



**POTENTIAL DILUTION OF SHAREHOLDING INTEREST IN PT INDOMOBIL SUKSES
INTERNASIONAL TBK**

1. INTRODUCTION

- 1.1 The Board of Directors (the **"Board"**) of Gallant Venture Ltd. (the **"Company"**) refers to its announcements dated 30 April 2020, 4 May 2020 and 9 June 2020 in relation to the proposed issuance by its subsidiary, PT Indomobil Sukses Internasional Tbk (**"IMAS"**), of new shares with pre-emptive rights to IMAS' shareholders (**"IMAS Rights Issue"**) with the maximum number of 1,229,012,627 shares of nominal value Rp250 each (**"IMAS Rights Shares"**).
- 1.2 As announced, the Company does not intend to subscribe for its entitlement under the IMAS Rights Issue. If the Company does not subscribe for its proportionate entitlement of 878,562,566 IMAS Rights Shares based on the maximum number of IMAS Rights Shares to be issued, the percentage shareholding of the Company in IMAS will decrease from approximately 71.49% to approximately 49.49% (the **"Potential Dilution"**).
- 1.3 The shareholders of IMAS in general meeting have approved the IMAS Rights Issue, as announced on 9 June 2020.

2. UPDATE ON CONSULTATION WITH THE SGX-ST

- 2.1 The Board wishes to announce that SGX-ST has informed the Company today that it has no objection to the Company's application for waiver to comply with Rule 805(2) of the Listing Manual of the SGX-ST (the **"Listing Manual"**) to obtain prior shareholders' approval if the Company does not take up its entitlement under the IMAS Rights Issue (the **"Waiver"**), subject to the following:
- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions for the Waiver as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
 - (b) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company;
 - (c) the Company seeking ratification from the shareholders of the Company (**"Shareholders"**) for the Potential Dilution in interest in IMAS resulting from the Company not taking up its entitlement under the IMAS Rights Issue as soon as practicable, and not later than 3 months from the date of the IMAS general meeting (i.e. not later than 7 September 2020); and
 - (d) irrevocable undertakings from the controlling shareholders of the Company holding more than 50% of the issued capital in the Company to:- (a) vote in favour of the reduction in the Company's shareholding in IMAS arising from the Company not taking up its rights entitlement under the IMAS Rights Issue; and (b) continue to own more than 50% of the issued capital of the Company before and up to the date of the Company's general meeting.

2.2 The reasons for the Company seeking the Waiver were as follows:

- (a) Chapter 10 of the Listing Manual sets out rules for, *inter alia*, significant transactions by issuers. In the event the Company does not subscribe for its proportionate entitlement under the IMAS Rights Issue, there is no “transaction” in the sense of an “acquisition or disposal of assets”, but rather a dilution of the Company’s shareholding in IMAS; and
- (b) Assuming that the Company does not take up its proportionate entitlement of 878,562,566 IMAS Rights Shares based on the maximum number of IMAS Rights Shares to be issued under the IMAS Rights Issue and IMAS ceases to be a subsidiary of the Company, the Company will continue to hold a substantial stake in IMAS of 49.49% and through IMAS, continue to be in the automotive business. The Company will also continue to engage in its four other core businesses, namely, utilities, industrial parks, property development and resort operations. Accordingly, the Board was of the opinion that there will not be any material change in the risk profile of the Company in the event it does not take up its entitlement under the IMAS Rights Issue.

2.3 The controlling shareholders of the Company holding more than 50% of the issued capital in the Company have indicated their support for the Board’s decision not to take up the Company’s entitlements under the IMAS Rights Issue and as such, will vote in favour of the Company not taking up its rights entitlement under the IMAS Rights Issue for the purposes of seeking Shareholders’ approval to the Potential Dilution.

A circular setting out further information on, *inter alia*, the Potential Dilution and the notice to convene the extraordinary general meeting for the purpose of seeking Shareholders’ ratification for the Potential Dilution will be despatched to Shareholders in due course.

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD
GALLANT VENTURE LTD.

Choo Kok Kiong
Executive Director and Company Secretary
10 June 2020