

GALLANT VENTURE LTD

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**First Half 2020 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE FIRST HALF ENDED 30 JUNE 2020**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2020.

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

	Group		
	YTD 30 June		
	Half Year 2020 S\$'000	Half Year 2019 S\$'000 Restated	Incr/ (Decr) %
Revenue	71,528	82,898	(14)
Cost of sales	(58,516)	(66,667)	(12)
Gross profit	13,012	16,231	(20)
Other income	71	3,118	(98)
General and administrative expenses	(9,511)	(8,643)	10
Other operating expenses	(11,893)	(13,823)	(14)
Share of associate companies' results	(241)	67	N.M
Finance costs	(11,341)	(15,803)	(28)
Loss before taxation	(19,903)	(18,853)	6
Taxation	(5,997)	(6,582)	(9)
Loss after taxation for the period excluding IMAS	(25,900)	(25,435)	2
Loss from IMAS after taxation	(642,733)	(34,433)	N.M
Loss after taxation for the period	(668,633)	(59,868)	N.M
Loss excluding IMAS attributable to:			
Equity holders of the Company	(24,744)	(25,183)	(2)
Non-controlling interests	(1,156)	(252)	359
	(25,900)	(25,435)	2
Loss attributable to:			
Equity holders of the Company	(653,131)	(49,518)	N.M
Non-controlling interests	(15,502)	(10,350)	50
	(668,633)	(59,868)	N.M

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		
	YTD 30 June		
	Half Year 2020 S\$'000	Half Year 2019 S\$'000 Restated	Incr/ (Decr) %
Loss after taxation for the period	(668,633)	(59,868)	N.M
Other comprehensive income after taxation excluding IMAS:			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Currency translation differences from foreign subsidiaries	90	108	(17)
Share of other comprehensive income of associates	9,139	-	N.M
Realisation of reserves upon deconsolidation of subsidiaries	32,514	-	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of defined benefit plans	-	-	-
Other comprehensive income excluding IMAS	41,743	108	N.M
Other comprehensive (loss)/income of IMAS	(14,882)	26,598	N.M
Other comprehensive income	26,861	26,706	1
Total comprehensive loss	(641,772)	(33,162)	N.M
Attributable to:			
Equity holders of the Company	(376,963)	(29,780)	N.M
Non-controlling interests	(264,809)	(3,382)	N.M
	(641,772)	(33,162)	N.M

N.M. denotes "Not Meaningful"

Note:

- (a) The exchange rate of S\$1=IDR 10,265 (30 June 2019: S\$1=IDR 10,446) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,532 (30 June 2019: S\$1=IDR 10,474) was used for translating the results for the period.
- (b) As reported in the Company's announcement on 30 April 2020, 4 May 2020 and 10 June 2020 on the potential dilution of IMAS as a result of the Company for not subscribing its proportionate entitlement of IMAS's issuance of new shares with pre-emptive rights, the Company's shareholding in IMAS will be diluted from 71.49% to 49.49%. Accordingly, IMAS will cease to be subsidiary of the Group but will remain as associated company of the Group.

As required by Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Group has deconsolidated IMAS in June due to loss of control to govern its financial and operating policies while retains only significant influence as a result of loss of power to cast majority of votes at IMAS' Board level notwithstanding that the right issues by IMAS has not been completed. The deconsolidation involved de-recognition of the assets and liabilities of IMAS, goodwill and intangible assets related to the acquisition of IMAS and recognition of reserves previously accounted in the Group's comprehensive losses ("**Deconsolidation Event**"). The financial impact of the deconsolidation was a net loss of S\$595.7 million which was recognised in 1H 2020.

The operating performance of IMAS prior to deconsolidation, together with the net loss on deconsolidation of S\$595.7 million has been presented separately under "Loss from IMAS after taxation" on the income statement. As a result, loss from IMAS after taxation was S\$642.7 million in 1H 2020. Comparative figures have been restated to conform to current period's presentation. The Group's share of IMAS's result after deconsolidation for its 49.49% is presented under "Share of associate companies' results".

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

Group	
YTD 30 June	
Half Year	Half Year
2020	2019
S\$'000	S\$'000
	Restated

Loss before taxation excluding IMAS

Amortisation of intangible assets	52	46
Depreciation of property, plant and equipment and right-of-use asset	10,390	11,288
Depreciation of investment properties	8,231	12,781
Gain on sale of property, plant and equipment	(27)	(23)
Allowance for impairment loss on trade receivables	14	50
Provision for employee benefits	680	127
Exchange loss / (gain)	2,053	(1,061)
Interest income	(1,576)	(2,101)
Interest expense	11,341	15,803

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	
	30.06.20	31.12.19	30.06.20	31.12.19
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	198	644,062	9	27
Property, plant and equipment	146,044	1,153,404	129	158
Right-of-use assets	2,694	44,236	286	409
Investment properties	108,736	101,775	-	-
Subsidiaries	-	-	1,131,815	2,460,620
Associates	398,634	149,940	381,948	-
Financing receivables	-	807,801	-	-
Deferred tax assets	1,994	41,079	-	-
Other non-current assets	1,790	264,380	155	155
	660,090	3,206,677	1,514,342	2,461,369
Current				
Land inventories	595,745	595,241	-	-
Other inventories	8,358	274,606	-	-
Financing receivables	-	587,013	-	-
Trade and other receivables	77,116	674,981	87,762	76,960
Cash and cash equivalents	108,632	230,524	1,434	1,747
	789,851	2,362,365	89,196	78,707
Total assets	1,449,941	5,569,042	1,603,538	2,540,076
Equity and liabilities				
Equity				
Share capital	1,958,546	1,958,546	1,958,546	1,958,546
Treasury shares	(50)	(50)	(50)	(50)
Accumulated losses	(1,173,016)	(547,610)	(1,258,586)	(280,912)
Reserves	83,503	(164,388)	80,000	80,000
Equity attributable to equity holders of the Company	868,983	1,246,498	779,910	1,757,584
Non-controlling interests	15,306	272,642	-	-
Total equity	884,289	1,519,140	779,910	1,757,584
Liabilities				
Non-current				
Deferred tax liabilities	2,751	101,790	-	-
Borrowings	323,012	1,490,111	284,812	290,495
Debt securities	-	103,369	-	-
Employee benefits liabilities	16,748	43,867	-	-
Other non-current liabilities	28,996	72,056	88	88
Lease liabilities	1,922	6,195	41	165
Contract liabilities	13,684	12,873	-	-
	387,113	1,830,261	284,941	290,748
Current				
Borrowings	41,974	1,610,633	412,316	404,457
Debt securities	-	67,474	-	-
Lease liabilities	827	13,405	240	231
Trade and other payables	127,122	495,584	126,081	85,307
Contract liabilities	3,296	20,153	-	-
Current tax payable	5,320	12,392	50	1,749
	178,539	2,219,641	538,687	491,744
Total liabilities	565,652	4,049,902	823,628	782,492
Total equity and liabilities	1,449,941	5,569,042	1,603,538	2,540,076

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

		Group	
		30.06.20	31.12.19
		S\$'000	S\$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	41,974	1,678,107
	Unsecured	827	13,405
		42,801	1,691,512
(ii)	Amount repayable after one year		
	Secured	323,012	1,593,480
	Unsecured	1,922	6,195
		324,934	1,599,675
TOTAL		367,735	3,291,187

Note: The Group's borrowings and debt securities include lease liabilities

(iii) Details of any collaterals

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

1. Mortgage of certain land titles of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE"), PT Bintan Resort Cakrawala ("PT BRC"), PT Buana Megawisatama ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP");
2. Pledge of accounts of PT BIC, PT BIIE, PT BRC, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;
3. Assignment of insurance proceeds, receivables and movable assets of PT BIC and PT BIIE; and
4. Pledge of shares of PT Indomobil Sukes Internasional Tbk ("PT IMAS") and PT BMW.

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

	Note	Group	
		Half year ended	
		30.06.20 S\$'000	30.06.19 S\$'000
Cash Flows from Operating Activities			
Loss before taxation excluding IMAS		(19,903)	(18,853)
Loss before taxation from IMAS		(641,256)	(26,446)
Adjustment for:			
Amortisation of intangible assets		6,813	8,160
Depreciation of property, plant and equipment, investment properties and right-of-use assets		46,823	106,112
Gain on disposal of property, plant and equipment		(146)	(73)
Impairment of trade and other receivables		18,011	11,733
Loss on sales of foreclosed assets		4,474	7,108
Net loss on deconsolidation of subsidiaries	A	595,708	-
Provision for employees' benefits		2,657	2,042
Interest expense		75,154	88,605
Interest income		(11,085)	(13,197)
Share of associate companies' results		5,052	2,533
Cash from operations before working capital changes		82,302	167,724
Increase in land inventories		(504)	(332)
Decrease in other inventories		15,780	54,127
Decrease/(increase) in operating receivables		94,389	(154,620)
Decrease in operating payables		(25,577)	(67,166)
Cash generated from/(used in) operating activities		166,390	(267)
Income tax paid		(37,699)	(29,742)
Interest paid		(127,883)	(114,731)
Interest received		2,363	802
Employee benefit paid		(311)	(284)
Net cash generated from/(used in) operating activities		2,860	(144,222)
Cash Flows from Investing Activities			
Acquisition of intangible assets		(13)	(130)
Acquisition of property, plant and equipment		(34,552)	(263,325)
Acquisition of investment properties		(1,015)	(1,498)
Proceeds from disposal of property, plant and equipment		653	2,983
Dividend from associates		-	1,381
Proceeds from sales of equity instruments at fair value through other comprehensive income		-	144,943
Proceeds from/(addition in) investments		23,709	(7,346)
Net outflow on deconsolidation of subsidiary	A	(284,257)	-
Interest received on and (placement)/ proceeds from restricted cash and time deposits		(2,819)	156
Net cash used in investing activities		(298,294)	(122,836)
Cash Flows from Financing Activities			
Repayment of debt securities		(44,802)	(176,338)
Payment of principal portion of lease liabilities		(1,086)	-
(Acquisition of)/proceeds from additional capital stock contribution of NCI		(1,274)	6,490
Proceeds from borrowings		1,359,018	2,028,539
Repayment of borrowings		(1,151,738)	(1,616,458)
Net cash generated from financing activities		160,118	242,233
Net decrease in cash and cash equivalents		(135,316)	(24,825)
Cash and cash equivalents at beginning of period		230,524	228,879
Effect of currency translation on cash and cash equivalents		13,424	2,015
Cash and cash equivalents at end of period		108,632	206,069

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

Note A: Deconsolidation of subsidiary

During the period under review, IMAS was deconsolidated from the Group as a result of loss of control of IMAS. The attributable net assets of IMAS deconsolidated are as follows:-

	Carrying amounts S\$'000
<u>Carrying amounts of net assets over which control was lost</u>	
Non-current assets	2,765,637
Current assets	1,795,883
Non-current liabilities	(1,330,790)
Current liabilities	(2,285,588)
Net assets deconsolidated	<u>945,142</u>
<u>Loss on deconsolidation</u>	
Carrying amounts of net assets deconsolidated	945,142
Less: Non-controlling interests	(243,999)
Add: Realisation of reserves	276,513
Loss on deconsolidation	<u>977,656</u>
<u>Net loss on deconsolidation</u>	
Sales proceed	-
Fair value of 49.49% in IMAS	<u>381,948</u>
	381,948
Loss on deconsolidation	(977,656)
Net loss on deconsolidation	<u>(595,708)</u>
<u>Effect of the deconsolidation on cash flows</u>	
Cash consideration	-
Cash and cash equivalents of IMAS deconsolidated	<u>284,257</u>
Net cash outflow on deconsolidation	<u>(284,257)</u>

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

Consolidated statement of changes in equity of the Group for the period ended 30 June 2020

	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 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	-	-	-	-	-	-	-	(49,518)	(49,518)	(10,350)	(59,868)
Other comprehensive income/(loss)	-	-	-	8,749	(5,512)	15,282	1,219	-	19,738	6,968	26,706
Total comprehensive income/(loss) for the period	-	-	-	8,749	(5,512)	15,282	1,219	(49,518)	(29,780)	(3,382)	(33,162)
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
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(32,002)	-	(32,002)	(6,273)	(38,275)
Balance as at 30 June 2019	1,948,307	(50)	(105,771)	(99,237)	(7,766)	31,463	(15,186)	(374,797)	1,376,963	284,482	1,661,445
Balance as at 1 January 2020	1,958,546	(50)	(105,771)	(94,675)	(14,612)	24,124	26,546	(547,610)	1,246,498	272,642	1,519,140
Loss for the period	-	-	-	-	-	-	-	(653,131)	(653,131)	(15,502)	(668,633)
Share of OCI of associates	-	-	-	6,031	3,399	-	(291)	-	9,139	-	9,139
Other comprehensive (loss)/income	-	-	-	(4,962)	(4,900)	-	378	-	(9,484)	(5,308)	(14,792)
Realisation of reserves upon deconsolidation of subsidiaries	-	-	185,771	95,648	19,512	(24,124)	(28,019)	27,725	276,513	(243,999)	32,514
Total comprehensive income/(loss) for the period	-	-	185,771	96,717	18,011	(24,124)	(27,932)	(625,406)	(376,963)	(264,809)	(641,772)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	115	-	115	7,473	7,588
Share of reserves of associates	-	-	-	-	-	-	(667)	-	(667)	-	(667)
Balance as at 30 June 2020	1,958,546	(50)	80,000	2,042	3,399	-	(1,938)	(1,173,016)	868,983	15,306	884,289

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

Statement of changes in equity of the Company for the period ended 30 June 2020

	Share Capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2019	1,948,307	(50)	80,000	(148,600)	1,879,657
Total comprehensive loss for the period	-	-	-	(30,702)	(30,702)
Balance as at 30 June 2019	1,948,307	(50)	80,000	(179,302)	1,848,955
Balance as at 1 January 2020	1,958,546	(50)	80,000	(280,912)	1,757,584
Total comprehensive loss for the period	-	-	-	(977,674)	(977,674)
Balance as at 30 June 2020	1,958,546	(50)	80,000	(1,258,586)	779,910

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

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

(b) Convertible bond

	As at 30 Jun 2020	As at 31 Dec 2019
Conversion right of convertible bond	250,000,000	250,000,000

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

The total number of issued shares excluding treasury shares as at 30 June 2020 and 31 December 2019 were 5,424,848,361 and 5,424,848,361 respectively.

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

None.

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

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

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

Not applicable.

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

Not applicable.

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

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

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

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

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

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

	Group	
	Half Year 2020	Half Year 2019
Net loss attributable to equity owners of the Company (S\$'000)	(653,131)	(49,518)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(12.040)	(0.928)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(12.040)	(0.928)

⁽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	
	30.06.20	31.12.19	30.06.20	31.12.19
Net asset value per ordinary share	16.02 cents	22.98 cents	14.38 cents	32.40 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital of 5,424,848,361 ordinary shares as at 30 June 2020 and 5,424,848,361 as at 31 December 2019.

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

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

Half Year 2020 (1H 2020) vs. Half Year 2019 (1H 2019) (Restated)

(* all references to 1H 2019 in this section are with reference to 1H 2019 (Restated))

Profit & Loss Statement

The Group revenue was S\$71.6 million, 14% lower than 1H 2019's S\$82.9 million and was mainly due to lower utilities revenue in the resort segment, ferry services and tourism related services as a result of COVID-19 outbreak and consequential travel restrictions imposed by regional countries.

In line with the decreased revenue, the Group's cost of sales decreased from S\$66.7 million in 1H 2019 to 1H 2020's S\$58.5 million. The Group's cost of sales to revenue ratio was 0.82 in 1H 2020 as compared to 0.80 in 1H 2019. The Group's gross profit was S\$13.0 million in 1H 2020 as compared to S\$16.2 million in 1H 2019 and was in line with lower revenue.

The Group's "other income" was S\$0.1 million expenses as compared to S\$3.1 million income in 1H 2019 and was mainly due to unrealised foreign exchange loss of S\$2.1 million as compared to 1H 2019's unrealised foreign exchange gain of S\$1.1 million.

The Group's "general and administrative expenses" was S\$9.5 million as compared to 1H 2019's S\$8.6 million and was mainly due to higher manpower related costs.

The Group's "other operating expenses" was S\$11.9 million as compared to 1H 2019's S\$13.8 million and was mainly due to lower manpower related costs, marketing and rental expenses.

The Group's 1H 2020 "share of associate companies' results" was S\$0.2 million loss as compared to 1H 2019's S\$0.1 million profit and mainly due to equity accounting of S\$0.6 million loss for the Group's 49.49% share of IMAS' results after deconsolidation.

Group's "finance costs" was S\$11.3 million as compared to 1H 2019's S\$15.8 million and was mainly due to repayment of external bank borrowings.

The Group's net loss excluding IMAS attributable to equity holder of the Company was S\$24.7 million as compared to 1H 2019's S\$25.2 million. Including loss from IMAS after taxation, the Group reported a net loss attributable to equity holder of the Company of S\$653.1 million as compared to 1H 2019's S\$49.5 million.

Balance Sheet

The Group's total assets of S\$1,473.5 million as at 30 June 2020 were S\$4,095.5 million lower than as at the previous year end and was mainly due to the Deconsolidation Event. The Group's total liabilities

of S\$589.2 million were S\$3,460.7 million lower than the previous year-end's and was mainly due to the Deconsolidation Event. The Group's borrowings as at 30 June 2020 were S\$367.7 million.

Cash Flow Statement

During the period under review, the Group generated net cash of S\$2.9 million from operating activities as compared to S\$144.2 million used in the previous period.

The Group had net cash outflow of S\$298.3 million from investing activities as compared to S\$122.8 million in the previous period and was mainly due to the net outflow on deconsolidation of IMAS.

The Group had net cash inflow of S\$160.1 million from financing activities as compared to S\$242.2 million in the previous period and was mainly due to lower proceeds from the borrowings.

The Group's cash and cash equivalents was S\$108.6 million as at 30 June 2020 compared with S\$206.1 million as at 31 December 2019 after deconsolidation of IMAS.

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

No forecast or prospect statement has been previously disclosed.

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

Our Industrial parks have performed relatively well notwithstanding the deteriorating economic impact caused by the COVID-19. The occupancy in Batamindo Industrial Park is near full occupancy while Bintan Industrial Estate has recovered well with introduction of offshore marine center. Our industrial space pipeline remains strong and we expect to see moderate growth in this segment.

Our demand for utilities, ferry services and tourism related services in the resort segment were severely affected as a result of COVID-19 pandemic and extended travel lockdown in locations we operate in. We expect the impact of this prolonged COVID-19 pandemic will have significant impact to our resort and tourism related performance.

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 First Half 2020 as the Company is committing its cash resources to further develop its Industrial Parks businesses.

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

The aggregate value of the interested person transactions for the financial period ended 30 June 2020 was as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
<u>Sales of Goods and Services</u>	
• Salim Group ⁽¹⁾	1,339
<u>Purchase of Goods and Services</u>	
• Salim Group	14,108
• IMAS Group ⁽²⁾	1,162
<u>Interest Income</u>	
• Salim Group	3,555
<u>Dividend Income</u>	
• IMAS Group	2,910

(1) Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim.

(2) IMAS Group refers to PT Indomobil Sukses Internasional Tbk, its subsidiaries and associated companies.

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

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

15. ***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 2020 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
11 August 2020