GALLANT VENTURE

PROVIDING SOLUTIONS ACROSS BOUNDARIES

ANNUAL REPORT

2020

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GROUP PROFILE

Gallant Venture Ltd. ("GV"), headquartered and listed in Singapore, is an Indonesia focused investment holding company with operations primarily in the islands of Batam and Bintan. Our business is well-positioned to leverage on the strategic alliance between Singapore and Indonesia governments and close proximity to Singapore. The principle business of GV and its subsidiaries ("the Group") are utilities provider, master planner and developer of industrial parks, property development and resort operations. Through the Group's associated companies' PT Indomobil Sukses International Tbk ("PT IMAS") and BOMC Pte Ltd ("BOMC"), the Group has foothold in the automotive and offshore marine industry.

CORE BUSINESS

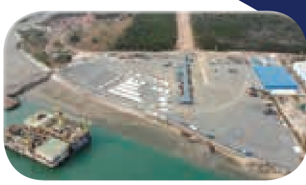
UTILITIES

INDUSTRIAL PARKS

PROPERTY DEVELOPMENT

RESORT OPERATIONS

OTHER BUSINESS



GROUP BUSINESSES

UTILITIES

We are independent utilities provider to our industrial park and resorts in Batam and Bintan. We provide power, water, waste management services and telecommunication services to our customers in the industrial parks and resorts. We have invested approximately S$435 million in the construction and development of utilities infrastructure and resources that include power generation and distribution facilities, portable water treatment facilities, sewage treatment plants, waste water treatment facilities and landfills. For power generation, we have aggregate installed capacity of 154 MW, of which 120 MW in BIP, 10 MW in BIIE and 24 MW in Resorts. In order to cope with any potential increase in power consumption, we cater approximately 30% of our installed capacity as standby reserve. For water and waste treatment, we have aggregate capacity of 14,500m^3/day and 10,000m^3/day. For telecommunication services, we have approximately 6,000 lines servicing Batam and Bintan and also provide internet and triple play (Telephone, Internet and IPTv) services.

INDUSTRIAL PARKS

We own and manage Batamindo Industrial Park ("BIP") and Bintan Industrial Estate ("BIE") in Batam and Bintan that offer the convenience of one-stop manufacturing environment with ready access to Singapore's financial, infrastructure and logistics network. BIP, a 320 ha premium industrial park in Batam with net factory lettable area of approximately 550,000 sqm, consists of 183 ready-built-factories with factory size between 972 sqm and 9,217 sqm and other services include logistics, medical amenities and workers' accommodation. BIP is the first industrial park in Asia-Pacific certified ISO 9001 and ISO 14001. BIE, a 170 ha industrial park in Bintan with net factory lettable area of approximately 107,000 sqm, consists of 88 ready-built-factories with factory size between 504 sqm and 2,100 sqm and has its own dedicated wharf, CIQP facilities and amenities for medical and housing.

PROPERTY DEVELOPMENT

We are the master planner and developer for industrial, commercial, residential and resorts development in Bintan and Batam, Indonesia. We own approximately 18,000 ha of land in Bintan. Our latest integrated resort development, Lagoi Bay, consists of 1,300 ha earmarked for development of resorts, residences, shopping, restaurants, entertainments and sea-sport facilities. Some of the investors in Lagoi Bay include world's leading resorts and hotels marques such as The Sanchaya, Four Point by Sheraton, Hotel Indigo and Hotel Inn by InterContinental Hotels Group, Dialoog Hotel by Malka and The Haven Bintan Lagoi Bay by the Haven Group.

RESORT OPERATIONS

We are the master planner and developer in Bintan Resorts. We undertake the overall planning, development, operations and marketing of Bintan Resorts. We provide support facilities and services including ferry services and ferry terminal operations, security, tour and resort operations, property rental, workers' accommodation, medical support and estate and township maintenance.

OTHER BUSINESS

PT IMAS, an associated company of the Group, is an Indonesia based integrated automotive group. Its main business among others dealership franchise holder, vehicle sales distributor, after sales services, vehicle financing, spare parts distributor, vehicle assembler, automotive parts/component manufacturer, car rental services, used cars trading, logistics services, fuel distribution, non-formal education services, and other related supporting services. PT IMAS holds well-known brands of international reputation, namely Audi, Bandit, Datsun, HIAB, Hino, John Deere, Kalmar, KIA, Manitou, Nissan, Renault Trucks, SDLG, Suzuki, Volkswagen, Volvo Bus, Volvo Construction Equipment and Volvo Trucks.

BOMC, an associated company of the Group, own and operate a state-of-the art common-user facility in Bintan Industrial Estate for manufacturing, fabrication, repairs, modifications, and logistics for the offshore marine, oil and gas industries. It offers all offshore projects the distinct advantage to lower costs, provides increased efficiencies and productivity, adhere to strict corporate compliance and governance requirements with all operations conducted under world class safety and quality systems.

BOARD OF DIRECTORS

MR LIM HOCK SAN

Non-Executive Chairman and Independent Director

Date of last election: 30 April 2019

Board Committee

Chairman of Audit and Risk Management Committee
Member of Remuneration Committee
Member of Nominating Committee

Mr Lim was appointed as a Non-Executive Chairman and Independent Director on 1 February 2006.

Mr Lim has a Bachelor of Accountancy from the University of Singapore and a Master of Science (Management) from Massachusetts Institute of Technology. Mr Lim also attended the Advanced Management Programme at Harvard Business School. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants. He is also a recipient of the Singapore Government Meritorious Service Medal, the Public Administration Medal (Gold) and the Public Service Medal.

Current directorship in other companies listed on Singapore stock exchange

– Indofood Agri Resources Ltd
– Interra Resources Ltd

MR EUGENE CHO PARK

Executive Director and Chief Executive Officer

Date of last election: 30 April 2018

Board Committee

Nil

Mr Park was appointed as an Executive Director and Chief Executive Director on 1 February 2006.

Responsible for the overall management of the Company, Mr Park is a co-founder of Parallax Capital Management Group. He has also spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He received a Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.

MR GIANTO GUNARA

Executive Director and Chief Operating Officer

Date of last election: 26 June 2020

Board Committee

Nil

Mr Gunara was appointed as an Executive Director on 8 November 2006.

Mr Gunara is the Executive Director/Group Chief Operating Officer overseeing the Group Operations. He started his career with Haagtechno BV-Den Bosch in Holland as a Management Trainee in 1984 and is currently a Non-Executive Director of QAF Limited. He sits on the Board of Director/Commissioner of several subsidiaries of the Group and in other private enterprises.

He holds a Bachelor in Business Administration degree from Simon Fraser University, Vancouver, Canada.

Current directorship in other company listed on Singapore stock exchange

– QAF Limited

MR CHOO KOK KIONG

Executive Director and Chief Financial Officer

Date of last election: 26 June 2020

Board Committee

Nil

Mr Choo was appointed as an Executive Director on 30 April 2014.

Mr Choo is the Executive Director/Group Chief Financial Officer overseeing the Group and its corporate services. He is also appointed as a Group Risk Officer. Prior to joining the company, he held various management positions in the Sembcorp group. He has over 20 years of finance experience, having held the positions of Vice-President of Finance at Sembcorp Parks Management and Sembcorp Parks Holdings Ltd (now known as Sembcorp Development Ltd), Assistant Vice-President of Finance at Sembcorp Industries Ltd and Accounts Manager with Singapore Precision Industries Pte Ltd. Mr Choo was appointed as a non-executive director of QAF Limited.

He holds a Master in Business Administration from the University of Wales (UK)/Manchester Business School (UK). He had also qualifications from Chartered Institute of Management Accountants (CIMA, UK) and Association of Chartered Certified Accountants (ACCA, UK).

Current directorship in other company listed on Singapore stock exchange

– QAF Limited

MR AXTON SALIM

Non-Executive Director

Date of last election: 30 April 2019

Board Committee

Nil

Mr Axton was appointed as a Non-Executive Director on 30 April 2014.

Mr Axton Salim was first appointed as Director of PT Indofood Sukses Makmur Tbk based on the resolution of the AGM in 2009 and re-elected in 2015 and 2018. He is concurrently Director of PT Indofood CBP Sukses Makmur Tbk, where he heads the Dairy Division; Non-Executive Director of Indofood Agri Resources Ltd; Director of Art Photography Centre Ltd; Commissioner of PT Salim Ivomas Pratama Tbk and PT London Sumatra Indonesia Tbk. He also serves as Global Co-chair of Scaling Up Nutrition (SUN) Business Advisory Group. Mr Axton started his career in the Indofood Fritolay Makmur as a Brand Manager and was then after appointed as an Assistant CEO of Indofood Sukses Makmur Tbk.

He holds a Bachelor of Science in Business Administration from University of Colorado, USA.

Current directorship in other company listed on Singapore stock exchange

– Indofood Agri Resources Ltd

MR RIVAIE RACHMAN

Non-Executive and Independent Director

Date of last election: 30 April 2019

Board Committee

Chairman of Nominating Committee

Member of Audit and Risk Management Committee

Member of Remuneration Committee

Mr Rachman was appointed as an Independent Director on 8 December 2004.

Mr Rachman is presently the Independent Director of Riau Development Bank and Surya Dumai Palmoil Plantation & Industry Group in Indonesia. He was also the Vice Governor of Riau Province from 1994 to 1999, Head of Riau Economic Planning Board for ten years, Head of Riau Investment Coordination Board for six years and President Director of Riau Development Bank from 1965 to 1968.

MR FOO KO HING

Non-Executive and Independent Director

Date of last election: 30 April 2018

Board Committee

Chairman of Remuneration Committee

Member of Audit and Risk Management Committee

Member of Nominating Committee

Mr Foo was appointed as an Independent Director on 8 December 2004.

After leaving Price Waterhouse Coopers in 1986, Mr Foo joined The Hongkong and Shanghai Banking Corporation Limited ("HSBC") group in the Trust and Fiduciary Business in Singapore. He was later seconded to HSBC Bank Jersey C.I in 1989 and was subsequently promoted to Executive Director, covering fiduciary activities, private banking, compliance and investment functions. He returned to Singapore in 1991 and resumed responsibilities with the HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development. Mr Foo is also a co-founder and Director of Cerealtech Pte Ltd, a food technology company specialising in enzyme application and micro ingredient development for the industrial baking sector. He is also currently the Independent Director and Audit Committee Chairman of Amara Holdings Ltd. He has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has previously served on the boards of various companies in various sectors listed on the SGX-ST. He holds a BA Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.

Current directorship in other company listed on Singapore stock exchange

– Amara Holdings Ltd

BOARD OF DIRECTORS

DR TAN CHIN NAM
Non-Executive Director

Date of last election: 30 April 2018
Board Committee
Nil

Dr Tan was appointed as a Non-Executive Director on 25 May 2009.

Dr Tan is currently Senior Adviser of the Salim Group and Chairman of Global Fusion Capital Pte Ltd. He is also Member of the Centre for Liveable Cities Distinguished Advisers Panel, as well as the Board of Trustees of BankInter Foundation for Innovation (Spain), Eight Inc Advisory Board and the Singapore Symphony Orchestra Council.

Dr Tan had 33 years of distinguished service in the Singapore Public Service holding various key appointments before completing his term as a Permanent Secretary in 2007. He held various top public leadership positions including as General Manager and Chairman, National Computer Board; Managing Director, Economic Development Board; Chief Executive, Singapore Tourism Board; Permanent Secretary, Ministry of Manpower; Permanent Secretary, Ministry of Information, Communications and the Arts; Chairman, National Library Board; and Chairman, Media Development Authority. He played a leading role in the information technology, economic, tourism, manpower, library, media, arts and creative industries development of Singapore.

Previously, Dr Tan also held various corporate appointments including Chairman, Temasek Management Services Pte Ltd; Chairman, One North Resource Advisory Panel; Senior Adviser, Singbridge Corporate Pte Ltd; Senior Adviser, Zana Capital Pte Ltd, as well as Director on the boards of Raffles Education Corporation Ltd, PSA International Pte Ltd, Stamford Land Corporation Ltd, Yeo Hiap Seng Ltd and Sino-Singapore Guangzhou Knowledge City Investment and Development Co Ltd, and Member of the International Advisory Board, Economic Development Board Rotterdam.

Dr Tan holds degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from the University of Bradford, UK. He also holds two honorary doctorate degrees awarded by both universities. He attended an Advanced Management Programme at Harvard Business School and is an Eisenhower Fellow. He was awarded four Public Administration Medals by the Government of Singapore.

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Gianto Gunara
Date of appointment	30 April 2014	08 November 2006
Date of last re-appointment	26 June 2020	26 June 2020
Age	52	58
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable as Mr Choo is not subject to re-election at the AGM 2021.	Not applicable as Mr Gunara is not subject to re-election at the AGM 2021.
Whether appointment is executive, if so, the area of responsibility	Yes, he is responsible to overseeing the Group and its corporate services.	Yes, he is responsible to overseeing the Group Operations.
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chief Financial Officer – Chief Risk Officer	– Chief Operating Officer
Professional qualifications	Master in Business Administration from the University of Wales (UK)/ Manchester Business School (UK). He also had qualifications from Chartered Institute of Management Accountants (CIMA, UK) and Association of Chartered Certified Accountants (ACCA, UK).	Bachelor in Business Administration degree from Simon Fraser University, Vancouver, Canada.
Working experience and occupation(s) during the past 10 years	Mr Choo has over 20 years of finance experience, he has been the Vice-President of Finance at Sembcorp Parks Management and Sembcorp Development Ltd. He is a Non-Executive Director of QAF Limited since 2014.	He has been with the Group since 2006. He also sits on the Board of Director/Commissioner of several subsidiaries of the Group and in other private enterprises. Mr Gunara is a Non-Executive Director of QAF Limited since 2014.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct interest of 200,000 shares, 0.0037%
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Gianto Gunara
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – S&P 1821 Pte Ltd • **Present:** – QAF Limited – Subsidiaries of Gallant Venture Group – Batamindo Carriers Pte Ltd – Nirwana Pte Ltd – Singapore-Bintan Resort Holdings Pte Ltd – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Teachcast Global Pte Ltd – Trinity Consulting – BOMC Pte Ltd	• **Past (for the last 5 years)** – S&P 1821 Pte Ltd – Big Venture Pte Ltd • **Present:** – QAF Limited – Subsidiaries of Gallant Venture Group – Avonian Pte Ltd – Nirwana Pte Ltd – Sembcorp Parks Management Pte Ltd – Singapore-Bintan Resort Holdings Pte Ltd – Straits-CM Village Hotel Pte Ltd – Straits-KMP Resort Development Pte Ltd – Tropical Bintan Pte Ltd – BOMC Pte Ltd
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

Name of Director	Choo Kok Kiong	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Choo Kok Kiong	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Name of Director	Choo Kok Kiong	Gianto Gunara
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

Name of Director	Axton Salim	Lim Hock San
Date of appointment	30 April 2014	01 February 2006
Date of last re-appointment	30 April 2019	30 April 2019
Age	42	75
Country of principal residence	Indonesia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable as Mr Axton is not subject to re-election at the AGM 2021.	The re-election of Mr Lim as an Non-Executive Chairman and Independent Director, Chairman of ARMC and a member of Remuneration and Nominating Committee at the AGM 2021 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualification, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Nil	– Chairman of ARMC – Member of Remuneration Committee – Member of Nominating Committee

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Axton Salim	Lim Hock San
Professional qualifications	Bachelor of Science in Business Administration from University of Colorado, USA.	Bachelor of Accountancy from the University of Singapore and Master of Science (Management) from Massachusetts Institute of Technology. Mr Lim also attended the Advanced Management Programme at Harvard Business School. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants.
Working experience and occupation(s) during the past 10 years	Mr Axton serves as Global Co-chair of Scaling Up Nutrition (SUN) Business Advisory Group.	Mr Lim has been with the Group since 2006. He is presently the Vice Chairman and Independent Director of Indofood Agri Resources Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct interest of 1,714,000 shares, 0.0316%
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	Son of Mr Anthoni Salim who is a substantial shareholder of the Company.	None
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – Art Photography Centre Ltd • **Present:** – Indofood Agri Resources Ltd – First Pacific Company Ltd – Several private enterprises in Indonesia.	• **Past (for the last 5 years)** – United Industrial Corporation Ltd – Singapore Land Limited – Ascendas Funds Management (S) Limited – Marina Centre Holdings Pte Ltd – Realty Management Services (Pte) Ltd – UIC Technologies Pte Ltd – Aquamarina Hotel Pte Ltd – Marina Bay Hotel Pte Ltd – Hotel Marina City Pte Ltd – Singapore-Suzhou Township Development Pte Ltd • **Present:** – Indofood Agri Resources Ltd – Interra Resources Limited

Name of Director	Axton Salim	Lim Hock San
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Axton Salim	Lim Hock San
The general statutory disclosures of the Directors are as follows:		
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Name of Director	Axton Salim	Lim Hock San
The general statutory disclosures of the Directors are as follows:		
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Axton Salim	Lim Hock San
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

Name of Director	Foo Ko Hing	Rivaie Rachman
Date of appointment	08 December 2004	08 December 2004
Date of last re-appointment	30 April 2018	30 April 2019
Age	64	87
Country of principal residence	Singapore	Indonesia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Foo as an Non-Executive and Independent Director, Chairman of Remuneration Committee and a member of ARMC and Nominating Committee at the AGM 2021 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Foo's contributions, qualification, expertise and past experiences.	The re-election of Mr Rachman as an Non-Executive and Independent Director, Chairman of Nominating Committee and a member of ARMC and Remuneration Committee at the AGM 2021 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Rachman's contributions, qualification, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	No, the appointment is non-executive	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chairman of Remuneration Committee – Member of ARMC – Member of Nominating Committee	– Chairman of Nominating Committee – Member of ARMC – Member of Remuneration Committee
Professional qualifications	BA Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, United Kingdom.	

Name of Director	Foo Ko Hing	Rivaie Rachman
Working experience and occupation(s) during the past 10 years	Mr Foo has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the private equity investment and capital markets. He has been with the Group since 2004.	Mr Rachman is presently the Independent Director of Riau Development Bank and Surya Dumai Palmoil Plantation & Industry Group in Indonesia. He was the Head of several Riau Government board for over 20 years.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – None • **Present:** – Amara Holdings Ltd – Cerealtech Pte Ltd	• **Past (for the last 5 years)** – None • **Present:** – Riau Development Bank and Surya Dumai Palmoil Plantation & Industry Group in Indonesia.
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Foo Ko Hing	Rivaie Rachman
The general statutory disclosures of the Directors are as follows:		
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Director	Foo Ko Hing	Rivaie Rachman
The general statutory disclosures of the Directors are as follows:		
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Foo Ko Hing	Rivaie Rachman
The general statutory disclosures of the Directors are as follows:		
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

Name of Director	Eugene Cho Park	Dr Tan Chin Nam
Date of appointment	01 February 2006	25 May 2009
Date of last re-appointment	30 April 2018	30 April 2018
Age	61	71
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Park as an Executive Director of the company at AGM 2021 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Park's contributions, qualifications, expertise and past experiences.	The re-election of Dr Tan as a Non-Executive Director of the Company at the AGM 2021 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Tan's contributions, qualifications, expertise and past experiences.
Whether appointment is executive, if so, the area of responsibility	Yes, he is responsible for the overall management of the Group.	No, the appointment is non-executive
Job title (e.g. Lead ID, ARMC, Chairman, ARMC Member, etc.)	– Chief Executive Officer	– Nil
Professional qualifications	Bachelor of Arts (Chemistry) from Princeton University in the United States of America and a Master of Business Administration from INSEAD in France.	Degrees in industrial engineering and economics from the University of Newcastle, Australia and an MBA from University of Bradford, UK. He also holds two honorary doctorate degrees awarded by both universities. He attended an Advanced Management Programme at Harvard Business School and is an Eisenhower Fellow.
Working experience and occupation(s) during the past 10 years	Mr Park has spent more than 15 years as an investment banker with Credit Suisse First Boston in London, Chase Manhattan Asia Ltd in Hong Kong and Banque Paribas in Singapore. He has been with the Group since 2006.	Dr Tan had 33 years of distinguished service in Singapore Public Service holding various key appointments before completing his term as a Permanent Secretary in 2007. He is Senior Adviser of the Salim Group. He is also Adviser of Eight Inc. as well as Member of the Centre for Liveable Cities Distinguished Advisers Panel, the BankInter Foundation for Innovation Board of Trustees (Spain), and the Singapore Symphony Orchestra Council.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 200,000 shares, 0.0037%	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	None	None
Conflict of interests (including any competing business)	None	None

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Eugene Cho Park	Dr Tan Chin Nam
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (listing Rule 704(7))	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years)** – PT Multistrada Arah Sarana Tbk • **Present:** – Subsidiaries of Gallant Venture Group – PT Citatah Tbk – PVP XVIII Pte Ltd – Echo Holdings Pte Ltd – GDM Resources Pte Ltd – Great Resources Pte Ltd – Xin Yuan Investments Pte Ltd	• **Past (for the last 5 years)** – Yeo Hiap Seng Ltd – Raffles Education Corporation Ltd – Temasek Management Services Pte Ltd • **Present:** – Global Fusion Capital Pte Ltd
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

Name of Director	Eugene Cho Park	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(d) Whether there is any unsatisfied judgement against him?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS

Name of Director	Eugene Cho Park	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(h) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Name of Director	Eugene Cho Park	Dr Tan Chin Nam
The general statutory disclosures of the Directors are as follows:		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable	Not applicable
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

GROUP STRUCTURE

SUBSIDIARIES

- 100% **PT Batamindo Investment Cakrawala** Indonesia
- 100% **PT Bintan Inti Industrial Estate** Indonesia
- 100% **Bintan Resorts International Pte Ltd** Singapore
- 100% **Batamindo Investment (S) Ltd** Singapore
- 100% **Bintan Power Pte Ltd** Singapore
- 100% **BU Holdings Pte Ltd** Singapore
- 100% **GV Airport Holdings Pte Ltd** Singapore
- 100% **GO Marine Offshore Investment Pte Ltd** Singapore
- 100% **GO Greenhouse Investments Pte Ltd** Singapore
- 100% **GO Cloud Data Center Pte Ltd** Singapore
- 100% **Verizon Resorts Limited** Malaysia
- 100% **PT Buana Megawisatama** Indonesia
- 100% **PT Surya Bangun Pertiwi** Indonesia
- 100% **PT Suakajaya Indowahana** Indonesia
- 100% **PT Taman Indah** Indonesia
- 100% **Lagoi Dreams Limited** British Virgin Islands
- 100% **Win Field Limited** British Virgin Islands
- 100% **Treasure Home Limited** British Virgin Islands
- 100% **Golf View Limited** Seychelles
- 100% **PT Gallant Lagoi Abadi** Indonesia
- 100% **PT Gallant Lagoi Berjaya** Indonesia
- 100% **PT Gallant Lagoi Cemerlang** Indonesia
- 100% **PT Gallant Lagoi Damai** Indonesia
- 100% **PT Gallant Lagoi Elok** Indonesia
- 100% **PT Gallant Lagoi Fenomena** Indonesia
- 100% **PT Gallant Lagoi Gemilang** Indonesia
- 100% **PT Gallant Lagoi Harmoni** Indonesia
- 100% **PT Gallant Lagoi Inti** Indonesia
- 100% **PT Gallant Lagoi Jaya** Indonesia
- 95% **PT Batam Bintan Telekomunikasi** Indonesia
- 90.74% **Bintan Resort Ferries Pte Ltd** Singapore
- 86.77% **PT Bintan Resort Cakrawala** Indonesia
- 77.5% **PT Batamindo Executive Village** Indonesia

ASSOCIATES

- 49.49% **PT Indomobil Sukses Internasional Tbk** Indonesia
- 36% **Batamindo Carriers Pte Ltd** Singapore
- 33.33% **PT Bintan Aviation Investments** Indonesia
- 30% **PT Soxal Batamindo Industrial Gases** Indonesia
- 30% **PT Persada Hijau Permai** Indonesia
- 30% **PT Persada Hijau Cemerlang** Indonesia
- 26% **BOMC Pte Ltd** Singapore

CORPORATE DIRECTORY

COMPANY REGISTRATION NUMBER
200303179Z

REGISTERED OFFICE
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

DIRECTORS
LIM HOCK SAN
(Non-Executive Chairman and Independent Director)

EUGENE CHO PARK
(Executive Director and Chief Executive Officer)

GIANTO GUNARA
(Executive Director and Chief Operating Officer)

CHOO KOK KIONG
(Executive Director and Chief Financial Officer)

DR TAN CHIN NAM
(Non-Executive Director)

AXTON SALIM
(Non-Executive Director)

FOO KO HING
(Non-Executive and Independent Director)

RIVAIE RACHMAN
(Non-Executive and Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE
LIM HOCK SAN (Chairman)
FOO KO HING
RIVAIE RACHMAN

NOMINATING COMMITTEE
RIVAIE RACHMAN (Chairman)
LIM HOCK SAN
FOO KO HING

REMUNERATION COMMITTEE
FOO KO HING (Chairman)
LIM HOCK SAN
RIVAIE RACHMAN

COMPANY SECRETARY
CHOO KOK KIONG

SHARE REGISTRAR
KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721

PRINCIPAL BANKERS
United Overseas Bank Limited
Standard Chartered Bank Ltd
PT Bank Mandiri (Persero) Tbk, Singapore Branch
PT Bank CIMB Niaga Tbk
DBS Bank Ltd

INDEPENDENT AUDITOR
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: HO TEIK TIONG
(Since financial year ended 31 December 2018)

LETTER TO SHAREHOLDERS

Mr Eugene Cho Park
Executive Director and
Chief Executive Officer

Mr Lim Hock San
Non-Executive Chairman and
Independent Director

DEAR FELLOW SHAREHOLDERS

While the world is shifting around us, it may be useful to take a step back and remind ourselves of the fundamentals of Indonesia. Indonesia is the 4th largest country by population (273 million). The economy is the 16th largest based on nominal GDP (S$1.12 trillion) and 8th largest based on purchasing power parity adjusted GDP (S$3.34 trillion).

Over the last 20 years,

- Democracy has been well and truly established, with the advent of a more inclusive coalition style of governing
- The middle class and aspiring middle class are strong, grew in size from 49% of the population to over 70% (middle class 7% to 23%)
- The number of those below the poverty line has fallen from 19% to 9% of the population
- Unemployment has fallen from highs of over 8% in early 2000's to 4.84%
- The government's stepped removal of oil and electricity subsidies will help the sustainability of social welfare programs like universal health insurance and subsidized education
- Average life expectancy has increased from 65.65 years to 71.96 years
- Child mortality has dropped from 42.2 per thousand to 17.7

Along with these fundamental improvements, the country is following a similar path of many developed Asian economies by transitioning from a low-cost export driven focus to one more balanced among domestic consumption, higher value-add exports, as well as knowledge-based economy. While wage growth has dampened the benefits of basic labor-intensive manufacturing, Indonesia has been able to move up the value chain especially with its cooperation with Singapore for R&D, finance, and its world class transportation infrastructure. Furthermore, the value-add component for commodities has increased and should show benefits as we enter into the next commodity upcycle.

With regard to our company's competitive advantages, we believe our portfolio of businesses continues to be in excellent position to capture value from these macro-economic factors.

PT INDOMOBIL SUKSES INTERNASIONAL TBK ("PT IMAS")

The strong growth of the middle class has driven the growth in PT IMAS automotive segment. However, the capital-intensive nature of the business led us to review our majority stake in PT IMAS, and during the course of 2020 we did not participate in the capital raising exercise, thus diluting our stake to 49.49%. The resultant deconsolidation caused us to book a non-cash loss of S$595.7 million. Nevertheless, we believe the prospects of PT IMAS are strong, and we intend to continue to support our investment. Some significant highlights include adding new brand distributorships such as Jaguar/Land Rover to the strong portfolio of Nissan, Hino, etc, as well as continued excellent execution of the strategies in financing services, logistics and petrol retailing, in each of which has become significant or dominant players in relatively short timeframes.

UTILITIES

Our utilities business depends on the occupancy in our industrial parks and our resorts. While the industrial parks occupancy is strong, the reduced operations at the parks and in the resorts in the first part of the pandemic resulted in lower utilities revenues in 2020. Utilities revenues going forward will depend on the startup of our new tenants in the industrial parks in 2021 and the resorts coming back online. However longer term, the outlook is good with the high occupancy rates in the industrial parks and as such we have invested this year in additional capacity for our Batamindo Industrial Park.

INDUSTRIAL PARKS

Among industrial parks in Indonesia, our rental rates are among the highest, and yet we are hitting new records in terms of occupancy. The benefits of our fully integrated international standard services, plus our close cooperation with Singapore for R&D, finance and logistics, mean companies who are looking for higher value-add production sites outside China often choose our locations in Bintan and Batam. As a result of our full occupancy in Batam, we have added 40 hectares of land to our Batamindo Industrial Park, and we continue to make investments such as improving our power plants to ensure the provision of international standard of service to our tenants. Other initiatives, including hi-tech greenhouse facilities to provide high quality fresh vegetables, and an offshore marine services base to support Singapore's strength in the marine sector, show our continuing symbiotic relationship with Singapore. The growth of these higher value-add industries in our industrial parks show how Indonesia is moving up the value chain even with wage increases.

PROPERTY DEVELOPMENT

While some of the developments have been paused during the pandemic, most are continuing, although some at a slower pace. Nevertheless, we do expect at least 2 new hotels to open in 2022. In the meantime, we have used this slow period to carry out maintenance works and improve on the infrastructure in Bintan. We are also further exploring new "**development clusters**" within our masterplan with themes such as logistics, aerospace, agri-tech, medical tourism and new economy. We believe there is real demand for these clusters in the medium term from both international and domestic investors, and that they will add significant value to our landbanks.

RESORT OPERATIONS

Among our business segments, Resort Operations was most severely affected by the COVID-19 in 2020. International visitor arrivals to Bintan stopped after a strong January 2020, resulting in a drop in arrivals to 200,000 for 2020 versus 1.1 million in 2019. While we do not know how long this pandemic will continue, we have implemented best practices for checking and monitoring of arrivals, and we are working closely with both Indonesian and Singaporean governments to ensure a smooth and safe reopening of the borders. We have constructed our own COVID-19 testing facility with PCR as well as other latest testing technologies. In the meantime, domestic tourism has become more active, as it has in other large countries like the US and China. We are actively promoting Bintan as a new domestic destination and look forward to seeing results in the near future. Again, it is the growth of the Indonesian middle class that is driving domestic tourism.

Indonesia has made significant strides over the last 20 years to create a sustainable economic base for future growth – transitioning away from labor intensive low-grade manufacturing and natural resource exports to a more diversified economy. The democratic system seems robust, and the strong growth of the middle class and steps to improve social welfare seem to imply continuing stability.

Our company has mirrored this development, and while our company continues to be dependent on and driven by the macro economic trends in Indonesia and South-East Asia, we believe the strong developments in our industrial parks positions us to weather this pandemic. The continued development of the Indonesian economy bodes well for our automotive and resort segments. With the roll out of vaccines worldwide, perhaps we can imagine an end to this pandemic in the next 12-18 months. In addition, we see economic recovery in China, sustained increases in natural resource prices, and with the new government in the USA signaling a potential return to favorable global trade, we hope that we can see sustained increased economic activity in the near future.

Sincerely,

MR LIM HOCK SAN
Non-Executive Chairman
Independent Director

MR EUGENE CHO PARK
Chief Executive Officer
Executive Director

BUSINESS REVIEW

MACROECONOMIC ENVIRONMENT

The COVID-19 pandemic has disrupted global economy and severely impacted tourism related industries. Key global economies have plunged into recession as trade flows collapsed and global travel came to a halt. The resurgence of new COVID-19 cases in some countries has led to repeated lockdowns and further slowed down reopening of their economies. While the availability of vaccines and the subsequent rolling out of the vaccination programs in various countries have brought relief in global COVID-19 battle, it will still take some times to achieve herd immunity against the virus.

With the new US administration taking similar trade related stands against China, tension between world 2 largest economies remain. Several economies have shown strong recovery and trade flow gradually restored. As economies begin to re-open, we expect continued effort to relocate manufacturing facilities from China to South Asia so to hedge against any trade tension between China and the USA. Vietnam and Indonesia remain the key beneficiaries for these relocation activities.

Indonesia has recorded the highest COVID-19 cases and death toll in Southeast Asia and lockdowns have left many businesses crippled which battered the economy as a whole. Consequentially, Indonesia has entered into recession in 2020 with its economy suffered its first contraction since the Asian financial crisis of 1997-1998. The Indonesian government has taken several measures to respond to the COVID-19 crisis and efforts to revive its economy with implementation of reforms package, known as the Omnibus law. The Omnibus law is to boost foreign direct investment, spur business activities and drive employment that would provide impetus for economic growth. All this bodes well for the Group whose core businesses are tied closely to the country's development.

DILUTION OF PT INDOMOBIL SUKSES INTERNASIONAL TBK ("PT IMAS")

During the year, the Group's subsidiary PT IMAS announced the issuance of new shares with pre-emptive rights for a maximum number of 1,229,012,627 shares for, amongst other, business expansion. After careful consideration, the Group decided not to subscribe its right issue entitlements taking into account of its intention to preserve cash to better cope with the COVID-19 crisis, ongoing commitments to further develop and expand the industrial segments and PT IMAS's continued losses based on the Group's accounting standards and policies.

Consequentially, the Group's shareholding in PT IMAS was diluted from 71.49% to 49.49% and ceased to be the subsidiary of the Group but remains as an associated company. The Group booked a net loss of S$595.7 million on deconsolidation of PT IMAS. The Group believes that dilution in PT IMAS stake allows the Group to rebalance its portfolio:–

(i) Leverage on "***Batam-Bintan integrated master planner and developer***" and commit its resources to fuel growth in its core businesses namely, utilities, industrial parks, resort operations and property development in Batam and Bintan. The Group will continue to benefit from relocation of manufacturing facilities out of China as well as expected recovery in the tourism related segments;

(ii) Continue to share PT IMAS' longer term growth potential;

(iii) Potential increase in shareholders' value due to focused business proposition; and

(iv) Improve in Loss per share and gearing ratio.

Notwithstanding that PT IMAS ceased to be a subsidiary of the Group, it is still a substantial strategic investment for the Group. The Group is confident that PT IMAS will meet its future profit target and growth and will contribute positively to the Group with its integrated and resilient portfolio of businesses such as:–

(i) It is the sole distributor for leading large-size truck, HINO, which has more than 50% of market share in Indonesia as well as distribution Volvo trucks in the country;

(ii) It has deepened collaboration and partnership with Nissan for its flagship brand by increasing its stake in Nissan's distributor arm to 75% so to strength the Nissan brand name in the Indonesian automotive market, which will benefit its customers and business partners. Nissan will continue to build its brand in Indonesia with launch of various new products such as all-new Nissan Kicks e-Power and Nissan Leaf. The expansion in the number of Suzuki dealerships and being the sole distributor for KIA in Indonesia will further spur growth in the passenger vehicle segment;

(iii) It is one of Indonesia's largest multi finance companies, with significant exposure to commercial vehicles than its peers. Its car leasing company, Indorent is Indonesia's No.3 car leasing player and has been relatively stable business through the pandemic period;

(iv) It has also significantly expanded its trucking & logistics business under a partnership with Seino Holdings which has more than 5,000 trucks in its fleet, servicing major FMCG clients; and

(v) It is also pushing forward with its mini petrol kiosk business across Indonesia with Exxon Mobil and Federal Oil Lubricants to service motorcycle drivers. Currently, it has 500 stations with a target of 700 micro-stations in the near term.

FINANCIAL HIGHLIGHTS

The Group reported a net loss attributable to the equity holder of the Company of S$59.1 million in FY2020 as compared to FY2019's S$52.4 million from the continuing business operations. Excluding the share of PT IMAS's post dilution results of S$20.6 million loss, the Group would have reported a net loss of S$38.5 million, an improvement of S$13.9 million as compared to a year ago. This translated to 27% improvement year-on-year despite the Group's revenue declined by S$35.3 million.

As a result of deconsolidation of PT IMAS results, the Group's net asset per share, decreased from 22.98 cents in FY2019 to FY2020's 14.97 cents, a decrease of 8.01 cents per share. The Group's basic and diluted net loss per share from the continuing business operations was 1.09 cents in FY2020 as compared to 0.98 cents in FY2019.

Despite reporting a significant loss this year, the Group's loss was largely confined to its resort segment impacted by the COVID-19 outbreak and the results from the discontinued operations. With the Group's diversified portfolio, especially its performing industrial parks and utilities segments have shown high degree of resilience amidst the pandemic. The Group will continue to ride on the growth momentum on these segments to create a sustainable growth while waiting for the recovery in the tourism industry after COVID-19.

UTILITIES

The power and water revenue from our industrial parks increased by 1% notwithstanding the consumption has yet to reach its targeted demand due to the delay in new expansion and several tenants yet to reach full production capacity. To meet the increasing demand for power in our Batamindo Industrial Park, we have added another 16MW power generating capacity, representing 15% of the installed capacity. This additional installation has improved the efficiency and resulted in cost saving by reducing LFO, gas and lubricant consumption. As our margin is affected by fluctuating gas price, the Group has implemented solar cell project in our industrial parks to supplement our power generating capacity. The Group will progressively rolling out solar power generation plant so to supplement our traditional power generation as part of our sustainability strategy and efforts. Utilities demand in the resort segment dropped drastically due to the temporary closure of hotels during the COVID-19 lockdown. The Group is expected to see improvement in the resort segment with resumption of more activities from the gradual reopening of tourism related activities once the travelling restrictions are lifted.

INDUSTRIAL PARKS

Our industrial parks have outperformed amidst the global pandemic. We have secured new lease of 44,912 sqm in Batam ("**BIP**") and 66,104 sqm (including lease of 59,000 sqm of land) in Bintan ("**BIE**"). BIP has achieved full occupancy and currently the park is pursing expansion plan. It is currently constructing 4 new factories, totalling 11,680 sqm of new lettable factory space, and is expected to hand over to the tenant by late 2021. Negotiations are also on-going with 2 potential tenants to build another 124,000 sqm of new factory space for their expansion in the park. In view of the strong demand for industrial spaces from both our existing and potential new tenants, the Group has acquired 40 ha of land, adjacent to BIP, to cater for future industrial space requirements. Although our BIE's performance is lagging behind BIP's, demand for factory spaces and industrial lands has increased steadily over the past years. In May 2020, we have handed over 5.9 ha of land to Bintan Offshore Marine Centre ("**BOMC**") for their 2nd phase development for setting up a spool base facility for fabrication of undersea pipeline. At the same time, BOMC is preparing to move towards its 3rd phase development for decommissioning, long term storage, fabrication and offshore manufacturing. The Group has acquired 26% stake in BOMC as an extension to our Industrial Park business. We have rolled out several initiatives to accelerate BIE's growth:–

(i) Update the industrial estate status (including BIP) to accommodate a more diverse tenant base including maritime, medium industries, agriculture, food related and fishery;

(ii) To provide warehouse space by collaborating with third-party logistic companies to store their mid to long term goods and to cater for growth in the e-commerce fulfillment needs in this region;

(iii) To gain foothold in the food innovation hub by working with investors to set up:–

- High tech greenhouse farms to grow and supply vegetables to Singapore
- Integrated coconut processing factory and de-husking facility

- High tech farming to grow and supply mushrooms to region

(iv) To leverage on the nearby future Bintan Resort International Airport and Aerospace Park to bring in aviation related industries to set up their facilities in BIE.

The Group is confident that BIE will become a major player in attracting offshore marine, food processing and aviation related industries in years to come.

The Indonesian government has established a special task force to attract companies whose supply chains has been disrupted by the pandemics and the trade war between China and the US. The Group is working closely with stakeholders to promote relocation or co-location of manufacturing facilities from China to Bintan, Indonesia. So far, Indonesia has succeeded in attracting several international conglomerates to relocate their facilities to Indonesia. This initiative will benefit the Group's industrial parks in Batam and Bintan.

PROPERTY DEVELOPMENT

Construction of hotels and resorts were delayed due to extended movement restriction that impacted the pace of construction and movement of construction materials. The Group is hopeful that the dual-branded Holiday Inn and Hotel Indigo, 9.2 ha beachfront hotels in the Lagoi Bay area, that provide new midscale and upscale accommodation with multiple dining options will open as plan by mid-2022. The new opening will be a boost with expected recovery of tourism related activities. Although investors have adopted a cautious stance for new tourism investments in the current distressed global travel and tourism landscape, the Group believes that the investors will still find Indonesian hotel projects attractive and Indonesia's tourism segment remains strong, the government's continued efforts to welcome foreign investments and further supported by a significant domestic-tourism market.

During this COVID-19 period, the Group has:–

(i) Provide in-house services such as soil test works, topographic survey and interior design works;

(ii) Master planning of new hotel clusters and land preparation for the upcoming Agro Techno park, collaboration between the Group and Obayashi; and

(iii) Continue maintenance of our critical infrastructures in the Lagoi Bay Village.

RESORT OPERATIONS

Tourist arrival to Bintan Resorts and our ferry ridership took a significant hit as a result of COVID-19 pandemic. Tourist arrival plummeted by 82% from record high of 1,094,442 in 2019 to 202,563 in 2020. Our ferry ridership was trending favourably in January, 31% increase comparing to the previous period and was then severely impacted by travel restrictions due to outbreak of COVID-19 in late January 2020. The subsequent global outbreak of COVID-19 virus has resulted in extended travel lockdown and closure of hotels causing our ferry ridership to reduce by 87% YoY. We continue to run weekly ferry services between Singapore and Bintan so to facilitate essential travel. Our priority is the health and safety of our passengers and employees and we strictly adhere to the travel advisories, safe management measures and health protocol based on national and international policies. Our staff at terminal and on board are working hard to adjust to the changing circumstances and to implement protocols and procedures to keep everyone safe and healthy.

We took pro-active steps to manage the COVID-19 situation in our Bintan Resorts. We have formed a COVID-19 Task Force which consists of representatives from each hotel. The Task Force's function is to ensure the health protocol is implemented effectively in every hotel, attraction and other public facilities. The Task Force is also actively communicating and coordinating with the various government agencies so to ensure all health protocols are in accordance with local government regulations. During this period, the Task Force has:–

(i) Develop Bintan Resorts roadmap on health protocol, checklist and new normal protocol hand book and QR code contact tracing application;

(ii) Produce a series of short videos on COVID-19 protocol and publish in social media;

(iii) Certify Bintan Resorts for Cleanliness, Health, Safety, and Environmental Sustainability ("**CHSE**") health protocol. This certification is from the Indonesia Ministry of Tourism & Economy Creative certifying that health protocol is well implemented and its readiness to welcome international tourist under the strict health protocol; and

(iv) Install PCR machines in various entry points and construct of PCR laboratory.

While the recovery for international travel will take some time, we have undertaken the following strategies to revive Bintan Resorts in the short run:–

(i) Promote domestic tourism by:–

- Working with hotels to generate attractive domestic package such as special deals for KTP or KITAS holders, exclusive golf deals and membership for local and "***Buy Now Stay Later***" promotion;
- Promotion & marketing in local advertisement (Media, TV, Radio, Social Media); and
- Leading MICE packages targeting government institution as well as corporate market and partnership with Garuda Airlines in creating bundled MICE and staycation package for domestic market.

(ii) Working on a plan to establish travel bubble including leisure travel between Singapore and Bintan, Indonesia.

COVID-19 has a devastating impact on the tourism and hotel industry. To maintain engagement and keep morale up for our people especially those working in the resorts during these difficult times, the Group produced a music video "***Together We Care***" and posted in various social media to remind each other to stay hopeful and positive and look forward to winning this fight and welcome tourists back to visit Bintan Resorts very soon.

The new Bintan Resorts International Airport will be a positive disruptor, capturing demand from a wider market and attracting new investment opportunities that the increased connectivity brings. We will continue to strengthen Bintan Resorts's value proposition as a tourism destination as it is more important than ever to build confidence in tourism and boost our destination attractiveness so that we can ride on the recovery for strong growth in the post COVID-19 era.

GOING FORWARD

While the global effort to rollout the vaccination programs and progressive recovery in major economies, the Group will continue in its efforts to (a) actively manage its cash and debt portfolio, (b) innovate the industrial parks and drive tourism and investment into Bintan, (c) invest in renewable sources for our power generation, and (d) focus on long-term earnings growth and a strong balance sheet.

FINANCIAL HIGHLIGHTS

	FY2020	FY2019 (Restated)
INCOME STATEMENT(IN S$ MILLION)		
Revenue	**138.2**	173.5
Gross profit	**24.4**	33.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**5.0**	35.8
Loss from continuing operations before tax	**(49.1)**	(40.4)
Loss attributable to equity holders of the Company	**(687.4)**	(222.0)
– from continuing operation	**(59.1)**	(52.4)
– from discontinued operation	**(628.4)**	(169.6)
STATEMENT OF FINANCIAL POSITION (IN S$ MILLION)		
Total assets	**1,391.3**	5,569.0
Total liabilities	**565.7**	4,049.9
Total equity	**825.6**	1,519.1
Equity attributable to equity holders of the Company	**812.1**	1,246.5
Total debt	**347.8**	3,291.2
Total cash and cash equivalents	**106.8**	230.5
SEGMENT (IN S$ MILLION)		
Revenue		
– Utilities	**97.6**	104.5
– Industrial Parks	**35.1**	37.7
– Resort Operations	**5.5**	31.2
– Property Development	**n.m.**[1]	0.1
EBITDA		
– Utilities	**34.6**	34.4
– Industrial Parks	**17.7**	19.6
– Resort Operations	**(10.9)**	2.0
– Property Development	**(9.6)**	(11.6)
– Corporate	**(26.8)**	(8.6)
PER SHARE DATA (IN CENTS)		
Loss per share		
– from continuing and discontinued operations	**(12.67)**	(4.15)
– from continuing operations	**(1.09)**	(0.98)
Net asset value per share	**14.97**	22.98
OTHER FINANCIAL INFORMATION		
Current ratio (no. of times)	**1.6**	1.1
EBITDA margin (%)	**3.6%**	20.6%
Return of equity (%)	**-7.3%**	-17.8%
Return of assets (%)	**-4.2%**	-4.0%
Gross debt to equity ratio (no. of times)	**0.4**	2.6
Net debt to equity ratio (no. of times)	**0.3**	2.5

[1] "n.m." denotes not meaningful

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group revenue was S$138.2 million, 20% lower than FY2019's S$173.5 million and was mainly due to lower utilities revenue in the resort segment, ferry services and tourism related services as a result of COVID-19 outbreak and consequential travel restrictions imposed by regional countries but this was partially mitigated by higher revenue from the industrial parks segment as result of improved occupancy and rental rates.

In line with the decreased revenue, the Group's cost of sales decreased from S$139.9 million in FY2019 to FY2020's S$113.8 million. The Group's cost of sales to revenue ratio was 0.82 in FY2020 as compared to 0.81 in FY2019. In line with lower revenue, the Group's gross profit decreased from S$33.6 million in FY2019 to S$24.4 million in FY2020.

The Group's "other income" was S$10.5 million as compared to S$0.5 million in FY2019 and was mainly due to government grant received under the Jobs Support Scheme and one-time insurance claims of S$3.9 million from damaged power generator.

The Group's "general and administrative expenses" was S$18.2 million comparable to FY 2019's S$18.2. The Group's "other operating expenses" was S$24.3 million as compared to FY 2019's S$26.2 million and was mainly due to lower repairs and maintenance, marketing and rental expenses.

The Group's FY2020 "share of associate companies' results was S$19.6 million loss as compared to FY2019's S$0.2 million profit and mainly due to equity accounting of S$20.6 million loss for the Group's 49.49% share of PT IMAS' results after deconsolidation.

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

The Group reported a net loss from continuing operations attributable to equity holder of the Company of S$59.1 million as compared to FY2019's S$52.4 million. Excluding the share of PT IMAS's loss after deconsolidation, the net loss would have been S$38.5 million, 27% lower than FY2019. Including loss from discontinued operations, the Group reported a net loss attributable to equity holder of the Company of S$687.4 million as compared to FY2019's S$222.0 million.

The Group's EBITDA from continuing operations was S$5.0 million and including discontinued operations, was -S$552.0 million as compared to 2019's S$35.8 and S$73.7 million respectively. The Group's basic and diluted net loss per share was 1.09 cents per share for continuing operations and 12.67 cents per share including discontinued operations for the year under review.

SEGMENTAL FINANCIAL PERFORMANCE

UTILITIES

Revenue decreased from S$104.5 million in FY2019 to S$97.6 million in FY2020 mainly due to lower utilities consumption in Bintan Resorts. Profit increased from S$13.4 million to S$14.8 million and was mainly due to lower operating expenses and one-time insurance claim of S$3.9 million from damaged power generator in FY2020. EBITDA contribution was S$34.6 million as compared to S$34.4 million in FY2019.

INDUSTRIAL PARKS

Revenue decreased from S$37.7 million in FY2019 to S$35.1 million in FY2020 and was mainly due to absence of revenue from the sales of housing project in and lower golf revenue in Batam but was substantially mitigated by higher factory rental and related income as a result of higher occupancy in the industrial parks. The segment reported a net loss of S$0.6 million in FY2020 as compared to $10.7 million net loss in FY2019 mainly due to lower depreciation and operating expenses. EBITDA contribution was S$17.7 as compared to S$19.6 million in FY2019.

PROPERTY DEVELOPMENT

The segment reported a net loss of S$14.1 million in FY2020 as compared to S$15.1 million in FY2019 mainly due to lower operating expenses and foreign exchange gain. EBITDA contribution was -S$9.6 million as compared to -S$11.6 million in FY2019.

RESORT OPERATIONS

Revenue decreased significantly from S$31.2 million in FY2019 to S$5.5 million in FY2020 and was mainly due to decline in the ferry services and resort related services as a result of COVID-19 pandemic and consequential travel restrictions imposed in the region. Ferry services and passenger loads had decreased by 86% and 87% respectively. The segment's net loss increased significantly from S$5.1 million in FY2019 to S$17.2 million in FY2020 due to the drop in revenue as aforementioned. EBITDA contribution was -S$10.9 as compared to S$2.0 million in FY2019.

FINANCIAL REVIEW

FINANCIAL POSITION

The Group's total assets as at 31 December 2020 were S$1,391.3 million as compared to S$5,569.0 million in the previous year and mainly due to the deconsolidation of PT IMAS. Comparing with the adjusted total assets(1) of S$1,054.1 million as at 31 December 2019, the increase was mainly due to investment in BOMC Pte Ltd for 26% and equity accounting of PT IMAS after the Group's shareholding was diluted from 71.49% to 49.49% but partially offset by lower property, plant and equipment and investment properties due to depreciation.

The Group's total liabilities of S$565.7 million were S$3,484.2 million lower than the previous year and mainly due to deconsolidation of PT IMAS. Comparing with the adjusted total liabilities(1) of S$534.5 million as at 31 December 2019, the increase was mainly due to deposits/advance payments received for expansion of factory building, development of high tech agriculture projects, among others, in the Group's industrial parks. The Group's debts as at 31 December 2020 were S$347.8 million.

The Group's Net Asset Value ("**NAV**") per share as at 31 December 2020 was 14.97 cents.

CASH FLOWS

The Group's net cash inflow from operating activities was S$38.3 as compared to S$32.2 million used in the previous period. The Group generated cash from operating activities of S$177.3 million which was used to finance the payment of income tax and interest.

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

The Group had net cash inflow of S$128.1 million from financing activities as compared to S$425.2 million in the previous period and was mainly due to lower proceeds from the borrowings.

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

(1) The total assets and total liabilities were adjusted assuming the deconsolidation of PT IMAS had happened by 31 December 2019

GALLANT VENTURE LIMITED

SUSTAINABILITY REPORT

2020

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SUSTAINABILITY REPORT

BOARD STATEMENT

GRI 102-14

The Board of Directors of Gallant Venture Ltd. ("**Gallant Venture**" or the "**Group**") is pleased to present our Sustainability Report for the financial year ended 31 December 2020 ("**FY2020**"). This report aims to provide insights into the Group's policies, practices and operational performance relating to material sustainability issues that are identified important by the Group as well as the targets the Group aims to achieve.

We reaffirm our commitment to sustainability practices to conduct our business in a manner that ensures sustainable growth and brings long-term value to our shareholders while taking into account the interests of our material stakeholders.

The Board is dedicated to protecting the interest of our stakeholders through prudent management of our environment, social and economic performance by integrating sustainability issues as part of our strategic formulation and to align sustainability initiatives with our business objectives and plans. We will continue to monitor, review and update our material sustainability issues from time to time from the feedback we receive from the engagement with our stakeholders as well as organisational and external changes.

This year, the Group has deconsolidated its automotive segment as a result of its shareholding in PT Indomobil Sukses Internasional Tbk ("**PT IMAS**") being diluted from 71.49% to 49.49% due to the Group's decision not to participate in the right issue of PT IMAS. Given the deconsolidation of PT IMAS, the Group took this opportunity to reassess our material sustainability aspects so that our report is more streamlined and focused in our approach for addressing the key sustainability issues.

Although the outbreak of COVID-19 pandemic has affected our people and our business in the resort operations segment, we will continue to stay focus and uphold our commitment to integrate sustainability in our business to make positive social, ethical and environment impacts.

On behalf of the Board and the Management of Gallant Venture, we would like to thank our shareholders, customers, employees and various stakeholders for their continued support throughout our sustainability journey. We look forward to our vision of building a sustainable future with you.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

GRI 102-46 | 102-52 | 102-53 | 102-54 | 102-56

Our fourth annual sustainability report has been prepared in accordance with the internationally-recognised reporting framework, Global Reporting Initiative Standards: Core option and is aligned with the Sustainability Reporting Guide as set out in the SGX-ST Mainboard Listing Rule 711(B) of the Listing Manual of the SGX-ST. For the full list of GRI references and disclosures used in this report, please refer to the GRI Content Index found on pages 60 to 61.

We have defined the scope and topic boundaries of this report to provide the most valuable and relevant information to our stakeholders.

The Group had ceased reporting on the automotive business segment in 2020 on the deconsolidation of PT IMAS as the result of the Group's shareholding in PT IMAS being diluted from 71.49% to 49.49%. The Group has reassessed its material aspects of works and has decided to add resort operations segment after taking into consideration of its growth and future contribution to the Group and also the Group's strong commitment to develop Bintan Resorts into world-class tropical island resort destination. As such, the specific disclosures of this report cover the sustainability performance of the Group's industrial park, utilities and resort operations segments for FY2020 unless otherwise stated. The general disclosure in the report covers the entirety of our business operations.

The report content has been defined and guided by the four GRI Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context, and Completeness. Through analysis of our stakeholder engagement and peer benchmarking outcomes, we have identified the key sustainability aspects most material to Gallant Venture.

The Group has not sought external independent assurance for this annual sustainability report. However, the reliability and credibility of the information obtained throughout the reporting process are assured by strict internal controls in place. The report has undergone internal reviews by the Sustainability Reporting Committee ("**SRC**" or the "**Committee**") and external consultants.

As we are continuously looking to improve sustainability of our business, we welcome all constructive feedback to help us to improve our sustainability practices. Please send your feedback or comments to gallant@gallantventure.com.

SUSTAINABILITY REPORT

SUSTAINABILITY AT THE GROUP

GRI 102-11 | 102-12 | 102-16 | 102-18

Our core sustainability philosophy and business ethics are reflected in our vision to '***Create growth and build value***' and mission to '***Leverage on our resources to create growth and deliver long-term value for our stakeholders***'.

A formalised sustainability structure for governance has been put in place with the Board and members of our senior management leading the business sustainability to ensure the long-term resilience of our operations. We aim to achieve organisational growth by providing guidance and implementing effective controls to assess and manage risks, and investing in opportunities.

The Board has assigned the monitoring and overseeing of environmental, social and economic performance to the Committee. The Committee is chaired by the Executive Director/Chief Financial Officer ("**CFO**") who reports to the Board. The Committee includes senior management representatives from the respective business segments. Together, the Committee considers sustainability issues an integral part of the Group's strategy development, oversee the identification, and manage risks and opportunities relating to the issues most material to our business.

The Committee is tasked to oversee our sustainability performance and initiatives. The committee is responsible for evaluating and assessing the material environment, social and governance aspects of our business operations and provides progress update on the performance and recommendations to the Board to improve the sustainability of the business. With the dedicated efforts of our committed members, we have been able to establish and implement measures to mitigate risks and environmental impacts of our business.

In addition, we conduct our business in a most ethical and transparent manners in accordance to the 2018 Code of Corporate Governance ("**Code**"), which is aligned with the highest standards of corporate governance. We apply the 13 Principles of the Code and maintain good governance practices through accountability, transparency, and sustainability. This helps the Board to ensure that the best interests of the stakeholders are served while achieving continuous and long lasting sustainable business performance.

The Group's risk management strategy also aligns closely with the Precautionary Principle approach. To stay true to our mission in creating long-term value, we are committed to minimise the environmental impact of our business and create a positive social impact for the communities in which we operate. Our goals have been developed by taking guidance and aligning with the precautionary approach that was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'.

We take pride in the quality of our operations and this is why we also position our business operations and practices in line with other international and national standards. For example, our Batamindo Industrial Park was the first industrial park in the Asia-Pacific that has been certified ISO 9001 and ISO 14001. This certification hallmarks a manufacturing site that is efficient, cost-effective, and environmentally friendly. ISO is an independent, non-governmental international organisation with a membership of 161 national standards bodies. The members bring together experts to share knowledge and develop voluntary, consensus based, market-relevant International Standards that support innovation and provide solutions to global challenges. ISO 9001 specifies requirements for organisational quality management systems while ISO 14001 specifies requirements for environmental management systems (EMSs).

In our ongoing effort to align our sustainability reporting with international initiatives, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development ("**2030 Agenda**") which was adopted by all United Nations Member States in 2015 to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. The 2030 Agenda consists a set 17 Sustainable Development Goals ("**SDGs**"). The SDGs are blueprint to achieve a better and more sustainable future for all for addressing global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. We have aligned and incorporated the SDGs where appropriate, as part of our sustainability framework and strategy.

SUSTAINABILITY REPORT

SUPPLY CHAIN
GRI 102-9

Our supply chain of 222 suppliers spans mainly across Singapore, Indonesia, Malaysia, Germany, United Kingdom and United States which approximately 86% of suppliers are based in Indonesia.

Our operations require significant products and services related to the operational activities as the master developer and operator of our industrial parks and resorts. For the operation of our businesses, we require skilled workforces such as technicians, supply of fuel, equipment, components, materials, vehicles and professional services from external consultants. For our development activities, we would request various bankers, consultants, contractors, and equipment suppliers to outsource engineering and construction activities. As part of our sustainability strategy, our major suppliers, such as providers of maintenance services, equipment and fuels are evaluated at least once a year by the procurement department and ad hoc visits to our supplier's sites as part of the evaluation. This is to ensure that our suppliers meet our requirement for quality and its sustainability practices.

We are committed to ensure that our supply chains are sourced responsibly and we work with suppliers who demonstrate respect for people and environment. We seek to bring long-term stability to both our supply chains and to the communities from which we source. We believe by working closely with our suppliers, we can lessen our environmental and social impact and position ourselves for strong growth.

SUSTAINABILITY REPORT

MEMBERSHIP OF ASSOCIATION

GRI 102-13

NATAS
NATIONAL ASSOCIATION OF TRAVEL AGENTS SINGAPORE

"As an industry-led organisation, NATAS represents the Singapore travel agency community that commands 80% of the total market share. Acting as the voice of the industry, NATAS strives to ensure the sustained and continued development of travel agencies while supporting and spearheading education and training."[1]

https://www.natas.travel/site/about?id=2

SINGAPORE BUSINESS FEDERATION Apex Business Chamber | SBF BUSINESS INTERNATIONAL

"The Singapore Business Federation (SBF) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations. It represents 25,800 companies, as well as key local and foreign business chambers."

http://www.sbf.org.sg/about-us/overview-about-us

French Chamber Singapore

"One of the most active Chambers in Asia, the French Chamber is a private association that promotes mutually beneficial trade relations between Singapore & France."

https://www.fccsingapore.com/

SNEF
SINGAPORE NATIONAL EMPLOYERS FEDERATION
Responsible Employers, Sustainable Business

"Singapore National Employers Federation has a vision of 'Responsible Employers, Sustainable Business' and aims "to advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices."

https://snef.org.sg/about-us/our-vision-mission/

AmChan
SINGAPOR

"American Chamber of Commerce in Singapore (AmCham) provide the information and facilitate the access and connections that give members insight into the local, regional, and global operating environment, enhance their professional capabilities, and enable them to make well-informed business decisions. The mission of AmCham is to create value for its members by providing advocacy, business insights, and connections."

https://amcham.com.sg/

AHK
Singaporean-German Chambe
of Industry and Commerce
Deutsch-Singapurische
Industrie- und Handelskammer

"The Singaporean-German Chamber of Industry and Commerce (SGC) was established in 2004. The SGC has been tasked to promote bilateral Germany-Singapore trade, advise German and Singaporean companies on investment and market opportunities in Singapore and Germany, respectively, and to assist these companies in developing international business contacts."

https://www.sgc.org.sg/

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1 Our NATAS membership has ended as of January 2021

SUSTAINABILITY REPORT

AWARDS AND RECOGNITION

AGODA CUSTOMER REVIEW AWARDS 2020

TRIPADVISOR 2020 TRAVELLERS' CHOICE WINNER

HOTEL.COM WINNER 2020 OF LOVED BY GUESTS AWARD

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

GRI 102-40 | 102-42 | 102-43 | 102-44

Gallant Venture recognises the importance of integrating the inputs and feedbacks of our stakeholders in our sustainability strategy. In order to draw valuable insights and understand the needs of different stakeholder groups, the Committee determines key stakeholder groups based on extent of which they can affect or are affected by our operations for each material factor we have identified.

The stakeholder engagement exercise is conducted regularly to gather the feedback from identified stakeholder groups. We incorporate their feedback into our long-term business strategy. We will continue looking for ways to improve the stakeholder engagement process and strengthen our relationship.

We engage our key stakeholders regularly to understand and address their concerns and expectations through the following channels:

Stakeholder	Areas of Concern	Engagement Channels	Frequency of Engagement
Investors/ Shareholders	• Company's performance • Profitability and return • Growth and long term value	• Annual General Meetings • Annual report and announcements via SGXNet • Investors meeting • Corporate website • Press releases/Media interviews	Annually Half yearly Ongoing basis
Suppliers	• Ethical business practices • Procurement Practices • Compliance with terms and conditions of business contracts	• Regular meeting • Suppliers evaluation exercises • Routine notices/email updates • Corporate events	Ongoing basis
Customers	• Quality and safety of our services • Customer data protection and privacy	• Regular site visits • Face-to-face meetings and phone calls • Routine notices/email updates • Corporate events	Ongoing basis
Government/ Regulators	• Compliance with laws and regulations • Corporate governance practices	• Attend conferences/seminars on new regulatory requirements held by relevant government agencies • Participation in government initiatives • Annual report	As and when required
Communities	• Environmental and social impacts • Ethical business conduct	• Corporate social responsibilities initiatives/ programs	Ongoing basis
Employees	• Career progression • Benefits and remuneration • Fair employment practices	• Annual performance reviews • Dialogue sessions within internal departments • Company gathering/team bonding activities	Annually Ongoing basis

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

GRI 102-47 | 103-1

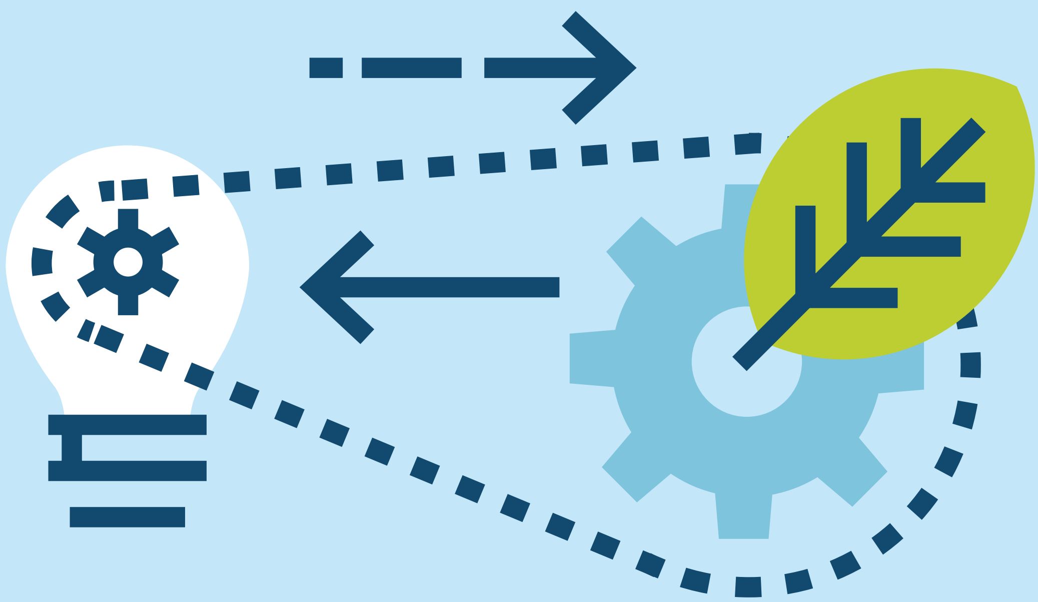
Our materiality assessment strategy has been conducted in accordance with the GRI Reporting Principles. This report covers the identified material factors and respective topic boundaries identified through the materiality assessment.

We integrate Stakeholder Inclusiveness into our business to accurately identify and address the concerns of all our key stakeholders. Once the concerns are identified, we prioritise the selected specific indicators based on the Sustainability Context of our operations. We integrate these considerations to ensure that sustainability issues are given clear emphasis and direction in business management. We closely adhere to the principles of Materiality and Completeness to ensure the relevance and accuracy of the shared information.

We have identified the sustainability issues most material to our business and stakeholder with the assistance of external consultant and the involvement of the Group's senior management. This has allowed us to formulate strategies and implement initiatives to utilise our resources in the most efficient and cost effective manner.

Presented below are list of material factors identified based on importance to our external stakeholders for our Group and are covered in details in this report.

Economic	Environmental	Social
• Economic Performance[2] • Anti-corruption	• Compliance • Energy • Emissions • Water	• Employment • Training and Education • Community Engagement



2 Economic Performance is detailed in pages 34 to 36 of this annual report

SUSTAINABILITY REPORT

ECONOMIC
ANTI-CORRUPTION
GRI 103-1 | 103-2 | 103-3 | 205-2

MANAGEMENT APPROACH

The Group is committed to carry out business with integrity and uphold ethical business practices at all times. As our operations spread across different regions, we are vulnerable to corruption cases. This issue has been highlighted during stakeholder engagement as one of the material aspects of economics. We have, therefore, implemented strong anti-corruption measures to minimise risks that could threaten the continuity of our business operations.

Our business in every country and region is conducted in compliance with the applicable anti-bribery and anti-corruption laws and regulations. We adopt a zero-tolerance policy against bribery, corruption, fraud, and other forms of unethical corporate actions. We have embedded within our business the Anti-Corruption Policy that is applicable to all employees of the Group, including Directors and Officers.

To prevent corruption and unethical behaviour, we have developed a comprehensive Anti-corruption policy that:

- Outlines the responsibilities of the Group and each employee to observe and uphold the Group's zero tolerance for corruption and bribery
- Informs and guides employees on how to recognise, address, resolve, avoid, and prevent instances of corruption and bribery that may arise in the course of their work
- Includes guidance and clarifications regarding ethical conduct, compliance with laws, anti-corruption, gifts and hospitality, and donations and contributions

This Anti-Corruption Policy does not and cannot reasonably cover every situation that an employee may face in the course of employment with the Group. If in doubt, employees are strongly encouraged to seek immediate guidance from their supervisors, the Human Resource Department, the Legal Department or, where appropriate, the Group's senior management.

This policy is subjected to regular review by the Group, and it may be revised periodically to reflect changes in the Group's procedures. The effectiveness of the policy is evaluated through the results of various preventive, detective, and responsive anti-corruption measures.

PREVENTIVE MEASURES	DETECTIVE MEASURES	RESPONSIVE MEASURES
Code of business conduct, employee code of conduct, conflict of interest policy, corporate gift policy, fraud risk assessments, employee, and third-party due diligence.	Whistle-blowing policy, forensic data analysis, compliance and monitoring, and pre-employment screening.	Fraud reporting procedures, fraud investigation procedures, and grievance handling procedures.

Our anti-corruption policies have been communicated to all employees and major business partners of Gallant Venture, across all regions, sectors and management/governance levels. All new hires are required to abide with our policies on joining the Group. In addition, the Group has tightened the controls over its procurement procedures to send strong messages to our suppliers about our determination to ensure ethical practice across our organisation.

PERFORMANCE

We are pleased to report that there have been no serious violations of our anti-corruption policies identified in FY2020.

SUSTAINABILITY REPORT

ENVIRONMENT

ENVIRONMENTAL COMPLIANCE

GRI 103-1 | 103-2 | 103-3 | 307-1

MANAGEMENT APPROACH

We take responsibility for the environment and aim to minimise the environmental damage when conducting our business. The Group is fully committed to comply with all applicable rules and regulations to reduce the negative impact on the environment.

In order to enhance our operational efficiency we have implemented practices to reduce water usage, energy consumption and waste generated. We have also put in place effective compliance control to improve efficiency, monitor operations and ensure compliance with mandatory standards.

We monitor the business activities of our customers and suppliers. It is our responsibility to create engagement opportunities that reflect our corporate values and accentuate the importance of complying with environmental regulations. We decline to support and work with customers and suppliers whose businesses could lead to negative impacts on the environment, such as causing extreme pollution and improper waste disposal.

At Gallant Venture, we inform all our employees to follow any changes to the applicable environmental regulations and requirements. We have implemented risk management measures to assess current and future regulatory framework. If and when we encounter any major issues, it is escalated to senior management who promptly advise on corrective and preventive actions.

We believe it is important for us to be involved in environment issues and take care of our environment by focusing on:

- Improving our environmental impact
- Increasing knowledge and awareness about the environment
- Communicating how we take responsibility for the environment
- Involving everyone and complying with laws as a minimum

PERFORMANCE

We are pleased to inform that we have achieved zero non-compliance with environmental laws and regulations for FY2020. We continue to target zero non-compliance with environmental laws and regulations for the upcoming financial year.

SUSTAINABILITY REPORT

ENVIRONMENT

ENERGY

GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3

MANAGEMENT APPROACH

Our concerns over the impact of climate change to our business have led us to assessing how our operations are contributing to the global issue.

Gallant Venture has identified improving energy efficiency as one of the key sustainability priorities. Energy consumption has been identified as a material issue by the Group and stakeholders, as power generation and supply is one of the Group's main business segments. As an energy provider, the Group is concerned about our footprint on the environment. Hence, it is our goal to optimise the use of limited energy resources and reduce the negative environmental impacts of all our operations.

The primary source of our energy consumption comes from power generation and internal energy usage in the form of electricity. Our electricity management strategy aims to:

- Create a balanced business portfolio that considers both the financial expectations of our stakeholders and our businesses' impact on the climate;
- Fulfil our duty to protect the environment and conserve resources, while providing competitive and reliable solutions for our stakeholders; and
- Improve energy efficiency through best practices and economically viable solutions.

To achieve the above goals, a sustainability performance measurement framework relevant to our core business has been implemented at the Group level to measure and monitor the performance efficiency.

We are always looking for ways to improve the Group's profitability by developing process optimisation strategies to create avenues for cost reductions. Our energy performance is regularly monitored through monthly reports to evaluate current performance, analyse gaps and establish achievable reduction targets.

Our ultimate aim is to achieve an efficiency of 80% in our power production process. When a significant deviation from the target is observed, it is flagged and escalated to senior management for prompt advice on corrective actions and remediation measures.

PERFORMANCE

The total energy consumption for internal use (excluding electricity sold) was 46,213,204 kWh in FY2020. It is derived from the calculation of our energy consumption from the transmission loss during power production, internal usage, and office electricity bill for the reporting period. Our non-renewable sources of energy include diesel and gas. The scope of our energy consumption is restricted to consumption within the organisation.

We disclose energy intensity as it is a better representation of our energy efficiency for a fair comparison year-on-year. Given the diverse nature of the business, we are using total revenue for the current financial year as metrics to present our energy intensity. The energy intensity for FY2020 is 0.335 kWh/S$.

While total energy consumption has decreased approximately 40%, the energy intensity has gone up. This was mainly due to the exclusion of automotive segment in FY2020 on the computation of the performance.

Energy consumption and intensity	2018[3]	2019[3]	2020[4]
Energy consumption (kWh)	71,743,495	77,601,575	**46,213,204**
Energy intensity (kWh/S$)	0.040	0.040	**0.335**

3 For industrial parks, utilities and automotive segments

4 For industrial parks, utilities and resort operations segments. Automotive segment was excluded from this sustainability report and replaced by resort operations segment as a result of deconsolidation of PT IMAS. As such the current performance is not comparable with the previous years

SUSTAINABILITY REPORT

ENVIRONMENT

EMISSIONS

GRI 103-1 | 103-2 | 103-3 | 305-1

MANAGEMENT APPROACH

A material environmental impact of our business operation is the emission of greenhouse gases ("**GHG**") from our energy consumption. We face the challenge of reducing carbon footprints from power generation while staying profitable.

To minimise GHG emissions, we continue to closely monitor and manage our emissions and leverage on emerging technologies that will improve energy efficiency. The imminent threat of climate crisis is now an established fact and its accelerating effects will inevitably impact business operations. This could be in the form of physical risks or transition risks such as rising fuel prices, new regulations and standards, and change in consumer preference.

There is also been an increasing demand from our stakeholders for greater transparency around our environmental performance. Therefore, as a corporate citizen, we take responsibility for our actions and are conscious of the impacts our business have on the environment. In this aspect, we continue to explore renewable fuel sources and have implemented solar cell project in our industrial parks so to reduce usage of non-renewable fuel sources. In addition, we are progressively rolling out solar power generation plant to supplement our traditional power generation. Our first solar farm was in partnership with our agritech tenant to provide green energy to their high tech agriculture farms as well as other industrial tenants in our Batamindo industrial Park.

Our GHG emissions are primarily driven by energy consumption. As such, the topic boundary and management approach of these two topics are same.

In the Scope 1 GHG emissions disclosure, the gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), with the total expressed in units of tonnes of carbon dioxide equivalent (tCO_2e). GHG emissions were calculated based on the Greenhouse Gas Protocol Standards based on operational control approach.[5]

Our GHG emissions target is to decrease emissions by 10% by 2022 (baseline 2017).

PERFORMANCE

GHG Emissions	2018[3]	2019[3]	2020[4&5]
GHG Emissions (Scope 1) (tCO_2e)	19,200	19,660	**12,367**

5 GHG emissions calculation for FY2020 is computed in accordance to the World Research Institute (2015), GHG Protocol tool for stationary combustion Version 4.1

SUSTAINABILITY REPORT

ENVIRONMENT
WATER
GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-2 | 303-5

MANAGEMENT APPROACH

Water is essential in our business as well as value chain in Gallant Venture. We consume water for our own operations and also supply treated water and related water services to our customers in our industrial parks and resorts in Batam and Bintan. We withdraw water from our reservoirs and purchase water from water utilities companies. We are committed to use this precious natural resource which is increasing limited due to climate change in environmentally sustainable and economically beneficially manner. As part of our commitment to build a sustainable water future, we have undertaken new initiatives to recycle domestic waste water into treated water for subsequent use in our industrial parks or discharge into local drain system.

Our management strategy aims to:

- Create a balanced business portfolio that considers both the financial expectations of our stakeholders and our businesses' impact on the climate;
- Carry out environment impact assessments in accordance with national and or internals standards and practices to identify environmental risks and support water conservation; and
- Improve efficiency of our water treatment plant by:
  - (a) Benchmarking with key practices in the industry to set, promote and achieve performance targets
  - (b) Evaluate new technology for producing water
  - (c) Monitoring, evaluating and analyzing infrastructure performance and identify any adjustments that are needed to further improve efficiencies

We are committed to achieve an efficiency of 80% in our water treatment process. When a significant deviation from the target is observed, it is flagged and escalated to senior management for prompt advice on corrective actions and remediation measures.

PERFORMANCE

For 2020, the total water consumption for our operations (excluding water sold) was 507,927 m^3. The method used to compute the water consumption is based on the difference between the water withdrew and water sold for the reporting period.

SUSTAINABILITY REPORT

SOCIAL

EMPLOYMENT

GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 401-1

MANAGEMENT APPROACH

At Gallant Venture, we recognise that employees are one of the greatest assets of our organisation. Our goal is to provide our employees with a safe and healthy work environment that cares about their overall well-being.

We implement fair and ethical employment practices as we aim to provide a work environment for employees that foster fairness, equality and respect regardless of their gender and age. We are committed to goals of diversity and equal opportunity in employment with no discrimination based on age, ethnicity, marital status, race, religion, and sex.

We have built a diverse workforce and inculcated an inclusive culture across all regions of operations within our organisation. We also believe that investing in employee development to keep our employees motivated to achieve more and contribute to the continued growth and success of the Group. Therefore, we ensure that we provide them with adequate resources for professional development in their areas of expertise, training to motivate employees' professional growth and foster a learning culture.

In setting remuneration packages, the level and structure of remuneration are aligned with the long-term interests and risk policies of the Group. Our Group's policies in setting remuneration and employee satisfaction measures are designed to attract, retain, and motivate top talent.

As part of our initiatives to increase employee engagement, we have built a culture of open and trusted communication by creating an environment where employees can share their honest feedback, suggestions, and grievances in the workplace to the Human Resource or Legal Department. Any acts against employees for complaints in good faith is strictly prohibited and to be reported to the CEO.

We continue to improve and promote workplace diversity and nurture a culture for continuous learning that benefits our employees' personal and professional growth.

During this period of COVID-19, the health and well-being of our employees are our top priority. We take care of our employees by:

- We encourage our employees to work from home and to stay connected through virtual means;
- We have asked our employees to follow hygiene and government recommendations, to practice social distancing and self-isolate if feeling unwell;
- For employees that could not work from home, we have implemented several measures such as; and
  - (a) Ensure proper cleaning supplies and PPE for our employees
  - (b) Measure temperature twice a day
  - (c) Humidifying the office weekly
  - (d) Install transparent shields in the meeting rooms, sneeze guards at our ticking counter and social distances measures in our ferries
  - (e) Implement split team arrangement to limit the number of employees to one worksite wherever possible
- Making layoffs a last resort to address employees' concerns for job security.

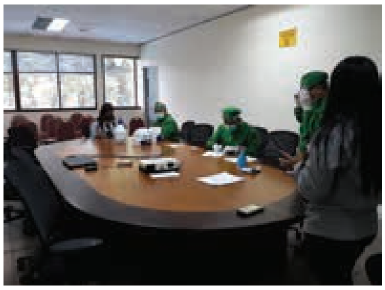
Furthermore, we have formed COVID-19 Task Force in our various business segments to implement new normal health protocol to ensure the safety of our frontline employees and customers while we continue to run our operations.

SUSTAINABILITY REPORT

Covid-19 Task Force

Oversee Strict Implementation of Covid-19 Protocol

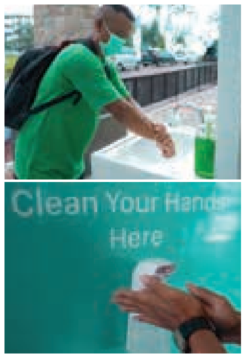
Rapid Test for all employees and caddies



Office sanitization

Disinfectant spray

Minimise contacts



Installed wash basins,
Provided hand sanitizer

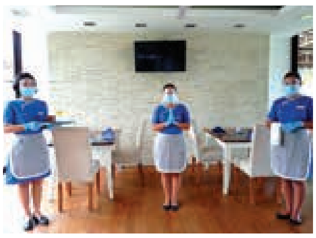
In-Out
Body Temperature Check

Resort provided
Hand Sanitizer

Resort provided
Hand Washing

Front Office

Housekeeping



F & B Service

F & B Product

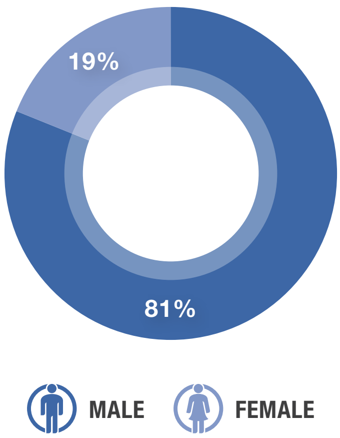
Sterilization of Villa

SUSTAINABILITY REPORT

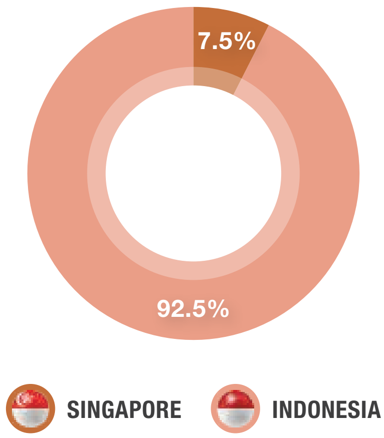
PERFORMANCE

TOTAL NUMBER OF EMPLOYEES

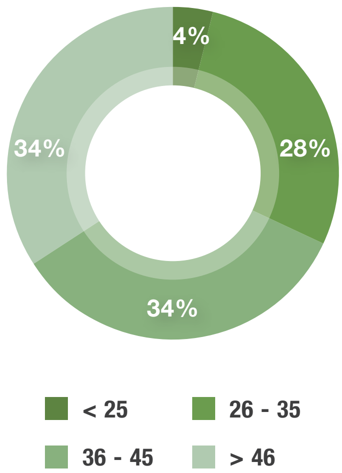
BY GENDER



BY NATIONALITY



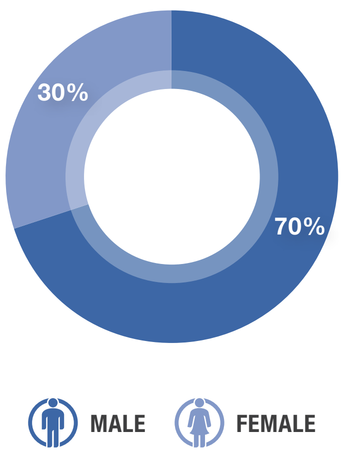
BY AGE GROUP



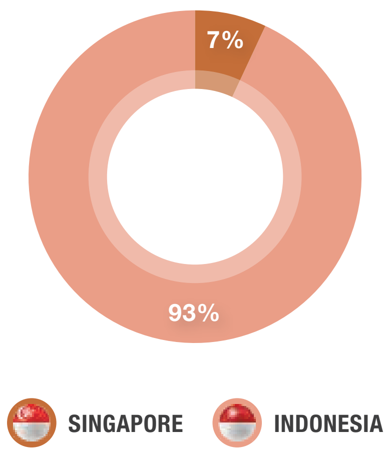
Total Number of Employee: 1,227

TOTAL NUMBER OF NEW HIRES

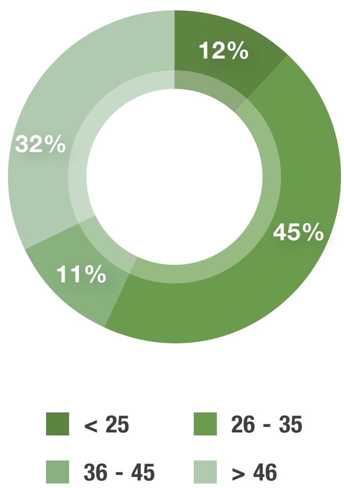
BY GENDER



BY NATIONALITY



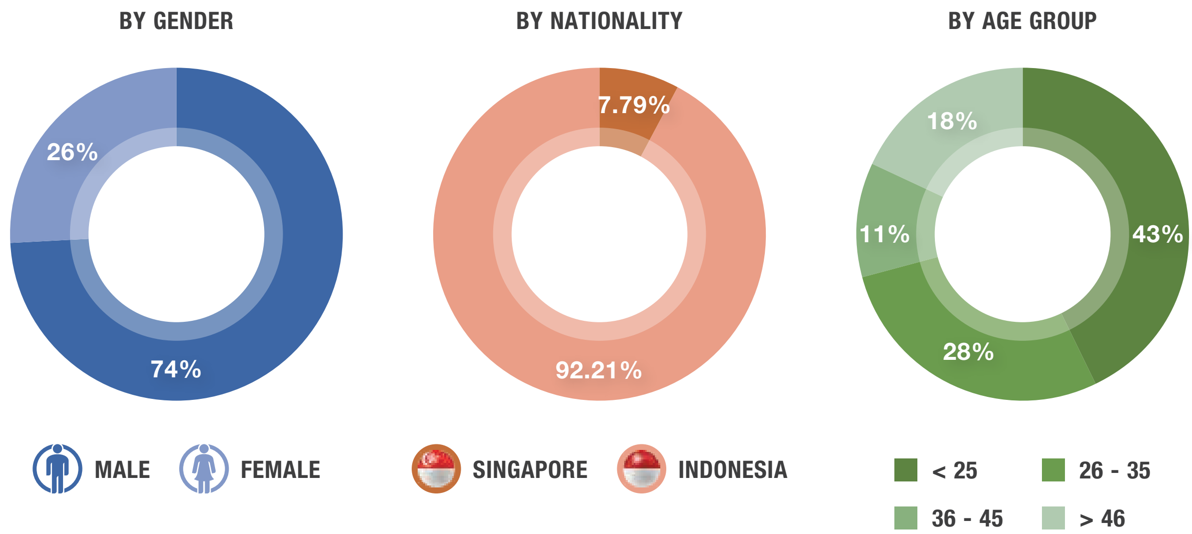
BY AGE GROUP



Total Number of New Hires: 91

SUSTAINABILITY REPORT

TOTAL NUMBER OF TURNOVER



**Total Number of Turnover: 244*

Rate (per employee)	2018[3]	2019[3]	2020[4]
New Hire Rate (per employee)	20.20	18.86	**7.42**
Turnover Rate (per employee)	22.33	22.33	**19.89**

We are committed to creating a working environment with excellent career progression and employee retention.

SUSTAINABILITY REPORT

SOCIAL

TRAINING AND EDUCATION

GRI 103-1 | 103-2 | 103-3 | 404-1

MANAGEMENT APPROACH

In a highly competitive labour markets coupled with new capabilities driven by technological innovation, we want to support our employees in acquiring new knowledge and skills needed to be more efficient in performing their job. It is paramount for our employees to feel a greater sense of autonomy, value and confidence in their works to enable us to motivate and retain qualified people.

At Gallant Venture, we aim to create conducive and motivating work environment that will encourage employees to participate in training and development programmes. All our employees are provided the opportunities to achieve career development goals through our organisation-wide efforts. Well-trained employees are the key to our business success. This helps to reduce turnover costs and increase productivity and it also provides an engaging and inspiring environment for employees to realise their career aspirations.

The effectiveness of these training programs is measured through the number of training hours, which are recorded annually for all our employees.

We believe that providing performance feedback is critical for the career progression of our employees. Our performance appraisals are conducted annually to identify key areas of strengths and weakness of our workforce. This, in turn, helps us formulate effective training programmes that cater to their specific development needs.

PERFORMANCE

Training & Education	2018[3]	2019[3]	2020[4]
By Gender			
Male	8.2	25.6	**3.9**
Female	2.5	2.7	**5.0**
By Employee Category			
Managerial	7.2	7.9	**4.0**
Executive	4.4	5.1	**8.6**
Non-Executive	10.1	39.9	**3.2**
Average Training Hours Per Employee			
Average hours per employee	7.0	21.2	**4.1**

Our target is to increase our average training hours per employee to 10 hours by 2022 (the baseline year of 2017).

SUSTAINABILITY REPORT

SOCIAL

COMMUNITY ENGAGEMENT

GRI 103-1 | 413-1

Gallant Venture believes that the Group's businesses should grow in tandem with the social development in the communities in Batam and Bintan islands, Indonesia where the Group conducts its businesses. As an integral part of the Group's business strategy, the Group carries out community development projects to enhance the social and environment standards in the local communities.

The Group has regularly participated in community development projects in area such as education, religion and health fields. Our participation in various community development programs received positive response from the society at large.

In FY2020, we continued to participate in the following community programs:

- Children Scholarship programs to help children to further their education by contributing to the cost of their studies

- Organise monthly Environment Day at the mid of each month to raise awareness of the employees to take initiative to clean up and protect Bintan island

SUSTAINABILITY REPORT







- During this period, we have extended more support to various local communities by donating food supplies, masks and hand sanitizer to help those most effected by the COVID-19 pandemic.

SUSTAINABILITY REPORT

SUPPORTING THE UNITED NATIONS SUSTANINABLE DEVELOPMENT GOALS

We support and promote the principles of the United Nations Sustainable Development Goals. The table below shows our effort, where appropriate, on how our sustainability factors relate to these SDGs to be environmentally sustainable and socially inclusive.

SDGs	Topic	Page Reference
Goal 7: Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	• We are committed to achieve an efficiency of 80% in our power production process. • Our GHG emissions target is to decrease emissions by 10% by 2022 (baseline 2017).	Page 48-49
Goal 8: Decent work and economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Our core sustainability philosophy and business ethics are reflected in our vision to 'Create growth and build value' and mission to 'Leverage on our resources to create growth and deliver long-term value for our stakeholders'. • We foster a supportive and conducive work environment that motivates employees to participate in training and development programmes. Every employee in the Group is provided opportunities to achieve career development goals through our organisation-wide efforts.	Page 41, 56
Goal 10: Reduced Inequalities Reduce inequality within and among countries	• We implement fair and ethical employment practices as we aim to provide a work environment for employees that foster fairness, equality and respect regardless of their gender and age. We are committed to goals of diversity and equal opportunity in employment with no discrimination based on age, ethnicity, marital status, race, religion, and sex.	Page 52-55
Goal 12: Responsible Consumption and Production Promote public procurement practices that are sustainable, in accordance with national policies and priorities	• We are committed to ensure that our supply chains are sourced responsibly and we work with suppliers who demonstrate respect for people and environment. We seek to bring long-term stability to both our supply chains and to the communities from which we source. We believe by working closely with our suppliers, we can lessen our environmental and social impact and position ourselves for strong growth.	Page 42
Goal 13: Climate Action Take urgent action to combat climate change and its impacts	• We are committed to achieve an efficiency of 80% in our power production process. • Our GHG emissions target is to decrease emissions by 10% by 2022 (baseline 2017). • We are committed to achieve an efficiency of 80% in our water production process.	Page 48-50
Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access	• We implement strong anti-corruption measures and adopted zero-tolerance policy against bribery, corruption, fraud and other forms of unethical corporate actions.	Page 47

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standard & Disclosure Title		Reference	Page
Organisational Profile			
102-1	Name of the organisation	Gallant Venture Ltd.	N.A
102-2	Activities, brand, products and services	Annual Report	Page 2-3
102-3	Location of headquarters	Annual Report	Page 1
102-4	Location of operations	Annual Report	Page 2-3
102-5	Ownership and legal form	Annual Report	Page 1, 26
102-6	Markets served	Annual Report	Page 2-3
102-7	Scale of the organisation	Annual Report	Page 34, 54
102-8	Information on employees and other workers	Sustainability Report	Page 52-55
102-9	Supply chain	Sustainability Report	Page 42
102-10	Significant changes to the organisation and its supply chain	Annual Report	Page 30-33
102-11	Precautionary Principle or approach	Sustainability Report	Page 41
102-12	External initiatives	Sustainability Report	Page 41
102-13	Membership of associations	Sustainability Report	Page 43
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report	Page 39
Ethics And Integrity			
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report	Page 41
Governance			
102-18	Governance structure	Sustainability Report Annual Report	Page 41 Page 63-67
Stakeholder Engagement			
102-40	List of shareholder groups	Sustainability Report	Page 45
102-41	Collective bargaining agreements	N.A	N.A
102-42	Identifying and selecting stakeholders	Sustainability Report	Page 45
102-43	Approach to stakeholder engagement	Sustainability Report	Page 45
102-44	Key topics and concerns raised	Sustainability Report	Page 45
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Annual Report	Page 26
102-46	Defining report content and topic Boundaries	Sustainability Report	Page 40
102-47	List of material topics	Sustainability Report	Page 46
102-48	Restatements of information	N.A	N.A.
102-49	Changes in reporting	Sustainability Report	We have started disclosing 303-5 and 413-1 this year onwards
102-50	Reporting period	1 January 2020 to 31 December 2020	N.A.
102-51	Date of most recent report	6 May 2020	N.A.
102-52	Reporting cycle	Annual	Page 40
102-53	Contact point for questions regarding the report	Sustainability Report	Page 40
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report	Page 40
102-55	GRI content index	Sustainability Report	Page 60-61
102-56	External assurance	Sustainability Report	Page 40

SUSTAINABILITY REPORT

GRI Standard & Disclosure Title		Reference	Page
Management Approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Page 28-29, 34-36, 47
103-2	The management approach and its components	Sustainability Report	Page 34-36, 47
103-3	Evaluation of the management approach	Sustainability Report	Page 34-36, 47
Category: Economic			
201-1	Direct economic value generated and distributed	Annual Report	Page 34-36
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report	Page 47
Category: Environment			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Page 46, 48-51
103-2	The management approach and its components	Sustainability Report	Page 48-51
103-3	Evaluation of the management approach	Sustainability Report	Page 48-51
302-1	Energy consumption within organisation	Sustainability Report	Page 49
302-3	Energy intensity	Sustainability Report	Page 49
303-1	Interactions with water as a shared resource	Sustainability Report	Page 51
303-2	Management of water discharge-related impacts	Sustainability Report	Page 51
303-5	Water consumption	Sustainability Report	Page 51
305-1	Direct (Scope 1) GHG emissions	Sustainability Report	Page 50
307-1	Non-compliance with environment laws and regulations	Sustainability Report	Page 48
Category: Social			
103-1	Explanation of the material topic and its Boundary	Sustainability Report	Page 46, 52-56
103-2	The management approach and its components	Sustainability Report	Page 52-56
103-3	Evaluation of the management approach	Sustainability Report	Page 52-56
401-1	New employee hires and employee turnover	Sustainability Report	Page 54-55
404-1	Average hours of training per year per employee	Sustainability Report	Page 56
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report	Page 57-58

SUSTAINABILITY REPORT 2020

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Gallant Venture Ltd. (the "**Company**"), is committed to high standards of corporate governance and has adopted the corporate governance practices contained in the 2018 Code of Corporate Governance ("**Code**") so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the key aspects of the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2020 ("**FY2020**").

The Company has complied in all material aspects with the principles and provisions of the Code. Where there are deviations from the Code, the explanations are provided in the relevant sections of this report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1: Board's role

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets, supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group and considers sustainability issues of policies and procedures.

Provision 1.2: Directors' duties and responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions as fiduciaries in the interest of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors who are in a conflict-of-interest position on certain issues recuse themselves from discussions and decisions involving the issues.

The principal responsibilities of the Board include the following:

(a) To provide leadership, set strategic objectives which include focus on value creation, innovation and sustainability;

(b) Review and approve the Group's strategic plans, key business initiatives, major investment, divestment, corporate restructuring and major funding decision;

(c) Review the Group's financial performance and condition;

(d) Establish and maintain a framework of prudent and effective controls to identify, manage and monitor risks and exposures, and to achieve an appropriate balance between risk and the Group's performance;

(e) Manage and monitor the Group's sustainability initiatives;

(f) Oversee the Group's corporate governance and instill an ethical corporate culture across the Group to ensure that the Group's values, policies and practices are consistent with the culture; and

(g) Ensure transparency and accountability to key stakeholder groups.

STATEMENT OF CORPORATE GOVERNANCE

Orientation, briefings, updates and trainings for directors

New directors joining the Board will be issued formal letters of appointment setting out his duties and obligations. They will be briefed by the Chairman on their duties and obligations and introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade-sensitive information.

New directors will meet up with senior management and the Company Secretary to familiarize himself with his roles, organisation structure and business practices. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating Board interaction and independent access to senior management and the Company Secretary.

The NC is charged with reviewing the training and professional development of the directors. All directors are provided with regular updates on the corporate governance, financial, legal and regulatory requirements. The NC will recommend appropriate trainings and seminars and arrange for training by professional bodies funded by the Company as it deems relevant to improve the performance of the individual director and the whole Board. All directors are encouraged to attend the trainings and seminars arranged by the Company to stay abreast of the relevant changes.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules, accounting standards and Companies Act. The Chief Executive Officer updates the Board at each Board meeting on business and strategic developments. The management highlights the salient operating issues as well as the risk management considerations for the Group's businesses.

Sustainability of the Group

The Board believes that in order to ensure long term success of a business, corporates should integrate sustainability into their operations and strategies. We are committed to conduct our businesses in a sustainable manner and aim to create positive value for all our stakeholders. During the year, we continue to benchmark ourselves against our peers and during the process, additional materiality matrix has been identified.

Our Board continues to monitor our progress to ensure we continue to improve our sustainability performance and goals to minimise our impact on the environment and the communities in which we operate and leverage on the sustainability strategy to enhance long-term shareholder's value. The Group's sustainability report for FY2020 is set out on page 37 to 62 in this Annual Report.

Provision 1.3: Matters requiring Board approval

The Board has adopted internal guidelines on the matters reserved for the Board's decision; and clear directions to Management on matters that must be approved by the Board.

Matters specifically reserved to the Board for its approval are:

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) strategic policies of the Group;

(c) annual budgets;

(d) material acquisitions and disposal of assets;

STATEMENT OF CORPORATE GOVERNANCE

(e) corporate or financial restructuring;

(f) share issuances, interim dividends and other returns to shareholders; and

(g) any investment or expenditure which requires Board's approval as set out in the Company's authorization matrix which sets out the financial authority and approval guidelines for capital expenditure, investments, divestments and borrowings.

Provision 1.4: Delegation of authority to Board Committees

The Board has formed Board Committees namely, the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

The present Board members and Board Committee members are as follows:–

Name of directors	Board Committees			
	Board Membership	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Mr Lim Hock San	Non-Executive Chairman and Independent Director	Chairman	Member	Member
Mr Eugene Cho Park	Executive Director and CEO	–	–	–
Mr Gianto Gunara	Executive Director and COO	–	–	–
Mr Choo Kok Kiong	Executive Director and CFO	–	–	–
Dr Tan Chin Nam	Non-Executive Director	–	–	–
Mr Axton Salim	Non-Executive Director	–	–	–
Mr Foo Ko Hing	Non-Executive and Independent Director	Member	Member	Chairman
Mr Rivaie Rachman	Non-Executive and Independent Director	Member	Chairman	Member

These Committees function within clearly defined terms of references and operating procedures, including procedures for dealing with conflicts of interest. A Board Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The terms of references are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board. The sections of this statement under Principles 4 to 10 detailed the activities of the ARMC, NC and RC respectively.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.5: Meetings of Board and Board Committees

Regular meetings are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The table below sets out the number of Board and Board Committee meetings and the general meetings which were convened during FY2020:

	Board	ARMC	NC	RC	General Meetings
Number of meetings held in FY2020	**2**	**2**	**1**	**1**	**2**
Name of Directors	**Number of meetings attended**				
Mr Lim Hock San	2	2	1	1	2
Mr Foo Ko Hing	2	2	1	1	2
Mr Rivaie Rachman	2	2	1	1	2
Mr Eugene Cho Park	2	2*	–	–	2
Mr Choo Kok Kiong	2	2*	1*	1*	2
Mr Gianto Gunara	2	2*	–	–	2
Dr Tan Chin Nam	2	2*	–	–	2
Mr Axton Salim	2	2*	–	–	2
Mr Jusak Kertowidjojo(1)	1	1*	–	–	1

(1) Mr Jusak Kertowidjojo retired from the Board on 26 June 2020

* Attended the meeting as invitee

The NC takes into consideration other board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group. While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by board members in other forms including periodic review, level of discussion at board meetings, provision of guidance and advice on various matters relating to the Group.

The Company's Constitution permits Board and Committee meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circular resolutions.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.6: Board's access to information

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information.

The Board meets at least twice in a year and is provided detailed Board papers comprising financial statements, management accounts, budgets, forecasts with explanations for material variances, and relevant reports relating to the business for discussion timely at each Board meeting. Senior members of management provide information whenever necessary in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

Provision 1.7: Board's access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Company Secretary, the Management or other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Board takes independent professional advice, when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

PRINCIPLE 2: THE BOARD COMPOSITION AND GUIDANCE
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: Strong and independent element of the Board

As at the date of this Report, the Board of Directors (the "**Board**") comprises eight members, of whom two are Non-Executive and Non-Independent and three are Non-Executive and Independent Directors. The Independent Directors make up more than one-third of the Board. The majority of the Board comprises Non-Executive Directors.

Mr Lim Hock San	Non-Executive Chairman and Independent Director
Mr Eugene Cho Park	Executive Director and Chief Executive Officer
Mr Gianto Gunara	Executive Director and Chief Operating Officer
Mr Choo Kok Kiong	Executive Director and Chief Financial Officer
Dr Tan Chin Nam	Non-Executive Director
Mr Axton Salim	Non-Executive Director
Mr Foo Ko Hing	Non-Executive Director and Independent Director
Mr Rivaie Rachman	Non-Executive Director and Independent Director

STATEMENT OF CORPORATE GOVERNANCE

The criterion for independence is based on the definition given in the Code and the Listing Rules of the Singapore Exchange Securities Trading Limited ("**Listing Rules**"). The Code has defined an "**Independent**" Director as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. Under the Listing Rules, an Independent Director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The independence of each Director is reviewed annually by the Nominating Committee, based on the definition of independence as stated in the Code and the Listing Rules.

Review of Directors' independence in 2020

All the Independent Directors, Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have confirmed their independence and they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment. They have also confirmed their independence in accordance with the Listing Rules.

Under the Listing Rules of SGX-ST which will take effect from 1 January 2022, an Independent Director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the Directors and the Chief Executive Officer and their associates.

Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have served as Directors for more than nine years. The NC has conducted a rigorous review of their independence. The NC deemed that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of a Director, the NC considers it more appropriate to have regard to the Director's contribution in terms of professionalism, integrity, objectivity and ability to exercise independence of judgment in his deliberation in the interest of the Company. The NC is of the view that the Independent Directors have over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole.

Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman have confirmed their independence as aforesaid. After taking into account all these factors, the Board has determined Mr Lim, Mr Foo and Mr Rachman independent. Each of Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman abstained from the Board's deliberation of his independence. The NC has examined and is satisfied that there is no relationship or other factors such as gifts or financial assistance, business dealings, financial dependence, relationship with the Group or the Group's management which would impair the independence of Mr Lim, Mr Foo and Mr Rachman. The NC recommends that pursuant to Rule 210(5)(d)(ii) of the Listing Manual shareholders' approval be sought for at the forthcoming annual general meeting of the Company under a two-tiered voting for these Directors to continue in office as Independent Directors. After taking into account the NC's assessment, the Board is of the view that Mr Lim, Mr Foo and Mr Rachman continue to be independent notwithstanding their tenure of service and accepts the NC's recommendation. Each of them has abstained from the NC's and Board's assessment of his independence to continue as an Independent Director.

STATEMENT OF CORPORATE GOVERNANCE

Provision 2.2 and 2.3: Composition of Independent Directors and Non-Executive Directors on the Board

The Chairman of the Board, Mr Lim Hock San is an Independent Director and Non-Executive Directors make up a majority of the Board. The composition of the Board complies with the requirements of the Listing Rules of SGX-ST and the code.

Provision 2.4: Board size and diversity

The Board recognised the importance of having a Board comprising persons whose diverse skills, experience and attributes provide for effective direction for the Group. The Board also considers gender as an important aspect of diversity alongside factors such as the age, ethnicity and educational background of its members, as it believes that diversity in the Board's composition contributes to the quality of its decision making. In its Board renewal process including the appointment of new directors, the Board together with the NC will set the relevant objectives to promote diversity to ensure an appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company, and as far as possible to consider female representation. In view of the aforementioned, the Company believes that whilst it has not adopted a formal board diversity policy, the Board and NC will continue to embrace all aspects of diversity in the current Board composition and appointment of new Directors, including gender and age diversity. However, the Board is collectively of the view that in the selection of potential candidate(s), the right blend of skills, industry knowledge, relevant experiences and suitability, shall remain as priority.

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The current Board comprises individuals who are business leaders and professionals with financial, banking, real estate, investment and accounting backgrounds. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

Detailed description of their background and experience are disclosed under the "**Board of Directors**" section of the Annual Report. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

Provision 2.5: Role of Non-Executive Directors

The Non-Executive Directors assist the Board in performing its role by constructively challenge the development of its strategies and bring to the Board different perspectives based on their experiences. They critically assess and review the progress of the Management in implementing strategies set by the Board. When necessary or appropriate, the Non-Executive Directors (including the Independent Chairman and other Independent Directors) will meet without the presence of the Management and provide inputs to the Board.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and 3.2: Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer ("**CEO**") are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The posts of Chairman and CEO are held by Mr Lim Hock San and Mr Eugene Cho Park respectively. The Chairman and CEO are not related.

STATEMENT OF CORPORATE GOVERNANCE

The Chairman, Mr Lim Hock San is primarily responsible for overseeing the overall management and strategic development of the Company.

His responsibilities include:

- Leading the Board in his role as Chairman of the Board;
- Ensuring regular meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Preparing meeting agenda (in consultation with the CEO and CFO);
- Reviewing board papers that are presented to the Board;
- Ensuring effective communication with shareholders; and
- Promoting good corporate governance.

In assuming his roles and responsibilities, Mr Lim Hock San consults with the Board, ARMC, NC and RC on major issues and as such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

The Company's CEO, Mr Eugene Cho Park is responsible for the day-to-day management of the Company and the Group's affairs. Mr Eugene Cho Park reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

Provision 3.3: Lead Independent Director

There is no requirement for the Company to appoint a Lead Independent Director as the roles of Chairman and CEO are separate and distinct. The Independent Directors meet amongst themselves without the presence of the other directors where necessary for independent discussions and strive to provide constructive feedback to the Board after their meetings.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2: Nominating Committee

The NC comprises three members, all of whom including its Chairman are independent. The members of the NC are:

Mr Rivaie Rachman (Chairman)	Non-Executive and Independent Director
Mr Lim Hock San	Non-Executive and Independent Director
Mr Foo Ko Hing	Non-Executive and Independent Director

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval.

STATEMENT OF CORPORATE GOVERNANCE

The NC functions under the terms of reference which sets out its responsibilities:

(a) To review board succession plans for Directors, in particular, the Chairman, CEO and key management personnel;

(b) To develop the process for evaluation of the performance of the Board, its committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director;

(c) To review the training and professional development programs for the Board;

(d) To recommend to the Board on all board appointments, re-appointments and re-nominations; and

(e) To review the independence of the Independent Directors in accordance with the Code and Listing Rules.

Currently, there are no alternate directors on the Board.

Provision 4.3: Selection, Appointment and Re-appointment of Directors

Annually, the NC reviews the composition of the Board and Board Committees having regard to the performance and contribution of each individual director and to ensure diversity of skills and experience within the Board and Board Committees.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors ("**SID**"), professional organisations or business federations or external search consultants. New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

The Constitution of the Company requires that one-third of the Board retire from office by rotation at each Annual General Meeting ("**AGM**"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Mr Eugene Cho Park, Dr Tan Chin Nam and Mr Foo Ko Hing will retire by rotation pursuant to the Constitution of the Company. The NC has recommended to the Board, their re-election at the forthcoming annual general meeting.

In recommending the above Directors for re-election, the NC has taken into consideration these Directors' contribution and performance. The Board has accepted the NC's recommendation. Mr Foo has abstained from the NC's and Board's deliberation of his re-election. Mr Park and Dr Tan have each abstained from the Board's deliberation on their respective re-election.

In accordance with the Listing Rules, the particulars of the directors as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Eugene Cho Park, Dr Tan Chin Nam and Mr Foo Ko Hing are set out on page 16 to 25 of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

Provision 4.4: Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code and the Listing Rules, and has determined that they are independent.

Provision 4.5: Multiple Board Representations

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the company. The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships in listed companies that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

The NC has reviewed each Director's outside directorships, their principal commitments and attendance and contributions to the Board. Despite the multiple directorships, the NC is satisfied that the Directors have discharged their duties adequately and satisfactorily for FY2020.

Details of the Directors' principal commitments and outside directorships are set out on page 4 to 6 in the "**Board of Directors**" section of the Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

Provision 5.1 and 5.2: Conduct of Board Performance

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and peer assessment.

Each year, the Directors were requested to complete evaluation forms to assess the overall effectiveness of the Board and the Board Committees, as well as peer assessment. The results of the evaluation exercise were considered by the NC, which then made recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively. The Chairman should, in consultation with the NC, propose, where appropriate, new members to be appointed to the board or seek the resignation of directors.

The evaluation of Board's performance focuses on Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with Management and standard of conduct.

The NC also reviews the Board's performance to enhance shareholders' value in terms of the Company's profitability, liquidity, gearing dividend yield and total shareholder return against industry peers based on their published financial results.

The NC reviews individual Director's performance with focus on the contribution by individual Directors to the Board in terms of time commitment and in providing independent and objective perspectives based on their background, experience and competencies in the relevant skills critical to the Company's business and in the development of strategies to enable the Board to have a balance of views and critically assess all relevant issues in its decision makings.

The NC has reviewed the overall performance of the Board and Board Committees in terms of their role and responsibilities and the conduct of their affairs as a whole for the year under review and is of the view that the performances of the Board and Board Committees have been satisfactory.

STATEMENT OF CORPORATE GOVERNANCE

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2: Remuneration Committee

The RC comprises three members, all of whom including its Chairman are independent. The members of the RC are:

Mr Foo Ko Hing (Chairman)	Non-Executive and Independent Director
Mr Lim Hock San	Non-Executive and Independent Director
Mr Rivaie Rachman	Non-Executive and Independent Director

The RC functions under the terms of reference which sets out its responsibilities:

(a) To recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;

(b) To determine specific remuneration packages for each Executive Director and key management personnel;

(c) To review the appropriateness of compensation for Non-Executive Directors; and

(d) To review the remuneration of employees who are substantial shareholders or immediate family members of a director, the CEO or substantial shareholder to ensure that the remuneration of each of such employee commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Provision 6.3: Review of Remuneration

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. No member of the RC or any Director is involved in the deliberations in respect of any resolution in respect of his remuneration package.

Each of the Executive Director and key management personnel has a service agreement with the Company which can be terminated by either party giving notice of resignation/termination. The RC has reviewed the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.4: Engagement of Remuneration Consultants

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2020, there was no engagement of independent professional advice.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1: Remuneration of Executive Directors and Key Management Personnel

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. All the Executive Directors, including the CEO, and key management personnel have service agreements with the Company. The service agreements cover the terms of employment, salaries and other benefits.

The remuneration of Executive Directors and key management personnel comprises both fixed and variable components. The variable component is performance related and is linked to the Group/Company's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders and promote long term success of the Group. The Executive Directors are not paid Directors' fee.

Currently, the Company has no long term incentive schemes. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance without being excessively compensated.

The Company does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Directors and key management personnel.

Provision 7.2: Remuneration of Non-Executive and Independent Directors

All the Non-Executive Directors have no service contract and are compensated with Directors' fee taking into considerations their respective contributions and attendance at meetings. Additional variable fees are paid for appointment to Board Committees according to the level of responsibilities undertaken as chairman or member of the Board Committees.

The RC reviews the Directors' fee for Non-Executive Directors to ensure that the remuneration is commensurate with their contribution and responsibilities. The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM.

The RC has reviewed the fee structure for Non-Executive Directors as being reflective of their responsibilities and work commitments without over-compensation to the extent that their independence will be compromised and recommends the Directors' fee for FY2020 to the Board for tabling at the forthcoming annual general meeting for shareholders' approval.

The RC considers that the current fee structure adequately compensates the Non-Executive Directors, and given the size and operations of the Company, any implementation of schemes to encourage Non-Executive Directors to hold shares in the Company may result in over-compensation. The RC will consider recommending such schemes, if appropriate.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: Remuneration of Directors and Key Management Personnel

The remunerations paid to or accrued the Directors for the financial year ended 31 December 2020 is as follows:–

	Salary	Bonus	Director's Fee	Other Benefits	Total
	%	%	%	%	%
S$500,000 to S$1,499,999					
Eugene Cho Park Executive Director and CEO	55	37	–	8	100
Gianto Gunara Executive Director and COO	55	36	–	9	100
Choo Kok Kiong Executive Director and CFO	54	36	–	10	100
Below S$500,000					
Lim Hock San Non-Executive Chairman and Independent Director	–	–	100	–	100
Dr Tan Chin Nam Non-Executive Director	–	–	100	–	100
Axton Salim* Non-Executive Director	–	–	100	–	100
Foo Ko Hing Non-Executive and Independent Director	–	–	100	–	100
Rivaie Rachman Non-Executive and Independent Director	–	–	100	–	100

* Mr Axton Salim, Non-Executive Director of the Company is the son of Mr Anthoni Salim, the substantial shareholder of the Company.

Given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantageous to the Group to disclose the exact remuneration of the Executive Directors and has decided to disclose the remuneration of its Executive Directors in bands of S$500,000, along with the mix of the fixed and variable components.

Each Independent and Non-Executive Director's remuneration comprises wholly Directors' fee of not more than S$500,000.

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The remunerations paid to or accrued the top five key management personnel (who are not directors of the Company or the CEO) for the financial year ended 31 December 2020 is as follows:–

	Salary	Bonus	Other Benefits	Total
	%	%	%	%
Above S$250,000				
Executive 1	71	26	3	100
Executive 2	67	25	8	100
Executive 3	64	31	5	100
Executive 4	63	31	6	100
Executive 5	67	25	8	100

The Code recommends that the Company should name and disclose the remuneration of at least the top five key management personnel in bands of S$250,000.

The remuneration of the Company's top 5 key management personnel is above S$250,000. The aggregate total remuneration paid to the top 5 key management personnel in 2020 is approximately S$1,527,741.

The Company has not disclosed the names of the key management personnel individually. The Company has many competitors in the same industry which are private companies. By disclosing the top five key management personnel individually in bands of S$250,000, the Company is susceptible to poaching of its personnel in a highly competitive market place vying for talent. The competitors have publicly available information of profile of the Company's key personnel and remuneration benchmark. The Company does not have similar information and is seriously disadvantaged as compared to its competitors in retaining and recruitment of key personnel. Loss of its key personnel involves considerable loss of operational know-how and cost in recruitment of similar talent and gestation period for new key personnel to be fully inducted into the Company's work practices. All this would impact its business competitive edge vis-à-vis its competitors. Disclosure of the names of the key management personnel will be not in the interest of the Company from a business perspective.

Provision 8.2: Remuneration of employees who are substantial shareholders or immediate family members of a director, the CEO or a substantial shareholder

Other than Mr Axton Salim, Non-Executive Director whose remuneration is disclosed in the foregoing, there was no employee of the Company or its subsidiaries who is a substantial shareholder or an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration exceeds S$100,000 for the financial year ended 31 December 2020.

Provision 8.3: Employee share schemes

The Company does not have any employee share scheme for its employees. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash has continued to be effective in incentivising performance of employees without being excessive.

STATEMENT OF CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1: Risk Management and Internal Control Systems

The Board is responsible for governing risks and ensuring that the Management maintains a sound system of risk management and internal controls in safeguarding its assets and shareholders' interests.

The ARMC, with the assistance of the internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's material internal controls which including financial, operational, compliance and information technology controls and risk management system annually. In this respect, the ARMC will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process.

The ARMC functions as the Audit Committee and Risk Committee. Currently, the responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARMC together with the Management.

The Board reviews and determines the Group's level of risk tolerance and risk policies, and oversees the design, implementation and monitoring of the risk management and internal control systems.

The Group has in place a system of internal control and risk management framework for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls.

Provision 9.2: Assurances to the Board

The Board has received the following assurances as at 31 December 2020:

(a) from the CEO and CFO that the financial record have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) from the CEO and Chief Risk Officer that the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

Board's Comments on Adequacy and Effectiveness of Internal Controls

Based on the internal control and risk management framework established and maintained by the Group, review performed by the Group's internal and external auditors, regular reviews performed by the Management and assurance from the CEO, CFO and Chief Risk officer, the Board is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems, were adequate and effective as at 31 December 2020. The ARMC concurs with the Board.

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The Board notes that no system of internal control and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, fraud or other irregularities.

PRINCIPLE 10: AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has an Audit and Risk Management Committee which discharges its duties objectively.

Provision 10.1 and 10.2: Audit and Risk Management Committee

The ARMC comprises three members, all of whom including the Chairman are independent. The ARMC comprises the following members:

Mr Lim Hock San (Chairman)	Non-Executive and Independent Director
Mr Foo Ko Hing	Non-Executive and Independent Director
Mr Rivaie Rachman	Non-Executive and Independent Director

The ARMC Chairman has a Bachelor of Accountancy from the University of Singapore. He is a Fellow of The Chartered Institute of Management Accountants (UK) and a Fellow and past President of the Institute of Singapore Chartered Accountants with considerable business, financial and accounting experience. Mr Foo Ko Hing has considerable business, banking, investment and finance experience having held positions in PricewaterhouseCoopers LLC and in the banking industry. Mr Rachman is an Independent Director of Riau Development Bank and Surya Dumai Palmoil Plantation & Industry Group in Indonesia. His previous positions were the Vice Governor of Riau Province, Head of Riau Economic Planning Board, Head of Riau Investment Coordination Board and President Director of Riau Development Bank.

All the ARMC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the members of the ARMC have sufficient accounting and financial management expertise and experience to discharge the ARMC's functions.

The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

The experience and qualifications of the ARMC members are set out in the "**Board of Directors**" section of the annual report.

Roles and Responsibilities of ARMC

The ARMC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group in particular significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before submission to the Board;

(b) To review the audit plans of the Company with the internal and external auditors and the internal and external auditors' reports;

(c) To review at least annually with the internal and external auditors, the adequacy and effectiveness of the company's internal controls and risk management systems;

(d) To review the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;

STATEMENT OF CORPORATE GOVERNANCE

(e) To review and discuss with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations;

(f) To review the assurances from the CEO and CFO on the financial records and financial statements; and from the CEO and Chief Risk Officer on the risk management system;

(g) To review the adequacy of the finance functions and the quality of finance staff and co-operation given by the Company's management to the internal and external auditors;

(h) To make recommendations to our Board on the appointment, re-appointment and removal of the internal and external auditors;

(i) To review interested person transactions and potential conflicts of interest;

(j) To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising;

(k) To generally undertake such other functions and duties as may be required by the statute, regulations or the Listing Manual, or by such amendments as may be made thereto from time to time; and

(l) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The ARMC has the power to conduct or authorise investigations into any matters within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. No member of the ARMC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The ARMC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

Independence of External Auditors

The Company confirms that it has complied with Rules 712, 715 and 716 of the Listing Manual in engaging Foo Kon Tan LLP ("**FKT**") registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and of its Singapore subsidiaries, and other suitable audit firms for its foreign subsidiaries. The ARMC reviews the independence of FKT annually.

Having reviewed with FKT, it audit plan, scope of work and auditors' report for FY2020, the ARMC was satisfied with their work.

The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2020 was approximately S$875,000 of which audit fees amounted to approximately S$795,000 and non-audit fees amounted to approximately S$80,000.

The ARMC, having reviewed the range and value of non-audit services performed by FKT was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The ARMC recommended that Foo Kon Tan LLP be nominated for re-appointment as auditor at the forthcoming AGM. The ARMC had also reviewed the appointment of the external auditors of those subsidiaries who are not FKT and is satisfied that such appointment would not compromise the standard and effectiveness of the audit.

STATEMENT OF CORPORATE GOVERNANCE

Whistle-Blowing Policy

The Company has in place a whistle-blowing framework.

Employees are free to bring complaints in confidence to the attention of their supervisors, the Human Resources Department. The recipient of such complaints shall forward them promptly to the ARMC Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively. An employee can access the ARMC Chairman directly to raise concern if he feels that it could not be effectively addressed at managerial level.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

The ARMC confirms that no reports have been received under the whistle-blowing policy in 2020.

Provision 10.3: Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARMC.

Provision 10.4: Internal Audit Function

The Company's internal audit function is outsourced to an external professional firm, PricewaterhouseCoopers, Indonesia ("**IA**"). The IA reports directly to the ARMC Chairman on all internal audit matters.

The primary functions of internal audit are to help:–

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

PricewaterhouseCoopers, Indonesia has the professionals with relevant qualifications and experience to perform the review and test of controls of the Group's processes which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors. The IA has confirmed their independence to the ARMC. The IA performs the internal audit according to standards set by the Institute of Internal Auditors. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARMC. The ARMC is satisfied that the Company's internal audit function outsourced to PricewaterhouseCoopers, Indonesia is independent, adequately resourced and effective.

The ARMC has annually reviewed the Company's internal control assessment and based on the internal auditors and external auditors reports and the internal controls in place, it is satisfied that there are adequate and effective internal controls in the Company.

STATEMENT OF CORPORATE GOVERNANCE

Provision 10.5: Meeting with External and Internal Auditors without the presence of Management

The ARMC meets with both the external and internal auditors without the presence of the Management at least once a year.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1: Providing Opportunity for Shareholders to Participate and Vote in General Meetings

The Company's general meetings are the principal forums for dialogue with shareholders to engage the Board to ask questions on the resolutions tabled at the general meetings and to express their views. The Company will consider the use of other forums such as analyst briefings as and when applicable. The Company's Investor Relations team ("**IR team**") as and when appropriate participates in investor seminars, conference and roadshows to keep the market and investors apprised of the Group's developments and has contact details of the IR team at the Company's website for investors to channel their comments and queries.

Shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNet.

At previous AGM, the Company had made presentation to shareholders to update them on the Company's performance, position and prospects at general meetings. Presentation materials would be made available on SGXNet and the company's website for the benefit of shareholders. The Company will consider doing likewise at the forthcoming AGM.

In compliance with Listing Rules, all the resolutions at the forthcoming AGM will be put to vote by electronic poll to allow greater transparency and more equitable participation by shareholders.

Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be validated by an independent scrutineer and displayed on the screen at general meetings. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNet.

In 2020, the Company held two general meetings, being the annual general meeting and an extraordinary general meeting. Due to COVID-19 situation, the general meetings in 2020 were held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Members could not attend the meetings in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company's corporate website and on SGXNet. In view of the current COVID-19 situation in Singapore, the 2021 AGM will be convened and held in the similar manner.

STATEMENT OF CORPORATE GOVERNANCE

Provision 11.2: Separate Resolutions at General Meetings

The Company will have separate resolutions on each distinct issue. For resolutions that are special business, explanations are given in the accompanying notes to the Notice of the AGM. For resolutions on the election or re-election of directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual are given in this Annual Report.

Provision 11.3: Attendance of Directors and Auditors at General Meetings

The Chairman of each ARMC, RC and NC are normally available at the AGMs to answer any questions relating to the work of these Committees. The Company's external auditors are also present to address queries related to the audit by the shareholders. In 2020, the Company held two general meetings, namely the annual general meeting and extraordinary general meeting by way of electronic means which were attended by all the Directors and the Auditors.

Provision 11.4: Absentia Voting

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies in his absence to attend and vote in his stead at the general meetings. The Companies Act allows relevant intermediaries that include CPF Approved nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

Provision 11.5: Minutes of General Meetings

The Company prepares minutes of general meetings on the proceedings and questions raised by shareholders and answers given by the Board and Management. The company does not publish minutes of general meetings of shareholders on its corporate website as the Companies Act provides for the minutes to be made available to the company's shareholders without inclusion of the public at large. Any shareholder including those who did not attend the general meeting can request a copy from the Company in accordance with Section 189 of the Companies Act.

Provision 11.6: Dividend Policy

The Company does not have a dividend policy. The Board will consider the Group's financial performance, liquidity, capital expenditure commitment and need to repay debt before proposing to declare dividend. The Notice for the forthcoming AGM does not carry a declaration of dividend for FY2020 as the Company is committing its cash resources to further develop its Utilities and Industrial Parks businesses. The Company will consider the declaration of dividend when the cash permits.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1: Avenues for Communication between Board and Shareholders

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Company's policy is that all shareholders be informed of all major developments that impact the Group.

STATEMENT OF CORPORATE GOVERNANCE

Information is disseminated to shareholders on a timely basis through:

(a) SGXNet announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for general meetings; and

(e) Company's website at http://www.gallantventure.com which shareholders can access information on the Group.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website http://www.gallantventure.com where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with an investor relations contact at (65) 6389 3535.

Provision 12.2 and 12.3: Investor Relations

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNet. The Company does not practice selective disclosure and price sensitive or trade sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Price sensitive or trade sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders. The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 and 13.2: Engage with its Material Stakeholder Groups

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups through its various business units on an on-going basis in the course of their business with suppliers, customers and the CSR programs involving the local community and on an annual basis in conjunction with the preparation of the Company's sustainability report.

The Group's material stakeholders are its shareholders, customers, employees, regulator and suppliers and engagement with them are set out in its Sustainability Report for FY2020 in this Annual Report. Please refer to the Sustainability Report for details.

STATEMENT OF CORPORATE GOVERNANCE

Provision 13.3: Corporate Website to Communicate and Engage with stakeholders

The Group maintains a corporate website at http://www.gallantventure.com at which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. The Company has an online investor relations site within its corporate website as an outreach to shareholders and all other stakeholders. Shareholders and stakeholders are provided with an investor relations contact at (65) 6389 3535.

DEALINGS IN SECURITIES

The Company has procedures in place prohibiting dealings in the Company's securities by the Company, its directors and employees within certain trading periods. The directors and employees are prohibited from dealing in the Company's Securities one month prior to the release of the half year and full year financial statements of the Company. Directors and employees are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in listed securities of the Group as set out above, in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

MATERIAL CONTRACTS

Save as may be disclosed in this Annual Report including the Appendix relating to the proposed renewal of the interested person transactions mandate, there were no material contracts entered into by the Company or its subsidiary companies involving the interests of the Chief Executive Officer, any Directors or controlling shareholders of the Company which were still subsisting at the end of FY2020, or if not then subsisting, entered into since the end of FY2019.

INTERESTED PERSON TRANSACTIONS POLICY

The Company adopted an internal policy in respect of any transactions with interested person and has established procedures for review and approval of the interested person transactions entered into by the Group. The ARMC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

STATEMENT OF CORPORATE GOVERNANCE

The interested person transactions transacted for the financial year ended 31 December 2020 by the Group are 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 of Goods and Services	
Salim Group[1]	5,278
IMAS Group[2]	231
Purchase of Goods and Services	
Salim Group	26,631
IMAS Group	1,452
Interest Income	
Salim Group	6,195
Dividend Income	
IMAS Group	3,085

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

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

USE OF SUBSCRIPTION PROCEEDS AS AT DATE OF THIS ANNUAL REPORT

As at the date of this Annual Report, total net proceeds of S$68.170 million and S$10.238 million raised from the subscription were utilised fully as follows:–

	Subscription completed on 14 December 2017 (S$ million)	Subscription completed on 26 December 2019 (S$ million)
Net Proceeds	**68.170**	10.238
Less: Utilised:		
General working capital[1]	**(34.085)**	–
Repayment of Loans	**(34.085)**	(10.238)
Unutilised Subscription Proceeds	**–**	–

(1) The breakdown of net proceeds used for general working capital was S$5.020 million for salary related expenses, S$9.779 million for payment of extension of land rights in Batam and S$19.286 million for the purchase of fuel and gas for the generation of power.

The above use of proceeds is in accordance with the allocation as well as intended use as stated in the Company's announcements in relation to the Subscription.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

We are pleased to present this statement to the members together with the audited consolidated financial statements of Gallant Venture Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2020.

In the opinion of the Directors,

(a) the accompanying consolidated financial statements of the Group and statement of financial position of the Company, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as disclosed in Note 2(a) Basis of preparation – Significant judgements used in applying accounting policies – (a) Going concern.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company to office at the date of this statement are:

Mr Lim Hock San (Non-Executive Chairman and Independent Director)
Mr Eugene Cho Park (Executive Director and Chief Executive Officer)
Mr Gianto Gunara (Executive Director and Chief Operating Officer)
Mr Choo Kok Kiong (Executive Director and Chief Financial Officer)
Dr Tan Chin Nam (Non-Executive Director)
Mr Axton Salim (Non-Executive Director)
Mr Foo Ko Hing (Non-Executive and Independent Director)
Mr Rivaie Rachman (Non-Executive and Independent Director)

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of the subsidiaries was a party to any arrangement which the object of which was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as follows:

	Number of ordinary shares registered in the name of Director or nominee		Number of ordinary shares in which Director is deemed to have an interest	
The Company	As at 1.1.2020	As at 31.12.2020 and 21.1.2021	As at 1.1.2020	As at 31.12.2020 and 21.1.2021
Lim Hock San	1,714,000	**1,714,000**	–	**–**
Eugene Cho Park	200,000	**200,000**	–	**–**
Gianto Gunara	200,000	**200,000**	–	**–**

Share options scheme

There were no share options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") at the end of the financial year comprises the following members:

Mr Lim Hock San (Chairman)
Mr Foo Ko Hing
Mr Rivaie Rachman

The ARMC performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the reliability and integrity of the financial statements;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Audit and Risk Management Committee (Cont'd)

(iv) effectiveness of the Company's and the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the ARMC to the board of directors with such recommendations as the ARMC considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The ARMC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings.

The ARMC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the ARMC are provided in the Report on Corporate Governance.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

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EUGENE CHO PARK

…………………………………………………………………….

CHOO KOK KIONG

Dated: 14 April 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gallant Venture Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of investments in subsidiaries (Note 7) and associates (Note 8) of the Company

As at 31 December 2020, investments in subsidiaries of the Company amount to S$1.12 billion representing about 71% of the Company's total assets and associates S$381.9 million, about 24% of the Company's total assets.

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the higher of "fair value less costs of disposal" ("FVLCD") and "value-in-use" ("VIU"). The recoverable amount from VIU calculation is based on management approved 5-year cash flow projections incorporating key assumptions, such as, the growth rate, terminal value and discount rate of the "cash generating unit" ("CGU") in order to calculate the present value of the CGU's future cash flows. FVLCD is determined based on the revalued net assets value.

These assumptions which are determined by management are judgmental. A small change in the assumptions may have a significant impact to the estimation of the recoverable amount.

In determining the appropriate CGU level, the Company has performed the impairment assessment at the smallest CGU identifiable. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(a) Impairment assessment of investments in subsidiaries (Note 7) and associates (Note 8) of the Company (Cont'd)

Our response and work performed

Our audit procedures included among others, evaluating the identification of CGUs.

We engaged auditor's expert to evaluate the recoverable amount prepared by management and the inputs and assumptions used. We assessed whether the auditor's expert has the necessary competency and objectivity for our purposes. We also obtained an understanding of the nature and scope of objectives of the expert's work and evaluated the adequacy of that work.

In the computation of the recoverable amount, the Company had taken into account the indicative market prices of their goods, and used inputs, such as market growth rate, weighted average cost of capital and the historical, present and future economic factors, typical of similar industry.

Through our auditor's expert, we assessed reasonableness of the valuation techniques applied, estimates adopted and assumptions used to arrive at the recoverable amounts of the CGUs. We checked the arithmetical accuracy of the recoverable amount calculations.

We also reviewed the adequacy of disclosures on investments in subsidiaries and associates included in Note 7 and Note 8 to the financial statements respectively.

(b) Net realisable value of land inventories (Note 12) of the Group

As at 31 December 2020, the land inventories of the Group amount to S$596.4 million, representing about 42% of the Group's total assets. The Group's land inventories are mainly located in Bintan and Batam islands in Indonesia. Land inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less the estimated costs of completion and the estimated costs necessary to make the sale.

The determination of the net realisable value of these land inventories requires management to make assumptions and estimates in deriving the budgeted costs for completion, related selling expenses, estimated selling prices and demand.

Our response and work performed

Through the component auditor, we evaluated the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged by management.

We considered the appropriateness of the valuation techniques used by the external valuers for the land inventories. We reviewed the reasonableness of the inputs used by the external valuers by reference to historical data and considered whether these inputs are consistent with the current market environment. The inputs used included recently transacted selling prices of these land and prices of comparable land located in the vicinity, and land-specific-factors adjustment, if any.

We also reviewed the adequacy of disclosures on land inventories included in Note 12 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

(c) Impairment assessment of property, plant equipment (Note 4) of the Group

As at 31 December 2020, the Group's property, plant and equipment amounts to S$139.4 million, representing about 10% of the Group's total assets. Property, plant and equipment comprises mainly leasehold land, building and infrastructure, utilities plant and machinery, transportation equipment and vehicles.

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, the higher of "fair value less costs of disposal" ("FVLCD") and "value-in-use" ("VIU"). The recoverable amount from VIU calculation is based on management approved 5-year cash flow projections incorporating key assumptions, such as the growth rate and discount rate per "cash generating unit" ("CGU"). FVLCD is determined by external valuers based on either the market approach, cost approach or a combination of both. These assumptions which are determined by management are judgmental.

In determining appropriate CGU level, the Group has performed the impairment assessment of property, plant and equipment according to the smallest CGU identifiable. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Our response and work performed

Our audit procedures included among others, assessing appropriateness of CGUs identified by management, evaluating management's assessment for impairment indications, reviewing the recoverable amount and assumptions and estimates used.

We reviewed the appropriateness of CGUs as identified by management.

We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment exist.

In the assessment of impairment, the Group takes into account the indicative open market prices of the property, plant and equipment, typical similar industries.

Through the component auditor, we reviewed management's expert estimates and key assumptions adopted in the valuation techniques and the recoverable amounts of CGUs associated with the property, plant and equipment.

We have also assessed the competencies and objectivities of the component auditor's expert.

We also reviewed the adequacy of disclosures about key assumptions and sensitivity. The disclosures about the Group's property, plant and equipment are included in Note 4 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the "Directors' Statement" section of the Annual Report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Annual Report which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Other Information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing report in this regard.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALLANT VENTURE LTD.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner of the audit resulting in this independent auditor's report is Ho Teik Tiong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 14 April 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		The Company		The Group	
	Note	31 Dec 2020 $'000	31 Dec 2019 $'000	31 Dec 2020 $'000	31 Dec 2019 $'000
Assets					
Non-Current					
Intangible assets	3	**–**	27	**197**	644,062
Property, plant and equipment	4	**80**	158	**139,475**	1,153,404
Right-of-use assets	5	**2,558**	409	**4,379**	44,236
Investment properties	6	**–**	–	**102,594**	101,775
Subsidiaries	7	**1,122,085**	2,460,620	**–**	–
Associates	8	**381,948**	–	**355,097**	149,940
Financing receivables	9	**–**	–	**–**	807,801
Deferred tax assets	10	**–**	–	**1,638**	41,079
Other non-current assets	11	**155**	155	**5,413**	264,380
		1,506,826	2,461,369	**608,793**	3,206,677
Current					
Land inventories	12	**–**	–	**596,376**	595,241
Other inventories	13	**–**	–	**8,627**	274,606
Financing receivables	9	**–**	–	**–**	587,013
Trade and other receivables	14	**65,788**	76,960	**70,740**	674,981
Cash and cash equivalents	15	**745**	1,747	**106,807**	230,524
		66,533	78,707	**782,550**	2,362,365
Total assets		**1,573,359**	2,540,076	**1,391,343**	5,569,042
Equity and Liabilities					
Equity					
Share capital	16	**1,958,546**	1,958,546	**1,958,546**	1,958,546
Treasury shares	17	**(50)**	(50)	**(50)**	(50)
Accumulated losses		**(1,262,795)**	(280,912)	**(1,207,331)**	(547,610)
Reserves	18	**80,000**	80,000	**60,925**	(164,388)
Equity attributable to equity holders of the Company		**775,701**	1,757,584	**812,090**	1,246,498
Non-controlling interests		**–**	–	**13,554**	272,642
Total equity		**775,701**	1,757,584	**825,644**	1,519,140

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	The Company 31 Dec 2020 $'000	The Company 31 Dec 2019 $'000	The Group 31 Dec 2020 $'000	The Group 31 Dec 2019 $'000
Liabilities					
Non-Current					
Deferred tax liabilities	10	**–**	–	**1,901**	101,790
Borrowings	19	**–**	290,495	**4,271**	1,490,111
Debt securities	20	**–**	–	**–**	103,369
Employee benefits liabilities	21	**–**	–	**16,281**	43,867
Other non-current liabilities	22	**88**	88	**25,966**	72,056
Lease liabilities	23	**2,378**	165	**3,448**	6,195
Contract liabilities	27	**–**	–	**16,738**	12,873
		2,466	290,748	**68,605**	1,830,261
Current					
Borrowings	19	**667,314**	404,457	**339,001**	1,610,633
Debt securities	20	**–**	–	**–**	67,474
Lease liabilities	23	**234**	231	**1,047**	13,405
Trade and other payables	24	**126,211**	85,307	**145,905**	495,584
Contract liabilities	27	**–**	–	**2,667**	20,153
Current tax payable		**1,433**	1,749	**8,474**	12,392
		795,192	491,744	**497,094**	2,219,641
Total liabilities		**797,658**	782,492	**565,699**	4,049,902
Total equity and liabilities		**1,573,359**	2,540,076	**1,391,343**	5,569,042

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000 (Restated)
Continuing operations			
Revenue	27	**138,199**	173,498
Cost of sales		**(113,770)**	(139,916)
Gross profit		**24,429**	33,582
Other income	28	**10,532**	463
General and administrative expenses		**(18,245)**	(18,204)
Other operating expenses	29	**(24,251)**	(26,153)
Share of associate companies' results		**(19,641)**	185
Finance costs	30	**(21,934)**	(30,271)
Loss from continuing operations, before tax		**(49,110)**	(40,398)
Taxation	32	**(12,816)**	(12,293)
Loss from continuing operations, net of tax		**(61,926)**	(52,691)
Loss from discontinued operations, net of tax	7(a)	**(642,735)**	(202,397)
Loss for the year	31	**(704,661)**	(255,088)
Attributable to:			
Equity holders of the Company			
– Loss from continuing operations, net of tax		**(59,057)**	(52,426)
– Loss from discontinued operation, net of tax		**(628,389)**	(169,550)
		(687,446)	(221,976)
Non-controlling			
– Loss from continuing operations, net of tax		**(2,869)**	(265)
– Loss from discontinued operation, net of tax		**(14,346)**	(32,847)
		(17,215)	(33,112)
Loss for the year		**(704,661)**	(255,088)
		Cents	**Cents**
Loss per share	34		
From continuing and discontinued operations			
– Basic		**(12.672)**	(4.153)
– Diluted		**(12.672)**	(4.153)
From continuing operations			
– Basic		**(1.089)**	(0.981)
– Diluted		**(1.089)**	(0.981)
From discontinued operations			
– Basic		**(11.584)**	(3.172)
– Diluted		**(11.584)**	(3.172)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000 (Restated)
Loss for the year		**(704,661)**	(255,088)
Other comprehensive (loss)/income after taxation:			
Items that are/may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges, net of tax		**(6,712)**	(17,171)
Currency translation differences from foreign subsidiaries		**(8,001)**	21,211
Realisation of reserves upon deconsolidation of subsidiaries		**32,514**	–
Share of other comprehensive loss of associates		**(15,659)**	–
Items that will not be reclassified subsequently to profit or loss			
Change in fair value on equity instruments at fair value through other comprehensive income		**–**	10,623
Remeasurements of defined benefit plans		**485**	(1,079)
Share of other comprehensive income of associates		**114**	–
Other comprehensive income for the year after taxation	33	**2,741**	13,584
Total comprehensive loss for the year		**(701,920)**	(241,504)
Total comprehensive loss attributable to:			
Equity holders of the Company			
– Total comprehensive loss from continuing operations, net of tax		**(73,911)**	(52,588)
– Total comprehensive loss from discontinued operations, net of tax		**(361,447)**	(159,582)
		(435,358)	(212,170)
Non-controlling interests			
– Total comprehensive loss from continuing operations, net of tax		**(2,907)**	(280)
– Total comprehensive loss from discontinued operations, net of tax		**(263,655)**	(29,054)
		(266,562)	(29,334)
		(701,920)	(241,504)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to 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 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 year	–	–	–	–	–	–	–	(687,446)	(687,446)	(17,215)	(704,661)
Other comprehensive (loss)/income	–	–	–	(4,877)	(4,900)	–	897	–	(8,880)	(5,348)	(14,228)
Share of other comprehensive (loss)/ income of associates	–	–	–	(8,703)	(6,956)	–	114	–	(15,545)	–	(15,545)
Realisation of reserves upon deconsolidation of subsidiaries	–	–	185,771	95,648	19,512	(24,124)	(28,019)	27,725	276,513	(243,999)	32,514
Total comprehensive income/(loss) for the year	–	–	185,771	82,068	7,656	(24,124)	(27,008)	(659,721)	(435,358)	(266,562)	(701,920)
Transactions with owners											
Share of reserves of associates	–	–	–	–	–	–	835	–	835	–	835
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	–	–	–	–	–	–	115	–	115	7,474	7,589
Balance at 31 December 2020	1,958,546	(50)	80,000	(12,607)	(6,956)	–	488	(1,207,331)	812,090	13,554	825,644

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(49,110)**	(40,398)
Loss before taxation from discontinued operations	7(a)	**(641,256)**	(179,572)
Adjustments for:			
Amortisation of intangible assets	3, 31	**6,842**	16,316
Depreciation of property, plant and equipment, investment properties and right-of-use assets	31	**63,380**	118,928
Impairment loss on goodwill	3, 31	**–**	100,100
Loss on disposal of property, plant and equipment		**1,697**	2,216
Net impairment of financing receivables	9, 31	**26,359**	53,244
Net impairment/(reversal) of trade and other receivables	14, 31	**3,455**	(551)
Loss on sales of foreclosed assets		**4,474**	12,366
Reversal of allowance for inventories obsolescence	13, 31	**(22)**	(66)
Provision for employees' benefits	21, 31	**4,398**	6,559
Net loss/(gain) on deconsolidation or disposal of subsidiaries	A	**595,708**	(255)
Gain on disposal of investment properties		**–**	(358)
Reversal of allowance for foreclosed assets	25, 31	**(134)**	(350)
Interest expense	C	**85,747**	186,240
Interest income		**(12,665)**	(27,859)
Share of associate companies' results		**24,453**	3,744
Operating profit before working capital changes		**113,326**	250,304
Increase in land inventories		**(1,135)**	(587)
Decrease in other inventories		**15,521**	98,216
Decrease/(increase) in operating receivables		**108,979**	(70,862)
Decrease in operating payables and contract liabilities		**(23,200)**	(21,557)
Cash generated from operating activities		**213,491**	255,514
Income tax paid		**(40,914)**	(73,356)
Interest paid	C	**(136,341)**	(221,416)
Interest received		**3,172**	8,382
Employee benefit paid	21	**(1,092)**	(1,302)
Net cash generated from/(used in) operating activities		**38,316**	(32,178)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Investing Activities			
Acquisition of intangible assets	3	**(48)**	(142)
Acquisition of property, plant and equipment		**(40,378)**	(438,910)
Acquisition of investment properties		**(1,456)**	(40,100)
Dividend from associates		**1,099**	2,023
Proceeds from disposal of property, plant and equipment		**855**	5,882
Proceeds from disposal of investment properties		**–**	33
Acquisition of a subsidiary, net of cash acquired	B	**–**	(29,602)
Net (outflow)/inflow on deconsolidation or disposal of subsidiaries	A, 7(a)	**(284,257)**	495
Proceeds from sale of equity instruments at fair value through other comprehensive income		**31,130**	144,943
Addition in investments		**(7,566)**	(39,320)
Placement of restricted cash and time deposits		**(2,819)**	(105)
Net cash used in investing activities		**(303,440)**	(394,803)
Cash Flows from Financing Activities			
Proceeds from issuance of new shares	16	**–**	10,239
Repayment of debt securities	C	**(44,802)**	(195,951)
Payment of principal portion of lease liabilities	C	**(11,433)**	(3,625)
(Acquisition of)/proceeds from capital stock contribution of NCI		**(1,274)**	21,794
Proceeds from borrowings	C	**1,359,018**	4,062,642
Repayment of borrowings	C	**(1,173,452)**	(3,467,432)
Dividends paid to non-controlling interests		**–**	(2,450)
Net cash generated from financing activities		**128,057**	425,217
Decrease in cash and cash equivalents		**(137,067)**	(1,764)
Cash and cash equivalents at beginning of year		**230,524**	228,879
Effect of currency translation on cash and cash equivalents		**13,350**	3,409
Cash and cash equivalents at end of year	15	**106,807**	230,524

Note A: Deconsolidation/disposal of subsidiaries

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Details of the deconsolidation/disposal are as follows:

	Year ended 31 December 2020 PT IMAS $'000	Year ended 31 December 2019 PT BBA Group $'000
Carrying amounts of net assets over which control was lost		
Non-current assets	**2,766,026**	–
Current assets	**1,795,883**	732
Non-current liabilities	**(1,330,001)**	–
Current liabilities	**(2,286,766)**	(492)
Less: Non-controlling interests	**(243,999)**	–
Add: Realisation of reserves	**276,513**	–
Net assets derecognised	**977,656**	240
(Loss) /gain on deconsolidation/disposal		
Investment retained at fair value	**381,948**	–
Cash consideration	**–**	495
	381,948	495
Less: Net assets derecognised	**(977,656)**	(240)
	(595,708)	255
Effect of the deconsolidation/disposal on cash flows		
Cash consideration	**–**	495
Cash balance in subsidiaries deconsolidated/disposed off	**(284,257)**	–
Net cash (outflows)/inflows arising on deconsolidation/disposal	**(284,257)**	495

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Note B: Acquisition of subsidiaries

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

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

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

	PT PSG $'000	PT JKU $'000
Purchase consideration		
Cash	28,560	1,211
Total purchase consideration	28,560	1,211
Identifiable assets acquired and liabilities assumed at fair value		
Cash and cash equivalents	104	65
Trade and other receivables	28,145	4,024
Inventories	3,611	52
Property, plant and equipment	63,235	8,645
Investment properties	–	6,411
Deferred tax assets	5,358	–
Other non-current asset	–	53,471
Loan and borrowings	(22,360)	(30,236)
Trade and other payables	(92,033)	(41,365)
Current tax liabilities	(1,592)	(12)
Identifiable (net liabilities assumed)/net assets acquired	(15,532)	1,055
Add: Non-controlling interests	156	(10)
	(15,376)	1,045
Goodwill arising on acquisition		
Consideration transferred	28,560	1,211
Less: Fair value of identifiable net liabilities assumed/(net assets acquired), net of non-controlling interests	15,376	(1,045)
Goodwill arising on acquisition	43,936	166
Effects on cash flows of the Group		
Cash consideration paid	28,560	1,211
Less: Cash and cash equivalents in acquiree	(104)	(65)
Net cash outflows on acquisition	28,456[(i)]	1,146[(i)]

(i) Total net cash outflow on acquisition of PT PSG and PT JKU in FY2019 were $29,602,000

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Note C

The following is the disclosures of the reconciliation of items for which cash flows have been classified as financing activities, excluding equity items.

			Cash flows			Non-cash flows				
The Group	**Note**	**As at 1 January $'000**	**Proceeds $'000**	**Repayment $'000**	**Interest paid $'000**	**Addition $'000**	**Interest expenses $'000**	**The effect of changes in foreign rates $'000**	**Deconsolidation of subsidiaries (Note 7(a)) $'000**	**As at 31 December $'000**
2020										
Borrowings	19	**3,100,744**	**1,359,018**	**(1,173,452)**	**(130,207)**	**–**	**79,435**	**108,242**	**(3,000,508)**	**343,272**
Debt securities	20	**170,843**	**–**	**(44,802)**	**(6,134)**	**–**	**5,926**	**(5,956)**	**(119,877)**	**–**
Lease liabilities	23	**19,600**	**–**	**(11,433)**	**–**	**2,455**	**386**	**144**	**(6,657)**	**4,495**
					(136,341)		**85,747**			
2019										
Borrowings	19	2,440,536	4,062,642	(3,467,432)	(199,139)	–	164,069	100,068	–	3,100,744
Debt securities	20	358,797	–	(195,951)	(22,277)	–	20,499	9,775	–	170,843
Lease liabilities	23	6,494	–	(3,625)	–	14,940	1,672	119	–	19,600
					(221,416)		186,240			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The financial statements of the Group and the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.

2(a) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The 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.

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The ongoing and evolving Coronavirus Disease ("COVID-19") pandemic has a significant impact on the global economy and the economy of Indonesia in which the Group operates. There is significant uncertainty as to the duration of the pandemic and its impact on those economies. The impact of COVID-19 on the Group was considered (i) Impairment of non-financial assets (Notes 3, 4, 5, and 6), (ii) Impairment of investment in subsidiaries and associates (Notes 7 and 8), (iii) Allowance for expected credit losses ("ECL") of trade and other receivables (Note 14) and (iv) Revenue (Note 27).

The COVID-19 pandemic has caused and may continue to cause significant disruptions to the economy of Indonesia and business operations. As a result, assumptions previously used in provision matrices for ECL may no longer hold. For this reason, management considered (i) assumptions and inputs adjusted for the effects of COVID-19 were used to measure ECL under COVID-19 situation (including forward-looking information and any additional adjustments or 'overlays'), (ii) Credit risk concentrations that take into account different effects of COVID-19 on different receivables, and (iii) Carrying amounts of receivables that are credit impaired at the reporting date (such as receivables from debtors that are in significant financial difficulty, or receivables that are more than 90 days past due).

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Significant judgements used in applying accounting policies

(a) Going concern

As at 31 December 2020, the Company's current liabilities exceeded its current assets by S$728,659,000 (2019 – S$413,037,000). The Company's net current liability position is mainly due to the Company's syndicated loans of S$268,442,000 (2019 – S$Nil) being classified as "current liabilities" caused by breach of a financial covenant (Note 19), loan from subsidiaries of S$379,643,000 (2019 – S$385,047,000) (Note 19) and amount owing to its subsidiaries of S$57,471,000 (2019 – S$69,278,000) (Note 24).

Excluding the reclassification of the non-current portion of the syndicated loans and the loans and amount owing to its subsidiaries, the Company's net current liabilities is S$23,103,000 (2019 – net current assets S$41,288,000) as at 31 December 2020.

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, the subsidiaries not to recall the loan under the instruction from the Company and the lenders had not requested early repayment of the loans as the lenders has granted waiver on the non-compliance of the financial covenant as of the date of this report.

The Group incurred a loss after tax of S$704,661,000 (2019 – S$255,088,000) and a total comprehensive loss of S$701,920,000 (2019 – S$241,504,000), and net cash inflows from operating activities of S$38,316,000 (2019 – net cash outflows of S$32,178,000) for the financial year ended 31 December 2020. As at 31 December 2020, the Group has cash and cash equivalents (Note 15) of S$106,807,000 (2019 – S$230,524,000) and net current assets of S$285,456,000 (2019 – S$142,724,000) which is able to support its working capital requirements notwithstanding that the Group's syndicated loans of S$299,242,000 were classified as "current liabilities" (Note 19). The Group has outstanding borrowings and debts securities (Notes 19 and 20) of S$339,001,000 (2019 – S$1,678,107,000) as at 31 December 2020 which is due within 12 months after end of reporting period.

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

- the Group is able to raise funds through bank borrowings and capital market;
- the Group is able to collect its total trade receivables as they fall due to settle its current liabilities; and
- the lenders had not requested early repayment of the loans as the lenders has granted waiver on the non-compliance of the financial covenant as of the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Significant judgements used in applying accounting policies (Cont'd)

(b) Income taxes (Note 32)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Determination of cash-generating units (CGU)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Management has identified the appropriate CGU level to be either at the business segment or at the entity level for the purpose of its assessment of impairment in non-financial assets and its investments in subsidiaries and associate companies.

(d) Classification of properties as investment properties (Note 6)

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.

(e) Classification of property leases as operating lease (as lessor) (Note 35)

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases. The Group's operating leases (as lessor) contracted for as of 31 December 2020 is S$81,184,000 (2019 – S$104,709,000).

(f) Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Significant judgements used in applying accounting policies (Cont'd)

(g) Allowance for expected credit losses (ECL) of financing receivables (Note 9) (discontinued operations) and trade and other receivables (Note 14)

Allowances for ECL of receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, current market conditions, assumptions and expectations of future conditions.

For financing receivables and non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward looking information.

Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

For receivables which are trade in nature, the Group and the Company apply the simplified approach and uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust historical credit loss experience with current market conditions and forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

As at 31 December 2019, the net carrying amount of the Group's financing receivables was S$1,394,814,000.

The net carrying amounts of the Company's and the Group's trade and other receivables as at 31 December 2020 amount to S$65,788,000 (2019 – S$76,960,000) and S$70,740,000 (2019 – S$674,981,000) respectively. A decrease of 10% in the estimated future cash inflows will not lead to further allowance for impairment on the Group's trade and other receivables.

(h) Deferred tax assets (Note 10)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgements are required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying amount of the Group's deferred tax assets as at 31 December 2020 is S$1,638,000 (2019 – S$41,079,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Significant judgements used in applying accounting policies (Cont'd)

(i) Determination of the lease term (Note 23)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of premises, plant and equipment, and motor vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2020, potential future cash outflows of S$Nil (2019 – S$1,785,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

(j) Investment in PT Indomobil Sukses Internasional Tbk ("PT IMAS") (Note 8)

The Group's equity interest in PT IMAS was diluted from 71.49% to 49.49% as a result of the Group's decision not to participate in PT IMAS's right issue. Significant judgement is required in determining whether the Group has lost control over its investee but continue to exercise significant influence in PT IMAS, by its ability to participate in the financial and operating policy decisions of PT IMAS. Judgement is required when the Group assessed whether it has control or able to exercise significant influence through its percentages of voting rights together with its ability to participate in the financial and operating decisions of the Board of Directors and Board of Commissioners. The carrying amount of the Group's investment in PT IMAS as at 31 December 2020 is S$345,605,000.

Critical accounting estimates and assumptions used in applying accounting policies

(a) Pension and employee benefits (Note 21)

The determination of the Group's obligation cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised in profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of employee benefit liabilities as at 31 December 2020 amounts to S$16,281,000 (2019 – S$43,867,000).

If the discount rate decreases by 1% from management's estimates, the present value of the pension and employee benefits obligation will increase by S$2,665,000 (2019 – S$2,371,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 80 years. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the Company's and the Group's property, plant and equipment as at 31 December 2020 are S$80,000 (2019 – S$158,000) and S$139,475,000 (2019 – S$1,153,404,000) respectively. If the depreciation of the property, plant and equipment increases/decreases by 10%, the Group's loss for the year will increase/decrease by S$4,467,000 (2019 – S$6,316,000).

(c) Depreciation of investment properties (Note 6)

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 carrying amount of the Group's investment properties as at 31 December 2020 is S$102,594,000 (2019 – S$101,775,000). If the depreciation of the investment properties increases/decreases by 10%, the Group's loss for the year will increase/decrease by S$1,591,000 (2019 – S$2,824,000).

(d) Estimation of the incremental borrowing rate ("IBR") (Note 23)

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity shall use its IBR applicable to the lease asset.

The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 23 respectively.

An increase/decrease of 50 basis points in the estimated IBR will not significantly decrease/increase the Group's right-of-use assets and vice versa, the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(e) Fair value of financial instruments

The Group carries certain financial assets and liabilities at fair value. Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of the mathematical models. The inputs to these models are derived from observable market data where possible. Where observable data are not available, judgement are required to establish the fair value. The judgement includes considerations of liquidity and model inputs such as volatility and discount rate, prepayment rates and default rate assumptions, which fair value would differ if the Group utilised different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring the fair values is included in the following note:

- Note 26 – Derivative financial instruments

  As at 31 December 2019, the carrying amount of the Group's derivative financial assets which were held by PT IMAS (discounted operations) was S$2,745,000 and the carrying amount of the Group's derivative financial liabilities was S$41,424,000.

  In 2019, an increase/decrease of the Group's derivative financial assets and derivative financial liabilities by 10%, the Group's other comprehensive loss for the year will decrease/increase by S$3,870,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(f) Valuation of unquoted equity instruments (Note 11)

For unquoted equity investments, the Group elects to measure these equity instruments at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

These investments, stated at their fair values (Level 3 of the fair value hierarchy), are based on management valuations using external valuers. Estimating the fair value is a complex process involving judgements and estimates regarding various inputs and underlying assumptions. This is due to the nature of the underlying assets comprising many categories of assets and liabilities recorded in the statement of financial position of the investee. The valuation of these investments is determined using the adjusted net assets method that involves the use of unobservable inputs. The valuations are sensitive to key assumptions applied in deriving at the significant unobservable inputs i.e. a small change in the assumptions may have a significant impact to the valuation.

As at 31 December 2019, the carrying amount of the Group's equity instruments at FVOCI which were held by PT IMAS (discontinued operations) was S$132,793,000 and disclosed in Note 11.

In 2019, an increase/decrease of 10% in the investments' net asset value, the Group's unquoted equity instruments will increase/decrease by S$13,280,000.

(g) Allowance for decline in market values and obsolescence of land inventories (Note 12) and other inventories (Note 13)

Allowance for decline in market values and obsolescence of inventories is estimated based on the best available facts and circumstances including but not limited to the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated.

The carrying amount of the Group's land inventories and other inventories as at 31 December 2020 are S$596,376,000 (2019 – S$595,241,000) and S$8,627,000 (2019 – S$274,606,000) respectively. If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's loss for the year will increase by S$123,000 (2019 – S$580,000).

(h) Impairment assessment of goodwill (Note 3)

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

This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and use of estimates (Note 3). In 2020, the carrying amount of goodwill of S$427,460,000 allocated to the automotive business segments was derecognised on the deconsolidation of PT IMAS (Note 7(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(i) Impairment assessment of investment in subsidiaries and associates (Notes 7 and 8)

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. If the present value of estimated future cash flows decreased by 1% from management's estimates, is not likely to materially affect the carrying amount.

The carrying amount of the Company's investment in subsidiaries and investment in associates as at 31 December 2020 are S$1,122,085,000 (2019 – S$2,460,620,000) and S$381,948,000 (2019 – Nil) respectively.

(j) Impairment assessment of property, plant and equipment (Note 4)

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. Management has evaluated the recoverability of the property, plant and equipment based on such key assumptions and estimates. If the present value of estimated future cash flows decreased by 1% from management's estimates, is not likely to materially affect the carrying amount.

The carrying amount of the Group's property, plant and equipment as at 31 December 2020 is S$139,475,000 (2019 – S$1,153,404,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(b) Adoption of new and revised SFRS (I) effective in 2020

New SFRS(I) and amendments in 2020

On 1 January 2020, the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 1-1 and SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
SFRS(I) 3	Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
Amendments to SFRS(I)7, SFRS(I)9 and SFRS(I) 1-39	Interest Rate Benchmark Reform	1 January 2020
Various SFRS (I)s	Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020

The adoption of the following relevant new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance. The new definition of material states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Amendments to SFRS(I) 3: Definition of a Business

The amendments are changes to Appendix A *Defined terms*, the application guidance, and the illustrative examples of SFRS(I) 3 only that:

- clarify that to be considered a business, an acquired set of activities and assets must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(b) Adoption of new and revised SFRS (I) effective in 2020 (Cont'd)

Amendments to References to the Conceptual Framework in SFRS(I) Standards

The Conceptual Framework for Financial Reporting used in standard setting has been revised. No changes are made to the current accounting standards. However, entities that rely on the Conceptual Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Conceptual Framework from 1 January 2020. In such cases, these entities should review those policies and apply the new guidance retrospectively for annual period beginning on or after 1 January 2020.

The Amendments to References to the Conceptual Framework, issued together with the revised Conceptual Framework, set out amendments to FRS, their accompanying documents and FRS practice statements, which contain references to or quotations from the Conceptual Framework, to reflect the revised Conceptual Framework.

2(c) SFRS(I) issued but not yet effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendment to SFRS(I) 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		
Amendment to SFRS(I) 1	Subsidiary as a First-time Adopter	1 January 2022
Amendment to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
Amendment to SFRS(I) 16	Lease Incentives	1 January 2022
Amendment to SFRS(I) 1-41	Taxation in Fair Value Measurements	1 January 2022
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(c) SFRS(I) issued but not yet effective (Cont'd)

The following relevant standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Amendments to SFRS(I) 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendments clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity shall include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(c) SFRS(I) issued but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

2(d) Significant accounting policies

(i) Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interests even if that results in a deficit balance.

Subsidiary and existence of control

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

Subsidiary and existence of control (Cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without loss of control

Changes in the Company owners' ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amount of the controlling and non-controlling interests is adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(i) Consolidation (Cont'd)

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interests;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss; and

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The investment retained in the former subsidiary at the date when the control is lost is remeasured to its fair value. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

(ii) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises:

– the fair values of the assets transferred;

– the liabilities incurred to the former owners of the acquiree;

– the equity interests issued by the Group;

– the fair value of any asset or liability resulting from a contingent consideration arrangement; and

– fair value of any pre-existing equity interest in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(ii) Business combination (Cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of acquiree's identifiable net assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(iii) Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, if there are any indicators of impairment. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

a. Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(iii) Intangible assets (Cont'd)

b. Dealerships and distributorships

Dealerships and distributorships are amortised on straight-line basis over their useful life of 20 years.

c. Computer software

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

(iv) Property, plant and equipment and depreciation

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate the depreciable amount of these assets over their estimated useful lives as follows:

	Years
Leasehold land and improvements	15 – 80
Land improvements and landfill	3 – 20
Building and infrastructures	3 – 30
Golf course	36 – 45
Utilities plant and machinery	3 – 30
Machinery and equipment	2 – 30
Vessels and ferry equipment	4 – 15
Working wharf and reservoir	3 – 30
Transportation equipment and vehicles	3 – 8
Furniture, fixtures and equipment	1 – 10

Construction-in-progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use. No depreciation is provided on construction-in-progress.

Costs incurred in the general overhaul of the main engines of vessels during dry docking are capitalised and depreciated over 3 to 5 years.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(iv) Property, plant and equipment and depreciation (Cont'd)

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and to the year before disposal respectively. For acquisitions, less than S$1,000, they are expended as expenses in the profit or loss. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

(v) Investment properties

Investment properties consist of buildings and improvements that are held to earn rental yields, including portions of buildings which could not be sold separately, and where an insignificant portion is held for use in the supply of services or for administrative purposes.

The Group applies the cost model. Investment properties are stated at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment properties of 3 – 30 years, as applicable for each investment property.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(vi) Investment in subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

(vii) Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(vii) Investment in associates (Cont'd)

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(viii) Inventories

a. Land

Land inventories are carried at the lower of cost and net realisable value. Cost of land inventories is recorded at cost. Net realisable value represents the estimated selling price less costs to be incurred in selling the land.

Cost of land inventories includes cost of land, borrowing costs and other costs directly or indirectly related to the acquisition and development of the land for sale. These costs are capitalised during the period such activities that are necessary to get these assets ready for sale are in progress. Capitalisation of these costs will cease when land development is completed and the land is available for sale.

The costs incurred in the development of the resort and common areas/facilities are allocated proportionally to the saleable parcels of land. Other land development costs incurred are allocated to each parcel of land using the specific identification method.

Land inventories are de-recognised when it has been sold as an integral part with sale of land and no future economic benefit is expected from its disposal. Cost of land infrastructure inventory on sale of land or loss from disposal is recognised in the profit or loss in the year of sale or disposal.

b. Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is generally determined on a first-in, first-out basis, specific identification and average methods. The cost of finished goods and work-in-progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. Allowance is made for obsolete, slow moving or defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(ix) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal rights to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(x) Financial assets

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b. Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

c. Measurement (Cont'd)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

The Group has elected to measure these equity instruments at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For receivables which are trade in nature, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(x) Financial assets (Cont'd)

d. Impairment (Cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit or loss.

e. Determination of fair value

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(xi) Financing receivables (discontinued operations)

(a) Consumer financing receivables

Consumer financing receivables are presented net of amounts financed by banks relating to the cooperation transactions of loan channelling, unearned consumer financing income and allowance for impairment loss on consumer financing receivables.

Based on the consumer joint financing agreements (without recourse), the Group only presents the portion of the total instalments receivable financing by the subsidiaries (net approach). The consumer financing income is presented net of amounts of the banks' rights on such income relating to the transactions.

For consumer joint financing, receivable take over and channelling agreements (with recourse), consumer financing receivables represent all customers' instalments and the total facilities financed by creditors are recorded as liability (gross approach). Interest earned from customers is recorded as part of consumer financing income, while interest charged by the creditors is recorded as part of financing charges.

Unearned income on consumer financing, which is the excess of the aggregate instalment payments to be received from the consumers over the principal amount financed, plus or deducted with the financing process administration fees or expenses, is recognised as income over the term of the respective agreement using effective interest rate method.

The processing fees, which are incurred at the first time the financing agreement is signed and directly attributable to consumer financing, are recognised as administration income. Early terminations are treated as cancellation of existing consumer finance contracts and the resulting gain or loss is recognised in profit and loss for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xi) Financing receivables (discontinued operations) (Cont'd)

(a) Consumer financing receivables (Cont'd)

The Group does not recognise consumer financing income contract on receivables that are overdue more than three months. The interest income previously recognised during three (3) months but not yet collected is reversed against interest income. Such income is recognised only when the overdue receivable is collected.

(b) Net investment in financing leases

Net investment in financing leases represents financing lease receivables plus the guaranteed residual value at the end of the lease period and net of unearned financing lease income, security deposits and allowances for impairment losses. The difference between gross lease receivables and the present value of the lease receivable is recognised as unearned financing lease income.

Unearned financing lease income is recognised as financing lease income based on a constant rate on the net investment using effective interest rate.

(c) Other financing receivables

Other financing receivables are factoring receivables purchased from other companies, without recourse.

Other factoring receivables are initially measured at the purchase price, net of directly attributable transaction costs. They are presented net of purchase price, unearned financing income and allowance for impairment loss on other factoring receivables.

Unearned income on other financing receivables, which is the excess of the aggregate instalment payments to be received from the consumers over the principal amount financed, plus or deducted with the financing process administration fees or expenses, is recognised as income over the term of the respective agreement using effective interest rate method.

(xii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, short term deposits and other short-term investments with maturities of three months or less at the time of placement or purchase that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitment.

(xiii) Financial liabilities

The Group's financial liabilities include loans and borrowings, debt securities (including bond), obligations under finance leases and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xiii) Financial liabilities (Cont'd)

Borrowings and debt securities

Borrowings and debt securities are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings and debt securities are subsequently stated at amortised cost which is the initial fair value less any principal repayments.

Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings and debt securities using the effective interest method. Interest expense is chargeable on the amortised cost over the period of the borrowings and debt securities using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are amortised as well as through the amortisation process.

Borrowings and debt securities which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings and debt securities to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instruments.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xiv) Foreclosed assets (discontinued operations)

Foreclosed assets acquired in conjunction with settlement of consumer financing receivables are stated at the lower of related consumer financing receivables' carrying value or net realisable value of foreclosed assets. The difference between the carrying value and the net realisable value recorded as part of allowance for impairment losses and loss on foreclosed assets and is recognised in profit or loss.

In case of default, the customer gives the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables. Customers are entitled to the positive differences between the proceeds from sales of foreclosed assets and the outstanding consumer financing receivables. If the differences are negative, the resulting losses are recognised in profit or loss.

(xv) Golf membership

Golf membership is measured initially at cost. Subsequent to initial recognition, golf membership is stated at cost less any accumulated impairment losses, if any. The carrying amount of golf membership is reviewed annually for impairment when an indicator of impairment arises during the reported period indicates that the carrying value may not be recoverable.

The golf membership is assessed as having indefinite life and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The golf membership is tested for impairment and carried at cost less accumulated impairment loss, if any.

(xvi) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

(xvii) Contract liabilities and contract assets

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If the customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Group performs under the contract.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xvii) Contract liabilities and contract assets (Cont'd)

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as expense.

(xviii) Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xviii) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) Lease liability (Cont'd)

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xviii) Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(b) Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

	Years
Office and building	2-10
Transportation equipment and motor vehicles	1-30

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) The Group as lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except for the classification of the sublease entered into that resulted in a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xviii) Leases (Cont'd)

(ii) The Group as lessor (Cont'd)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other income" in profit or loss.

Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xix) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xix) Derivative financial instruments and hedging activities (Cont'd)

Cash flow hedges that qualify for hedge accounting (Cont'd)

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

(xx) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Based on Government Regulation of the Republic of Indonesia (RI) No. 71/2008 dated 4 November 2008, companies whose main activity is sales of land and buildings, is subject to final tax for each payment on sales of land and factory (including condominiums and cottages) starting January 1, 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xx) Income tax (Cont'd)

Based on Government Regulation of RI No. 5/2002 dated March 23, 2002, each rental payment on the rental of buildings is subject to final tax of 10% from the gross rental amount starting May 1, 2002.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(xxi) Employee benefits

Pension obligations

The Group participates in national pension schemes as defined by the laws of the countries in which it operates. As required by Indonesian Law, the Group makes contributions to the defined contributions state pension scheme, Jamsostek contributions, which are recognised as compensation expense in the same period as the employment that gives rise to the contributions. The ASTEK fund from Jamsostek contributions is responsible for the entire insurance claim relating to accidents incurred by the employees at the work place and for the entire retirement benefit obligations of the related employees under the said state pension scheme.

The Group also makes contributions to a defined contribution pension plan which is administered by legal entity, "Dana Pensiun Lembaga Keuangan Indolife Pensiontama" for certain employees. The contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

The Company and its subsidiaries operating in Singapore contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxi) Employee benefits (Cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the reporting period.

Provisions for employee service entitlements

The Group has recognised unfunded employee benefits liability in accordance with Indonesian Labor Law No. 13/2003 dated 25 March 2003 ("the Law").

The calculation is performed annually by qualified actuarists using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

(xxii) Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxii) Impairment of non-financial assets (Cont'd)

Individual assets or cash-generating units that include goodwill or other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount represents the value-in-use based on an internal discounted cash flow calculation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued assets was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

(xxiii) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

    (i) has control or joint control over the Company;

    (ii) has significant influence over the Company; or

    (iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxiii) Related parties (Cont'd)

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

(xxiv) Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxiv) Revenue recognition (Cont'd)

(a) Sale of goods

Sale of goods includes automobiles, truck and heavy-duty equipment and automotive parts (discontinued operations) and accessories. Revenue is recognised at a point in time when the control of the goods are transferred, being when the goods are delivered to the customer or collected by customer which signify that all criteria for acceptance have been satisfied.

(b) Financial services (discontinued operations)

Revenue from consumer financing, finance leases and factoring receivables is recognised over the term of the respective contracts based on a constant rate of return on the net investment using the effective interest method.

(c) Services rendered

Revenue from villa operation, ferry services, golfing, use of social facilities, food and beverages, car rental, logistic services and clinic operation is recognised when the services are rendered or when the supplies are delivered to customers.

Revenue from contract service is recognised by reference to the stage of completion of the contract.

Revenue from golf subscription fees is recognised over the period of the subscription while non-refundable golf club membership is recognised as revenue in the period of sale.

(d) Utilities revenue

Revenue from electricity and water is recognised at a point in time upon consumption by the customer.

(e) Rental and service and maintenance

Rental from investment properties is recognised proportionately over the lease term. The service and maintenance is provided evenly over the lease term. The aggregate cost of any incentives as a reduction of rental income is recognised proportionately over the lease term. Rental payments received in advance are recorded as unearned income and amortised proportionately over the lease term using the straight-line method. Deposits received from tenants are recorded as part of other current liabilities.

(f) Telecommunication service

Revenue from telecommunication services is recognised over a period of time as it accrues over the term of the telecommunication contracts. Revenue from telecommunication installation services is recognised when the installations are placed in service. Revenue from network interconnection with other domestic telecommunication carriers is recognised when the time connection takes place.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxiv) Revenue recognition (Cont'd)

(g) Sales of land and factory

The Group sells land for development and factory in the ordinary course of business. Revenue is recognised at a point of time when the control over the property had been transferred to the customer, which coincides with the transfer of the legal title, as the satisfaction of the performance obligation. In cases where the performance obligation includes specific criteria to be fulfilled in stages, the revenue is recognised over time based on the stages of completion reflecting the progress towards complete satisfaction of that performance obligation.

(h) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(i) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

(j) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss account over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(xxv) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of the related asset. Otherwise, borrowing costs are recognised as expenses when incurred. Borrowing costs consist of interests and other financing charges that the Group incurs in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets are substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

(xxvi) Bond issuance costs

Costs incurred in connection with the issuance of bonds by the Group were deferred and are being amortised using the effective interest rate method over the term of the bonds.

The balance of deferred bonds issuance costs is presented as a deduction from the outstanding bonds payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxvii) Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore Dollar, which is also the functional currency of the Company.

(xxviii) Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates as at the end of reporting period are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designed and qualifying as net investment hedged and net investment in foreign operations are recognised in other comprehensive income and accumulated in the translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance costs". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Significant accounting policies (Cont'd)

(xxix) Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segment under their charge. The segment managers are directly accountable to their chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

(xxx) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3 Intangible assets

The Company	Computer software $'000	Total $'000
Cost		
At 1 January 2019 and 31 December 2019	**676**	**676**
At 31 December 2020	**676**	**676**
Accumulated amortisation		
At 1 January 2019	614	614
Amortisation for the year	35	35
At 31 December 2019	**649**	**649**
Amortisation for the year	**27**	**27**
At 31 December 2020	**676**	**676**
Net book value		
At 31 December 2020	**–**	**–**
At 31 December 2019	27	27

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Intangible assets (Cont'd)

The Group	Goodwill $'000	Dealerships and distributorships $'000	Computer software $'000	Total $'000
Cost				
At 1 January 2019	483,458	324,546	1,900	809,904
Acquisition of subsidiaries	44,102	–	–	44,102
Additions	–	–	142	142
Disposal	–	–	(47)	(47)
Exchange translation differences	–	–	3	3
At 31 December 2019	**527,560**	**324,546**	**1,998**	**854,104**
Deconsolidation of subsidiaries (Note 7(a))	**(527,560)**	**(324,546)**	**–**	**(852,106)**
Additions	**–**	**–**	**48**	**48**
Exchange translation differences	**–**	**–**	**(16)**	**(16)**
At 31 December 2020	**–**	**–**	**2,030**	**2,030**
Accumulated amortisation and impairment				
At 1 January 2019	–	91,953	1,717	93,670
Amortisation for the year (Note 31)	–	16,227	89	16,316
Disposal	–	–	(47)	(47)
Impairment loss (Note 31)	100,100	–	–	100,100
Exchange translation differences	–	–	3	3
At 31 December 2019	**100,100**	**108,180**	**1,762**	**210,042**
Amortisation for the year (Note 31)	**–**	**6,761**	**81**	**6,842**
Deconsolidation of subsidiaries (Note 7(a))	**(100,100)**	**(114,935)**	**–**	**(215,035)**
Exchange translation differences	**–**	**(6)**	**(10)**	**(16)**
At 31 December 2020	**–**	**–**	**1,833**	**1,833**
Net book value				
At 31 December 2020	**–**	**–**	**197**	**197**
At 31 December 2019	427,460	216,366	236	644,062

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Intangible assets (Cont'd)

a. Goodwill

Impairment test for goodwill

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the automotive business segments (discontinued operations). In 2020, the goodwill allocated to the automotive business segments of S$427,460,000 is fully derecognised on the deconsolidation of PT IMAS.

In 2019, the Management determined that PT IMAS group represents the Group's smallest cash-generating units ("CGU"). PT IMAS group is primarily involved in automotive business. 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. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below:

Key assumptions used for value-in-use calculations:

	2019 Automotive
Gross margin(1)	19.49% to 22.19%
Growth rate(2)	4.85%
Discount rate(3)	10.91%

(1) Budgeted gross margin
(2) Weighted average growth rate used to extrapolate cash flows beyond the budgeted period
(3) Pre-tax discount rate applied to the pre-tax cash flows projections

An impairment loss of S$100,100,000 (Note 31) charged to "Other operating expenses" in profit or loss in 2019 as the recoverable amount of the CGU was 21% lower than its carrying amount due to decline in sales of vehicle in Indonesia as a result of economic slowdown and declining domestic consumption. This impairment loss was reclassified as part of "Loss from discontinued operations, net of tax" in the Consolidated Statement of Profit or Loss arising from the deconsolidation of subsidiaries, PT IMAS Group.

b. Amortisation expense included in the profit or loss is analysed as follows:

The Group	**2020 $'000**	**2019 $'000**
General and administrative expenses (Note 31)	**6,842**	16,316
	6,842	16,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Property, plant and equipment

The Company	Furniture fixtures and equipment $'000	Office equipment $'000	Leasehold improvements $'000	Total $'000
Cost				
At 1 January 2019, as adjusted	126	273	242	641
Additions	–	11	–	11
Disposals	–	(11)	–	(11)
At 31 December 2019	**126**	**273**	**242**	**641**
Additions	**–**	**20**	**–**	**20**
Disposals	**–**	**(11)**	**–**	**(11)**
At 31 December 2020	**126**	**282**	**242**	**650**
Accumulated depreciation				
At 1 January 2019, as adjusted	67	196	112	375
Depreciation for the year	22	48	49	119
Disposals	–	(11)	–	(11)
At 31 December 2019	**89**	**233**	**161**	**483**
Depreciation for the year	**22**	**27**	**49**	**98**
Disposals	**–**	**(11)**	**–**	**(11)**
At 31 December 2020	**111**	**249**	**210**	**570**
Net book value				
At 31 December 2020	**15**	**33**	**32**	**80**
At 31 December 2019	37	40	81	158

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Property, plant and equipment (Cont'd)

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	Construction in progress $'000	Total $'000
Cost												
At 1 January 2020	270,571	9,533	414,812	25,307	286,354	281,706	58,414	11,698	634,995	23,803	164,785	2,181,978
Exchange translation differences	2,648	2	4,115	–	–	(1,949)	(1)	–	(3,437)	(39)	(3,791)	(2,452)
Additions	3,516	–	877	–	133	9,299	384	–	2,212	607	30,610	47,638
Reclassification/transfers	(2,919)(i)	–	(4,662)(i)	–	141	(2,097)	–	–	105,234	452	(128,825)	(32,676)
Disposal	(14,873)	–	(212)	–	(636)	(2,734)	(1,303)	–	(1,521)	(202)	(138)	(21,619)
Deconsolidation of subsidiaries (Note (7(a))	(161,097)	–	(191,612)	–	–	(190,494)	–	–	(731,645)	–	(62,421)	(1,337,269)
At 31 December 2020	97,846	9,535	223,318	25,307	285,992	93,731	57,494	11,698	5,838	24,621	220	835,600
Accumulated depreciation												
At 1 January 2020	109,841	8,909	266,344	14,110	262,805	200,337	40,780	9,789	96,756	18,903	–	1,028,574
Exchange translation Differences	(566)	(2)	(209)	–	–	(1,205)	–	–	(606)	(31)	–	(2,619)
Depreciation for the year (Note 31)	3,208	338	6,362	543	5,679	6,643	2,897	392	17,026	1,582	–	44,670
Reclassification/transfers	–	–	(264)	–	–	1,558	–	–	(11,434)	–	–	(10,140)
Disposals	(14,862)	–	(202)	–	(636)	(1,261)	(1,303)	–	(774)	(201)	–	(19,239)
Deconsolidation of subsidiaries (Note (7(a))	(64,682)	–	(58,842)	–	–	(125,913)	–	–	(95,684)	–	–	(345,121)
At 31 December 2020	32,939	9,245	213,189	14,653	267,848	80,159	42,374	10,181	5,284	20,253	–	696,125
Net book value												
At 31 December 2020	64,907	290	10,129	10,654	18,144	13,572	15,120	1,517	554	4,368	220	139,475

(i) Transferred to investment properties (Note 6)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Property, plant and equipment (Cont'd)

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	Construction in progress $'000	Total $'000
Cost												
At 1 January 2019, as adjusted	204,275	9,533	351,323	25,307	292,042	200,521	58,617	11,698	452,416	19,462	81,973	1,707,167
Exchange translation differences	2,834	–	3,602	–	–	3,991	–	–	13,853	35	3,396	27,711
Additions	23,342	–	3,046	–	1,474	13,373	3,286	–	11,118	1,365	298,949	355,953
Reclassification/transfers	40,120	–	57,077[(i)]	–	(67)	64,421[(ii)]	50	–	166,829	3,168	(218,636)	112,962
Disposal	–	–	(236)	–	(7,095)	(600)	(3,539)	–	(9,221)	(227)	(897)	(21,815)
At 31 December 2019	270,571	9,533	414,812	25,307	286,354	281,706	58,414	11,698	634,995	23,803	164,785	2,181,978
Accumulated depreciation												
At 1 January 2019, as adjusted	102,912	8,570	248,420	13,566	261,819	155,985	41,096	9,397	81,556	17,419	–	940,740
Exchange translation Differences	1,673	–	1,221	–	–	2,030	–	–	2,139	22	–	7,085
Depreciation for the year (Note 31)	5,255	338	13,763	544	5,839	13,270	3,223	392	18,882	1,651	–	63,157
Reclassification/transfers	1	1	3,046	–	–	28,031	–	–	(1,595)	–	–	29,484
Disposals	–	–	(106)	–	(4,853)	1,021	(3,539)	–	(4,226)	(189)	–	(11,892)
At 31 December 2019	109,841	8,909	266,344	14,110	262,805	200,337	40,780	9,789	96,756	18,903	–	1,028,574
Net book value												
At 31 December 2019	160,730	624	148,468	11,197	23,549	81,369	17,634	1,909	538,239	4,900	164,785	1,153,404

(i) S$57,077,000 was transferred from investment properties (Note 6) to property, plant and equipment
(ii) S$49,968,000 was transferred from investment properties (Note 6) to property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Property, plant and equipment (Cont'd)

Depreciation expense

The Group	Note	2020 $'000	2019 $'000
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		**32,014**	38,921
(b) Other operating expenses		**752**	15,323
(c) General and administrative expenses		**11,904**	8,913
	31	**44,670**	63,157

(i) As at 31 December 2020, certain property, plant and equipment with carrying value totalling approximately S$71,762,000 (2019 – S$619,000,000) have been pledged as security to banks to secure borrowing and credit facilities for the Group (Note 19(i) and (iii)).

(ii) Leasehold land

The details of the leasehold land ("Hak Guna Bangunan"/"HGB") comprise the following:

HGB	Expiration date	Location
PT Bintan Resort Cakrawala	23 September 2023 (35.85 ha) 13 December 2023 (66 ha) 16 February 2025 (68.72 ha) 16 February 2025 (1,559 ha)	Bintan Island
PT Batamindo Investment Cakrawala	17 December 2039 (224.12 ha) 26 February 2025 (28.31 ha) 01 July 2031 (1.50 ha)	Batam Island
PT Batamindo Executive Village	31 August 2040 (193 ha)	Batam Island
PT Bintan Inti Industrial Estate (246.44 ha excluding land sold)	24 August 2075 (236.92 ha) 13 December 2023 (9.52 ha)	Bintan Island

Though classified as property, plant and equipment, the leasehold land with carrying amounts of S$64,907,000 (2019 – S$160,730,000) forms part of the Group's right-of-use assets.

In 2019, included in construction in progress relates to PT Indomobil Sukses Internasional Tbk and its subsidiaries (discontinued operations (Note 7(a)) amounting to S$164,244,000 representing all preliminary costs related to the construction of buildings and improvement and vehicles.

The Group evaluates any indication of impairment in the property, plant and equipment at the end of reporting period. Carrying values of property, plant and equipment are reviewed for any impairment and possible write-down of carrying values whenever events or changes in circumstances indicate that their carrying values may not be fully recoverable. Management is of the opinion that the carrying values of all the property, plant and equipment of the Group are fully recoverable, and hence no impairment is necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5 Right-of-use assets

The Company	Office and building $'000	Total $'000
Costs		
At 1 January 2019, as adjusted	687	687
Additions	–	–
At 31 December 2019	**687**	**687**
Additions	**2,428**	**2,428**
At 31 December 2020	**3,115**	**3,115**
Accumulated depreciation		
At 1 January 2019, as adjusted	33	33
Depreciation for the year	245	245
At 31 December 2019	**278**	**278**
Depreciation for the year	**279**	**279**
At 31 December 2020	**557**	**557**
Net book value		
At 31 December 2020	**2,558**	**2,558**
At 31 December 2019	409	409

The Group	Office and building $'000	Transportation equipment and motor vehicles $'000	Total $'000
Costs			
At 1 January 2019, as adjusted	13,106	4,069	17,175
Exchange translation differences	287	–	287
Additions	2,446	52,577	55,023
At 31 December 2019	**15,839**	**56,646**	**72,485**
Exchange translation differences	**(14)**	**(220)**	**(234)**
Additions	**2,428**	**1,175**	**3,603**
Terminated/Disposals	**(123)**	**(76)**	**(199)**
Deconsolidation of subsidiaries (Note 7(a))	**(12,003)**	**(56,702)**	**(68,705)**
At 31 December 2020	**6,127**	**823**	**6,950**
Accumulated depreciation			
At 1 January 2019, as adjusted	61	634	695
Exchange translation differences	25	–	25
Depreciation for the year (Note 31)	5,044	22,485	27,529
At 31 December 2019	**5,130**	**23,119**	**28,249**
Exchange translation differences	**(6)**	**(547)**	**(553)**
Depreciation for the year (Note 31)	**1,129**	**1,671**	**2,800**
Terminated/Disposals	**(15)**	**(39)**	**(54)**
Deconsolidation of subsidiaries (Note 7(a))	**(3,973)**	**(23,898)**	**(27,871)**
At 31 December 2020	**2,265**	**306**	**2,571**
Net book value			
At 31 December 2020	**3,862**	**517**	**4,379**
At 31 December 2019	10,709	33,527	44,236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5 Right-of-use assets (Cont'd)

Depreciation expense

The Group	Note	2020 $'000	2019 $'000
Depreciation expense are charged to profit or loss as follows:			
(a) Cost of goods sold		**1,469**	22,340
(b) Other operating expenses		**1,331**	5,189
	31	**2,800**	27,529

Leased properties are located in Singapore and Indonesia.

Information about the Group's leasing activities are disclosed in Note 35.

6 Investment properties

The Group	2020 $'000	2019 $'000
Cost		
Balance at beginning of year	**641,135**	694,548
Additions	**808**	40,100
Disposals	**–**	(395)
Translation differences	**(4,541)**	13,927
Transfer from/(to) property, plant and equipment (Note 4)	**19,795**	(107,045)
Deconsolidation of subsidiaries (Note 7(a))	**(58,045)**	–
Balance at end of year	**599,152**	641,135
Accumulated depreciation		
Balance at beginning of year	**539,360**	512,345
Depreciation for the year (Note 31)	**15,910**	28,242
Disposals	**–**	(4)
Translation differences	**(667)**	(1,223)
Deconsolidation of subsidiaries (Note 7 (a))	**(58,045)**	–
Balance at end of year	**496,558**	539,360
Net book value	**102,594**	101,775
Rental income (Note 31)	**32,581**	29,706
Direct operating expenses arising from investment property that generated rental income (Note 31)	**(16,374)**	(23,989)
Gross profit arising from investment properties	**16,207**	5,717

Investment properties of the Group are held mainly for use by tenants under operating leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investment properties (Cont'd)

The following are the details of the investment properties of the Group:

Description and location	Gross Area (approximately)
Factories, dormitories, commercial complex and housing in Batamindo Industrial Park, Batamindo Executive Village and Bintan Inti Industrial Estate situated at Batam Island, Bintan Island and Villas	1,079,559 sqm

As of 31 December 2020, the fair value of the investment properties situated at Batam and Bintan Island of S$537,590,000 (2019 – S$514,072,000) was based on valuation using the income approach/replacement cost approach by independent professional valuers, KJPP Rengganis, Hamid & Rekan after taking into consideration the prevailing market conditions and other factors considered appropriate by the Directors, except for PT Batamindo Executive Village (PT BEV)'s investment properties. The net carrying values of PT BEV's investment properties as of 31 December 2020 amounted to S$69,000 (2019 – S$88,000) which approximates fair value based on management's estimates.

As of 31 December 2019, the fair value of the investment properties (discontinued operations) situated in Jakarta of S$480,685,000 was based on valuation using the market approach, discounted cash flow and replacement cost approach by independent professional valuers, (i) KJPP Tri, Santi and Rekan, (ii) KJPP Benedictus Darmanpuspita and Rekan, (iii) KJPP Amin, Nirwan, Alfantori and Rekan.

7 Subsidiaries

The Company	2020 $'000	2019 $'000
At cost:		
– quoted equity securities[1]	–	1,328,805
– unquoted equity securities		
– Balance on beginning of year	**1,131,815**	1,208,369
– Additions[2]	–	–
– Disposals[3]	–	(19)
– Impairment loss[4]	**(9,730)**	(76,535)
– Balance at end of year	**1,122,085**	1,131,815
	1,122,085	2,460,620

(1) As reported in the Company's announcements, PT Indomobil Sukses Internasional Tbk and its subsidiaries had ceased to be subsidiaries of the Group. Please refer to Note 7(a) for details.

(2) During the year, the Company has incorporated wholly-owned subsidiaries, GO Marine Offshore Investments Pte Ltd and GO Cloud Data Center Pte Ltd for issued and paid up capital of S$1 each respectively. In 2019, the Company has incorporated a wholly-owned subsidiary, GO Greenhouse Investment Pte. Ltd. for issued and paid up capital of S$1.

(3) In 2019, the Company and its wholly-owned subsidiary, PT Buana Megawisatama has divested it entire 100% shareholding in PT Bumi Bintan Abadi and its subsidiaries.

(4) During the year, the Company recognised an impairment loss of S$7,500,000 (2019: S$76,535,000) for its direct shareholding in PT Bintan Inti Industrial Estate and S$2,230,000 (2019: S$Nil) for its direct shareholding in PT Bintan Resort Cakrawala as the recoverable amounts were lower than the cost of investment.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

During the year, the Group carried out a review of the recoverable amounts of its investment in subsidiaries in view of the continuing losses in certain subsidiaries. The recoverable amount was determined based on the higher of fair value less costs of disposal and 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. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below. Fair value less costs of disposal is determined based on revalued net assets value.

Key assumptions used for value-in-use calculations:

	2020	**2019**
Gross margin[1]	**8.29% to 21.53%**	6.67% to 54.95%
Growth rate[2]	**1.14% to 5.07%**	2.98% to 4.85%
Discount rate[3]	**9.66% to 11.05%**	9.34% to 11.10%

(1) Budgeted gross margin
(2) Weighted average growth rate used to extrapolate cash flows beyond the budgeted period
(3) Pre-tax discount rate applied to the pre-tax cash flows projections

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	**Place of incorporation/ and operation**	**Proportion of ownership interest and voting rights held by the Group**		**Principal activities**
		2020 %	**2019 %**	
Held by the Company				
PT Indomobil Sukses Internasional Tbk ("PT IMAS")[(1)(4)(5)]	Indonesia	**49.49[(1)]**	71.49	Investment holding
PT Batamindo Investment Cakrawala ("PT BIC")[(2)]	Indonesia	**99.99**	99.99	Development and management of industrial estate
Held by Verizon Resorts Limited				
PT Buana Megawisatama ("PT BMW")[(3)]	Indonesia	**99.99**	99.99	Wholesaler of hotels, resorts and golf courses, resort development activities and business management consultancy

(1) PT IMAS and its subsidiaries were deconsolidated in 2020 and became an associate (Note 8)
(2) Audited by Kosasih, Nurdiyaman Mulyadi, Tjahjo & Rekan, a member firm of Crowe International
(3) Audited by Johan Malonda Mustika & Rekan
(4) In 2019, the effective ownership in PT Prima Sarana Gemilang increased from 1.50% to 98.99% due to an increase in the shareholdings by PT Wahana Inti Selaras, a wholly subsidiary of PT IMAS
(5) In 2019, PT Central Sole Agency control 99.01% of PT Jasa Kencana Utama through converting the convertible bond

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/and operation	Number of subsidiaries 2020	2019
Automotive and related support businesses	Indonesia	–	1
Car rental	Indonesia	–	5
Data Processing	Indonesia	–	1
Data Centers	Singapore	1	–
Development, operation and management of industrial park/resorts/residential/country club	Indonesia	18	18
Distributor/dealership	Indonesia	–	49
Dormant	Singapore	1	1
E-Learning/Education services	Indonesia	–	1
E-Learning/Education services	Singapore	–	1
Financing	Indonesia	–	1
Forestry	Indonesia	–	5
General warehousing	Singapore	1	–
Growing of food crops	Singapore	1	1
Investment holding	British Virgin Islands	3	3
Investment holding	Indonesia	–	1
Investment holding	Malaysia	1	1
Investment holding	Seychelles	1	1
Investment holding	Singapore	2	2
Logistics	Indonesia	–	2
Management and consultancy services	Singapore	2	2
Manpower Service	Indonesia	–	1
Manufacturing/assembling	Indonesia	–	3
Mining contractor	Indonesia	–	1
Plantation/Forestry contractor	Indonesia	–	2
Press and dies manufacturing	Indonesia	–	2
Provision of ferry services	Singapore	1	1
Rental and Building Management	Indonesia	–	1
Truck services	Indonesia	–	1
Telecommunication services	Indonesia	1	1
Trading	Indonesia	–	9
Workshop/gas station	Indonesia	–	5
		33	123

Shares held in PT BMW have been pledged as securities for bank borrowings (Note 19(iii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

The Management is of the opinion that after the deconsolidation of PT IMAS, the non-controlling interests for each of its existing subsidiary are immaterial to the Group individually and in aggregate and accordingly, no summarised financial information for subsidiaries with non-controlling interests is disclosed.

7(a) Deconsolidation of subsidiaries and discontinued operations

As reported in the Company's announcement on 30 April 2020, 4 May 2020 and 10 June 2020 on the potential dilution of PT IMAS as a result of the Company for not subscribing its proportionate entitlement of PT IMAS's issuance of new shares with pre-emptive rights, the Company's shareholding in PT IMAS will be diluted from 71.49% to 49.49%. Accordingly, PT IMAS which constitute the Group's Automotive segment, cease to be subsidiary of the Group with effect from 1 June 2020 but will remain as associated company of the Group due to loss of control to govern its financial and operating policies while retain only significant influence as a result of loss of power to cast majority votes at PT IMAS' Board level. On 25 August 2020, the Company further announced the completion of PT IMAS's right issues with the Group's shareholding in PT IMAS diluted to 49.49%.

As required by Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, PT IMAS was deconsolidated from the Group. The deconsolidation involved de-recognition of the assets and liabilities of PT IMAS, goodwill and intangible assets related to the acquisition of PT IMAS and recognition of reserves previously accounted in the Group's comprehensive losses. The financial effect of the deconsolidation was a net loss of S$595,708,000 which was recognised in the year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

7(a) Deconsolidation of subsidiaries and discontinued operations (Cont'd)

The value of assets and liabilities deconsolidated in the consolidated financial statements, and the cash flow effect and effects of the deconsolidation of PT IMAS were:

	Note	2020 $'000
Intangible assets, net	3	**637,071**
Property, plant and equipment, net	4	**992,148**
Right-of-use assets, net	5	**40,834**
Associates	8	**143,288**
Financing receivables		**1,316,024**
Deferred tax assets	10	**42,781**
Other non-current assets (included in Note 11)		**210,665**
Other inventories		**248,643**
Trade and other receivables		**646,198**
Cash and cash equivalents		**284,257**
		4,561,909
Deferred tax liabilities	10	**(97,131)**
Borrowings		**(3,000,508)**
Debt securities		**(119,877)**
Employee benefits liabilities	21	**(28,870)**
Other non-current liabilities		**(26,409)**
Lease liabilities		**(6,657)**
Contract liabilities	27	**(20,127)**
Trade and other payables		**(306,293)**
Current tax payable		**(10,895)**
Carrying value of net assets		**945,142**
Less: Non-controlling interests		**(243,999)**
Add: Realisation of reserves		**276,513**
Net assets derecognised		**977,656**
Cash consideration		**–**
Less: Cash and cash equivalents of subsidiaries deconsolidated		**284,257**
Net cash outflow on deconsolidation of subsidiaries		**(284,257)**
Loss on deconsolidation		
Fair value of net assets retained of 49.49% in equity interest		**381,948**
Net assets deconsolidated		**(977,656)**
Loss on deconsolidation of subsidiaries		**(595,708)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

7(a) Deconsolidation of subsidiaries and discontinued operations (Cont'd)

The operating performance of PT IMAS and the net loss on deconsolidation of S$595,708,000 has been presented separately under "Loss from discontinued operations, net of tax" on the Consolidated Statement of Profit or loss. Comparative figures have been restated to conform to the current period's presentation. The results of discontinued operation for the period are presented below:

	2020	**2019**
	$'000	**$'000**
Revenue	**600,278**	1,792,189
Cost of sales	**(468,117)**	(1,435,527)
Gross profit	**132,161**	356,662
Other income	**21,797**	49,775
General and administrative expenses	**(82,224)**	(194,930)
Other operating expenses	**(48,658)**	(231,181)
Share of associate companies' results	**(4,811)**	(3,929)
Finance costs	**(63,813)**	(155,969)
Loss before taxation	**(45,548)**	(179,572)
Taxation	**(1,479)**	(22,825)
Loss after taxation	**(47,027)**	(202,397)
Loss on deconsolidation of subsidiaries	**(595,708)**	–
Loss from discontinued operations, net of tax	**(642,735)**	(202,397)
Attributable to:		
Equity holders of the Company	**(628,389)**	(169,550)
Non-controlling interests	**(14,346)**	(32,847)
	(642,735)	(202,397)
Loss per share (in cents) from discontinued operations		
– Basic	**(11.584)**	(3.172)
– Diluted	**(11.584)**	(3.172)

The net cash flows incurred by discontinued operation are as follows:

	2020	**2019**
	$'000	**$'000**
Net cash outflow from operating activities	**(11,732)**	(72,934)
Net cash outflow from investing activities	**(4,654)**	(339,536)
Net cash inflow from financing activities	**152,552**	446,053
Net cash inflow	**136,166**	33,583

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Subsidiaries (Cont'd)

7(b) The summarised financial statements for PT IMAS and its subsidiaries in 2019

Summarised Consolidated Statements of Financial Position	**$'000**
Current assets	1,598,968
Non-current assets	2,733,058
Current liabilities	(2,074,095)
Non-current liabilities	(1,355,516)
Equity attributable to owners of the Company	(765,378)
Non-controlling interests	(137,037)

Summarised Consolidated Statement of Comprehensive Income	**$'000**
Revenue	1,792,189
Expenses	(1,777,897)
Profit for the year	14,292
Profit attributable to owners of the Company	18,995
Loss attributable to non-controlling interests	(4,703)
Profit for the year	14,292
Other comprehensive loss attributable to owners of the Company	(18,983)
Other comprehensive loss attributable to non-controlling interests	(3,116)
Other comprehensive loss for the year	(22,099)
Total comprehensive income attributable to owners of the Company	12
Total comprehensive loss attributable to non-controlling interests	(7,819)
Total comprehensive loss for the year	(7,807)

Summarised Consolidated Statement of Cash Flows	**$'000**
Net cash outflow from operating activities	(72,934)
Net cash outflow from investing activities	(339,536)
Net cash inflow from financing activities	446,053
Net cash inflow	33,583

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 Associates

	2020 $'000	2019 $'000
The Company		
Quoted equity investment, at cost		
Beginning of the year	**–**	–
Additions during the year(1)	**381,948**	–
	381,948	–

	2020 $'000	2019 $'000
The Group		
Carrying amount		
Beginning of the year	**149,940**	116,269
Additions during the year(1)(2)	**389,514**	39,320
	539,454	155,589
Share of post-acquisition profit and reserves, net of dividend received	**(41,069)**	(5,649)
Deconsolidation of subsidiaries (Note 7(a))	**(143,288)**	**–**
	355,097	149,940

(1) PT IMAS became an associate after the Group's shareholding was diluted from 71.49% to 49.49%. The amount represents the fair value of the net assets retained.

(2) During the year, the Group acquired 26% equity interest of BOMC Pte Ltd, 30% equity interest of PT Persada Hijau Cemerlang and 30% equity interest of PT Hijau Permai.

Set out below are the associates of the Group, which, in the opinion of the directors are material to the Group.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by Group* %
31 December 2020			
Held by the Company			
PT Indomobil Sukses Internasional Tbk ("PT IMAS")(1)	Investment holding	Indonesia	49.49
Held by GO Marine Offshore Investments Pte Ltd			
BOMC Pte Ltd ("BOMC")(2)(3)	General Warehousing and Offshore Marine services	Singapore	26.00
31 December 2019			
Held indirectly by PT IMAS's subsidiaries			
PT Hino Motor Sales Indonesia ("PT HMSI")(1)	Distributor	Indonesia	28.60
PT Hino Finance Indonesia ("PT HFI")(1)	Financing	Indonesia	26.03

* These represent the effective interest percentage held by the Group

(1) Audited by Purwantono, Sungkoro & Surja, a member of Ernst & Young Global Limited

(2) Audited by Philip Liew & Co.

(3) BOMC's financial year end is 30 June and this was based on the reporting date established when it was incorporated. BOMC has been equity accounted for in the consolidated financial statements based on the results ended 30 June 2020 and appropriate adjustments are made for the effects of significant transactions between 30 June 2020 and 31 December 2020.

All of these associates are accounted for using the equity method in these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 Associates (Cont'd)

Shares held in PT IMAS have been pledged as securities for bank borrowings (Note 19 (iii)).

As at 31 December 2020, the fair value of the Group's interest in PT IMAS, which is listed on the Indonesia Stock Exchange, was S$281,358,000. The fair value is classified within Level 1 of the fair value hierarchy.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

31 December 2020	PT IMAS $'000	BOMC $'000	Other individually immaterial associates $'000	Total $'000
Current assets	1,779,228	6,729		
Non-current assets	2,668,927	26,135		
Current liabilities	(2,347,808)	(7,819)		
Non-current liabilities	(1,045,455)	(208)		
Net assets	1,054,892	24,837		
Revenue	861,042	8,784		
(Loss)/profit after tax	(26,016)	2,784	298	(22,934)
Other comprehensive income/(loss)	164,217	272	(179,199)	(14,710)
Total comprehensive income/(loss)	138,201	3,056	(178,901)	(37,644)
Dividend received from associate during the year	949	–	150	1,099
Proportion of the Group's ownership interest	345,605	8,205	1,287	355,097
Carrying amount of interest in associate	345,605	8,205	1,287	355,097

The unrecognised share of losses of associate for the year is S$493,000 and the cumulative unrecognised share of loss of associate is S$1,224,000.

31 December 2019	PT HMSI $'000	PT HFI $'000	Other individually immaterial associates $'000	Total $'000
Current assets	452,877	493,994		
Non-current assets	29,513	5,253		
Current liabilities	(424,721)	(405,449)		
Non-current liabilities	(4,966)	–		
Net assets	52,703	93,798		
Revenue	1,057,802	52,234		
Profit after tax	(8,192)	6,214	(73,572)	(75,550)
Other comprehensive loss	–	(5,382)	–	(5,382)
Total comprehensive income/(loss)	(8,192)	832	(73,572)	(80,932)
Dividend received from associate during the year	4,722	–	(2,699)	2,023
Proportion of the Group's ownership interest	15,071	24,415	76,954	116,440
PPA adjustment	33,500	–	–	33,500
Carrying amount of interest in associate	48,571	24,415	76,954	149,940

The unrecognised share of losses of associate for the year is S$6,933,000 and the cumulative unrecognised share of loss of associate is S$56,986,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Financing receivables

The following consists of consumer financing receivables, investment in finance leases and other financing receivables from the discontinued operations (see note 7(a)).

The Group	2020 $'000	2019 $'000
Current		
Net investment in financing leases	–	311,659
Consumer financing receivables – net	–	273,160
Other financing receivables – net	–	2,194
	–	587,013
Non-Current		
Net investment in financing leases	–	523,583
Consumer financing receivables – net	–	276,225
Other financing receivables – net	–	7,993
	–	807,801
	–	1,394,814

In 2019, financing receivables amounting to S$674,000,000 and S$84,000,000 have been pledged as security for borrowings (Note 19(iii)) and debt securities (Note 20) respectively.

In 2019, the effective interest rates (per annum) of consumer financing receivables in Indonesian Rupiah range from 11.69% to 33.59%.

In 2019, the effective interest rates (per annum) of net investment in financing leases in Indonesian Rupiah range from 10.14% to 31.29% and for US Dollar from 6.51% to 9.00%.

In 2019, the effective interest rates (per annum) of net of other financing receivables in Indonesian Rupiah range from 13.65% to 34.03%.

(a) Consumer financing receivables-net

The Group	2020 $'000	2019 $'000
Gross Investments – third parties		
Not later than one year	–	330,183
Later than one year and not later than five years	–	335,539
Total	–	665,722
Gross Investments – related parties		
Not later than one year	–	–
Less: unearned finance income	–	(108,346)
Less: allowance for impairment losses	–	(7,991)
Consumer financing receivables – net	–	549,385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Financing receivables (Cont'd)

(a) Consumer financing receivables-net (Cont'd)

The ageing of consumer financing receivables past due but not impaired is as follows:

The Group	2020 $'000	2019 $'000
Past due 1 – 30 days	–	4,005
Past due 31 – 60 days	–	1,940
Past due more than 60 days	–	1,183
	–	7,128

In 2019, consumer financing receivables that were neither past due nor impaired amounting to S$650,603,000 for the Group were related to customers for whom there was no recent history of default. Consumer financing receivables that were past due but not impaired related to customers that have a good track record with the Group.

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of consumer financing receivables not past due or past due over 60 days. These receivables are mainly arising from customers that have a good credit record with the Group.

Movements in the allowance for impairment of consumer financing receivables are as follows:

The Group	2020 $'000	2019 $'000
Beginning of the year	**7,991**	5,959
Allowance for the year (Note 31)	**26,927**	49,783
Written off during the year	**(20,136)**	(47,919)
Translation differences	**21**	168
Deconsolidation of subsidiaries	**(14,803)**	–
Balance at end of the year	**–**	7,991

The consumer financing receivables are denominated in the following currencies:

The Group	2020 $'000	2019 $'000
Indonesian Rupiah	–	549,385
United States Dollar	–	–
	–	549,385

The consumer financing debtors relate primarily to the Group's motor vehicle and motorcycle financing (discontinued operations see note 7(a)). Before accepting new customers, the Group assesses the potential customers' credit worthiness and sets credit limits by using its internal systems. The receivables given to the customers for financing of vehicles are secured by Certificates of Ownership (BPKB) or other documents of ownership which give the Group the right to sell the repossessed collateral or take any other action to settle the outstanding debt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Financing receivables (Cont'd)

(a) Consumer financing receivables-net (Cont'd)

The loan period ranges from 12 to 36 months for motorcycles, 12 to 60 months for passenger cars and 12 to 36 months for commercial vehicles and heavy equipment and machinery. Default or delinquency in payment is considered an indicator that the debtor balances are impaired. An allowance for impairment is made based on the estimated irrecoverable amount by reference to past default experience. The Group has the right to repossess the assets whenever its customers default on their instalment obligations. It usually exercises its right if the loan has been overdue for 30 days or longer for motorcycle and passenger car and 60 days or longer for commercial vehicle and heavy equipment and machinery. Management has considered the balances against which collective impairment provision is made as impaired.

(b) Net investment in financing leases

The Group	2020 $'000	2019 $'000
Gross Investments – third parties		
Not later than one year	–	407,922
Later than one year and not later than five years	–	615,699
	–	1,023,621
Gross Investments – related parties		
Not later than one year	–	–
Less: unearned finance lease income	–	(181,667)
Less: allowance for impairment losses	–	(6,712)
Investment in financing lease – net	–	835,242

In 2019, all the net investment in financing leases that were neither past due nor impaired were related to customers for whom there was no recent history of default. The Group believes that no impairment allowance is necessary in respect of the financing receivables as these are mainly arising from customers that have a good credit record with the Group.

Movements in the allowance for impairment of net investment in finance leases are as follows:

The Group	2020 $'000	2019 $'000
Beginning of the year, as restated	**6,712**	4,838
Allowance for the year (Note 31)	**122**	1,768
Translation differences	**(1,203)**	106
Deconsolidation of subsidiaries	**(5,631)**	–
Balance at end of the year	**–**	6,712

In 2019, the Group believes that the above allowance for impairment losses on financing receivables on net investment in finance leases is adequate to cover possible losses that may arise from non-cancellation of financing receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Financing receivables (Cont'd)

(b) Net investment in financing leases (Cont'd)

The financing receivables on net investment in financing leases are denominated in the following currencies:

The Group	2020 $'000	2019 $'000
Indonesian Rupiah	–	825,712
United States Dollar	–	9,530
	–	835,242

(c) Other financing receivables-net

The Group	2020 $'000	2019 $'000
Gross Investments – third parties		
Not later than one year	–	11,309
Later than one year and not later than five years	–	1,790
	–	13,099
Gross Investments – related parties		
Not later than one year	–	–
Less: unearned finance lease income	–	(1,116)
Less: allowance for impairment losses	–	(1,796)
Other financing receivables – net	–	10,187

In 2019, other financing receivables that were neither past due nor impaired amounting to S$11,303,000 for the Group were related to customers for whom there was no recent history of default. Other financing receivables that were past due but not impaired related to customers that have a good track record with the Group.

There were no other financing receivables past due but not impaired.

Movements in the allowance for impairment of net other financing receivables are as follows:

The Group	2020 $'000	2019 $'000
Beginning of the year	**1,796**	96
Allowance for the year (Note 31)	**(690)**	1,693
Written off during the year	**(1,066)**	–
Translation differences	**(40)**	7
Balance at end of the year	–	1,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Financing receivables (Cont'd)

(c) Other financing receivables-net (Cont'd)

The Group believes that the above allowance for impairment losses on financing receivables on net other financing receivables is adequate to cover possible losses that may arise from non-cancellation of other financing receivables.

The financing receivables on net other financing receivables are denominated in the following currencies:

The Group	2020 $'000	2019 $'000
Indonesian Rupiah	–	10,187

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company.

10 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	2020 $'000	2019 $'000
The Group		
Deferred tax assets		
To be recovered within one year	**–**	–
To be recovered after one year	**1,638**	41,079
	1,638	41,079
Deferred tax liabilities		
To be recovered within one year	**–**	–
To be recovered after one year	**1,901**	101,790
	1,901	101,790

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2020 $'000	Credited/ (charged) to profit or loss (Note 32) $'000	Charged to OCI for the year $'000	Effect on changes of tax rate $'000	Foreign exchange differences $'000	Deconso–lidation of subsidiaries (Note 7(a)) $'000	Balance at 31 December 2020 $'000
Deferred tax assets							
Fiscal loss net of expired tax loss	58,531	3,153	(15)	(58)	(483)	(60,898)	230
Estimated liability for employee service entitlements	8,219	259	(94)	(391)	(104)	(6,399)	1,490
Allowance for impairment loss of receivables	2,784	38	–	–	(24)	(2,798)	–
Allowance for impairment loss of investments	374	–	–	–	(3)	(371)	–
Valuation allowance	(2)	–	–	–	–	2	–
Property, plant and equipment	(29,412)	(2,740)	11	72	232	31,734	(103)
Foreclosed and intangible assets	273	8	–	–	(2)	(279)	–
Lease transaction	(3,725)	(509)	–	(1)	26	4,218	9
Others	4,037	2,814	1,132	–	19	(7,990)	12
	41,079	3,023	1,034	(378)	(339)	(42,781)	1,638

The Group	Balance at 1 January 2020 $'000	Credited/ (charged) to profit or loss (Note 32) $'000	Charged to OCI for the year $'000	Effect on changes of tax rate $'000	Foreign exchange differences $'000	Deconso–lidation of subsidiaries (Note 7(a)) $'000	Balance at 31 December 2020 $'000
Deferred tax liabilities							
Fiscal loss net of expired tax loss	289	(289)	–	–	–	–	–
Estimated liability for employee service entitlements	830	(301)	26	(51)	(6)	142	640
Property, plant and equipment	13,664	(1,843)	(6)	521	(133)	(14,745)	(2,542)
Lease transaction	–	1	–	–	–	–	1
Allowance for impairment loss of receivables	(9)	(74)	–	–	1	82	–
Interest income	(1)	–	–	–	–	1	–
Associates	(16,810)	–	–	–	–	16,810	–
Amortisation of distributorships and dealerships	(54,132)	1,690	–	–	–	52,442	–
Equity investment at fair value OCI	(15,860)	–	–	–	–	15,860	–
Others	(29,761)	–	–	–	3,222	26,539	–
	(101,790)	(816)	20	470	3,084	97,131	(1,901)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Deferred taxation (Cont'd)

The Group	Balance at 1 January 2019 $'000	Credited/ (charged) to profit or loss (Note 32) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2019 $'000
Deferred tax assets					
Fiscal loss net of expired tax loss	26,336	16,411	14,684	1,100	58,531
Estimated liability for employee service entitlements	6,440	954	343	482	8,219
Allowance for impairment loss of receivables	1,586	541	612	45	2,784
Allowance for impairment loss of investments	6,862	(6,697)	38	171	374
Valuation allowance	(2)	–	–	–	(2)
Property, plant and equipment	(8,151)	(13,467)	(6,816)	(978)	(29,412)
Foreclosed and intangible assets	269	(3)	–	7	273
Lease transaction	(14)	(1,058)	(2,643)	(10)	(3,725)
Others	1,216	4,799	(2,018)	40	4,037
	34,542	1,480	4,200	857	41,079

The Group	Balance at 1 January 2019 $'000	Credited/ (charged) to profit or loss (Note 32) $'000	Charge to OCI for the year $'000	Foreign exchange difference $'000	Balance at 31 December 2019 $'000
Deferred tax liabilities					
Fiscal loss net of expired tax loss	289	–	–	–	289
Estimated liability for employee service entitlements	1,072	(49)	(202)	9	830
Property, plant and equipment	(22,549)	(649)	–	36,862	13,664
Allowance for impairment loss of receivables	132	(26)	(116)	1	(9)
Interest income	(1)	–	–	–	(1)
Associates	(16,810)	–	–	–	(16,810)
Amortisation of distributorships and dealerships	(58,189)	4,057	–	–	(54,132)
Equity investment at fair value OCI	(14,349)	–	(1,511)	–	(15,860)
Others	8,196	(10,993)	–	(26,964)	(29,761)
	(102,209)	(7,660)	(1,829)	9,908	(101,790)

Unrecognised taxable temporary differences associated with investments in subsidiaries and associates

Deferred income tax liabilities of S$109,800,000 (2019 – S$34,900,000) have not been recognised for withholding and other taxes that will be payable on the earnings of overseas subsidiaries and associates, as the timing of remission is controlled by the holding company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Other non-current assets

		The Company		The Group	
		2020	2019	2020	2019
	Note	$'000	$'000	$'000	$'000
Equity instruments at FVOCI					
Beginning of the year		**–**	–	**132,793**	251,167
Addition		**–**	–	**–**	11
Disposal	(i)	**–**	–	**(31,130)**	(144,943)
Changes in fair value		**–**	–	**–**	12,738
Translation differences		**–**	–	**515**	13,820
Deconsolidation of subsidiaries	7(a)	**–**	**–**	**(102,178)**	**–**
At end of the year		**–**	–	**–**	132,793
Derivative assets	26	**–**	–	**–**	2,745
Estimated claims for tax refund		**–**	–	**33**	36,047
Restricted cash in banks and time deposits		**–**	–	**–**	8,006
Other receivables	(ii)	**–**	–	**3,365**	83,712
Prepayment		**–**	–	**1,433**	449
Deposits		**155**	155	**582**	628
		155	155	**5,413**	264,380

(i) During the year, the Group has divested its entire investment in PT Nissan Motor Indonesia. In 2019, the Group has divested its entire shareholding in PT Multistrada Arah Sarana Tbk.

(ii) Other receivables from third party or related party represent non-trade balances and are unsecured, interest-free and repayable on demand.

Other non-current assets are mainly denominated in Indonesian Rupiah.

12 Land inventories

The Group	2020 $'000	2019 $'000
Land for sale, at cost	**596,376**	595,241

As at 31 December 2020, land inventories of PT Surya Bangun Pertiwi ("PT SBP") comprise 3,744 ha (2019 – 3,744 ha) with Building Use Right ("HGB"). Part of the land's HGB for 3,285 ha (2019 – 3,285 ha) will expire in 30 years while the HGB of 459 ha (2019 – 459 ha) has been extended and renewed for period of 80 years, effective from August 1995.

As at 31 December 2020, PT BMW's land inventories comprise 13,925 ha (2019 – 13,925 ha) of land with HGB certificates. Part of the land's HGB amounting to 12,153 ha (2019 – 12,153 ha) will expire in 30 years while the HGB of 1,772 ha (2019 – 1,772 ha) has been extended and renewed for a period of 80 years.

Certain plot of lands under land inventories have been pledged as collateral for bank borrowings (Note 19 (iii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Other inventories

The Group	2020 $'000	2019 $'000
At cost,		
Finished/trading goods[1]	–	158,969
Work-in-progress	–	3,461
Raw and indirect materials	–	16,211
Spare parts	–	81,312
Inventories-in-transit	–	2,584
Fuel and lubrication oil	**1,999**	3,160
Consumables and supplies	**1,308**	29
Others	**6,545**	14,677
Allowance for inventories obsolescence	**(1,225)**	(5,797)
	8,627	274,606

(1) In 2019, the finished/trading goods consist of automobiles, motorcycles and stamping dies (discontinued operations).

Movements in the allowance for inventories obsolescence are as follows:

The Group	2020 $'000	2019 $'000
Beginning of the year	**5,797**	4,284
Reversal of allowance for the year (Note 31)	**(22)**	(66)
Written off during the year	**(85)**	4,306
Translation differences	**(40)**	(2,727)
Deconsolidation of subsidiaries	**(4,425)**	–
End of the year	**1,225**	5,797

The reversal of allowance during the prior year was made when the related inventories were sold above their carrying amount in previous periods.

In 2019, inventories amounting to S$168,000,000 have been pledged as collateral for bank borrowings (Note 19(i) and (iii)).

14 Trade and other receivables

		The Company		The Group	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables					
– related parties		–	–	**237**	28,553
– external parties		–	–	**38,411**	216,592
Impairment of trade receivables		–	–	**(5,406)**	(15,433)
Net trade receivables	(i)	–	–	**33,242**	229,712

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Trade and other receivables (Cont'd)

	Note	The Company 2020 $'000	The Company 2019 $'000	The Group 2020 $'000	The Group 2019 $'000
Net trade receivables	(i)	**–**	–	**33,242**	229,712
Other receivables:					
Refundable deposits		**132**	38	**212**	69
Amount owing by subsidiaries		**63,462**	74,682	**–**	–
Amount owing by related parties		**–**	–	**2,734**	217,254
Others		**2,132**	2,175	**31,954**	172,897
		65,726	76,895	**34,900**	390,220
Impairment of other receivables		**–**	–	**(1,472)**	(2,050)
Net other receivables	(ii)	**65,726**	76,895	**33,428**	388,170
At amortised cost	(i) + (ii)	**65,726**	76,895	**66,670**	617,882
Prepayments		**62**	65	**4,070**	28,646
Foreclosed assets	25	**–**	–	**–**	28,453
Total		**65,788**	76,960	**70,740**	674,981

Trade and other receivables are denominated in the following currencies:

	The Company 2020 $'000	The Company 2019 $'000	The Group 2020 $'000	The Group 2019 $'000
Singapore Dollar	**65,788**	76,960	**16,998**	12,936
Indonesian Rupiah	**–**	–	**25,867**	627,161
United States Dollar	**–**	–	**27,875**	34,648
Euro	**–**	–	**–**	236
	65,788	76,960	**70,740**	674,981

The ageing of trade and other receivables past due but not impaired is as follows:

	The Company 2020 $'000	The Company 2019 $'000	The Group 2020 $'000	The Group 2019 $'000
Past due 1 – 30 days	**–**	–	**1,287**	43,939
Past due 31 – 60 days	**–**	–	**901**	20,537
Past due more than 60 days	**2,132**	45	**50,342**	83,414
	2,132	45	**52,530**	147,890

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Trade and other receivables (Cont'd)

Trade and other receivables that were neither past due nor impaired amounting to S$63,656,000 (2019 – S$76,915,000) and S$18,210,000 (2019 – S$527,091,000) for the Company and the Group respectively were related to a wide range of customers for whom there was no recent history of default. Trade and other receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 60 days. These receivables are mainly arising from customers that have a good credit record with the Group.

The movements in allowance for impairment losses on doubtful receivables in respect of trade and other receivables were as follows:

	Allowance for impairment losses on trade receivables		Allowance for impairment losses on other receivables	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
The Group				
At 1 January	**15,433**	13,040	**2,050**	1,973
Allowance during the year (Note 31)	**3,424**	22	**40**	–
Allowance written off during the year	**(45)**	(320)	**10**	–
Reversal of allowance during the year (Note 31)	**(9)**	–	**–**	(573)
Translation differences	**(68)**	2,691	**(48)**	650
Deconsolidation of subsidiaries	**(13,329)**	–	**(580)**	–
At 31 December	**5,406**	15,433	**1,472**	2,050

The reversal of allowance was due to the doubtful debts recovered from receivables which were previously provided for.

The average credit period for external and related parties on sales of goods and services rendered varies among the Group's businesses in which it is not more than 60 days and do not bear any interest. The credit quality of trade and other receivables is assessed based on credit policies established by the individual Group businesses. Significant financial difficulties of a trade and other debtor, probability that the trade and other debtor will enter bankruptcy or delinquency in payment are considered indicators that the trade and other debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

In 2019, certain trade and other receivables amounting to approximately S$348,000,000 were pledged to banks to secure borrowing and credit facilities of the Group (Note 19 (i) and (iii)) and debt securities (Note 20).

The non-trade amount owing by subsidiaries represents (i) interest bearing loans at 1.75% (2019 – 1.75%) per annum + 1 month SIBOR rate, and (ii) advanced payment of expenses which are non-interest bearing. These balances are unsecured and repayable on demand.

The non-trade amount owing by related parties represents mainly advanced payment of expenses, is non-interest bearing, unsecured and repayable on demand.

The related parties are corporate entities who are subject to common control or common significant influence by a shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Cash and cash equivalents

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**695**	1,697	**35,411**	101,052
Time deposits	**50**	50	**71,396**	129,472
	745	1,747	**106,807**	230,524

(i) The fixed deposits have an average maturity of 1 day to 365 days (2019 – 1 day to 365 days) from the end of the financial year with the following effective interest rates:

	2020	2019
Singapore Dollar	**0.05% – 0.50%**	0.05% – 0.75%
United States Dollar	**1.50% – 1.75%**	1.50% – 1.75%
Indonesian Rupiah	**3.25% – 7.00%**	5.00% – 9.00%

(ii) The cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	**437**	848	**14,562**	12,257
United States Dollar	**297**	887	**38,044**	44,575
Indonesian Rupiah	**11**	12	**54,201**	170,978
Others	**–**	–	**–**	2,714
	745	1,747	**106,807**	230,524

16 Share capital

	No. of ordinary share		Amount	
	2020	**2019**	**2020**	**2019**
			$'000	**$'000**
The Company and The Group				
Issued and fully paid:				
At 1 January	**5,425,298,361**	5,338,010,225	**1,958,546**	1,948,307
Issuance of new shares	**–**	87,288,136	**–**	10,239
At 31 December	**5,425,298,361**	5,425,298,361	**1,958,546**	1,958,546

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.

In December 2019, the Company has issued 87,288,136 new ordinary shares at S$0.118 per share for a total consideration of S$10,300,000 for cash (less S$61,000 of share issuance expenses) to provide funds for repayment of the Group's borrowings. The newly issued shares rank *pari passu* in all respects with existing issued shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Treasury shares

	No. of ordinary share		Amount	
	2020	2019	2020	2019
			$'000	$'000
The Company and The Group				
At 1 January and 31 December	**450,000**	450,000	**(50)**	(50)

On 9 March 2018, the Group purchased 450,000 ordinary shares by way of market acquisition at a net consideration of S$50,000 and these were presented as a component within shareholders' equity.

18 Reserves

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Capital reserve	**80,000**	80,000	**80,000**	(105,771)
Translation reserve	**–**	–	**(12,607)**	(94,675)
Hedging reserve	**–**	–	**(6,956)**	(14,612)
Fair value reserve	**–**	–	**–**	24,124
Other reserves	**–**	–	**488**	26,546
	80,000	80,000	**60,925**	(164,388)

The Company

The capital reserve comprises equity component of convertible bonds issued for the acquisition of PT IMAS.

The Group

The capital reserve comprises the effects of transactions with non-controlling interests, arising from the acquisition of additional PT IMAS shares in 2013. In 2020, the capital reserve was realised upon deconsolidation of PT IMAS.

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions.

Fair value reserve comprises financial assets designated as fair value through other comprehensive income until the investments are de-recognised or impaired. In 2020, the fair value reserve was realised upon deconsolidation of PT IMAS.

Other reserves comprise of the differences arising from the change in equity of subsidiaries, effects of transaction with non-controlling interests, actuarial losses from employee benefits and share of associate's other reserves.

Movement of the Group's reserves is disclosed in the Consolidated Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19 Borrowings

		The Company		The Group	
		2020	2019	2020	2019
	Note	$'000	$'000	$'000	$'000
Current borrowings					
Short term loans	(i)	–	–	–	974,723
Loans from subsidiaries	(ii)	379,643	385,047	–	–
Current portion of non-current borrowings					
– Bank loans	(iii)	287,671	19,410	339,001	622,231
– Other loans		–	–	–	13,679
		667,314	404,457	339,001	1,610,633
Non-current borrowings					
Bank loans	(iii)	–	290,495	4,271	1,480,791
Other loans		–	–	–	9,320
		–	290,495	4,271	1,490,111
Total borrowings		667,314	694,952	343,272	3,100,744
Represented by:					
Secured		287,671	309,905	343,272	3,100,744
Unsecured		379,643	385,047	–	–
		667,314	694,952	343,272	3,100,744

(i) In 2019, some of the short term loans are secured by the PT Indomobil Sukes Internasional Tbk ("PT IMAS") subsidiaries' property, plant and equipment (Note 4), trade and other receivables (Note 14) and other inventories (Note 13) and have certain terms under the loan agreement that require PT IMAS and its subsidiaries to obtain prior approval from the borrowers with respect to transactions involving amounts that exceed certain thresholds agreed with the borrowers such as among others, mergers or acquisitions; sale or pledge of assets and engaging in non-arm's length transactions and change in majority ownership.

(ii) Loans from subsidiaries are unsecured and repayable on demand. Interest is charged at the interest rate of 1.70% to 5.00% (2019 – 1.70% to 6.00%) per annum.

(iii) The details of the bank loans are as follows:–

The bank borrowings are secured by the Company's and its subsidiaries' assets as follows:–

(1) Mortgage of certain land titles of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE") and PT Bintan Resort Cakrawala ("PT BRC") as disclosed in Notes 4 and 6. PT Buana Megawisatama ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP") as disclosed in Note 12;

(2) Charge on bank 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 IMAS and PT BMW;

(5) First priority legal mortgage and collateral deed of covenant in relation to vessels (Note 4)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19 Borrowings (Cont'd)

(iii) The details of the bank loans are as follows (Cont'd):–

Certain covenants as below, among others, need to be maintained with as at end of the reporting period-

(1) Ratio of Borrower Net debts to Borrower EBITDA shall not exceed between 4.50 to 7.00;

(2) Borrower Debt Service Coverage Ratio will not be less than 1.25; and

(3) Borrower Minimum Net Worth will not be less than S$1.50 billion has been revised to not be less than S$0.70 billion on 26 November 2020

As at 31 December 2020, the Group and the Company has breached its loan covenant requirement for the maintenance of Net debts to Borrower EBITDA not exceeding 5.75. The affected borrowings can be called for repayment upon notification by the lenders. As a result, the Group's and the Company's borrowings of S$299,242,000 and S$268,442,000 respectively were reclassified to current liabilities as at 31 December 2020. There has not been an issue of statutory demand for the affected borrowings to be repaid immediately as the lenders have granted waiver on the non-compliance of the covenant as of the date of this report.

In 2019, the bank borrowings of PT IMAS and its subsidiaries were secured by the (i) Property, plant and equipment (Note 4), (ii) Consumer financing receivables (Note 9), (iii) Net investment in finance leases (Note 9), (iv) Other non-current asset – equity instruments at FVOCI (Note 11), (v) Other inventories (Note 13) and (vi) Trade and other receivables (Note 14).

In 2019, certain covenants of PT IMAS and its subsidiaries among others, need to be maintained and had been complied with as at the end of the reporting period (i) Gearing ratio will not be more than 8.5 and 10, (ii) Maintain management control and (iii) Maintain shareholding of minimum 51% in a subsidiary.

The borrowings of the Company and the Group exposed to interest rates are as follows:

	The Company		**The Group**	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Current portion:				
– at floating interest rate	**305,367**	19,410	**338,272**	1,384,641
– at fixed interest rate	**361,947**	385,047	**729**	225,992
	667,314	404,457	**339,001**	1,610,633
Non-current portion:				
– at floating interest rate	**–**	290,495	**–**	1,124,889
– at fixed interest rate	**–**	–	**4,271**	365,222
	–	290,495	**4,271**	1,490,111
	667,314	694,952	**343,272**	3,100,744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19 Borrowings (Cont'd)

The borrowings are denominated in the following currencies:

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Singapore Dollar	**225,639**	288,162	**177,883**	244,456
United States Dollar	**165,389**	121,848	**165,389**	1,316,279
Indonesian Rupiah	**276,286**	284,942	**–**	1,540,009
	667,314	694,952	**343,272**	3,100,744

The borrowing repayment maturity profile is as follows:–

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Repayable:				
Not later than one year	**667,314**	404,457	**339,001**	1,610,633
Later than one year and not later than five years	**–**	290,495	**4,271**	1,490,111
	667,314	694,952	**343,272**	3,100,744

The effective interest rates per annum of the total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2020	2019	2020	2019
	per annum	per annum	per annum	per annum
Short term loans	**–**	–	**–**	3.60% to 10.50%
Bank loans	**4.74% to 6.30%**	5.40% to 7.10%	**2.00% to 6.50%**	2.75% to 10.25%
Loan from subsidiaries	**1.70% to 5.00%**	1.70% to 6.00%	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 Debt securities

Debt securities comprised of bonds issued by PT IMAS (discontinued operations).

The Group	2020 $'000	2019 $'000
Bonds		
– Current	–	67,621
– Non-current	–	103,369
Nominal value	–	170,990
Less: Deferred issuance costs	–	(147)
Net	–	170,843
Represented by:		
Secured	–	170,843
Unsecured	–	–
	–	170,843
Repayable:		
Not later than one year	–	67,474
Later than one year and not later than five years	–	103,369
	–	170,843

In 2019, the terms of the Group's debt securities were as follows:

Details of Bonds	Source Currency	Amount '000	Range of Nominal Interest Rate	Range of Maturity date
IMFI Bonds III Phase III	IDR	485,000,000	8.20% – 8.45%	18/05/2021 – 18/05/2023
IMFI Bonds III Phase II	IDR	397,000,000	7.90% – 8.15%	15/02/2021 – 15/02/2023
IMFI Bonds III Phase I	IDR	215,000,000	8.60% – 9.10%	17/07/2020 – 07/07/2022
IMFI Bonds II Phase IV	IDR	172,000,000	8.80% – 9.40%	23/03/2020 – 23/03/2022
IMFI Bonds II Phase III	IDR	464,000,000	10.65%	16/03/2020

In 2019, the bonds were collateralised by fiduciary transfer of financing receivables (Note 9), other inventories (Note 13) and trade receivables (Note 14) of PT IMAS's subsidiaries amounting to 50% to 60% of the total principal amount of the bonds.

The debt securities were denominated in Indonesian Rupiah.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21 Employee benefits liabilities

The Group	2020 $'000	2019 $'000
Balance at beginning of year	**43,867**	36,709
Net employee benefits expense for the year (Note 31)	**4,398**	6,559
Actual benefit payments	**(1,092)**	(1,302)
Foreign exchange difference	**(726)**	3,188
Company contribution	**(686)**	(208)
Income recognised in other comprehensive income	**(610)**	(1,079)
Deconsolidation of subsidiaries (Note 7(a))	**(28,870)**	–
Balance at end of year	**16,281**	43,867

On 20 June 2000, under Indonesian Law, the Minister of Manpower of the Republic of Indonesia issued Decree No. Kep-150/Men/2000 regarding "The Settlement of Work Dismissal and Determination of Separation, Gratuity and Compensation Payment by Companies". Should there be any work dismissal, a company is obliged to settle any separation, gratuity and compensation payment, based on the duration of work of the respective employees and in accordance with the conditions stated in the Decree.

The Decree has been enacted into Law No.13 of 2003 regarding Manpower by the President of the Republic of Indonesia on 25 March 2003.

The Group recognised a provision for employees' service entitlement in accordance with the above Law. The benefits are unfunded. The provision is estimated using the "Projected Unit Credit Method" based on the actuarial calculation performed by independent actuaries, PT Dayamandiri Dharmakonsilindo, PT Sentra Jasa Aktuaria, PT Bumi Dharma Akuaria and PT Sienco Aktuarindo Utama which considered the following assumptions:

Discount rate	:	5.60% to 8.18% (2019 – 8.14% to 9.19%) per annum
Mortality rate	:	Tabel Mortalita Indonesia (TMI–III) – 2011 & (TMI-IV) – 2019 (2019 – Tabel Mortalita Indonesia (TMI–III) – 2011)
Annual salary increases	:	6.00% to 12.50% (2019 – 7% to 8%) per annum
Retirement age	:	55 to 60 years
Turnover rates	:	5% up to age 25 and reducing linearly up to 0% at the age of 45 and thereafter
Disability rate	:	10% of mortality rate

The net employee benefits expense comprises the following:

The Group	2020 $'000	2019 $'000
Current service cost	**3,079**	5,346
Interest expense	**1,012**	1,174
Excess payment	**307**	39
	4,398	6,559
Net present value of employee benefits liabilities	**16,281**	43,867

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21 Employee benefits liabilities (Cont'd)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

The Group	Change in assumption 2020	Change in assumption 2019	Impact on defined benefit obligation: Increase in assumption			Impact on defined benefit obligation: Decrease in assumption		
				2020 $'000	2019 $'000		2020 $'000	2019 $'000
Discount rate	**1%**	1%	Decrease by:	**2,665**	2,371	Increase by:	**(2,665)**	(2,371)
Salary growth rate	**1%**	1%	Increase by:	**2,625**	2,416	Decrease by:	**(2,625)**	(2,416)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculation the defined benefit liability recognised in the statement of financial position.

The weighted average duration of the defined benefit obligation is 20 years. The expected maturity analysis of undiscounted pension is as follows:

	Less than a year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total $'000
2020					
Defined benefit obligation	**3,219**	**975**	**4,154**	**18,980**	**27,328**
2019					
Defined benefit obligation	6,849	1,833	7,966	42,569	59,217

22 Other non-current liabilities

	Note	The Company 2020 $'000	The Company 2019 $'000	The Group 2020 $'000	The Group 2019 $'000
Deposits from tenants	(i)	**88**	88	**25,966**	25,276
Refundable golf membership deposit	(ii)	**–**	–	**–**	3,724
Derivative liabilities	26	**–**	–	**–**	41,424
Others		**–**	–	**–**	1,632
		88	88	**25,966**	72,056

(i) Deposits from tenants represent deposits equivalent to certain months' factory and dormitory rentals, hawkers' centres, and deposits for electricity supply, in accordance with the provisions of their respective lease agreements. These deposits will be refunded or applied against rentals due at the end of the lease period.

(ii) Refundable deposits received for golf club membership, which consist of Individual Type, Corporate A and B type, were due on 1 August 2020 and refunded.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22 Other non-current liabilities (Cont'd)

The other non-current liabilities are denominated in the following currencies:

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Singapore Dollar	**88**	88	**21,083**	23,515
Indonesian Rupiah	**–**	–	**4,883**	48,541
	88	88	**25,966**	72,056

23 Lease liabilities

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Undiscounted lease payments due:				
– Year 1	**368**	258	**1,213**	13,824
– Year 2	**586**	165	**951**	4,534
– Year 3	**586**	–	**894**	859
– Year 4	**585**	–	**827**	559
– Year 5	**585**	–	**770**	287
– Year 6 and onwards	**390**	–	**759**	629
	3,100	423	**5,414**	20,692
Less: Unearned interest cost	**(488)**	(27)	**(919)**	(1,092)
Lease liabilities	**2,612**	396	**4,495**	19,600
Presented as:				
Current liabilities	**234**	231	**1,047**	13,405
Non-current liabilities	**2,378**	165	**3,448**	6,195
	2,612	396	**4,495**	19,600

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Total cash outflows for all leases in the year amount to S$11,433,000 (2019 – S$3,625,000).

Interest expense on lease liabilities of S$386,000 (2019 – S$1,672,000) is recognised within "finance costs" in consolidated statement of comprehensive income.

Rental expenses not capitalised in lease liabilities but recognised within "other operating expenses" in consolidated statement of comprehensive income are set out below:

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Short-term leases	**6**	5	**78**	1,358
Leases of low value assets	**4**	5	**33**	235

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23 Lease liabilities (Cont'd)

As at 31 December 2020, the Group's short-term lease commitments at the reporting date under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Short term leases:				
– Not later than one year	**–**	–	**6**	470
Leases of low value assets:				
– Not later than one year	**3**	5	**31**	257
– Later than one year and not later than five years	**9**	5	**34**	306
	12	10	**71**	1,033

Further information about leases and the financial risk management are disclosed in Note 35 and Note 39 respectively.

Lease liabilities are denominated in the following currencies:

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Singapore Dollar	**2,612**	396	**4,171**	1,605
Indonesian Rupiah	**–**	–	**324**	17,995
	2,612	396	**4,495**	19,600

24 Trade and other payables

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Trade				
Trade payables	**–**	–	**5,984**	167,995
Non-trade				
Accruals	**881**	916	**13,706**	59,275
Other payables	**60,194**	8,155	**112,842**	204,223
Interest payable on bank loan	**7,655**	6,958	**7,720**	7,018
Amount owing to related parties	**10**	–	**5,653**	57,073
Amount owing to subsidiaries	**57,471**	69,278	**–**	–
	126,211	85,307	**145,905**	495,584

Trade payables are generally on 30 days (2019 – 30 days) credit terms.

Other payables represent non-trade advances and balances, which are unsecured, interest-free and repayable on demand.

Amounts owing to subsidiaries and related parties represent advances and are non-trade, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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24 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Singapore Dollar	**12,712**	33,304	**63,750**	64,708
Indonesian Rupiah	**53,232**	42,042	**18,355**	406,763
United States Dollar	**60,267**	9,961	**63,800**	20,653
Euro	**–**	–	**–**	3,349
Swedish Krona	**–**	–	**–**	58
Others	**–**	–	**–**	53
	126,211	85,307	**145,905**	495,584

25 Foreclosed assets

Foreclosed assets (discontinued operations) represent acquired assets in conjunction with settlement of consumer financing receivables. In case of default, the consumers give the right to the Group to sell the foreclosed assets or take any other actions to settle the outstanding receivables.

The Group determined that the foreclosed assets will be converted into cash within maximum three months.

		2020	2019
The Group	**Note**	**$'000**	**$'000**
Foreclosed assets		**–**	32,151
Less: allowance for impairment loss		**–**	(3,698)
	14	**–**	28,453

The movement in allowance for impairment losses in value of foreclosed assets is as follows:–

	2020	2019
The Group	**$'000**	**$'000**
Balance at beginning of the year	**3,698**	3,942
Reversal of allowance during the year	**(134)**	(350)
Translation differences	**(34)**	106
Deconsolidation of subsidiaries	**(3,530)**	–
Balance at the end of the year	**–**	3,698

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26 Derivative financial instruments

The fair value of the Group's derivative financial instruments held by PT IMAS (discontinued operations) was:–

The Group	Note	2020 Assets $'000	2020 Liabilities $'000	2019 Assets $'000	2019 Liabilities $'000
Non-current					
Designated as cash flow hedges					
– Interest rate swaps (i)		–	–	–	95
– Cross currency swaps (ii)		–	–	1,056	41,010
– Cross currency interest rate swap (iii)		–	–	1,689	319
		–	–	2,745	41,424
Not designated as hedging instruments					
– Cross currency interest rate swap (iii)		–	–	–	–
	11, 22	–	–	2,745	41,424

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The Group's and the Company's loss on valuation of fair value of swap not designated as hedging instruments will be recorded as part of other income in the consolidated statement of comprehensive income.

Period when the cash flows on cash flow hedges are expected to occur or affect the profit or loss

Interest rate swaps

In 2019, interest rate swaps were transacted to hedge against variable quarterly interest payments on borrowings that matured on 13 December 2020. Fair value gains and losses on the interest rate swaps recognised in other comprehensive income were reclassified to profit or loss as part of interest expense over the period of the borrowings.

Cross currency swaps

In 2019, cross currency swaps were transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within three months from the end of the reporting period. The cross currency swaps had maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in other comprehensive income prior to the occurrence of these hedged forecast transactions affect profit or loss. This was generally within three months from the end of the reporting period. For those cross currency swaps used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, fair value gains and losses were included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

(i) Interest rate swap

The notional amounts of the interest rate swaps as at 31 December 2019 were US$20,166,000 for derivative assets and derivative liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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26 Derivative financial instruments (Cont'd)

Cross currency swaps (Cont'd)

(ii) Cross currency swap

The notional amounts of the cross currency swaps as at 31 December 2019 were US$1,029,492,000 for derivative assets and derivative liabilities.

(iii) Cross currency interest rate swap

The notional amounts of the cross currency interest rate swap as at 31 December 2019 were US$60,900,000.

27 Revenue

Disaggregated revenue information

	For the financial year ended 31 December 2020				
Segments	**Industrial park $'000**	**Utilities $'000**	**Resort operations $'000**	**Property development $'000**	**Total $'000**
Type of goods or services					
Rendering of services	4,870	–	620	–	5,490
Electricity and water supply	–	94,252	–	–	94,252
Sale of residential units	–	–	–	–	–
Golf revenue	2,024	–	–	–	2,024
Ferry services	–	–	3,677	–	3,677
Rental and related income	26,875	–	639	24	27,538
Telecommunication	–	3,360	–	–	3,360
Others	1,334	–	524	–	1,858
Total revenue	35,103	97,612	5,460	24	138,199
Timing of revenue recognition					
At a point in time	8,700	94,252	4,230	–	107,182
Over time	26,403	3,360	1,230	24	31,017
Total revenue	35,103	97,612	5,460	24	138,199

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Revenue (Cont'd)

Disaggregated revenue information (Cont'd)

Segments	Industrial park $'000	Utilities $'000	Resort operations $'000	Property development $'000	Total $'000
	For the financial year ended 31 December 2019 (Restated)				
Type of goods or services					
Rendering of services	4,406	–	1,338	–	5,744
Electricity and water supply	–	101,374	–	–	101,374
Sale of residential units	4,093	–	–	–	4,093
Golf revenue	3,977	–	–	–	3,977
Ferry services	–	–	26,675	–	26,675
Rental and related income	24,340	–	1,263	51	25,654
Telecommunication	–	3,085	–	–	3,085
Others	924	–	1,972	–	2,896
Total revenue	37,740	104,459	31,248	51	173,498
Timing of revenue recognition					
At a point in time	13,400	101,374	29,933	–	144,707
Over time	24,340	3,085	1,315	51	28,791
Total revenue	37,740	104,459	31,248	51	173,498

The Group operates mainly in Indonesia. Accordingly, revenue by geographical market is not presented.

Reconciliation of the revenue with the amount as disclosed in the segment information (Note 38)

Segments	Industrial park $'000	Utilities $'000	Resort operations $'000	Property development $'000	Total $'000
	For the financial year ended 31 December 2020				
External	**35,103**	**97,612**	**5,460**	**24**	**138,199**
Inter segment	**–**	**75**	**15**	**133**	**223**
	35,103	**97,687**	**5,475**	**157**	**138,422**
Elimination	**–**	**(75)**	**(15)**	**(133)**	**(223)**
Total revenue	**35,103**	**97,612**	**5,460**	**24**	**138,199**

Segments	Industrial park $'000	Utilities $'000	Resort operations $'000	Property development $'000	Total $'000
	For the financial year ended 31 December 2019 (Restated)				
External	37,740	104,459	31,248	51	173,498
Inter segment	–	69	64	134	267
	37,740	104,528	31,312	185	173,765
Elimination	–	(69)	(64)	(134)	(267)
Total revenue	37,740	104,459	31,248	51	173,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Revenue (Cont'd)

Contract liabilities

	31 December	
	2020	2019
	$'000	$'000
Non-Current liabilities		
Contract liabilities	**16,738**	12,873
Current liabilities		
Contract liabilities	**2,667**	20,153

Contract liabilities relate primarily to advance consideration received from customers and unearned revenue arising from contract with customers.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

The Group	2020 $'000	2019 $'000 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the year	**4,175**	1,920
Increases due to cash received, excluding amounts recognised as revenue during the year	**(9,159)**	(5,010)
Deconsolidation of subsidiaries (Note 7(a))	**20,127**	–

28 Other income

	Continuing operations	
The Group	2020 $'000	2019 $'000 (Restated)
Exchange gain, net	**1,268**	1,630
Gain/(loss) on disposal of property, plant and equipment	**35**	(2,110)
Interest income	**3,156**	3,330
Other telecommunication income	**743**	835
Bank charges	**(68)**	(30)
Bad debt recovered	**3**	202
Commission income	**–**	2
Scrap income	**–**	115
Rental income	**114**	113
Insurance claim	**3,884**	–
Loss on land sales cancellation	**–**	(2,439)
Gain on disposal of subsidiaries	**–**	255
Others	**1,397**	(1,440)
	10,532	463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 Other operating expenses

The Group	Continuing operations 2020 $'000	Continuing operations 2019 $'000 (Restated)
Communication	**248**	293
Depreciation of property, plant and equipment	**752**	865
Depreciation of right-of-use assets	**1,331**	1,241
Entertainment	**138**	567
Insurance	**318**	308
Marketing and promotion expenses	**474**	1,751
Professional fees	**701**	969
Rental	**85**	164
Repairs and maintenance	**1,428**	2,641
Representation costs	**688**	676
Staff costs and related expenses	**9,555**	9,537
Taxes and licences	**2,677**	2,124
Transport and travelling	**899**	1,526
Printing and stationeries	**109**	151
Security expenses	**206**	294
Utilities	**702**	1,090
Office supplies	**46**	86
Others	**3,894**	1,870
	24,251	26,153

30 Finance costs

The Group	Continuing operations 2020 $'000	Continuing operations 2019 $'000 (Restated)
Interest expense on:		
– Bank loans and short term loans	**20,233**	29,790
– Other loans	**1,479**	254
– Lease liabilities	**222**	227
	21,934	30,271

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Loss for the year

Other than as disclosed elsewhere in these financial statements, loss for the year has been arrived after charging/(crediting):

The Group	Note	Continuing operations 2020 $'000	Continuing operations 2019 $'000 (Restated)	Discontinued operations 2020 $'000	Discontinued operations 2019 $'000 (Restated)	Total 2020 $'000	Total 2019 $'000 (Restated)
Audit fee paid to:							
– auditor of the Company		**444**	413	**–**	–	**444**	413
– other auditors		**351**	638	**–**	837	**351**	1,475
Non-audit fees paid to:							
– auditor of the Company		**14**	8	**–**	12	**14**	20
– other auditors		**66**	54	**–**	–	**66**	54
Cost of inventories recognised as expenses		**–**	–	**339,410**	1,168,958	**339,410**	1,168,958
Reversal of allowance for inventories obsolescence	13	**(22)**	(66)	**–**	–	**(22)**	(66)
Reversal of allowance for impairment of foreclosed assets	25	**–**	–	**(134)**	(350)	**(134)**	(350)
Amortisation of intangible assets	3	**81**	89	**6,761**	16,227	**6,842**	16,316
Depreciation of property, plant and equipment	4	**19,087**	22,459	**25,583**	40,698	**44,670**	63,157
Depreciation of right-of-use assets	5	**1,331**	1,241	**1,469**	26,288	**2,800**	27,529
Depreciation of investment properties	6	**14,759**	25,441	**1,151**	2,801	**15,910**	28,242
		35,177	49,141	**28,203**	69,787	**63,380**	118,928
Directors' fees		**405**	405	**–**	–	**405**	405
Salaries and related costs (including CPF contributions)							
– Directors		**3,466**	3,061	**–**	–	**3,466**	3,061
– Employees		**28,230**	27,781	**53,097**	119,523	**81,327**	147,304
		31,696	30,842	**53,097**	119,523	**84,793**	150,365
Foreign exchange (gain)/loss, net		**(1,268)**	(1,630)	**1,410**	5,648	**142**	4,018
Net (reversal)/allowance for impairment of receivables							
– Financing receivables	9	**–**	–	**26,359**	53,244	**26,359**	53,244
– Trade receivables	14	**1,412**	(164)	**2,003**	186	**3,415**	22
– Other receivables	14	**18**	32	**22**	(605)	**40**	(573)
		1,430	(132)	**28,384**	52,825	**29,814**	52,693
Operating lease rentals – office equipment and office premises		**433**	455	**–**	–	**433**	455
Provision for employees' benefits	21	**2,397**	2,278	**2,001**	4,281	**4,398**	6,559
Rental income (included in revenue) – investment properties	6	**(26,561)**	(24,013)	**(6,020)**	(5,693)	**(32,581)**	(29,706)
Operating expenses arising from investment properties that generated rental income	6	**12,905**	20,786	**3,469**	3,203	**16,374**	23,989
(Loss)/gain on deconsolidation/disposal of subsidiaries		**–**	255	**(595,708)**	–	**(595,708)**	255
Impairment loss on goodwill		**–**	–	**–**	100,100	**–**	100,100

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32 Taxation

The Group	Note	2020 $'000	2019 $'000 (Restated)
Continuing operations			
Current taxation			
Indonesia corporate statutory tax rate of 22% (2019 – 25%)		**13,177**	12,334
Singapore corporate statutory tax rate of 17%		**275**	480
		13,452	12,814
Deferred taxation			
Indonesia tax		**(636)**	(521)
	i	**12,816**	12,293
Discontinued operations			
Current taxation			
Indonesia corporate statutory tax rate of 22% (2019 – 25%)		**3,050**	16,124
Deferred taxation			
Indonesia tax		**(1,571)**	6,701
	ii	**1,479**	22,825
	i + ii	**14,295**	35,118

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's loss as a result of the following:

The Group	Note	2020 $'000	2019 $'000 (Restated)
Loss before tax:			
– from continuing operations		**(49,110)**	(40,398)
– from discontinued operations	7(a)	**(45,548)**	(179,572)
		(94,658)	(219,970)
Tax at domestic tax rates applicable to profit in the respective countries		**(149,218)**	10,957
Difference of tax effects on gross income subject to final tax instead of corporate tax		**(1,216)**	(748)
Tax effects on non-taxable income[(1)]		**(2,522)**	710
Tax effects on non-deductible expenses[(2)]		**169,252**	8,925
Deferred tax on temporary differences not recognised		**(2,001)**	15,274
		14,295	35,118

(1) Included in other income relates mainly to exchange gain, disposal of subsidiary, and dividend income.

(2) Included in non-deductible expenses relates mainly to interest expense.

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32 Taxation (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

The Group	2020 $'000	2019 $'000
Tax losses	**4,035**	4,648

Tax losses relate mainly to losses generated by Indonesian subsidiaries of the Company.

Under Indonesian taxation laws, tax losses may be carried forward for a period of five (5) years. The tax authorities may assess the Company within ten (10) years from the date the tax was payable.

33 Other comprehensive income for the year after taxation

Disclosure of tax effects relating to each component of other comprehensive income/(loss):

	2020			2019		
The Group	**Before tax $'000**	**Tax expense $'000**	**Net of tax $'000**	**Before tax $'000**	**Tax expense $'000**	**Net of tax $'000**
Equity instruments at FVOCI	**–**	**–**	**–**	10,623	–	10,623
Derivative instruments	**(6,712)**	**–**	**(6,712)**	(17,171)	–	(17,171)
Currency translation differences	**(8,001)**	**–**	**(8,001)**	21,211	–	21,211
Actuarial gain/(losses)	**485**	**–**	**485**	(1,079)	–	(1,079)
Share of other comprehensive loss of associates	**(15,545)**	**–**	**(15,545)**	–	–	–
Realisation of reserve upon deconsolidation of subsidiaries	**32,514**	**–**	**32,514**	–	–	–
	2,741	**–**	**2,741**	13,584	–	13,584

34 Loss per share

The Group

The basic loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares in issue of 5,424,848,361 (2019 – 5,344,834,236) shares during the financial year.

Fully diluted loss per share was calculated on the consolidated losses attributable to owners of the parent divided by 5,674,848,361 (2019 – 5,594,834,236) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of the dilutive issuable shares from the convertible bond. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

There are 250,000,000 shares granted under the conversion right of the convertible bonds that have not been included in the calculation of diluted loss per share because they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

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34 Loss per share (Cont'd)

The calculation of basic and diluted loss per share is based on:

(i) Loss used in calculating loss per share

	2020 $'000	2019 $'000 (Restated)
The Group		
Loss attributable to equity holders of the Company		
– Continuing operations	**(59,057)**	(52,426)
– Discontinued operations	**(628,389)**	(169,550)
	(687,446)	(221,976)

(ii) Weighted average number of ordinary shares used in calculating loss per share

	2020 '000	2019 '000
The Group		
Weighted average number of ordinary shares for basic loss per share	**5,424,848**	5,344,834
Effects of dilution:		
Assumed conversion of convertible bond	**250,000**	250,000
Weighted average number of ordinary shares for diluted loss per share	**5,674,848**	5,594,834

35 Leases

(i) The Group as lessee

(a) Properties

The Group leases several office premises, warehouse, land, ticketing counter and passenger lounge (Note 5). Certain of those office premise are sublet to non-related party, as discussed below under the Group's leasing activities as intermediate lessor of sublease.

The Group makes monthly lease payments for usage of office premises, warehouse, land, ticketing counter and passenger lounge under leasing agreements for operation and storage use.

There are no externally imposed covenants on these property lease arrangements.

(b) Transportation equipment and motor vehicles

The Group makes monthly lease payments to acquire transportation equipment and motor vehicles under hire purchase arrangements to render internal logistics support. These transportation equipment and motor vehicles are recognised as the Group's right-of-use assets (Note 5). The hire purchase agreements for transportation equipment and motor vehicles prohibit the Group from subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 23 respectively.

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35 Leases (Cont'd)

(ii) The Group as lessor

Investment property

Operating leases, in which the Group is the lessor, relate to investment property (Note 6) owned by the Group with lease terms of between 2 to 16 years. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk to the Group, as they relate to properties which are located in locations with constant increase in value over the last 5 years. The Group has not identified any indications that this situation will change.

The Group's revenue from rental income received on the investment properties are disclosed in Note 6.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

	The Company		**The Group**	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Lease rentals receivable:				
Not later than one year	**235**	350	**26,122**	27,709
Later than one year and not later than five years	**–**	235	**46,312**	54,658
Later than five years	**–**	–	**8,750**	22,342
	235	585	**81,184**	104,709

The leases on the Company's premises on which rentals are received will expire on 31 August 2021. The current rent receivable on the lease ranges from S$9,084 to S$10,015 per month.

The leases on the Group's premises on which rentals are received will expire between 31 August 2021 and not later than 31 March 2035. The current rent receivable on the lease ranges from S$1,976 to S$136,767 per month which are subject to revision on renewal of lease agreement.

(ii) The Group as intermediate lessor of sublease

The Group acts as an intermediate lessor under arrangements whereby it subleases out certain office premise to non-related party for monthly lease payments. For the sublet of office premises, their sublease periods do not form a major part of the remaining head lease terms and accordingly, their subleases are classified as operating lease.

Included in rental income (Note 28) is S$114,000 (2019: S$113,000) from subleasing of the office premise during the year, which are included within "other income" in consolidated statement of comprehensive income.

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36 Commitments

Repair and maintenance contracted for at end of year but not recognised as liabilities is as follows:

	The Group	
	2020	2019
	$'000	$'000
Contractual obligation for future repairs and maintenance – not recognised as a liability	**2,291**	3,334

37 Related parties transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

The Group	2020 $'000	2019 $'000
(a) With associates and joint ventures		
Management fees paid	**27**	143
Sales of goods and services	**(1,095)**	(2,448)
Purchase of goods and services	**591**	1,107
Rental income	**–**	(340)
Broker and guarantee fee	**–**	16
Dividend received	**(949)**	(1,692)
(b) With related companies and associates of ultimate holding company		
Broker and guarantee fee	**41**	97
Management fees paid	**324**	471
Human resource management fee	**128**	108
Interest income	**(8,268)**	(2,628)
Purchase of goods and services	**28,402**	7,156
Sales of goods and services	**(43,904)**	(59,201)
Dividend received	**(3,085)**	(2,214)
(c) Remuneration of Directors of the Company and key management personnel of the Group		
Salaries and other short-term employee benefits	**3,466**	3,061

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38 Segment information

(a) Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:–

a. 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.

b. 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.

c. Resort operations segment

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

d. Property development segment

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

e. Automotive segment (discontinued operations – see (Note 7(a))

PT IMAS is considered as one operating segment and is organised into automotive segment because the decisions for resource allocation and performance assessment are made directly by the board of PT IMAS, taking into account the opinion of the Company's Board. The automotive segment is engaged in activities of vehicle sales distribution, after sales services, vehicle ownership financing, spare part distribution, vehicle assembly, automotive parts manufacturing and other related supporting services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38 Segment information (Cont'd)

The Group	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Development $'000	Corporate $'000	(Discontinued Operations) Automotive $'000	Adjustment/ Elimination $'000	Total $'000
31 December 2020								
Operating revenue								
External sales	35,103	97,612	5,460	24	–	600,278	(600,278)	138,199
Inter segment sales	–	75	15	133	–	–	(223)	–
Total revenue	35,103	97,687	5,475	157	–	600,278	(600,501)	138,199
Segment results								
Profit/(loss) from operations	2,528	26,621	(16,449)	(12,908)	(7,327)	(572,631)	572,631	(7,535)
Share of associates' results								(19,641)
Finance costs								(21,934)
Loss before taxation								(49,110)
Taxation								(12,816)
Loss after taxation								(61,926)
Assets and liabilities								
Segment assets	98,853	107,840	26,861	668,653	25,595	–	–	927,802
Associates								355,097
Unallocated corporate assets								108,444
Total assets								1,391,343
Segment liabilities	26,789	48,349	9,246	56,456	79,686	–	–	220,526
Unallocated corporate liabilities								345,173
Total liabilities								565,699
Other material information								
Capital expenditure	3,962	916	402	19	20	42,319	–	47,638
Depreciation and amortisation	15,901	10,141	5,527	3,285	404	34,964	(34,964)	35,258
Reversal of allowance for inventories obsolescence	(22)	–	–	–	–	–	–	(22)
Gain/(loss) on disposal of property, plant and equipment	34	–	–	1	–	(1,731)	1,731	35
Impairment of financing, trade and other receivables	106	–	1,324	–	–	28,384	(28,384)	1,430
Loss on deconsolidation of subsidiaries	–	–	–	–	(595,708)	–	–	(595,708)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38 Segment information (Cont'd)

The Group	Industrial Parks $'000	Utilities $'000	Resort Operations $'000	Property Development $'000	Corporate $'000	(Discontinued Operations) Automotive $'000	Adjustment/ Elimination $'000	Total $'000
31 December 2019 (Restated)								
Operating revenue								
External sales	37,740	104,459	31,248	51	–	1,792,189	(1,792,189)	173,498
Inter segment sales	–	69	64	134	–	–	(267)	–
Total revenue	37,740	104,528	31,312	185	–	1,792,189	(1,792,456)	173,498
Segment results								
(Loss)/profit from operations	(6,976)	24,592	(3,940)	(14,947)	(9,041)	(19,674)	19,674	(10,312)
Share of associates' results								185
Finance costs								(30,271)
Loss before taxation								(40,398)
Taxation								(12,293)
Loss after taxation								(52,691)
Assets and liabilities								
Segment assets	84,277	136,942	40,526	668,109	25,457	4,192,187	–	5,147,498
Associates								149,940
Unallocated corporate assets								271,604
Total assets								5,569,042
Segment liabilities	24,855	45,180	12,035	58,370	24,975	497,102	–	662,517
Unallocated corporate liabilities								3,387,385
Total liabilities								4,049,902
Other material information								
Capital expenditure	17,176	1,785	3,573	79	10	333,330	–	355,953
Depreciation and amortisation	27,296	12,252	5,976	3,307	399	86,014	(86,014)	49,230
Reversal of allowance for inventories obsolescence	(66)	–	–	–	–	–	–	(66)
(Loss)/gain on disposal of property, plant and equipment	(2,200)	–	31	59	–	(106)	106	(2,110)
Reversal of trade and other receivables	(98)	–	(34)	–	–	(419)	419	(132)
Impairment loss on goodwill	–	–	–	–	–	100,100	(100,100)	–
Gain on disposal of subsidiaries	–	–	–	81	174	–	–	255
Addition of investment properties	2,681	–	–	–	–	37,419	–	40,100
Allowance for impairment of financing receivables	–	–	–	–	–	53,244	(53,244)	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38 Segment information (Cont'd)

(b) Geographical segments

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

(c) Segment revenue and segment expense

All segment revenue and expense are directly attributable to the segments.

(d) Segment assets and liabilities

Segment assets include all operating assets and consist principally of trade and other receivables, land inventories, other inventories, investment properties and property, plant and equipment, net of allowances and provisions. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated on a reasonable basis.

Segment liabilities include all operating liabilities and consist principally of operating payables.

Segment assets and liabilities do not include cash and cash equivalents, deferred tax assets, deferred tax liabilities, loans and borrowings.

The Group does not have any major customers.

39 Financial risk management objectives and policies

The Company and the Group have financial risk management policies setting out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group may use financial instruments, principally interest rate swaps and cross-currency swaps to hedge certain risk exposures.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

The Group is financed through interest-bearing bank loans, other borrowings such as shareholders' loans, and advances from related parties and debt securities. Therefore, the Group's exposures to market risk for changes in interest rates relate primarily to its long-term borrowings obligations and interest-bearing assets and liabilities. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group actively reviews its debt portfolio and evaluates the interest rates are in line with the changes in interest rate which is relevant in the money market. The Group also uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility.

Sensitivity analysis for interest rate risk

At the end of reporting period, if Singapore Dollar and United States Dollar interest rates had been 50 (2019 – 50) basis points lower/higher with all other variables held constant, the Group's profit/(loss) net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

	Profit/(loss) 2020 $'000
The Group	
Singapore Dollar	
– lower 50 basis points	**889**
– higher 50 basis points	**(889)**
United States Dollar	
– lower 50 basis points	**827**
– higher 50 basis points	**(827)**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

	Profit/(loss) 2019 $'000
The Group	
Singapore Dollar	
– lower 50 basis points	1,222
– higher 50 basis points	(1,222)
United States Dollar	
– lower 50 basis points	2,229
– higher 50 basis points	(2,229)
Indonesian Rupiah	
– lower 50 basis points	9,096
– higher 50 basis points	(9,096)

(ii) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising primarily from purchases, assets and liabilities which arise from daily operations that are denominated in a currency other than the respective functional currencies of group entities, primarily Singapore Dollar (SGD) and Indonesian Rupiah (IDR). The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD).

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances (mainly in IDR and USD) amount to S$308,000 (2019 – S$899,000) and S$92,245,000 (2019 – S$218,267,000) for the Company and the Group respectively.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The Group may enter into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency and these swaps are designated as cash flow hedges.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are recorded under the currency translation reserves. These translation differences are reviewed and monitored on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

As at each reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Indonesian Rupiah		**United State Dollar**		**Total**	
The Group	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financing receivables (Note 9)	**–**	549,385	**–**	–	**–**	549,385
Other non-current assets (Note 11)	**3,947**	92,346	**–**	–	**3,947**	92,346
Trade and other receivables (Note 14)	**25,867**	627,161	**27,875**	34,648	**53,742**	661,809
Cash and cash equivalents (Note 15)	**54,201**	170,978	**38,044**	44,575	**92,245**	215,553
Trade and other payables (Note 24)	**(18,355)**	(406,763)	**(63,800)**	(20,653)	**(82,155)**	(427,416)
Other non-current liabilities (Note 22)	**(4,883)**	(7,117)	**–**	–	**(4,883)**	(7,117)
Borrowings (Note 19)	**–**	(1,540,009)	**(165,389)**	(1,316,279)	**(165,389)**	(2,856,288)
Debt securities (Note 20)	**–**	(170,843)	**–**	–	**–**	(170,843)
Net assets/(liabilities) exposure	**60,777**	(684,862)	**(163,270)**	(1,257,709)	**(102,493)**	(1,942,571)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Foreign exchange risk (Cont'd)

Sensitivity analysis (Cont'd)

	Appreciation/ (depreciation) of foreign currency rate	**Effect on loss before tax (increase)/ decrease $'000**
2020		
Indonesian Rupiah	**2.10%**	**1,276**
Indonesian Rupiah	**(2.10%)**	**(1,276)**
United States Dollar	**(1.12%)**	**1,829**
United States Dollar	**1.12%**	**(1,829)**

	Appreciation/ (depreciation) of foreign currency rate	**Effect on loss before tax (increase)/ decrease $'000**
2019		
Indonesian Rupiah	(1.70%)	11,643
Indonesian Rupiah	1.70%	(11,643)
United States Dollar	(1.11%)	13,961
United States Dollar	1.11%	(13,961)

The average and year end exchange rates for 2020 and 2019 are as follows:

	2020		2019	
	Year end	**Average**	Year end	Average
Indonesian Rupiah	**Rp.10,644/$1**	**Rp.10,593/$1**	Rp.10,321/$1	Rp.10,348/$1
United States Dollar	**US$0.76/$1**	**US$0.73/$1**	US$0.73/$1	US$0.73/$1

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group is exposed to market price risks arising from its investments quoted on the IDX in Indonesia. They are held for strategic rather than trading purposes. The Group does not actively trade equity investments. Thus, the Group's exposure to market price risks is not significant. Accordingly, no sensitivity analysis is disclosed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. For the subsidiaries engaging in consumer financing, a financial loss will arise when the debtor does not meet its contractual obligation.

The financial assets that potentially subject the Group to significant concentration of credit risk consist principally of cash and bank balances, trade and other receivables, financing receivables, loan and notes receivables. For trade receivables, the Company and the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objectives are to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has in place credit policies and procedures to ensure the ongoing credit evaluation and active account monitoring. Credit risk which is encountered by the Group comes from credits given to customers. To reduce this risk, there is a policy to ensure the product sales are to be made to customers who can be trusted and proven to have a good credit history and pass the credit verification. The Group monitors the receivable balance continuously to maximise installment billings and reduce the possibility of doubtful accounts.

The Group's exposures to credit risk arise from default of other parties, with maximum exposure equal to the carrying amount of these instruments. At the reporting date, there were no significant concentrations of credit risk.

The Company's and the Group's major classes of financial assets are bank deposits, trade and other receivables. Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions. Further details of credit risks on financing receivables and trade and other receivables are disclosed in Notes 9 and 14 respectively.

The Company gives corporate guarantees to banks for the bank borrowings of its subsidiaries. The maximum exposure of the Company in respect of these guarantees at the reporting date is the amount of S$15,000,000 (2019 – S$16,000,000). At the reporting date, the Company has considered it is not probable that a claim will be made against the Company under such guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

Financial assets

The Group applies the SFRS(I) 9 expected credit losses which uses either a 12-month or a lifetime expected credit losses depending on the level of credit risk to measuring loss allowance for all trade receivables, financing receivables (discontinued operations) and other financial assets.

The Group and Company apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. For all other financial assets, the Group and Company apply the general approach.

While cash and cash equivalents are also subject to the impairment requirements, the identified impairment loss was immaterial.

For the non-trade intercompany balances, it is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected credit losses. Management consider "low credit risk" when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flows obligations in the near term.

To measure the expected credit losses, trade receivables and financing receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months for trade receivables and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The receivables with "non-performing" credit risk rating has been fully provided for, while the receivables with "performing" credit risk rating are not impaired.

On that basis, the loss allowance as at 31 December 2020 and 2019 was determined as follows for both trade and other receivables and financing receivables:

	Trade and other receivables				
		Days past due			
	Current $'000	1-30 days $'000	31-60 days $'000	>60 days $'000	Total $'000
As at 31 December 2020					
Expected credit loss rate	**4.22%**	**–**	**–**	**18.41%**	**9.35%**
Gross carrying amount	**42,555**	**999**	**633**	**29,361**	**73,548**
Provision for allowance	**(1,472)**	**–**	**–**	**(5,406)**	**(6,878)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

Financial assets (Cont'd)

	Trade and other receivables				
		Days past due			
	Current $'000	1-30 days $'000	31-60 days $'000	>60 days $'000	Total $'000
As at 31 December 2019					
Expected credit loss rate	0.53%	–	–	20.86%	2.75%
Gross carrying amount	497,387	43,509	20,483	73,986	635,365
Provision for allowance	(2,050)	–	–	(15,433)	(17,483)

	Financing receivables*				
		Days past due			
	Current $'000	1-30 days $'000	31-60 days $'000	>60 days $'000	Total $'000
As at 31 December 2020					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	–	–	–	–	–
Provision for allowance	–	–	–	–	–

	Financing receivables*				
		Days past due			
	Current $'000	1-30 days $'000	31-60 days $'000	>60 days $'000	Total $'000
As at 31 December 2019					
Expected credit loss rate	1.14%	3.75%	10.69%	16.55%	1.12%
Gross carrying amount	1,404,185	4,005	1,940	1,183	1,411,313
Provision for allowance	(15,946)	(150)	(207)	(196)	(16,499)

* from discontinued operations

(c) Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group maintains a balance between continuity of accounts receivable collectability and flexibility through the use of borrowings, debt securities and stand-by credit facilities.

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39 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

	Contractual undiscounted cash flows				
	Not later than one year $'000	Later than one year and not later than five years $'000	Later than five years $'000	Total $'000	Total carrying amount $'000
The Company					
As at 31 December 2020					
Non-derivative financial liabilities:					
Trade and other payables	**126,211**	**–**	**–**	**126,211**	**126,211**
Borrowings	**698,102**	**–**	**–**	**698,102**	**667,314**
Other non-current liabilities	**–**	**88**	**–**	**88**	**88**
Lease liabilities	**368**	**2,342**	**390**	**3,100**	**2,612**
	824,681	**2,430**	**390**	**827,501**	**796,225**
As at 31 December 2019					
Non-derivative financial liabilities:					
Trade and other payables	85,307	–	–	85,307	85,307
Borrowings	423,091	324,426	–	747,517	694,952
Other non-current liabilities	–	88	–	88	88
Lease liabilities	258	165	–	423	396
	508,656	324,679	–	833,335	780,743

	Contractual undiscounted cash flows				
	Not later than one year $'000	Later than one year and not later than five years $'000	Later than five years $'000	Total $'000	Total carrying amount $'000
The Group					
As at 31 December 2020					
Non-derivative financial liabilities:					
Trade and other payables	**145,905**	**–**	**–**	**145,905**	**145,905**
Borrowings	**357,775**	**3,494**	**–**	**361,269**	**343,272**
Other non-current liabilities	**–**	**25,966**	**–**	**25,966**	**25,966**
Lease liabilities	**1,213**	**3,442**	**759**	**5,414**	**4,495**
	504,893	**32,902**	**759**	**538,554**	**519,638**
As at 31 December 2019					
Non-derivative financial liabilities:					
Trade and other payables	495,584	–	–	495,584	495,584
Borrowings	1,746,257	1,790,795	–	3,537,052	3,100,744
Debt securities	74,829	110,944	–	185,773	170,843
Other non-current liabilities	–	29,000	–	29,000	30,632
Lease liabilities	13,824	6,239	629	20,692	19,600
	2,330,494	1,936,978	629	4,268,101	3,817,403

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39 Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

In 2019, the Group's contractual undiscounted cash flows of its derivative financial instruments based on the remaining period from the reporting date to the contractual maturity date was as follow:

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000
As at 31 December 2019				
Net-settled interest rate swaps – Cash flow hedges				
– Net cash inflows	788	–	–	–
Net-settled currency swaps – Cash flow hedges				
– Net receipts	788	268	–	–

The Company and the Group ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company is able to raise funds through bank borrowings and capital market, and dividend income from subsidiaries to settle its current liabilities for the next twelve months.

(d) Project development risk

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduce project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

40 Capital management

The Company's and Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's abilities to continue as a going concern;

(b) To support the Company's and the Group's stabilities and growth;

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capabilities; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

NOTES TO THE FINANCIAL STATEMENTS

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40 Capital management (Cont'd)

The Company and the Group monitor capital net debt ratio, which is net debt divided by total capital plus net debt. Net debt refers to all external borrowings including lease liabilities, less bank balances and short-term deposits. Capital represents total equity of the Group. The capital net debt ratio is monitored both inclusive and exclusive of the Group's financial services companies (discontinued operations), which by their nature are generally more leveraged than the Group's other businesses. The Company and the Group do not have a defined gearing ratio benchmark or range.

The capital net debt ratios at 31 December 2020 and 2019 were as follows:

	The Company $'000	The Group $'000
As at 31 December 2020		
Net Debt	**669,181**	**240,960**
Total equity + debt	**1,445,627**	**1,173,411**
Capital net debt ratio	**0.46**	**0.21**

	The Company $'000	The Group $'000
As at 31 December 2019		
Including financial service company		
Net Debt	693,601	3,060,663
Total equity + debt	2,452,932	4,810,327
Excluding financial service company		
Net Debt	–	1,197,217
Total equity + debt	–	2,888,165
Capital net debt ratio excluding financial service companies	0.28	0.41
Capital net debt ratio including financial service companies	0.28	0.64

There were no changes in the Company's and the Group's approach to capital management during the year.

The Company and its subsidiaries are not subjected to externally imposed capital requirements except as disclosed in Note 19 and Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

41 Financial instruments

Accounting classification of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are as follows:

	Note	2020 $'000	2019 $'000
Financial assets			
The Company			
Financial assets at amortised cost			
Trade and other receivables	14	**65,726**	76,895
Cash and cash equivalents	15	**745**	1,747
Other non-current assets	11	**155**	155
		66,626	78,797
The Group			
Financial assets at amortised cost			
Trade and other receivables	14	**66,670**	617,882
Financing receivables	9	**–**	1,394,814
Cash and cash equivalents	15	**106,807**	230,524
Other non-current assets[1]	11	**3,947**	92,346
		177,424	2,335,566
Financial assets at fair value through other comprehensive income (FVOCI)	11	**–**	132,793
Derivative financial instruments used for hedging	11, 26	**–**	2,745
		177,424	2,471,104

(1) Comprises restricted cash/time deposits, deposits and other receivables

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

41 Financial instruments (Cont'd)

Accounting classification of financial assets and financial liabilities (Cont'd)

	Note	2020 $'000	2019 $'000
Financial liabilities			
The Company			
Financial liabilities at amortised cost			
Trade and other payables	24	**126,211**	85,307
Borrowings	19	**667,314**	694,952
Other non-current liabilities	22	**88**	88
Lease liabilities	23	**2,612**	396
		796,225	780,743
The Group			
Financial liabilities at amortised cost			
Trade and other payables	24	**145,905**	495,584
Borrowings	19	**343,272**	3,100,744
Debt securities	20	**–**	170,843
Other non-current liabilities[(2)]	22	**25,966**	30,632
Lease liabilities	23	**4,495**	19,600
		519,638	3,817,403
Derivative financial instruments			
Held for trading at FVPL	26	**–**	41,424
		519,638	3,858,827

(2) Excludes derivative liabilities

42 Fair value measurement

Definition of fair value

SFRS(I) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

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
- Level 3 : unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

42 Fair value measurement (Cont'd)

Fair value hierarchy (Cont'd)

In 2019, the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis was as follow:

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 December 2019					
Financial assets					
The Group					
Equity investments at FVOCI	11	63,441	–	69,352	132,793
Derivative assets	26	–	2,745	–	2,745
		63,441	2,745	69,352	135,538
Financial liabilities					
The Group					
Derivative liabilities	26	–	41,424	–	41,424

Fair value measurement of financial instruments

(i) Level 1 fair value measurements

The quoted equity instruments or available-for-sale equity investments held by the Group is traded in active markets and is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current market price. At the end of the year, the Group did not hold any quoted instruments upon deconsolidation of PT IMAS.

(ii) Level 2 fair value measurements

The Group's derivatives consist of interest rate swap contracts and cross currency interest rate swap contracts. These derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forwards rates, interest rate curves and forward rate curves. The Group held unquoted investments in shares of stock. At the end of the year, the Group did not have any derivatives consist of interest rate swap contracts and cross currency interest rate swap contract upon deconsolidation of PT IMAS.

(iii) Level 3 fair value measurements

The Group held unquoted investments in shares of stock. The fair values are determined by reference to these investments' net assets values as stated in their audited financial statements, adjusted for lack of marketability and related tax effects. At the end of the year, the Group did not hold unquoted investments in shares of stock upon deconsolidation of PT IMAS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

42 Fair value measurement (Cont'd)

Fair value measurement of financial instruments **(Cont'd)**

(iv) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amount of trade and other receivables (Note 14), current financing receivables (Note 9), cash and cash equivalents (Note 15), trade and other payables (Note 24), current borrowings (Note 19) and current debt securities (Note 20) are reasonable approximation of fair values due to their short term nature.

The carrying amount of other non-current assets (Note 11), non-current financing receivables (Note 9), other non-current liabilities (Note 22), non-current borrowings (Note 19) and non-current debt securities (Note 20) are reasonable approximation of fair values.

(v) Non-financial assets and liabilities not carried at fair value but for which fair value is disclosed

The Group's investment properties and employee benefit liabilities are not measured at fair values but which fair values are disclosed. They are classified under Level 3 of the fair value hierarchy. The details on the fair value of investment properties and employee benefit liabilities are disclosed in Notes 6 and 21.

The fair value of the investment properties is based on advice from firms of independent professional valuers using the capitalisation method and/or market comparable. The valuations of the investment properties are based on the highest and best use. Current use, unless there are any evidence to the contrary, is considered highest and best use.

43 Events after end of reporting period

(i) On 25 January 2021, the Company has announced the proposed acquisition of 66.25% interest in Singapore-Bintan Resort Holdings Pte Ltd ("SBRH"), a single-asset investment holding company incorporated in Singapore whose only asset is shares of 13.23% in PT Bintan Resort Cakrawala ("PT BRC"), a company incorporated in Indonesia. The purchase consideration of S$4,940,000 will be satisfied in full by the issue of 38,306,923 new ordinary shares in the capital of the Company. The fair value of the Group's share of the identifiable net assets of SBRH has been provisionally determined at S$4,940,000. The details of the assets acquired and liabilities assumed are not disclosed as the acquisition is still not completed at the time these financial statements have been authorised for issue.

(ii) The Group has obtained waiver from the lender on the non-compliance of the loan covenant for the financial year ended 31 December 2020 as of the date of this report.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

Issued and Fully Paid-up Capital	:	$1,961,671,758.64
Total number of shares including treasury shares	:	5,425,298,361
No. of treasury shares	:	450,000
Total number of shares excluding treasury shares	:	5,424,848,361
Class of Shares	:	Ordinary
Voting Rights	:	One vote per share

Distribution of Shareholdings as at 16 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	33	1.01	962	0.00
100-1,000	444	13.60	205,035	0.00
1,001-10,000	943	28.88	6,817,829	0.13
10,001-1,000,000	1,816	55.62	142,346,054	2.62
1,000,001 and above	29	0.89	5,275,928,481	97.25
Total	3,265	100.00	5,425,298,361	100.00

Top 20 shareholders as at 16 March 2021

No.	Name	No. of Shares	% of Shares
1	RAFFLES NOMINEES(PTE) LIMITED	1,631,462,461	30.07
2	CITIBANK NOMS SPORE PTE LTD	1,500,798,251	27.66
3	UOB KAY HIAN PTE LTD	1,247,548,092	23.00
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	433,835,000	8.00
5	HSBC (SINGAPORE) NOMINEES PTE LTD	205,454,400	3.79
6	TERRAFIRMA PROPERTY HOLDINGS LTD	102,609,023	1.89
7	DBS NOMINEES PTE LTD	30,481,400	0.56
8	MAYBANK KIM ENG SECURITIES PTE.LTD	22,388,903	0.41
9	OCBC SECURITIES PRIVATE LTD	19,298,729	0.36
10	PHILLIP SECURITIES PTE LTD	19,144,910	0.35
11	CIGA ENTERPRISES PTE LTD	18,770,000	0.35
12	MORGAN STANLEY ASIA (S) SEC PTE LTD	9,850,000	0.18
13	UNITED OVERSEAS BANK NOMINEES P L	4,438,352	0.08
14	LIM KEE YEK	3,648,100	0.07
15	PT ELITINDO CITRALESTARI	3,106,688	0.06
16	OCBC NOMINEES SINGAPORE PTE LTD	2,552,100	0.05
17	CHNG BENG HUA	2,300,000	0.04
18	GOH BEE LAN	2,150,000	0.04
19	LEE KAI HENG	1,968,000	0.04
20	LIM CHYE SOON (LIN CAISHUN)	1,850,000	0.03
	Total:	**5,263,654,409**	**97.02**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

Public Float

Based on the information available to the Company as at 16 March 2021, 33.66% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

	Number of Shares	
Substantial Shareholders	**Direct Interest**	**Deemed Interest**
Parallax Holdings Limited ("**PHL**")	2,936,862,151	–
Diamond Mint Limited ("**Diamond Min**t")[(1)]	–	3,593,873,889
Dornier Profits Limited ("**Dornier**")[(2)]	189,545,100	467,466,638
Parallax Venture Partners XXX Ltd ("**PVP**")[(3)]	–	657,011,738
Jaslene Limited ("**Jaslene**")[(4)]	–	3,593,873,889
Anthoni Salim[(5)]	–	3,596,980,577

Notes:

(1) Diamond Mint has a controlling interest in PHL and PVP and is deemed to be interested in the Shares in which PHL and PVP have an interest.

(2) Dornier has a deemed interest in 467,466,638 Shares by virtue of an agreement pursuant to which Dorner agreed to acquire from PVP such Shares.

(3) PVP has a deemed interest in 657,011,738 Shares comprising:

(a) a deemed interest in 467,466,638 Shares held through financial institutions, by virtue of Section 4(3) of the SFA; and

(b) a deemed interest in Dornier's 189,545,100 Shares, by virtue of Section 4(5) of the SFA.

(4) Jaslene has a controlling interest in Diamond Mint and is deemed to be interested in the shares in which PHL and PVP have an interest.

(5) Anthoni Salim is deemed to have an interest in the Shares in which PHL, PVP and Dornier have an interest and the 3,106,688 Shares owned by PT Elitindo Citralestari.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Gallant Venture Ltd. (the "**Company**") will be convened and held by way of electronic means on **Friday, 30 April 2021 at 10.00 a.m.** to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Directors' Statement and Auditors' Report thereon.
(Resolution 1)

2. To approve the Directors' fee of S$405,000 for the financial year ended 31 December 2020 (2019: S$405,000/-).
(Resolution 2)

3. To re-elect the following Directors who are retiring under Regulation 111 of the Constitution of the Company:

   (a) Mr Eugene Cho Park **(Resolution 3)**
   (See Explanatory Note 1)

   (b) Dr Tan Chin Nam **(Resolution 4)**
   (See Explanatory Note 1)

   (c) Mr Foo Ko Hing **(Resolution 5)**
   (See Explanatory Note 1)

4. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

5. That contingent upon the passing of Resolution 7B below and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

   (a) members to approve the continued appointment of Mr Lim Hock San as an independent director of the Company with effect from 1 January 2022; and

   (b) such appointment as an independent director shall continue in force until the earlier of (i) the retirement or resignation of Mr Lim Hock San as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 7A – Tier 1)
(See Explanatory Note 2)

NOTICE OF ANNUAL GENERAL MEETING

6. That contingent upon the passing of Resolution 7A above and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

    (a) members (excluding the Directors and Chief Executive Officer ("**CEO**") of the Company, and associates of such Directors and CEO) to approve the continued appointment of Mr Lim Hock San as an independent director of the Company with effect from 1 January 2022; and

    (b) such appointment as an independent director shall continue in force until the earlier of (i) the retirement or resignation of Mr Lim Hock San as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 7B – Tier 2)
(See Explanatory Note 2)

7. That contingent upon the passing of Resolution 5 above and the passing of Resolution 8B below and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

    (a) members to approve the continued appointment of Mr Foo Ko Hing as an independent director of the Company with effect from 1 January 2022; and

    (b) such appointment as an independent director shall continue in force until the earlier of (i) the retirement or resignation of Mr Foo Ko Hing as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 8A – Tier 1)
(See Explanatory Note 2)

8. That contingent upon the passing of Resolution 5 above and the passing of Resolution 8A above and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

    (a) members (excluding the Directors and CEO of the Company, and associates of such Directors and CEO) to approve the continued appointment of Mr Foo Ko Hing as an independent director of the Company with effect from 1 January 2022; and

    (b) such appointment as an independent director shall continue in force until the earlier of (i) the retirement or resignation of Mr Foo Ko Hing as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 8B – Tier 2)
(See Explanatory Note 2)

9. That contingent upon the passing of Resolution 9B below and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

    (a) members to approve the continued appointment of Mr Rivaie Rachman as an independent director of the Company with effect from 1 January 2022; and

    (b) such appointment as an independent director shall continue in force until the earlier of the (i) retirement or resignation of Mr Rivaie Rachman as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 9A – Tier 1)
(See Explanatory Note 2)

NOTICE OF ANNUAL GENERAL MEETING

10. That contingent upon the passing of Resolution 9A above and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022:

(a) members (excluding the Directors and CEO of the Company, and associates of such Directors and CEO) to approve the continued appointment of Mr Rivaie Rachman as an independent director of the Company with effect from 1 January 2022; and

(b) such appointment as an independent director shall continue in force until the earlier of (i) the retirement or resignation of Mr Rivaie Rachman as a Director or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(Resolution 9B – Tier 2)
(See Explanatory Note 2)

11. Authority to issue shares

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) issue Shares in pursuance of any Instrument made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution),

Provided that:

(c) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (d) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (d) below);

NOTICE OF ANNUAL GENERAL MEETING

(d) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (c) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or the vesting of share awards, provided the share options or share awards were granted in compliance with the listing rules of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Shares,

provided further that adjustments in accordance with sub-paragraph (d)(i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(e) in this Resolution, "**subsidiary holdings**" shall have the meaning ascribed to it in the listing rules of the SGX-ST; and

(f) (unless revoked or varied by the Company in general meeting), the authority so conferred shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(Resolution 10)
(See Explanatory Note 3)

12. Renewal of the Shareholders' Mandate for Interested Person Transactions

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to this Notice of AGM (the "**Appendix**"), with any party who falls within the classes of interested persons as described in the Appendix, provided that such transactions are made on normal commercial terms and are in accordance with the review procedures for Interested Person Transactions as set out in the Appendix (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier;

(c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(Resolution 11)
(See Explanatory Note 4)

NOTICE OF ANNUAL GENERAL MEETING

13. Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") as may be amended from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

(c) in this Resolution:

"**subsidiary holdings**" has the meaning ascribed to it in the listing rules of the SGX-ST;

"**Prescribed Limit**" means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding subsidiary holdings and any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

NOTICE OF ANNUAL GENERAL MEETING

where:

"**Average Closing Price**" means the average of the Closing Market Prices (as defined hereafter) of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

(Resolution 12)
(See Explanatory Note 5)

ANY OTHER BUSINESS

14. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Choo Kok Kiong
Company Secretary
Singapore, 15 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr Eugene Cho Park and Dr Tan Chin Nam will, upon being re-elected as Directors, continue as Executive Director and Non-Executive Director respectively.

   Mr Foo Ko Hing will, upon being re-elected as Director, continue as a Non-Executive and Independent Director, and remain as a member of the Audit and Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). He will remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

   The detailed information of Mr Eugene Cho Park, Dr Tan Chin Nam and Mr Foo Ko Hing can be found under the "**Additional Information on Directors**" section on pages 16 to 25 of the Annual Report 2020.

2. With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST provides that a Director will not be independent if he has been a Director for an aggregate period of more than 9 years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive officer of the issuer and their respective associates (who must not accept appointment as proxies unless specific instructions as to voting are given) ("**two-tier voting**").

   Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman are Independent Directors who have served on the Board for more than 9 years and will cease to be regarded as independent on 1 January 2022 when Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST comes into effect, unless their continued appointment as independent directors from 1 January 2022 is approved under the two-tier voting process as mentioned above. Resolutions 7A, 7B, 8A, 8B, 9A and 9B are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022. Each of Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman will be subject to the two-tier voting as aforesaid.

   If both resolutions on each of their continued appointment as an independent director are passed under the first-tier and second-tier voting, such independent director will continue in office as an independent director until the conclusion of the third AGM of the Company following the passing of the resolutions or his retirement or resignation whichever is the earlier.

   The two-tier voting is contingent upon each other. If a resolution did not pass the first-tier voting or having passed the first-tier voting, did not pass the second-tier voting, the Director concerned will continue in office as an Independent Director up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Executive and Non-Independent Director as of and with effect from 1 January 2022. Upon such re-election (where applicable) and re-designation, the Board and the Nominating Committee will, guided by the criteria in the Listing Manual of the SGX-ST and the Code of Corporate Governance (the "**Code**"), review the composition of the Board as well as the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee, so as to ensure that the composition of the Board and of such committees complies with the requirements of the Listing Manual and the Code. An announcement will be made at the appropriate time.

   Detailed information on Mr Lim Hock San, Mr Foo Ko Hing and Mr Rivaie Rachman can be found under the "**Additional Information on Directors**" section on pages 11 to 20 of the Annual Report 2020.

3. Ordinary Resolution 10 is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to issue Shares and convertible securities in the Company up to an amount not exceeding in total 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated on the basis set out in the said resolution. For issues of Shares and convertible securities other than on a pro rata basis to all Shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 20% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated on the basis set out in the said resolution. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 11 relates to the renewal of the mandate, which was approved by the shareholders on 26 June 2020 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to the Appendix to this Notice of AGM for more information.

5. Ordinary Resolution 12 relates to the renewal of the mandate, which was first approved by the shareholders on 23 January 2009 and was renewed at the previous AGMs of the Company, authorising the Company to purchase its own Shares. Please refer to the Appendix to this Notice of AGM for more information.

Notes:

1. The AGM is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at http://gallantventure.listedcompany.com/. This Notice of AGM will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM ("**Chairman**") in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the accompanying Company's announcement dated 15 April 2021. This announcement may be accessed at the Company's website at the URL http://gallantventure.listedcompany.com/ and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

3. In particular, the proceedings of the AGM will be broadcasted "live" through an audio-visual webcast and an audio-only feed. Members and investors holding shares in the Company through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at http://gallantventure.listedcompany.com/ no later than 10.00 a.m. on 27 April 2021 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors by 10.00 a.m. on 29 April 2021. Members and CPF/SRS investors who do not receive any email by 10.00 a.m. on 29 April 2021, but have registered by the Registration Cut-Off Time, should contact the Company's Share Registrar, KCK CorpServe Pte Ltd. at sharereg@kckcs.com.sg or alternatively at +65 6837 2133 during office hours.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at http://gallantventure.listedcompany.com/ for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, KCK CorpServe Pte Ltd. via email to sharereg@kckcs.com.sg no later than 10.00 a.m. on 27 April 2021.

4. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolution to be tabled for approval at the AGM. Members (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("**Proxy Form**") may be accessed at the Company's website at http://gallantventure.listedcompany.com/ or the SGX website at URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

5. The Proxy Form is not valid for use by Investors who hold shares through relevant intermediaries (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 20 April 2021, being at least 7 working days before the date of the AGM, to submit his/her voting instructions. This is so as to allow sufficient time for the respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf by 10.00 a.m. on 27 April 2021.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254; or

   (b) if submitted electronically, be submitted via email to proxy_forms@gallantventure.com,

   in either case, by 10.00 a.m. on 27 April 2021, being 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe management measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

7. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form submitted if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

8. Members and Investors will not be able to ask questions "live" during the broadcast of the AGM. All members and Investors may submit questions relating to the business of the AGM no later than 10.00 a.m. on 27 April 2021.

   (a) via the pre-registration website at http://gallantventure.listedcompany.com/;

   (b) by email to questions@gallantventure.com; or

   (c) by post to the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254.

   In view of the current COVID-19 situation and the related safe management measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at, the AGM.

9. All documents (including the Annual Report for 2020, the Proxy Form, this Notice of AGM and the Appendix to this Notice of AGM) or information relating to the business of the AGM have been, or will be, published on SGXNet and the Company's website at http://gallantventure.listedcompany.com/. **Printed copies of the documents will not be despatched to members.** Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**").

In the case of a member who is a relevant intermediary, by submitting an instrument containing personal data of individuals (including the consolidated list of Investors set out in Note 3 of this Notice of AGM), such member (i) warrants that it has obtained the prior consent of such individuals for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such individuals in connection with their participation in the broadcast of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

GALLANT VENTURE LTD.

Co. Registration No. 200303179Z
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the URL http://gallantventure.listedcompany.com/ – please click on "investor relations" followed by "Announcements" which is under "Newsroom". The Notice of AGM will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below) in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the accompanying Company's announcement dated 15 April 2021. This announcement may be accessed at the Company's website at the URL http://gallantventure.listedcompany.com/ and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.**
4. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her/its voting instructions. CPF/SRS investors who wish to appoint the Chairman as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021, being at least 7 working days before the date of the AGM.
5. By submitting an instrument appointing the Chairman as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2021.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

*I/We ____ (Name)

of ____ (Address)

being a *member/members of Gallant Venture Ltd. (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**Chairman**") as *my/our proxy to attend, speak and vote on *my/our behalf at the Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on **Friday, 30 April 2021 at 10.00 a.m.** and at any adjournment thereof in the following manner:

	Resolutions	For**	Against**	Abstain**
	Ordinary business			
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 December 2020			
2.	To approve Directors' fee of S$405,000 for the year ended 31 December 2020			
3.	To re-elect Mr Eugene Cho Park as a Director			
4.	To re-elect Dr Tan Chin Nam as a Director			
5.	To re-elect Mr Foo Ko Hing as a Director			
6.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special business			
7A.	To approve the continued appointment of Mr Lim Hock San as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(A) (Tier 1 Voting)			
7B.	To approve the continued appointment of Mr Lim Hock San as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(B) (Tier 2 Voting)			
8A.	To approve the continued appointment of Mr Foo Ko Hing as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(A) (Tier 1 Voting)			
8B.	To approve the continued appointment of Mr Foo Ko Hing as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(B) (Tier 2 Voting)			
9A.	To approve the continued appointment of Mr Rivaie Rachman as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(A) (Tier 1 Voting)			
9B.	To approve the continued appointment of Mr Rivaie Rachman as an Independent Director with effect from 1 January 2022, for purposes of Rule 210(5)(d)(iii)(B) (Tier 2 Voting)			
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50			
11.	To approve the renewal of the IPT Mandate for Interested Person Transactions			
12.	To approve the renewal of the Share Purchase Mandate			

* *Delete accordingly*

** A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**

Dated this ______ day of ____________ 2021

Total Number of Shares held	

____

Signature(s) or Common Seal of Members

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. This proxy form may be accessed at the Company's website at http://gallantventure.listedcompany.com/ and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 20 April 2021, being at least 7 working days before the date of the AGM, to submit his/her voting instructions.

fold here

Affix
Postage
Stamp

The Company Secretary
GALLANT VENTURE LTD.
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

fold here

4. This proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered address at 3 HarbourFront Place #16-01 HarbourFront Tower Two, Singapore 099254; or

   (b) if submitted electronically, be submitted via email to proxy_forms@gallantventure.com,

   in either case, by 10.00 a.m. on 27 April 2021, being 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

GALLANT VENTURE LTD.
3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254
Tel: (65) 6389 3535 Fax: (65) 6396 7758
www.gallantventure.com