxation							9,111
Taxation							(8,426)
Profit after taxation							685
30 June 2023							
Assets and liabilities							
Segment assets	96,784	109,234	27,920	664,615	4,838	-	903,391
Associates							401,618
Unallocated corporate assets							111,805
Total assets							1,416,814
Segment liabilities	50,008	103,301	10,052	19,933	84,472	-	267,766
Unallocated corporate liabilities							360,807
Total liabilities							628,573

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments (Cont'd)

The Group	Industrial parks \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
6 months ended 30 June 2022							
Operating revenue							
External sales	19,483	53,117	3,159	5	-	-	75,764
Inter segment sales	-	-	4	66	-	(70)	-
Total revenue	19,483	53,117	3,163	71	-	(70)	75,764
Segment results							
Profit/(loss) from operations	5,455	15,327	(6,834)	(6,705)	(14,735)	-	(7,492)
Share of associates' results							7,957
Finance costs							(10,722)
Loss before taxation							(10,257)
Taxation							(7,110)
Loss after taxation							(17,367)
30 June 2022							
Assets and liabilities							
Segment assets	90,059	106,947	17,823	665,403	5,329	-	885,561
Associates							392,145
Unallocated corporate assets							117,071
Total assets							1,394,777
Segment liabilities	31,685	59,787	9,948	22,111	82,888	-	206,419
Unallocated corporate liabilities							389,885
Total liabilities							596,304

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(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(d) Disaggregated revenue information

The Group Segments	6 months ended 30 June 2023				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	3,022	-	323	-	3,345
Electricity and water supply	-	50,750	-	-	50,750
Sale of residential units/land	568	-	-	-	568
Golf revenue	2,381	-	-	-	2,381
Ferry services	-	-	10,472	-	10,472
Telecommunication	-	2,637	-	-	2,637
Others	276	-	872	-	1,148
Revenue from contracts with customers	6,247	53,387	11,667	-	71,301
Rental income	16,237	-	391	4	16,632
Total revenue	22,484	53,387	12,058	4	87,933
Timing of revenue recognition					
At a point in time	6,247	50,750	11,281	-	68,278
Over time	-	2,637	386	-	3,023
Revenue from contracts with customers	6,247	53,387	11,667	-	71,301

The Group Segments	6 months ended 30 June 2022				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	2,726	-	184	-	2,910
Electricity and water supply	-	50,829	-	-	50,829
Golf revenue	743	-	-	-	743
Ferry services	-	-	2,347	-	2,347
Telecommunication	-	2,288	-	-	2,288
Others	545	-	420	-	965
Revenue from contracts with customers	4,014	53,117	2,951	-	60,082
Rental income	15,469	-	208	5	15,682
Total revenue	19,483	53,117	3,159	5	75,764
Timing of revenue recognition					
At a point in time	4,014	50,829	2,657	-	57,500
Over time	-	2,288	294	-	2,582
Revenue from contracts with customers	4,014	53,117	2,951	-	60,082

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(e) Notes to the condensed interim consolidated financial statements

5 Loss after taxation

5(a) Significant items

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

	Note	The Group	
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Amortisation of intangible assets	10	43	34
Depreciation of property, plant and equipment, and right-of-use asset		9,313	7,659
Depreciation of investment properties	11	5,882	5,751
Loss/(gain) on disposal of property, plant and equipment		11	(6)
Net allowance for credit losses of trade and other receivables		15	76
Loss on deconsolidation of subsidiary		54	-
Provision for employee benefits		555	528
Exchange (gain)/loss		(4,390)	9,025
Interest income		(1,463)	(1,407)
Interest expense		17,591	10,722

5(b) Taxation

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

	The Group	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Current income tax expense	8,367	6,962
Deferred income tax expense relating to origination and reversal of temporary differences	59	148
	8,426	7,110

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(e) Notes to the condensed interim consolidated financial statements

6 Earnings/(loss) per share

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

	The Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
Profit/(loss) attributable to owners of the Company (\$'000)	803	(16,810)
Weighted average number of ordinary shares for basic earnings/(loss) per share ('000)	5,463,155	5,463,155
Basic earnings/(loss) per share (Cents)	0.015	(0.308)

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

	The Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
Profit/(loss) attributable to owners of the Company (\$'000)	803	(16,810)
Weighted average number of ordinary shares for basic earnings/(loss) per share ('000)	5,463,155	5,463,155
Adjustments for:		
- Conversion right of the convertible bonds ('000)	250,000	-
Weighted average number of ordinary shares (diluted) used to determine diluted earnings per share	5,713,155	5,463,155
Diluted earnings/(loss) per share (Cents)	0.014	(0.308)

As at 30 June 2022, the 250,000,000 shares granted under the conversion right of the convertible bonds had not been included in the calculation of diluted loss per share because they were anti-dilutive.

7 Net asset value

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share	14.30 cents	13.76 cents	12.09 cents	12.89 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital (excluding treasury shares) of 5,463,155,283 ordinary shares as at 30 June 2023 and 31 December 2022 respectively.

8 Dividends

The Board of Directors ("Board") does not recommend any dividends for 1H 2023 as the Company is committing its cash resources to further develop and expand its Industrial Parks and utilities businesses.

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(e) Notes to the condensed interim consolidated financial statements

9 Intangible assets

	The Group			The Company	
	Goodwill \$'000	Computer software \$'000	Total \$'000	Computer software \$'000	Total \$'000
At 31 December 2022					
Cost	1,814	2,083	3,897	676	676
Accumulated amortisation and impairment	(1,814)	(1,960)	(3,774)	(676)	(676)
Net book value	-	123	123	-	-
6 months ended 30 June 2023					
Opening net book value	-	123	123	-	-
Additions	-	53	53	-	-
Amortisation charge	-	(43)	(43)	-	-
Closing net book value	-	133	133	-	-

9(a) Goodwill impairment

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments. The recoverable amount of a CGU was determined based on 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.

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(e) Notes to the condensed interim consolidated financial statements

10 Property, plant and equipment

The Group	Leasehold land and improve- ments \$'000	Land improve- ments and landfill \$'000	Building and infrastru- -ctures \$'000	Golf course \$'000	Utilities plant and machinery \$'000	Machinery and equipment \$'000	Vessels and ferry equipment \$'000	Working wharf and reservoir \$'000	Transport -ation equipment and vehicles \$'000	Furniture, fixtures and equipment \$'000	Construc- -tion in progress \$'000	Total \$'000
At 31 December 2022												
Cost	92,270	9,420	228,416	25,307	288,137	94,976	56,509	11,698	5,358	25,058	8,003	845,152
Accumulated depreciation	(30,762)	(9,302)	(217,954)	(15,741)	(274,945)	(83,601)	(45,858)	(10,966)	(5,244)	(21,426)	-	(715,799)
Net book value	61,508	118	10,462	9,566	13,192	11,375	10,651	732	114	3,632	8,003	129,353
6 months ended 30 June 2023												
Opening net book value	61,508	118	10,462	9,566	13,192	11,375	10,651	732	114	3,632	8,003	129,353
Additions	-	-	1,580	-	115	693	318	-	26	95	11,462	14,289
Disposal	-	-	(1)	-	-	(47)	-	-	-	-	(13)	(61)
Exchange differences	-	-	42	-	-	174	-	-	5	2	3	226
Reclassification/transfers	-	-	226	-	784	-	-	-	-	-	(2,441)	(1,431)
Depreciation for the period	(984)	(8)	(1,278)	(272)	(1,461)	(1,029)	(1,222)	(196)	(111)	(338)	-	(6,899)
Closing net book value	60,524	110	11,031	9,294	12,630	11,166	9,747	536	34	3,391	17,014	135,477
The Company												
At 31 December 2022												
Cost	242	-	-	-	-	283	-	-	-	126	-	651
Accumulated depreciation	(242)	-	-	-	-	(275)	-	-	-	(126)	-	(643)
Net book value	-	-	-	-	-	8	-	-	-	-	-	8
6 months ended 30 June 2023												
Opening net book value	-	-	-	-	-	8	-	-	-	-	-	8
Additions	-	-	-	-	-	8	-	-	-	-	-	8
Depreciation for the period	-	-	-	-	-	(4)	-	-	-	-	-	(4)
Closing net book value	-	-	-	-	-	12	-	-	-	-	-	12

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(e) Notes to the condensed interim consolidated financial statements

11 Investment properties

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

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

The Group	\$'000
At 31 December 2022	
Cost	573,982
Accumulated depreciation	(482,963)
Net book value	91,019
6 months ended 30 June 2023	
Opening net book value	91,019
Additions	1,147
Translation differences	57
Transfer from property, plant and equipment	1,431
Depreciation for the period	(5,882)
Closing net book value	87,772

12 Subsidiaries

	The Company	
	30 June 2023 \$'000	31 December 2022 \$'000
<u>Unquoted equity shares, at cost</u>		
Balance on beginning of period/year	1,216,014	1,213,370
Addition ⁽¹⁾	210	2,644
Deconsolidation of subsidiary ⁽²⁾	(281)	-
Balance at end of period/year	1,215,943	1,216,014
Amount due from subsidiary being net extension of investment	14,973	14,973
	1,230,916	1,230,987
<u>Less: Accumulated impairment</u>		
Balance on beginning of period/year	99,338	104,358
Impairment loss	-	-
Reversal of impairment loss	-	(5,020)
Balance at end of period/year	99,338	99,338
Net investment	1,131,578	1,131,649

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.

For the first half ended 30 June 2023, the management has assessed that no impairment loss was required as the recoverable amounts of the investment in subsidiaries were higher than the cost of investment.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

12 Subsidiaries (Cont'd)

- (1) In 1H 2023, the Company and its wholly-owned subsidiary, PT Buana Megawisata ("PT BMW") have increased its investment in PT Gallant Lagoi Abadi ("PT GLA"), a wholly-owned subsidiary of the Group, by way of a capital injection of IDR 2,393,500,000 (approximately S\$210,181) and IDR 9,574,000,000 (approximately S\$839,560). With the capital injection, PT GLA has an issued and paid-up capital of IDR 15,300,000,000 (approximately S\$1,403,725).

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.

- (2) Please refer to Note 12(a) for details of deconsolidation of subsidiary.

12(a) Deconsolidation of subsidiary

1H 2023, the Company and its wholly-owned subsidiary, PT Buana Megawisata ("PT BMW") shareholding in PT Gallant Lagoi Abadi ("PT GLA") was diluted from 20% to 9% and 80% to 36% respectively as PT GLA has allotted a total of 1,222 new shares amounting to aggregate cash consideration of IDR 18,696,600,000 (approximately S\$1,640,041) to PT Agung Propindo Nusantara. Consequentially, the Group lost its control to govern PT GLA's financial and operating policies while retains only significant influence as a result of loss of power to cast majority of votes at PT GLA level.

Details of the deconsolidation are as follows:

	PT GLA \$'000
<i><u>Carrying amounts of net asset over which control was lost</u></i>	
Non-current assets	877
Current assets	456
Add: Realisation of reserves	59
Net assets derecognised	<u>1,392</u>
<i><u>Loss on deconsolidation</u></i>	
Investment retained at fair value	1,338
Cash consideration	-
	<u>1,338</u>
Less: Net assets derecognised	<u>1,392</u>
	<u>54</u>
<i><u>Effects on cash flows of the Group</u></i>	
Cash consideration paid	-
Cash and cash equivalents in subsidiary deconsolidated	1
Net cash outflows on deconsolidation	<u>(1)</u>

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(e) Notes to the condensed interim consolidated financial statements

13 Associates

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Carrying amount				
Beginning of the period/year	358,502	389,347	347,826	381,948
Addition ⁽¹⁾	1,338	126	-	26
Impairment loss ⁽²⁾	-	-	-	(34,148)
	359,840	389,473	347,826	347,826
Group's share of:				
- Profit	13,385	19,078	-	-
- Other comprehensive income/(loss)	29,917	(48,976)	-	-
- Total comprehensive income/(loss)	43,302	(29,898)	-	-
Dividend received during the period/year	-	(1,013)	-	-
Group's share other reserves	(1,524)	(60)	-	-
End of the period/year	401,618	358,502	347,826	347,826

(1) The Group's investment of 45% in PT Gallant Lagoi Abadi ("PT GLA") after the Group's shareholding in PT GLA was diluted from 100% to 45%. Please refer to Note 12(a) for more details.

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

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

14 Trade and other receivables

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Trade receivables	37,523	31,608	-	-
Other receivables:				
- Refundable deposits	1,137	1,050	978	1,001
- Amount owing by subsidiaries	-	-	66,262	72,519
- Amount owing by related parties	1,734	1,254	-	1
- Lease receivables (iii)	285	327	620	710
- Others (i)	16,262	8,914	2,324	2,285
	19,418	11,545	70,184	76,516
Prepayments (ii)	3,171	2,225	281	268
Total	60,112	45,378	70,465	76,784
Non-current (iii)	200	244	435	530
Current	59,912	45,134	70,030	76,254
	60,112	45,378	70,465	76,784

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

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

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

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(e) Notes to the condensed interim consolidated financial statements

15 Other non-current assets

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Other receivables	-	96	-	-
Prepayment ⁽¹⁾	938	4,945	-	-
Deposits	295	543	149	148
Other investments ⁽²⁾	-	-	268	-
	1,233	5,584	417	148

⁽¹⁾ The prepayment relates to prepaid corporate tax.

⁽²⁾ The other investments relate to the Company's 9% shareholding in PT GLA. Please refer to Note 12(a).

16 Share capital

The Company and The Group	No. of ordinary share		Amount	
	30 June 2023	31 December 2022	30 June 2023 \$'000	31 December 2022 \$'000
Issued and fully paid:				
Beginning and end of the period/year	5,463,605,283	5,463,605,283	1,963,457	1,963,457

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

17 Treasury share

The Company and The Group	No. of ordinary share		Amount	
	30 June 2023	31 December 2022	30 June 2023 \$'000	31 December 2022 \$'000
Beginning and end of the period/year	450,000	450,000	(50)	(50)

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(e) Notes to the condensed interim consolidated financial statements

18 Borrowings

	The Group		The Company	
	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
(i) Amount payable in one year or less, or on demand				
- Loans from subsidiaries	-	-	451,572	416,830
- Bank loans	49,948	47,052	23,661	21,297
	49,948	47,052	475,233	438,127
(ii) Amount repayable after one year				
- Bank loans	308,573	328,726	233,526	247,465
Total borrowings	358,521	375,778	708,759	685,592
Represented by:				
- Secured	358,521	372,709	257,187	268,762
- Unsecured	-	3,069	451,572	416,830
	358,521	375,778	708,759	685,592

Secured borrowings are secured by the Company and its subsidiaries' assets as follows:

- (a) Mortgage on certain land titles and property, plant and equipment held by certain subsidiaries;
- (b) Charge on bank accounts of certain subsidiaries and the Company;
- (c) Fiducia Security over insurance claim proceeds, receivables and movable assets of certain subsidiaries; and
- (d) Pledge of the Company's share in PT Indomobil Sukses Internasional Tbk ("PT IMAS").

On 5 June 2023, the Company's subsidiary, PT Batamindo Investment Cakrawala ("PT BIC"), obtained secured term loan facility of up to an aggregate principal amount of US\$40 million and revolving loan facility of up to an aggregate principal amount of US\$15 million ("the New Facilities"), arranged by PT Bank Mandiri (Persero) Tbk, ING Bank N.V., Singapore Branch and Lembaga Pembiayaan Ekspor Indonesia ("Indonesia Eximbank"). The secured term facility, with a tenure of 5 years, bears annual interest of a margin of 3% and the applicable CME Term SOFR. The revolving facility, with a tenure of 12 months subject to extension, bears annual interest at the rate determined by the lenders upon utilisation. The proceeds of the New Facilities will be used to finance the construction of the new factories in Batamindo Industrial Park and working capital.

19 Trade and other payables

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Trade payables	9,629	6,261	-	-
Other payables:				
- Accruals	14,998	11,256	818	973
- Other payables	92,791	93,528	74,223	74,312
- Interest payable on bank loan	1,206	1,973	1,047	1,600
- Amount owing to related parties	6,342	5,030	-	-
- Amount owing to subsidiaries	-	-	104,688	88,818
	115,337	111,787	180,776	165,703
Total	124,966	118,048	180,776	165,703

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(e) Notes to the condensed interim consolidated financial statements

20 Related party transactions

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

21 Financial assets and financial liabilities

The fair values of financial assets are as follows:

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Financial assets at amortised cost				
Trade and other receivables	56,941	43,153	70,184	76,516
Cash and cash equivalents	110,417	127,786	589	932
Other non-current assets	295	639	417	148
	167,653	171,578	71,190	77,596

The fair values of financial liabilities are as follows:

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Financial liabilities at amortised cost				
Trade and other payables	124,966	118,048	180,776	165,703
Borrowings	358,521	375,778	708,759	685,592
Other non-current liabilities	32,248	29,674	54	54
Lease liabilities	12,506	14,418	1,639	1,915
	528,241	537,918	891,228	853,264

22 Fair value measurement

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The Group did not have any financial assets and financial liabilities measured at fair value in the statements of financial position that grouped into three levels of a fair value hierarchy as at 30 June 2023 and 31 December 2022.

23 Subsequent events

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

OTHER INFORMATION

(f) Review of financial statements

The condensed consolidated statements of financial position of the Company and its subsidiaries as at 30 June 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the financial year ended 31 December 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Half Year 2023 (1H 2023) vs. Half Year 2022 (1H 2022)

Profit or Loss

The Group revenue was S\$87.9 million, 16.0% higher than 1H 2022's S\$75.8 million, and was mainly due to higher revenue from industrial leases and related income driven by the increased occupancy from the industrial parks segment and the strong recovery in the resort segment as a result of the resumption of travel and tourism in this region.

In line with the increased revenue, the Group's cost of sales increased from S\$54.2 million in 1H 2022 to 1H 2023's S\$55.7 million. The Group's cost of sales to revenue ratio was 0.63 in 1H 2023 as compared to 0.72 in 1H 2022. Consequentially, the Group's gross profit increased from S\$21.5 million in 1H 2022 to S\$32.2 million in 1H 2023.

The Group's "other income/(expenses)" was S\$6.0 million income as compared to S\$6.5 million expenses in 1H 2022 and was mainly due to unrealised foreign exchange gain of S\$4.4 million in 1H 2023 as compared to unrealised foreign exchange loss of S\$9.0 in 1H 2022. The foreign exchange gain was mainly due to the translation of the Group's US Dollar-denominated loan, where the Singapore Dollar appreciated against the US Dollar in 1H 2023.

The Group's "general and administrative expenses" was higher at S\$11.2 million as compared to 1H 2022's S\$10.1 million and was mainly due to higher manpower-related costs and professional fees.

The Group's "other operating expenses" was higher at S\$13.8 million as compared to 1H 2022's S\$12.4 million and was mainly due to higher manpower-related costs, repair and maintenance, and marketing-related expenses.

The Group's share of profit from its associate companies increased from S\$8.0 million in 1H 2022 to S\$13.4 million, mainly due to higher profit contribution from PT IMAS. PT IMAS' profit contribution to the Group in 1H 2023 increased by S\$6.6 million or 100% to S\$13.2 million as:

- (i) PT IMAS's revenue increased by S\$146.0 million from S\$1,115.0 million in 1H 2022 to 1H 2023's S\$1,261.0 million, mainly due to higher trucks and heavy-duty equipment sales, after-sales services and higher contributions from its mini petrol kiosk business. In line with higher revenue, PT IMAS's gross profit increased by S\$28.9 million or 12.1% in 1H 2023;
- (ii) PT IMAS's share of profit from its associate companies increased from 1H 2022's S\$10.1 million to 1H 2023's S\$13.1 million; and
- (ii) PT IMAS recorded a net foreign exchange gain of S\$2.3 million in 1H 2023 as compared to net foreign exchange loss of S\$4.6 million in 1H 2022.

Group's "finance costs" was S\$17.6 million, higher than 1H 2022's S\$10.7 million and was mainly due to rising interest rate of external bank borrowings.

The Group's net profit attributable to owners of the Company was S\$0.8 million as compared to 1H 2022's net loss of S\$16.8 million.

Financial position

As at 30 June 2023, the Group's total assets were S\$1,416.8 million as compared to the previous year-end of S\$1,378.6 million.

The Group's property, plant and equipment increased by S\$6.1 million due to capital expenditures incurred on building, infrastructure and construction in relation to new factories but partially offset by depreciation. The Group's right-of-use assets and investment properties decreased by S\$5.4 million mainly due to depreciation.

The Group's associates increased by S\$43.1 million mainly due higher profit contribution and foreign currency translation gain related to the translation of PT IMAS's results and net assets from the Indonesia Rupiah to the Singapore dollar, where the Indonesia Rupiah strengthened as of 30 June 2023.

In line with higher revenue, the Group's trade receivables increased by S\$5.9 million. Other receivables increased by S\$7.9 million mainly due to the advances paid to contractors for the construction of new industrial factories, development of the airport project, construction of resort-related facilities, and Solar PV project.

The Group's other non-current assets decreased by S\$4.4 million mainly due to the realisation of prepaid taxes.

As of 30 June 2023, the Group's total liabilities were S\$628.6 million compared to the previous year-end of S\$619.8 million.

The Group's borrowings decreased by S\$17.3 million, mainly due to the repayment of the bank borrowings. The Group's total debts, including lease liabilities, as at 30 June 2023 were S\$371.0 million as compared to S\$390.2 million as at 31 December 2023.

The Group's trade and other payables increased by S\$7.0 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 decreased by S\$1.9 million, mainly due to the payment of the principal portion of the lease liabilities. The Group's other non-current liabilities increased by S\$2.5 million mainly due to increased rental and electricity deposit received from the industrial park tenants for the new factories.

The Group's contract liabilities increased by S\$18.4 million mainly due to higher rental received in advance from the industrial park tenants and higher receipt of advances from travel agents for tour packages to Bintan Resorts after the recovery of travel and tourism in this region.

Cash Flow

For the period under review, net cash inflow from operating activities was S\$16.3 million compared to S\$2.5 million used in the previous period. S\$27.7 million of the S\$43.2 million cash generated from operating activities was used to finance the payment of income tax and interest.

The Group had a net cash outflow of S\$15.4 million from investing activities as compared to S\$7.3 million in the previous period, which was mainly due to increased capital expenditure for the construction of new factories in Batamindo Industrial Park.

The Group had a net cash outflow of S\$18.4 million from financing activities compared to S\$8.7 million in the previous period. The increase in net cash outflow in the current period was mainly due to the higher repayment of external bank borrowings.

The Group's cash and cash equivalents were S\$110.4 million as at 30 June 2023 compared with S\$127.8 million as at 31 December 2022.

- (h) **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.

- (i) **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.**

The demand for our industrial spaces in our industrial parks remains high and we expect this segment to continue to outperform with sustained growth in industrial lettable spaces and rental yield. Our current construction of new factories in Batamindo Industrial Park will add approximately 70,800 sqm and 85,000 sqm of new industrial space by the end of 2023 and 2024, respectively. Increased industrial activities will also contribute positively to our utilities segment.

The tourist arrival and tourism activities in our Bintan Resort rebounded strongly with the recovery of travel and tourism in the region. While the return of Chinese tourists is lower than expected, the Group is optimistic that the Chinese airlines increasing their international flights and pent-up demand from the Chinese to travel will further boost the tourism in Bintan Resort.

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

Name of interested Person	Nature of Relationship	Aggregate value of all interested person transactions entered into during financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholder's Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Sales of Goods and Services			
Salim Group	See Note (1)	N.A	1,186
IMAS Group	See Note (2)	N.A	1,540
Purchase of Goods and Services			
Salim Group	See Note (1)	N.A	15,335
IMAS Group	See Note (2)	N.A	387
Interest Income			
Salim Group	See Note (1)	N.A	1,375
Dividend Income			
IMAS Group	See Note (2)	N.A	24,799

Note:

- (1) Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim.
- (2) IMAS Group refers to PT Indomobil Sukses Internasional Tbk, its subsidiaries and associate companies.

(k) Disclosure required pursuant to Rule 706A

During 1H 2023, save as disclosed below, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increase its shareholding percentage in any subsidiary or associated company. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decrease its shareholding percentage in any subsidiary or associated company.

During 1H 2023, the Group's wholly-owned subsidiary, PT Gallant Lagoi Abadi ("PT GLA") has increased its issued and paid-up capital from IDR 15,300,000,000 to IDR 33,996,600,000 by allotting a total of 1,222 new shares for cash consideration of IDR 18,696,600,000 (approximately S\$1,640,041) to PT Agung Propindo Nusantara ("PT APN"). The cash will be used for developing hotels, shophouses and retail outlets in Bintan Resort. Following the allotment of the new shares to PT APN, the Group's shareholding in PT GLA has been reduced from 100% to 45% (the "Dilution"). As such, PT GLA is no longer a subsidiary of the Group and has become an associated company of the Group.

The Dilution is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial period ending 31 December 2023.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their respective shareholding interest (if any) in the Company.

(l) 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.

(m) Confirmation pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors of Gallant Venture Ltd. confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the First Half Financial Statements for the period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

EUGENE CHO PARK
DIRECTOR

CHOO KOK KIONG
DIRECTOR

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
11 AUGUST 2023