

GALLANT VENTURE LTD

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**Full Year 2019 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the year ended 31 December 2019.

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					
	Quarter ended 31 December			Full Year		
	4th Qtr 2019 S\$'000	4th Qtr 2018 S\$'000	Incr/ (Decr) %	2019 S\$'000	2018 S\$'000	Incr/ (Decr) %
Revenue	429,643	505,991	(15)	1,972,553	1,832,713	8
Cost of sales	(341,996)	(415,112)	(18)	(1,586,760)	(1,470,278)	8
Gross profit	87,647	90,879	(4)	385,793	362,435	6
Other income	17,630	32,466	(46)	60,616	76,400	(21)
General and administrative expenses	(55,110)	(53,671)	3	(211,580)	(189,031)	12
Other operating expenses	(142,986)	(35,854)	299	(260,531)	(147,235)	77
Share of associate companies' results	(151)	(21,947)	(99)	(3,520)	(14,473)	(76)
Finance costs	(48,411)	(38,716)	25	(185,703)	(136,690)	36
Loss before taxation	(141,381)	(26,843)	427	(214,925)	(48,594)	342
Taxation	(10,773)	(8,904)	21	(29,058)	(27,274)	7
Loss after taxation for the period	(152,154)	(35,747)	326	(243,983)	(75,868)	222
Attributable to:						
Equity holders of the Company	(139,021)	(28,453)	389	(214,581)	(73,748)	191
Non-controlling interests	(13,133)	(7,294)	80	(29,402)	(2,120)	N.M
	(152,154)	(35,747)	326	(243,983)	(75,868)	222

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					
	Quarter ended 31 December			Full Year		
	4th Qtr 2019 S\$'000	4th Qtr 2018 S\$'000	Incr/ (Decr) %	2019 S\$'000	2018 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(152,154)	(35,747)	326	(243,983)	(75,868)	222
Other comprehensive (expenses)/income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Change in fair value of cash flow hedges, net of tax	(10,445)	(3,150)	232	(19,275)	(2,620)	636
Currency translation differences from foreign subsidiaries	(6,627)	26,218	N.M	23,754	(36,752)	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	3,043	65,001	(95)	24,937	76,285	(67)
Remeasurements of defined benefit plans	(1,193)	5,736	N.M	(229)	5,871	N.M
Other comprehensive (expenses)/ income	(15,222)	93,805	N.M	29,187	42,784	(32)
Total comprehensive (expenses)/ income	(167,376)	58,058	N.M	(214,796)	(33,084)	549
Attributable to:						
Equity holders of the Company	(147,921)	36,723	N.M	(193,670)	(40,257)	381
Non-controlling interests	(19,455)	21,335	N.M	(21,126)	7,173	N.M
	(167,376)	58,058	N.M	(214,796)	(33,084)	549

Note:

1. N.M. denotes "Not Meaningful"
2. The exchange rate of S\$1=IDR 10,321 (31 December 2018: S\$1=IDR 10,603) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,387 (31 December 2018: S\$1=IDR 10,528) was used for translating the results for the period.
3. In preparing the consolidated financial statements of the Group, adjustments are made to bring the accounting policies of its foreign operations, including subsidiaries and associates, whose accounting policies and accounting standards are different from the Group, to be in line with the Group.

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:-*

	Group			
	Quarter ended 31 Dec		Full Year	
	4th Qtr 2019 S\$'000	4th Qtr 2018 S\$'000	2019 S\$'000	2018 S\$'000
Amortisation of intangible assets	4,076	4,077	16,316	16,309
Depreciation of property, plant and equipment and Right-of-use asset	26,380	17,631	88,027	70,505
Depreciation of investment properties	7,006	7,201	28,242	28,954
Impairment on goodwill	100,100	-	100,100	-
Loss on disposal of property, plant and equipment	1,982	481	2,068	221
Allowance for impairment loss on trade receivables and foreclosed assets	12,102	44,039	39,809	46,924
Provision/(reversal) of inventories obsolescence	-	297	-	(73)
Write back of other payables	-	-	-	(1,851)
Provision for employee benefits	1,756	2,988	4,806	5,776
Loss on sales of foreclosed assets	3,582	2,074	12,670	15,754
Gain on dilution from a subsidiary to associate	-	-	-	(464)
Gain on disposal of a subsidiary	(255)	-	(255)	-
Exchange (gain)/loss	(3,338)	(1,706)	3,522	842
Interest income	(6,758)	(6,851)	(27,355)	(22,732)
Interest expense	48,411	38,716	185,703	136,690

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	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	644,340	716,234	27	62
Property, plant and equipment	1,101,787	769,129	158	310
Right-of-use assets	11,395	-	409	-
Investment properties	177,499	182,203	-	-
Subsidiaries	-	-	2,460,620	2,537,174
Associates	157,189	116,269	-	-
Financing receivables	806,917	680,318	-	-
Deferred tax assets	46,761	34,542	-	-
Other non-current assets	230,298	345,388	155	155
	3,176,186	2,844,083	2,461,369	2,537,701
Current				
Land inventories	595,241	594,654	-	-
Other inventories	267,477	359,552	-	-
Financing receivables	587,990	519,405	-	-
Trade and other receivables	713,235	703,775	76,960	81,393
Cash and bank balances	231,473	228,879	1,747	381
	2,395,416	2,406,265	78,707	81,774
Total assets	5,571,602	5,250,348	2,540,076	2,619,475
Equity and liabilities				
Share capital	1,958,546	1,948,307	1,958,546	1,948,307
Treasury shares	(50)	(50)	(50)	(50)
Accumulated losses	(539,860)	(373,273)	(280,912)	(148,600)
Reserves	(163,945)	(136,594)	80,000	80,000
Equity attributable to equity holders of the Company	1,254,691	1,438,390	1,757,584	1,879,657
Non-controlling interests	277,466	293,995	-	-
Total equity	1,532,157	1,732,385	1,757,584	1,879,657
Liabilities				
Non-current				
Borrowings	1,521,158	1,030,198	309,904	311,489
Debt securities	103,369	163,237	-	-
Lease liabilities	2,489	-	165	-
Deferred tax liabilities	88,704	102,209	-	-
Contract liabilities	12,875	11,621	-	-
Employee benefits liabilities	42,854	36,709	-	-
Other non-current liabilities	87,006	32,780	319	88
	1,858,455	1,376,754	310,388	311,577
Current				
Trade and other payables	431,165	505,260	87,835	45,494
Contract liabilities	20,820	15,195	-	-
Borrowings	1,624,159	1,410,338	382,289	381,583
Debt securities	67,474	195,560	-	-
Lease liabilities	3,104	-	231	-
Current tax payable	34,268	14,856	1,749	1,164
	2,180,990	2,141,209	472,104	428,241
Total liabilities	4,039,445	3,517,963	782,492	739,818
Total liabilities and equity	5,571,602	5,250,348	2,540,076	2,619,475

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	
		31.12.19	31.12.18
		S\$'000	S\$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	1,691,633	1,605,898
	Unsecured	3,104	-
		1,694,737	1,605,898
(ii)	Amount repayable after one year		
	Secured	1,624,527	1,193,435
	Unsecured	2,489	-
		1,627,016	1,193,435
TOTAL		3,321,753	2,799,333

(iii) Details of any collaterals

The Group's borrowing 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;
4. Pledge of shares of PT Indomobil Sukes Internasional Tbk ("PT IMAS") and PT BMW; and
5. PT IMAS's borrowings and debt securities are secured by mortgage over inventories, property, plant and equipment, trade and other receivables and financing receivables of its various subsidiaries in Indonesia.

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			
		Quarter Ended		YTD	
		4Q 2019 S\$'000	4Q 2018 S\$'000	31.12.19 S\$'000	31.12.18 S\$'000
Cash flow from operating activities					
Loss before taxation		(141,381)	(26,843)	(214,925)	(48,594)
Adjustments for:					
Amortisation of intangible assets		4,076	4,077	16,316	16,309
Depreciation of property, plant and equipment, investment properties and right-of-use assets		33,386	24,832	116,269	99,459
Loss on disposal of property, plant and equipment		1,982	481	2,068	221
Impairment of trade and other receivables		12,102	44,039	39,809	46,924
Loss on sales of foreclosed assets		3,582	2,074	12,670	15,754
Provision/(reversal) of allowance for inventories obsolescence		-	297	-	(73)
Provision for employees' benefits		1,756	2,988	4,806	5,776
Gain on dilution from a subsidiary to associate		-	-	-	(464)
Gain on disposal from a subsidiary		(255)	-	(255)	-
Write back of other payables		-	-	-	(1,851)
(Gain)/loss on disposal of investment properties		(34)	3,001	(24)	3,001
Impairment of goodwill		100,100	-	100,100	-
Reversal of allowance for foreclosed assets		-	-	-	(1,903)
Gain on dilution from associate to unquoted equity investments		-	-	-	(16,181)
Interest expense		48,411	38,716	185,703	136,690
Interest income		(6,758)	(6,851)	(27,355)	(22,732)
Share of associate companies' results		151	21,947	3,520	14,473
Cash from operations before working capital changes		57,118	108,758	238,702	246,809
Increase in land inventories		(32)	(839)	(587)	(2,888)
Decrease/(increase) in other inventories		7,793	(94,259)	105,242	(112,350)
(Increase)/decrease in operating receivables		(36,998)	31,756	(242,216)	(296,461)
Increase/(decrease) in operating payables		106,695	(13,549)	114,041	180,983
Cash generated from operating activities		134,576	31,867	215,182	16,093
Income tax paid		(21,227)	(23,203)	(75,890)	(79,590)
Interest paid		(81,579)	(56,215)	(276,431)	(220,722)
Interest received		6,451	3,728	8,382	7,860
Employee benefit paid		(116)	(812)	(677)	(1,234)
Net cash generated from/(used in) operating activities		38,105	(44,635)	(129,434)	(277,593)
Cash flow from investing activities					
Acquisition of intangible assets		(32)	(57)	(179)	(92)
Acquisition of property, plant and equipment		(45,684)	(60,517)	(442,228)	(222,981)
Acquisition of investment properties		(4,135)	3,072	(6,499)	(4,707)
Acquisition of subsidiaries, net of cash acquired	A	(28,456)	-	(28,456)	-
Disposal of subsidiaries, net of cash disposal	B	495	-	495	-
Dividend from associates		386	120	2,023	5,560
Proceeds from disposal of property, plant and equipment		1,361	944	5,853	2,898
Proceeds from disposal of investment properties		34	-	34	-
Proceeds from sale of equity investments at fair value through other comprehensive income		-	-	144,943	-
Addition in investments		(4,051)	(10,679)	(11,408)	(10,992)
Interest received on and proceeds from restricted cash and time deposits		(132)	(175)	537	254
Net cash used in investing activities		(80,214)	(67,292)	(334,885)	(230,060)

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			
	Quarter Ended		YTD	
	4Q 2019 S\$'000	4Q 2018 S\$'000	31.12.19 S\$'000	31.12.18 S\$'000
Cash flow from financing activities				
Net proceeds from issuance of new shares	10,239	-	10,239	-
Proceeds from issuance of bonds	-	4,244	-	209,331
Repayment of other financing activities	(19,613)	(11,567)	(195,951)	(82,917)
Payment of lease liabilities	(2,373)	-	(2,373)	-
Proceeds from additional capital stock contribution of NCI	(197)	(6,116)	6,412	5,249
Proceeds from bank borrowings	973,482	992,156	4,043,923	3,538,286
Repayment of bank borrowings	(901,989)	(844,715)	(3,396,294)	(3,185,861)
Purchase of treasury shares	-	-	-	(50)
Dividend paid to non-controlling interests	(2,029)	(2)	(2,450)	(376)
Net cash generated from financing activities	57,520	134,000	463,506	483,662
Increase/ (decrease) in cash and cash equivalents	15,411	22,073	(813)	(23,991)
Cash and cash equivalents at beginning of year	216,752	222,151	228,879	258,441
Effect of currency translation on cash and cash equivalents	(690)	2,739	3,407	(5,571)
Cash and cash equivalents at end of year	231,473	246,963	231,473	228,879

Note A: Acquisition of subsidiary

During the period under review, the Group acquired PT Prima Sarana Gemilang ("PT PSG") and the fair value of assets and liabilities acquired were as follows:

	Fair value recognised on acquisition S\$'000
Non-current assets	69,824
Current assets	30,629
Non-current liabilities	(8,247)
Current liabilities	(65,424)
Total net assets measured at fair value	26,782
Adjustment for amount due to the Group	(42,314)
	(15,532)
Total net assets acquired	(15,376)
Goodwill arising from acquisition	43,936
	28,560
Effect of the acquisition on cash flows	
Cash consideration paid	28,560
Cash and cash equivalents in subsidiary acquired	(104)
Net cash outflow on acquisition	28,456

- 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 B: Disposal of subsidiaries

During the year, the Group disposed the entire equity interest in PT Bumi Bintan Abadi and its subsidiaries ("PT BBA Group") and the carrying value of assets and liabilities disposed were as follows:

	Carrying value S\$'000
Total net assets	240
Gain on disposal of subsidiaries	255
Consideration for disposal	495
<u>Effect of the disposal on cash flows</u>	
Cash consideration received	495
Cash and cash equivalents in subsidiaries disposed off	-
Net cash inflow on disposal	495

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 capitalisation 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 for the period ended 31 December 2018:

	Attributable to equity holders 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 2018, as previously reported	1,948,307	-	(105,771)	(84,851)	(474)	(18,838)	4,945	(299,198)	1,444,120	267,970	1,712,090
Effect of adoption of SFRS (I) 9	-	-	-	(276)	-	28,549	-	(327)	27,946	11,050	38,996
Balance as at 1 January 2018, as restated	1,948,307	-	(105,771)	(85,127)	(474)	9,711	4,945	(299,525)	1,472,066	279,020	1,751,086
Loss for the period	-	-	-	-	-	-	-	(45,295)	(45,295)	5,174	(40,121)
Other comprehensive (expenses)/income	-	-	-	(39,840)	286	8,055	(186)	-	(31,685)	(19,336)	(51,021)
Total comprehensive (expenses)/income for the period	-	-	-	(39,840)	286	8,055	(186)	(45,295)	(76,980)	(14,162)	(91,142)
Purchase of treasury shares	-	(50)	-	-	-	-	-	-	(50)	-	(50)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(374)	(374)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	3,646	-	3,646	6,950	10,596
Balance as at 30 September 2018	1,948,307	(50)	(105,771)	(124,967)	(188)	17,766	8,405	(344,820)	1,398,682	271,434	1,670,116
Loss for the period	-	-	-	-	-	-	-	(28,453)	(28,453)	(7,294)	(35,747)
Other comprehensive income/ (expenses)	-	-	-	16,626	(2,066)	46,409	4,207	-	65,176	28,629	93,805
Total comprehensive income/(expenses) for the period	-	-	-	16,626	(2,066)	46,409	4,207	(28,453)	36,723	21,335	58,058
Dilution in interests of subsidiary with loss of control	-	-	-	-	-	-	-	-	-	79	79
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2)	(2)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	2,985	-	2,985	1,149	4,134
Balance as at 31 December 2018	1,948,307	(50)	(105,771)	(108,341)	(2,254)	64,175	15,597	(373,273)	1,438,390	293,995	1,732,385

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

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

	Attributable to equity holders of the Company								Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
	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			
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 period	-	-	-	-	-	-	-	(75,560)	(75,560)	(16,269)	(91,829)
Other comprehensive income/(expenses)	-	-	-	18,909	(6,406)	15,646	1,662	-	29,811	14,598	44,409
Total comprehensive income/(expenses) for the period	-	-	-	18,909	(6,406)	15,646	1,662	(75,560)	(45,749)	(1,671)	(47,420)
Transfer of fair value reserve of equity investment at fair value through other comprehensive income to accumulated losses upon disposal	-	-	-	-	-	(47,994)	-	47,994	-	-	-
Disposal of equity investment at fair value through other comprehensive income	-	-	-	355	-	-	-	-	355	142	497
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(421)	(421)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(32,017)	-	(32,017)	(6,151)	(38,168)
Balance as at 30 September 2019	1,948,307	(50)	(105,771)	(89,077)	(8,660)	31,827	(14,758)	(400,839)	1,360,979	285,894	1,646,873
Loss for the period	-	-	-	-	-	-	-	(139,021)	(139,021)	(13,133)	(152,154)
Other comprehensive (expenses)/income	-	-	-	(3,447)	(7,441)	2,175	(187)	-	(8,900)	(6,322)	(15,222)
Total comprehensive (expenses)/income for the period	-	-	-	(3,447)	(7,441)	2,175	(187)	(139,021)	(147,921)	(19,455)	(167,376)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,029)	(2,029)
Issuance of shares	10,300	-	-	-	-	-	-	-	10,300	-	10,300
Share issuance expenses	(61)	-	-	-	-	-	-	-	(61)	-	(61)

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

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

	Attributable to equity holders of the Company								Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Translation Reserve	Hedging Reserve	Fair Value Reserve	Other Reserves	Accumulated Losses		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	288	288
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	31,394	-	12,768	44,162
Balance as at 31 December 2019	1,958,546	(50)	(105,771)	(92,524)	(16,101)	34,002	16,449	(539,860)	277,466	1,532,157

- 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 capitalisation 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 2019:

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance as at 1 January 2018	1,948,307	-	80,000	(116,085)	1,912,222
Total comprehensive expense for the period	-	-	-	(12,464)	(12,464)
Purchase of treasury shares	-	(50)	-	-	(50)
Balance as at 30 September 2018	1,948,307	(50)	80,000	(128,549)	1,899,708
Total comprehensive expense for the period	-	-	-	(20,051)	(20,051)
Balance as at 31 December 2018	1,948,307	(50)	80,000	(148,600)	1,879,657
Balance as at 1 January 2019	1,948,307	(50)	80,000	(148,600)	1,879,657
Total comprehensive expense for the period	-	-	-	(47,629)	(47,629)
Balance as at 30 September 2019	1,948,307	(50)	80,000	(196,229)	1,832,028
Total comprehensive expense for the period	-	-	-	(84,683)	(84,683)
Issuance of shares	10,300	-	-	-	10,300
Share issuance expenses	(61)	-	-	-	(61)
Balance as at 31 December 2019	1,958,546	(50)	80,000	(280,912)	1,757,584

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 2019	As at 31 Dec 2018
Number of issue shares		
At the beginning of financial year	5,338,010,225	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>5,338,010,225</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>5,337,560,225</u>

⁽¹⁾ During the period under review, the Company has issued 87,288,136 new ordinary shares at S\$0.118 per share. Please refer to the Company's announcements dated 13 December 2019, 20 December 2019 and 26 December 2019 for more information.

(b) Convertible bond

	As at 31 Dec 2019	As at 31 Dec 2018
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 2019 and 31 December 2018 were 5,424,848,361 and 5,337,560,225 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 2018. However, the Group adopted new or amended Singapore Financial Reporting Framework (International) ("SFRS(I)") and interpretations that are mandatory for financial years beginning on or after 1 January 2019.

Other than the impact on adoption of the SFRS(I) 16 Leases that is effective on 1 January 2019, the adoption of new or amended standards and interpretations is assessed to have no material impact on the financial performance or position of the Group and the Company.

- 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.*

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use ("ROU") asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset in the income statement.

The Group adopted SFRS(I) 16 using the modified retrospective approach, where the ROU asset is recognised at the date of initial application on 1 January 2019 at an amount equal to the lease liability, using the lessee's current incremental borrowing rate and without restating prior years' information.

On adoption of SFRS(I) 16, the Group and the Company recognised an amount of ROU assets of S\$13.8 million and the lease liabilities S\$6.2 million, as at 1 January 2019. Subsequent to initial recognition, the Group and the Company will depreciate the ROU assets over the shorter of the useful life of the ROU assets and the lease term, and recognise interest expenses on the lease liabilities. There were no deferred tax adjustments arising from the adoption of SFRS(I) 16 as the amount was immaterial to the Group.

The adoption of SFRS(I) 16 resulted in an increase in total assets and total liabilities, Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") and gearing ratio.

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 ordinary shares on issue 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			
	Quarter ended		Full Year	
	4Q 2019	4Q 2018	31.12.19	31.12.18
Net loss attributable to equity owners of the Company (S\$'000)	(139,021)	(28,453)	(214,581)	(73,748)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(2.601)	(0.533)	(4.015)	(1.382)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(2.601)	(0.533)	(4.015)	(1.382)

⁽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	
	31.12.19	31.12.18	31.12.19	31.12.18
Net asset value per ordinary share	23.13 cents	26.95 cents	32.40 cents	35.22 cents

The net asset value per ordinary share is calculated using the Group's net asset value as at end of each period divided by the share capital of 5,424,848,361 ordinary shares as at 31 December 2019 and 5,337,560,225 ordinary shares as at 31 December 2018.

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.**

4th Quarter 2019 (4Q 2019) vs. 4th Quarter 2018 (4Q 2018)

Profit & Loss Statement

GV Group's 4Q 2019 revenue relating to IMAS was S\$384.1 million as compared to S\$463.5 million in 4Q 2018. Lower revenue was mainly due to lower trucks and heavy duty equipment sales but partially mitigated by increased revenue contributions from IMAS's finance companies, passenger vehicle sales and vehicle rental. The Group (excluding IMAS) registered higher revenue of S\$45.5 million as compared to S\$42.5 million in the previous period and was mainly due to higher revenue from utilities, industrial parks and resort segments. The Consolidated Group's revenue was S\$429.6 million, 15% lower than 4Q 2018's S\$506.0 million.

IMAS's 4Q 2019 cost of sales was S\$304.8 million as compared to S\$381.6 million in 4Q 2018. The Group's (excluding IMAS) cost of sales was S\$37.4 million as compared to S\$33.6 million in 4Q 2018. In line with the lower revenue, the Consolidated Group's cost of sales decreased from S\$415.2 million in 4Q 2018 to 4Q 2019's S\$342.0 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in 4Q 2019 as compared to 0.82 in 4Q 2018. The Consolidated Group's gross profit was S\$87.6 million in 4Q 2019 as compared to S\$90.9 million in 4Q 2018.

IMAS's 4Q 2019 "other income" was S\$28.0 million as compared to S\$42.2 million in 4Q 2018 and was mainly due to lower fair value revaluation gain from investment properties and loss on disposal of non-core assets. The Group's (excluding IMAS) "other income" was S\$1.9 million expenses as compared to S\$4.2 million income in 4Q 2018 and was mainly due to loss on the disposal of property, plant and equipment in the current period. The Consolidated Group's "other income" was S\$17.6 million in 4Q 2019 as compared to 4Q 2018's S\$32.5 million. IMAS's fair value revaluation gain of S\$8.5 million on its investment properties was excluded from the Consolidated Group as the Group adopts cost method for its investment properties.

IMAS's 4Q 2019 "general and administrative expenses" was S\$43.8 million as compared to S\$42.1 million in 4Q 2018. Higher expenses were mainly due to higher manpower related costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$5.7 million as compared to 4Q 2018's S\$5.3 million. The Consolidated Group's "general and administrative expenses" was S\$55.1 million as compared to 4Q 2018's S\$53.7 million.

IMAS's 4Q 2019 "other operating expenses" was S\$36.3 million as compared to 4Q 2018's S\$26.4 million and was mainly due to higher manpower related costs and provision of impairment loss on foreclosed assets. The Group's (excluding IMAS) "other operating expenses" was S\$6.6 million as compared to 4Q 2018's S\$9.5 million and was mainly due to re-class of expenses recorded in the previous quarters to "cost of sales". The Group has taken an impairment charge of S\$100.1 million on goodwill in relation to IMAS acquisition and, accordingly, the Consolidated Group's "other operating expenses" was S\$142.9 million as compared to 4Q 2018's S\$35.9 million.

The Consolidated Group's 4Q 2019 "share of associate companies' results" was S\$0.2 million loss as compared to 4Q 2018's S\$21.9 million loss and mainly due to lower losses from automotive associate companies.

IMAS's 4Q 2019 "finance costs" was S\$42.5 million as compared to 4Q 2018's S\$31.6 million and the Group's (excluding IMAS) "finance costs" was S\$5.7 million as compared to 4Q 2018's S\$7.2 million. The Consolidated Group's "finance costs" was S\$48.4 million as compared to S\$38.8 million in 4Q 2018 and was mainly due to higher interest rate and increased borrowings for capital expenditure in the automotive segment.

IMAS registered net loss of S\$22.2 million in 4Q 2019 as compared to S\$5.3 million net loss in 4Q 2018 and was mainly due to higher financing cost and lower other income as compared to the previous period. The Group's (excluding IMAS) net loss was S\$13.7 million as compared to 4Q 2018's S\$11.1 million and was mainly due to lower utilities margin and loss on disposal of property, plant and equipment. The Consolidated Group reported a net loss attributable to equity holder of the Company of S\$139.0 million, after taking an impairment charge on goodwill of S\$100.1 million, as compared to 4Q 2018's S\$28.5 million.

12 Months 2019 (FY 2019) vs. 12 Months 2018 (FY 2018)

Profit & Loss Statement

GV Group's FY 2019 revenue relating to IMAS was S\$1,799.1 million as compared to S\$1,666.6 million in FY 2018. Higher revenue was mainly due to higher contributions IMAS's finance companies, passenger vehicle sales, vehicle rental and distribution of fuel and lubricant, but partially offset by lower trucks and heavy equipment sales. The Group (excluding IMAS) registered higher revenue of S\$173.5 million as compared to S\$166.1 million in the previous year and was mainly due to higher revenue from utilities, industrial parks and resort segments. The Consolidated Group revenue was S\$1,972.6 million, 8% higher than FY 2018's S\$1,832.7 million.

IMAS's FY 2019 cost of sales was S\$1,448.3 million as compared to S\$1,341.0 million in FY 2018. The Group's (excluding IMAS) cost of sales was S\$138.6 million as compared to S\$129.3 million in FY 2018. In line with the increased revenue, the Consolidated Group's cost of sales increased from S\$1,470.3 million in FY 2018 to FY 2019's S\$1,586.8 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in FY 2019 and FY 2018. The Consolidated Group's gross profit was S\$385.8 million in FY 2019 as compared to

S\$362.4 million in FY 2018 and was in line with higher revenue.

IMAS's FY 2019 "other income" was S\$138.0 million as compared to S\$93.1 million in FY 2018 and was mainly due to gain of S\$69.5 million on the divestment of its 19.42% stake in PT Multistrada Arah Sarana Tbk ("MASA"). The Group's (excluding IMAS) "other income" was S\$1.4 million income as compared to S\$1.8 million expenses in FY 2018 and was mainly due to foreign exchange gain as compared to foreign exchange loss in the previous period. IMAS's gain on the divestment of MASA and revaluation gain on its investment properties were excluded from the Consolidated Group's profit or loss. The Group's accounting policies require investments designated at fair value through other comprehensive income ("FVOCI"), where the gains and losses previously accumulated in the Other Components of Equity ("OCE") are not recognised in the profit or loss statement upon the divestment of the investment but is transfer to the accumulated profit and loss. For investment properties, the Group adopts cost method instead of fair value method for its investment properties. Accordingly, the Consolidated Group's "other income" was S\$60.6 million in FY 2019 as compared to FY 2018's S\$76.4 million.

IMAS's FY 2019 "general and administrative expenses" was S\$170.8 million as compared to S\$148.1 million in FY 2018. Higher expenses were mainly due to higher manpower related costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$18.2 million as compared to FY 2018's S\$17.5 million and was mainly due to higher professional fees. The Consolidated Group's "general and administrative expenses" was S\$211.6 million as compared to FY 2018's S\$189.0 million.

IMAS's FY 2019 "other operating expenses" was S\$132.9 million as compared to FY 2018's S\$120.8 million and was mainly due to higher manpower related costs. The Group's (excluding IMAS) "other operating expenses" was S\$27.6 million as compared to FY 2018's S\$26.4 million and was mainly due to higher manpower related costs. The Group has taken an impairment charge of S\$100.1 million on goodwill in relation to IMAS acquisition and, accordingly, the Consolidated Group's "other operating expenses" was S\$260.5 million after providing an impairment charge as compared to FY 2018's S\$147.2 million.

The Consolidated Group's FY 2019 "share of associate companies' results" was S\$3.5 million loss as compared to FY 2018's S\$14.5 million loss and mainly due to lower losses from automotive associate companies.

IMAS's FY 2019 "finance costs" was S\$155.2 million as compared to FY 2018's S\$108.3 million and the Group's (excluding IMAS) "finance costs" was S\$30.3 million as compared to FY 2018's S\$28.4 million. The Consolidated Group's "finance costs" was S\$185.7 million as compared to S\$136.7 million in FY 2018 and was mainly due to higher interest rate and increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$9.2 million in FY 2019 as compared to S\$2.5 million in FY 2018 and was mainly due to the gain on the divestment of MASA. The Group's (excluding IMAS) net loss was S\$51.5 million as compared to FY 2018's S\$51.1 million. After adjustment to the gain on divestment of MASA, revaluation gain on investment properties and the impairment charge on goodwill, the Consolidated Group reported a net loss attributable to equity holder of the Company of S\$214.6 million as compared to FY 2018's S\$73.7 million.

Balance Sheet

The Group's total assets of S\$5,571.6 million as at 31 December 2019 were S\$321.3 million higher than as at the previous year end mainly due to higher investment in the property, plant and equipment from the automotive segment to generate the revenue. Other non-current assets decreased by S\$115.1 million mainly due to the divestment of the Group's quoted equity investments at FVOCI and changes in the fair value of derivative instruments. Current assets decreased from S\$2,406.3 million to S\$2,395.4 million and were mainly due to the decrease in inventories.

Other non-current assets

The breakdown of other non-current assets as at 31 December 2019 is as follows:-

	S\$'000
Equity investments in FVOCI	102,536
Derivative assets	2,746
Estimated claims for tax refund	35,937
Restricted cash in banks and time deposits	22,283
Other receivables	63,259
Prepayment	200
Loan receivables	2,836
Deposits	501
	<u>230,298</u>

Trade and other receivables

The breakdown of the trade and other receivables as at 31 December 2019 is as follows:-

	S\$'000
Trade and other receivables	321,180
Due from related parties ⁽¹⁾	214,953
Short term investment	94,561
Prepayment and other current assets	82,541
	<u>713,235</u>

(1) The non-trade amount owing by related parties are mainly advanced payment of expenses that are non-interest bearing, unsecured and repayable on demand.

The aging of the trade and other receivables as at 31 December 2019 is as follows:-

	S\$'000
Under 30 days	123,059
31 – 60 days past due	48,172
61 – 90 days past due	21,915
>90 days past due	128,034
	<u>321,180</u>

The Group' total liabilities of S\$4,039.4 million were S\$521.5 million higher than the previous year-end's and was mainly due to the increased in borrowings for capital expenditure and for the finance companies business. The Group's borrowings and debt securities as at 31 December 2019 were S\$3.3 billion of which S\$1.9 billion relates to IMAS' vehicle rental and financial companies business.

Cash Flow Statement

Net cash used in operating activities was S\$129.4 million as compared to S\$277.6 million in the previous period.

Net cash used in investing activities was S\$334.9 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$463.5 million mainly from the proceeds from issue of debt securities and borrowings.

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.

IMAS's business segments registered good growth despite slower truck and heavy equipment sales.

Our Industrial parks have performed well in 2019 with occupancy in Batamindo Industrial Park achieving near full occupancy while Bintan Industrial Estate has recovered well with introduction of offshore marine center. Industrial space pipeline remains strong and we expect to see strong growth in this segment. For the Resorts segment, we expect the demand for our ferry services and tourism related services to be severely affected by the outbreak of COVID-19. Tourism related businesses will gradually recover when the outbreak of COVID-19 is over.

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 2019 as the Company is committing its cash resources to further develop its Resorts, Utilities and Automotive 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 2019 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
SALES	
PT Nusantara Berau Coal Sales	9,369
PT Artha Tunggal Mandiri Sales	3,242
PT Indofood CBP Sukses Makmur Tbk Sales	1,948
PT Hino Motors Manufacturing Indonesia Dividend Income	1,671
PT Hino Motors Sales Indonesia Dividend Income	1,285
PT Sumi Rubber Indonesia Dividend Income	543
PT Sumi Indo Wiring Systems Dividend Income	407
PT Wahana Inti Sela Interest income	263
PT Salim Ivomas Pratama Sales	206
PT Soxal Batamindo Industrial Gases Sales	202
PT Indomobil Manajemen Corpora Interest income	151
PT Wolfsburg Auto Indonesia Sales	133
PT Anugerah Indofood Barokah Makmur Sales	128
PT Indolakto Sales	112

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. (cont'd)*

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
PURCHASES	
PT Indomarco Prismatama Purchases	1,128
PT Mentari Subur Abadi Purchases	1,124
PT Asuransi Central Asia Purchases	618
PT Hino Motors Sales Indonesia Purchases	364
PT Shinhan Indo Finance Purchases	300
PT Kilau Indah Gemerlang Purchases	219
PT Penta Artha Impresi Purchases	133
PT Herwido Rintis Purchases	125

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.

Group	Industrial Park		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
Business segments	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Operating revenue																
External sales	37,740	36,195	104,459	100,242	31,248	29,709	41	-	1,799,065	1,666,567	-	-	-	-	1,972,553	1,832,713
Inter-segment sales	-	-	144	128	64	44	-	-	-	-	-	-	(208)	(172)	-	-
Total sales	37,740	36,195	104,603	100,370	31,312	29,753	41	-	1,799,065	1,666,567	-	-	(208)	(172)	1,972,553	1,832,713
Segment results																
(Loss)/ profit from operation	(6,621)	(6,659)	24,237	28,367	(4,086)	(3,088)	(14,949)	(13,425)	(6,788)	112,404	(17,495)	(15,030)	-	-	(25,702)	102,569
Share of associates' results															(3,520)	(14,473)
Finance costs															(185,703)	(136,690)
Loss before taxation															(214,925)	(48,594)
Taxation															(29,058)	(27,274)
Loss after taxation															(243,983)	(75,868)
Attributable to:-																
Equity holders of the company															(214,581)	(73,748)
Non-controlling interests															(29,402)	(2,120)
															(243,983)	(75,868)
Other information																
Segment assets	85,172	101,802	155,925	139,245	41,197	41,674	673,895	673,622	2,943,649	2,623,439	24,655	1,290,246	-	-	3,924,493	4,870,028
Associates															157,189	116,269
Unallocated assets															1,489,920	264,051
															5,571,602	5,250,348
Segment liabilities	18,889	22,255	42,015	38,633	10,310	10,017	46,673	46,674	2,108,641	2,037,652	13,142	13,141	-	-	2,239,670	2,168,372
Unallocated liabilities															1,799,775	1,349,591
															4,039,445	3,517,963

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 higher and was mainly due to higher occupancy rate and contributions from factory rental related services. In line with higher revenue, operating loss was lower than previous period's but was partially offset by higher operating expenses.

Utilities: Utilities related revenue increased by S\$4.2 million and was mainly due to higher electricity revenue from the industrial park in Batam and resorts in Bintan. Lower operating profit was mainly due to higher gas cost for power generation segment.

Resort Operations: Resorts segment registered higher revenue from its ferry services and resort related services, which was in line with higher international tourist arrivals into Bintan. In FY2019, the operating loss from resorts segment was S\$4.1 million as compared to FY2018's S\$3.1 million and was mainly due to higher operating expenses.

Property Development: Property Development business registered an operating loss of S\$14.9 million as compared to S\$13.4 million loss in FY2018 and was mainly due to higher operating expenses.

Automotive: Automotive segment registered an operating loss of S\$6.8 million as compared to FY 2018's operating profit of S\$112.4 million and was mainly due to higher operating expenses, impairment of goodwill and foreign exchange losses.

17. A breakdown of sales as follows:

The breakdown of sales of the Group is as follows:

	GROUP		
	Full Year		
	2019 S\$'000	2018 S\$'000	+ / (-) %
(a) Revenue reported for the first half year	997,764	883,226	13%
(b) Loss after tax before non-controlling interest reported for the first half year	(59,868)	(28,619)	109%
(c) Revenue reported for second half year	974,789	949,487	3%
(d) Loss after tax before non-controlling interest reported for second half year	(184,115)	(47,249)	290%

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
28 FEBRUARY 2020