

GALLANT VENTURE LTD

Registration Number: 200303179Z

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

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



**GALLANT VENTURE LTD.
INTERIM FINANCIAL RESULTS
FOR THE FIRST HALF ENDED 30 JUNE 2024**

Contents	Page
Financial Statements	
(a) Condensed interim consolidated statement of comprehensive income	3
(b) Condensed interim consolidated statement of financial position	4
(c) Condensed interim consolidated statement of changes in equity	5
(d) Condensed interim consolidated statement of cash flows	7
(e) Notes to the condensed interim consolidated financial statements	8
Other information	
(f) Review of financial statements	27
(g) Review of performance of the Group	27
(h) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results	29
(i) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months	29
(j) Interested person transactions	30
(k) Disclosure required pursuant to Rule 706A	30
(l) Confirmation that the issuer has procured undertakings from all its directors and executive officers	31
(m) Confirmation pursuant to Rule 705(5) of the Listing Manual	31

FINANCIAL STATEMENTS

(a) Condensed interim consolidated statement of comprehensive income

	Note	The Group		Incr/ (Decr) %
		6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	
Revenue	4	93,275	87,933	6
Cost of sales		(59,184)	(55,689)	6
Gross profit		34,091	32,244	6
Other (expenses)/income		(10,516)	6,047	n.m
General and administrative expenses		(11,376)	(11,160)	2
Other operating expenses		(14,604)	(13,814)	6
Share of associate companies' results		123	13,385	(99)
Finance costs		(19,146)	(17,591)	9
(Loss)/Profit before taxation		(21,428)	9,111	n.m
Taxation	5(b)	(7,533)	(8,426)	(11)
(Loss)/Profit after taxation	5(a)	(28,961)	685	n.m
Other comprehensive (loss)/income after taxation:				
<u>Items that are/may be reclassified subsequently to profit or loss</u>				
Currency translation differences from foreign subsidiaries		(133)	268	n.m
Realisation of reserves upon deconsolidation of subsidiary		-	59	n.m
Share of other comprehensive (loss)/income of associates				
- Currency translation differences		(20,051)	29,415	n.m
- Fair value of cash flow hedges		(1,877)	521	n.m
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Share of other comprehensive income/(loss) of associates				
- Remeasurements of defined benefit plans		125	(19)	n.m
Other comprehensive (loss)/income for the period after taxation		(21,936)	30,244	n.m
Total comprehensive (loss)/income for the period		(50,897)	30,929	n.m
(Loss)/profit attributable to:				
- Owners of the Company		(28,994)	803	n.m
- Non-controlling interests		33	(118)	n.m
		(28,961)	685	n.m
Total comprehensive (loss)/income attributable to:				
- Owners of the Company		(50,930)	31,031	n.m
- Non-controlling interests		33	(102)	n.m
		(50,897)	30,929	n.m
		Cents	Cents	
(Loss)/earnings per share	6			
- Basic		(0.531)	0.015	
- Diluted		(0.531)	0.014	

"n.m" denotes not meaningful

FINANCIAL STATEMENTS

(b) Condensed interim consolidated statement of financial position

	Note	The Group		The Company	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-Current					
Intangible assets	9	1,591	108	8	8
Property, plant and equipment	10	177,763	158,541	92	99
Right-of-use assets		6,917	8,932	537	661
Investment properties	11	87,745	88,625	-	-
Subsidiaries	12	-	-	1,132,704	1,132,704
Associates	13	363,900	368,961	397,974	381,974
Deferred tax assets		1,199	1,218	-	-
Trade and other receivables	14	115	163	250	354
Other non-current assets	15	1,283	7,920	416	416
		640,513	634,468	1,531,981	1,516,216
Current					
Land inventories		603,250	602,398	-	-
Other inventories		6,325	6,818	-	-
Trade and other receivables	14	62,577	46,667	56,944	69,371
Cash and cash equivalents	16	83,399	109,137	1,560	689
		755,551	765,020	58,504	70,060
Total assets		1,396,064	1,399,488	1,590,485	1,586,276
Equity and Liabilities					
Equity					
Share capital	17	1,963,457	1,963,457	1,963,457	1,963,457
Treasury shares	18	(50)	(50)	(50)	(50)
Accumulated losses		(1,320,333)	(1,291,339)	(1,372,854)	(1,347,790)
Reserves		46,209	68,702	80,000	80,000
Equity attributable to owners of the Company		689,283	740,770	670,553	695,617
Non-controlling interests		9,169	6,964	-	-
Total equity		698,452	747,734	670,553	695,617
Liabilities					
Non-Current					
Deferred tax liabilities		1,943	2,039	-	-
Borrowings	19	333,724	311,177	218,343	216,978
Employee benefits liabilities		9,977	10,688	-	-
Other non-current liabilities		34,410	32,369	54	54
Lease liabilities		3,271	5,060	657	924
Contract liabilities		63,134	73,524	-	-
		446,459	434,857	219,054	217,956
Current					
Borrowings	19	87,470	71,174	507,362	483,468
Lease liabilities		4,613	5,462	513	491
Trade and other payables	20	137,026	125,731	192,894	187,108
Contract liabilities		15,994	6,760	-	-
Current tax payable		6,050	7,770	109	1,636
		251,153	216,897	700,878	672,703
Total liabilities		697,612	651,754	919,932	890,659
Total equity and liabilities		1,396,064	1,399,488	1,590,485	1,586,276

FINANCIAL STATEMENTS

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

	Attributable to owners of the Company									Non-controlling Interests \$'000	Total Equity \$'000
	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		
Balance as at 1 January 2024	1,963,457	(50)	80,000	(69,303)	7,728	48,354	1,923	(1,291,339)	740,770	6,964	747,734
Loss for the period	-	-	-	-	-	-	-	(28,994)	(28,994)	33	(28,961)
Other comprehensive expenses	-	-	-	(133)	-	-	-	-	(133)	-	(133)
Share of other comprehensive (loss)/ income of associates	-	-	-	(20,051)	(1,877)	-	125	-	(21,803)	-	(21,803)
Total comprehensive (loss)/income for the period	-	-	-	(20,184)	(1,877)	-	125	(28,994)	(50,930)	33	(50,897)
Changes in interest in a subsidiary without a change of control	-	-	-	-	-	-	(1,176)	-	(1,176)	2,172	996
Share of reserves of associates	-	-	-	-	-	-	619	-	619	-	619
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	(557)	-	(557)	2,172	1,615
Balance as at 30 June 2024	1,963,457	(50)	80,000	(89,487)	5,851	48,354	1,491	(1,320,333)	689,283	9,169	698,452
Balance as at 1 January 2023	1,963,457	(50)	80,000	(65,659)	3,097	44,890	2,562	(1,276,513)	751,784	7,052	758,836
Profit for the period	-	-	-	-	-	-	-	803	803	(118)	685
Other comprehensive income	-	-	-	252	-	-	-	-	252	16	268
Share of other comprehensive income/ (loss) of associates	-	-	-	29,415	521	-	(19)	-	29,917	-	29,917
Realisation of reserves upon deconsolidation of subsidiary	-	-	-	59	-	-	-	-	59	-	59
Total comprehensive income/(loss) for the period	-	-	-	29,726	521	-	(19)	803	31,031	(102)	30,929
Share of reserves of associates	-	-	-	-	-	-	(1,524)	-	(1,524)	-	(1,524)
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	(1,524)	-	(1,524)	-	(1,524)
Balance as at 30 June 2023	1,963,457	(50)	80,000	(35,933)	3,618	44,890	1,019	(1,275,710)	781,291	6,950	788,241

FINANCIAL STATEMENTS

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

	Share Capital \$'000	Treasury Shares \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 January 2024	1,963,457	(50)	80,000	(1,347,790)	695,617
Total comprehensive loss for the period	-	-	-	(25,064)	(25,064)
Balance as at 30 June 2024	1,963,457	(50)	80,000	(1,372,854)	670,553
Balance as at 1 January 2023	1,963,457	(50)	80,000	(1,339,408)	703,999
Total comprehensive loss for the period	-	-	-	(43,774)	(43,774)
Balance as at 30 June 2023	1,963,457	(50)	80,000	(1,383,182)	660,225

FINANCIAL STATEMENTS

(d) Condensed interim consolidated statement of cash flows

	Note	The Group	
		6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Cash Flows from Operating Activities			
(Loss)/profit before taxation		(21,428)	9,111
Adjustments for:			
Amortisation of intangible assets	9	25	43
Depreciation of property, plant and equipment, investment properties and right-of-use assets		15,675	15,195
(Gain)/loss on disposal of property, plant and equipment	10	(237)	11
Net loss on deconsolidation of subsidiary	12(a)	-	54
Net allowance for expected credit losses of trade and other receivables		19	15
Provision for employees' benefits		424	555
Interest expense		19,146	17,591
Interest income		(1,200)	(1,463)
Share of associate companies' results		(123)	(13,385)
Operating profit before working capital changes		12,301	27,727
Increase in land inventories		(852)	(669)
Decrease/(increase) in other inventories		484	(692)
Increase in operating receivables		(16,413)	(10,095)
Increase in operating payables and contract liabilities		10,750	26,955
Cash generated from operating activities		6,270	43,226
Income tax paid		(10,616)	(10,316)
Interest paid		(19,096)	(17,416)
Interest received		1,169	1,237
Employee benefit paid		(516)	(395)
Net cash (used in)/generated from operating activities		(22,789)	16,336
Cash Flows from Investing Activities			
Acquisition of intangible assets	9	(1,508)	(53)
Acquisition of property, plant and equipment		(31,886)	(14,289)
Acquisition of investment properties		(62)	(1,147)
Net outflow on deconsolidation of subsidiary	12(a)	-	(1)
Addition in investment in associate company		(16,000)	-
Proceeds from disposal of property, plant and equipment		292	50
Net cash used in investing activities		(49,164)	(15,440)
Cash Flows from Financing Activities			
Payment of the principal portion of lease liabilities		(2,999)	(3,029)
Proceeds from borrowings		67,401	-
Repayment of borrowings		(19,122)	(15,393)
Changes in non-controlling interests in a subsidiary		996	-
Decrease/(increase) in restricted bank balances		16,976	(831)
Net cash generated from/(used in) financing activities		63,252	(19,253)
Decrease in cash and cash equivalents		(8,701)	(18,357)
Cash and cash equivalents at the beginning of the period		90,594	112,067
Effect of currency translation on cash and cash equivalents		(61)	157
Cash and cash equivalents at the end of the period (Note 16)		81,832	93,867

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

1 General information

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

These condensed interim consolidated financial statements, as at and for the six months ending 30 June 2024, comprise the Company and its subsidiaries ("the Group"). The principal activity of the Company is investment holding. The principal activities of the Group are:

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

2(a) Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 December 2023.

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

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

Several amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments due to adopting those standards.

2(c) Judgement used in applying accounting policies

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

Management's significant judgements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2023.

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

2(c) Judgement used in applying accounting policies

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

(i) Going Concern

As of 30 June 2024, the Company's current liabilities exceeded its current assets by S\$642,374,000 (31 December 2023 – S\$602,643,000). The Company's net current liability position is mainly due to the Company's loan from subsidiaries of S\$467,224,000 (31 December 2023 – S\$459,025,000) and the amount owing to its subsidiaries of S\$115,565,000 (31 December 2023 – S\$112,335,000). Excluding the loans and amount owing to its subsidiaries, the Company's net current liabilities were S\$59,585,000 as of 30 June 2024 (31 December 2023 – S\$31,283,000). The financial statements have been prepared on a going concern basis as the Company is able to meet its current liabilities obligation for the next twelve months from the dividend through its subsidiaries, financing through the capital market and the subsidiaries not to recall the loan under the instruction from the Company.

As of 30 June 2024, in the statement of financial position, the Group has cash and cash equivalents of S\$83,399,000 (31 December 2023 – S\$109,137,000) and net current assets of S\$504,398,000 (31 December 2023 – S\$548,123,000) which is able to support its working capital requirements. The Group has outstanding borrowings of S\$87,470,000 as of 30 June 2024 (31 December 2023 – S\$71,174,000), which is due within 12 months after the end of the reporting period.

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

- The group is able to continue to raise funds through bank borrowings and capital market;
- The group has unutilised credit facilities amounting to approximately S\$3.4 million (31 December 2023 – S\$23.9 million); and
- The group is able to collect its total trade receivables as they fall due to settling its current liabilities.

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

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

(iii) Investment in Associates (Note 13)

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

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

(i) Impairment assessment of goodwill (Note 9)

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

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.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

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

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

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

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

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

Determining whether property, plant, and equipment are impaired requires an estimation of the recoverable amount, which is the higher fair value and the lower disposal and value-in-use costs. 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, minus the cost of disposal, is determined by external valuers based on either the market approach, cost approach, or a combination of both. Based on the management's assessment, there is no indication of impairment in value of property, plant and equipment as of 30 June 2024.

The carrying amount of the Group's property, plant and equipment as of 30 June 2024 is S\$177,763,000 (31 December 2023 – S\$158,541,000).

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

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount, which is the higher fair value, minus the 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, minus the costs of disposal, is determined based on the revalued net assets value. Management has evaluated the recoverability of the investments based on such key assumptions and estimates, and no impairment loss is required.

The carrying amounts of the Company's investment in subsidiaries and investment in associates as of 30 June 2024 are S\$1,132,704,000 (31 December 2023 – S\$1,132,704,000) and S\$397,974,000 (31 December 2023 – S\$381,974,000), respectively.

3 Seasonal fluctuations

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

(a) Segment information

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

(i) Industrial parks segment

The 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 supporting infrastructure activities.

(ii) Utilities segment

The utilities segment is engaged in providing electricity and water supply, telecommunication services, waste management, and sewage treatment services to the industrial parks in Batam and Bintan Islands and resorts in Bintan Island.

(iii) Resort operations segment

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

(iv) Property development segment

The property development segment develops industrial and resort properties on the Batam and Bintan Islands.

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

(b) Geographical segments

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

(c) Reportable segments

The Group	Industrial parks \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Corporate \$'000	Adjustment/ Elimination \$'000	Total \$'000
6 months ended 30 June 2024							
Operating revenue							
External sales	24,408	54,922	12,223	1,722	-	-	93,275
Inter segment sales	-	-	-	59	-	(59)	-
Total revenue	<u>24,408</u>	<u>54,922</u>	<u>12,223</u>	<u>1,781</u>	<u>-</u>	<u>(59)</u>	<u>93,275</u>
Segment results							
Profit/(loss) from operations	<u>8,772</u>	<u>15,262</u>	<u>(1,996)</u>	<u>(7,869)</u>	<u>(16,574)</u>	<u>-</u>	<u>(2,405)</u>
Share of associates' results							123
Finance costs							(19,146)
Loss before taxation							(21,428)
Taxation							(7,533)
Loss after taxation							<u>(28,961)</u>
30 June 2024							
Assets and liabilities							
Segment assets	<u>110,226</u>	<u>142,922</u>	<u>24,007</u>	<u>664,569</u>	<u>5,842</u>	<u>-</u>	<u>947,566</u>
Associates							363,900
Unallocated corporate assets							84,598
Total assets							<u>1,396,064</u>
Segment liabilities	<u>55,647</u>	<u>111,127</u>	<u>10,946</u>	<u>10,915</u>	<u>85,839</u>	<u>-</u>	<u>274,474</u>
Unallocated corporate liabilities							423,138
Total liabilities							<u>697,612</u>

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(c) Reportable segments (Cont'd)

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

4 Segment and revenue information (Cont'd)

(d) Disaggregated revenue information

The Group Segments	6 months ended 30 June 2024				
	Industrial park \$'000	Utilities \$'000	Resort operations \$'000	Property development \$'000	Total \$'000
Type of goods or services					
Rendering of services	3,215	-	394	-	3,609
Electricity and water supply	-	52,196	-	-	52,196
Sale of residential units/land	484	-	-	1,718	2,202
Golf revenue	1,525	-	-	-	1,525
Ferry services	-	-	10,685	-	10,685
Telecommunication	-	2,726	-	-	2,726
Others	352	-	711	-	1,063
Revenue from contracts with customers	5,576	54,922	11,790	1,718	74,006
Rental income	18,832	-	433	4	19,269
Total revenue	24,408	54,922	12,223	1,722	93,275
Timing of revenue recognition					
At a point in time	5,576	52,196	11,439	1,718	70,929
Over time	-	2,726	351	-	3,077
Revenue from contracts with customers	5,576	54,922	11,790	1,718	74,006

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

5 Loss after taxation

5(a) Significant items

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

	Note	The Group	
		6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Amortisation of intangible assets	10	25	43
Depreciation of property, plant and equipment, and right-of-use asset		9,497	9,313
Depreciation of investment properties	11	6,178	5,882
(Gain)/loss on disposal of property, plant and equipment		(237)	11
Net allowance for credit losses of trade and other receivables		19	15
Loss on deconsolidation of subsidiary		-	54
Provision for employee benefits		424	555
Exchange loss/(gain)		12,422	(4,390)
Interest income		(1,200)	(1,463)
Interest expense		19,146	17,591

5(b) Taxation

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

	The Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Current income tax expense	7,465	8,367
Deferred income tax expense relating to the origination and reversal of temporary differences	68	59
	7,533	8,426

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

6 (Loss)/Earnings per share

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

	The Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
(Loss)/profit attributable to owners of the Company (\$'000)	(28,994)	803
Weighted average number of ordinary shares for basic (loss)/earnings per share ('000)	5,463,155	5,463,155
Basic (loss)/earnings per share (Cents)	(0.531)	0.015

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

	The Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
(Loss)/profit attributable to owners of the Company (\$'000)	(28,994)	803
Weighted average number of ordinary shares for basic (loss)/earnings per share ('000)	5,463,155	5,463,155
Adjustments for:		
- Conversion right of the convertible bonds ('000)	-	250,000
Weighted average number of ordinary shares (diluted) used to determine diluted (loss)/earnings per share	5,463,155	5,713,155
Diluted (loss)/earnings per share (Cents)	(0.531)	0.014

As of 30 June 2024, the 250,000,000 shares granted under the conversion right of the convertible bonds had not been included in the calculation of diluted loss per share because they were anti-dilutive.

7 Net asset value

	The Group		The Company	
	30 June 2024	31 December 2023	30 June 2023	31 December 2023
Net asset value per ordinary share	12.62 cents	13.56 cents	12.27 cents	12.73 cents

The net asset value per ordinary share is calculated using the Group's net assets value at the end of each period divided by the share capital (excluding treasury shares) of 5,463,155,283 ordinary shares as of 30 June 2024 and 31 December 2023, respectively.

8 Dividends

The Board of Directors ("Board") does not recommend any dividends for 1H 2024 as the Company is committing its cash resources to develop further and expand its Industrial Parks and utilities businesses.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

9 Intangible assets

	The Group			The Company	
	Goodwill \$'000	Computer software \$'000	Total \$'000	Computer software \$'000	Total \$'000
As at 31 December 2023					
Cost	1,814	2,122	3,936	686	686
Accumulated amortisation and impairment	(1,814)	(2,014)	(3,828)	(678)	(678)
Net book value	-	108	108	8	8
6 months ended 30 June 2024					
Opening net book value	-	108	108	8	8
Additions	-	1,508	1,508	3	3
Amortisation charge	-	(25)	(25)	(3)	(3)
Closing net book value	-	1,591	1,591	8	8

9(a) Goodwill impairment

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments. The recoverable amount of a CGU was determined based on value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on financial budgets approved by management covering a five-year period.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

10 Property, plant and equipment

The Group	Leasehold land and improve- ments \$'000	Land improve- ments and landfill \$'000	Building and infrastru- -ctures \$'000	Golf course \$'000	Utilities plant and machinery \$'000	Machinery and equipment \$'000	Vessels and ferry equipment \$'000	Working wharf and reservoir \$'000	Transport -ation equipment and vehicles \$'000	Furniture, fixtures and equipment \$'000	Construc- -tion in progress \$'000	Total \$'000
At 31 December 2023												
Cost	92,347	9,420	234,994	25,307	289,626	95,317	56,450	11,698	4,994	24,447	39,112	883,712
Accumulated depreciation	(32,555)	(9,319)	(220,336)	(16,285)	(277,697)	(84,235)	(47,285)	(11,358)	(4,846)	(21,255)	-	(725,171)
Net book value	59,792	101	14,658	9,022	11,929	11,082	9,165	340	148	3,192	39,112	158,541
6 months ended 30 June 2024												
Opening net book value	59,792	101	14,658	9,022	11,929	11,082	9,165	340	148	3,192	39,112	158,541
Additions	1,243	-	5,263	-	54	480	428	-	104	439	23,875	31,886
Disposal	-	-	-	-	(10)	-	(19)	-	-	(4)	(22)	(55)
Exchange differences	-	-	(26)	-	-	(114)	-	-	(10)	1	-	(149)
Reclassification/transfers	-	-	2,046	-	33	-	-	-	-	14	(7,362)	(5,269)
Depreciation for the period	(971)	(8)	(1,605)	(272)	(1,478)	(1,094)	(1,179)	(176)	(79)	(329)	-	(7,191)
Closing net book value	60,064	93	20,336	8,750	10,528	10,354	8,395	164	163	3,313	55,603	177,763
The Company												
At 31 December 2023												
Cost	242	-	-	-	-	385	-	-	-	126	-	753
Accumulated depreciation	(242)	-	-	-	-	(286)	-	-	-	(126)	-	(654)
Net book value	-	-	-	-	-	99	-	-	-	-	-	99
6 months ended 30 June 2024												
Opening net book value	-	-	-	-	-	99	-	-	-	-	-	99
Additions	-	-	-	-	-	13	-	-	-	-	-	13
Disposal	-	-	-	-	-	(1)	-	-	-	-	-	(1)
Depreciation for the period	-	-	-	-	-	(19)	-	-	-	-	-	(19)
Closing net book value	-	-	-	-	-	92	-	-	-	-	-	92

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

11 Investment Properties

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

Investment properties are accounted for using the cost model. They 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 is reviewed when events or changes in circumstances indicate the carrying value may not be recoverable.

The Group	\$'000
At 31 December 2023	
Cost	583,566
Accumulated depreciation	(494,941)
Net book value	88,625
6 months ended 30 June 2024	
Opening net book value	88,625
Additions	62
Translation differences	(33)
Transfer from property, plant and equipment	5,269
Depreciation for the period	(6,178)
Closing net book value	87,745

12 Subsidiaries

	The Company	
	30 June 2024 \$'000	31 December 2023 \$'000
<u>Unquoted equity shares, at cost</u>		
Balance on the beginning of the period/year	1,215,952	1,216,014
Addition ⁽¹⁾	-	219
Deconsolidation of subsidiary ⁽²⁾	-	(281)
Balance at the end of the period/year	1,215,952	1,215,952
Amount due from the subsidiary being a net extension of the investment	14,973	14,973
	1,230,925	1,230,925
<u>Less: Accumulated impairment</u>		
Balance on the beginning of the period/year	98,221	99,338
Impairment loss ⁽³⁾	-	537
Reversal of impairment loss ⁽⁴⁾	-	(1,654)
Balance at the end of the period/year	98,221	98,221
Net investment	1,132,704	1,132,704

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

On 30 August 2023, the Company and its subsidiary, PT Batamindo Investment Cakrawala ("PT BIC"), incorporated a wholly owned subsidiary in Indonesia known as PT Batamindo Sukses Makmur ("PT BSM") with a shareholding of 1% and 99% respectively. PT BSM has an initial issued and paid-up capital of IDR 10,000,000,000 (approximately S\$887,276).

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

12 Subsidiaries (Cont'd)

- (2) Please refer to Note 12(a) for details of deconsolidation of subsidiary.
- (3) In 2023, the Company recognised an impairment loss of S\$537,000 for its direct shareholding PT Bintan Inti Industrial Estate as the recoverable amounts were lower than the cost of investment.
- (4) In 2023, the Company recognised a reversal of impairment loss of S\$1,076,000 for its direct shareholding PT Bintan Resort Cakrawala and S\$578,000 in Singapore-Bintan Resort Holdings Pte Ltd as the favourable changes in indicators led to higher recoverable amounts.

Management has determined that a subsidiary is considered material to the Group if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets or if the Group's share of its revenue accounts for 10% or more of the Group's consolidated revenue.

For the first half, which ended 30 June 2024, the management assessed that no impairment loss was required as the recoverable amounts of the investment in subsidiaries were higher than the cost of investment.

12(a) Deconsolidation of subsidiary

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

Details of the deconsolidation are as follows:

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

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

12 Subsidiaries (Cont'd)

12(b) Changes of non-controlling interests of a subsidiary

- (i) In April 2024, PT Batam Bintan Telekomunikasi ("PT BBT"), an indirect 95% owned subsidiary of the Company, bought back 250,000 of its shares ("Share Buy-Back") from PT Telekomunikasi Indonesia Tbk for a cash consideration of IDR 5,700,000,000 (approximately S\$486,919). This represented 5% of PT BBT's issued shares.

The carrying amount of PT BBT's net assets on the date of the acquisition was S\$6,481,000. The Group recognised a decrease in other reserve and non-controlling interest of S\$163,000 and S\$324,000 respectively.

The following summarises the effect of changes in the Group's ownership interest in PT BBT:

	<u>\$'000</u>
Carrying amount of non-controlling interest acquired	324
Consideration paid to non-controlling interest	<u>(487)</u>
Decrease in equity attributable to owners of the company	<u>(163)</u>

- (ii) In June 2024, PT BBT issued a total of 2,692,000 new shares for cash consideration of approximately S\$1,482,658 to PT Persada Nusantara Telekomunikasi ("PT PNT") to acquire PT PNT's telecommunication software and systems in Indonesia for expansion of its telecommunication business in Greater Indonesia. The allotment of the new shares to PT PNT represents approximately 36.17% of PT BBT's total number of issued shares excluding treasury shares.

The carrying amount of PT BBT's net assets before the issuance of new shares was S\$5,417,000. The Group recognised a decrease of \$1,013,000 in other reserves and an increase in non-controlling interest of S\$2,496,000.

The following summarises the effect of changes in the Group's ownership interest in PT BBT:

	<u>\$'000</u>
The Group's carrying amount in PT BBT after the issuance of new shares	4,404
The Group's carrying amount in PT BBT before the issuance of new shares	<u>(5,417)</u>
Decrease in equity attributable to owners of the company	<u>(1,013)</u>

13 Associates

	<u>The Group</u>		<u>The Company</u>	
	<u>30 June 2024 \$'000</u>	<u>31 December 2023 \$'000</u>	<u>30 June 2024 \$'000</u>	<u>31 December 2023 \$'000</u>
<u>Carrying amount</u>				
Beginning of the period/year	368,961	358,502	381,974	347,826
Addition ⁽¹⁾	16,000	1,338	16,000	-
Reversal of Impairment loss ⁽²⁾	-	-	-	34,148
	<u>384,961</u>	<u>359,840</u>	<u>397,974</u>	<u>381,974</u>
Group's share of:				
- Profit	123	7,794	-	-
- Other comprehensive (loss)/income	(21,803)	4,747	-	-
- Total comprehensive (loss)/income	(21,680)	12,541	-	-
Dividend received during the period/year	-	(1,862)	-	-
Group's share other reserves	619	(1,558)	-	-
End of the period/year	<u>363,900</u>	<u>368,961</u>	<u>397,974</u>	<u>381,974</u>

FINANCIAL STATEMENTS

(f) Notes to the condensed interim consolidated financial statements

13 Associates (Cont'd)

(1) On June 2024, the Company acquired 40% of Regent Group Pte. Ltd. ("RG") (formerly known as Legend Logistics Group Pte Ltd) for a purchase consideration of S\$16,000,000.

The Group's investment in PT Gallant Lagoi Abadi ("PT GLA") after the Group's shareholding in PT GLA was diluted from 100% to 45% in 2023. Please refer to Note 12(a) for more details.

(2) In 2023, the Company recognised a reversal of impairment loss of S\$34,148,000 in PT IMAS, which was previously impaired.

14 Trade and other receivables

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Trade receivables	37,062	31,860	-	-
Other receivables:				
- Refundable deposits	2,008	1,372	1,862	1,323
- Amount owing by subsidiaries	-	-	51,929	65,025
- Amount owing by related parties	1,568	2,264	92	1
- Lease receivables (i)	208	252	451	548
- Others (ii)	15,136	9,584	2,549	2,535
	18,920	13,472	56,883	69,432
Expected credit losses of other receivables	-	(1,346)	-	-
	18,920	12,126	56,883	69,432
Prepayments (iii)	6,710	2,844	311	293
Total	62,692	46,830	57,194	69,725
Non-current (i)	115	163	250	354
Current	62,577	46,667	56,944	69,371
	62,692	46,830	57,194	69,725

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

(ii) The amounts are mainly contract assets and advance expenses for the airport project and the development of Bintan Resort.

(iii) The prepayments relate to advance payments, mainly for renewing land rights, capital expenditures, and operating expenses.

15 Other non-current assets

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Other receivables	-	453	-	-
Prepayment (1)	972	6,922	-	-
Deposits	311	545	149	149
Other investments (2)	-	-	267	267
	1,283	7,920	416	416

(1) The prepayment relates to prepaid corporate tax. The decrease in prepayment in YTD 30 Jun 2024 was mainly due to the recognition of prepaid taxes during the first half of 2024.

(2) The other investments related to the Company's 9% shareholding in PT GLA.

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

16 Cash and cash equivalents

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Cash at banks and on hand	19,623	28,474	1,510	639
Time deposits	62,209	62,120	50	50
Cash and cash equivalents in the statement of cash flows	81,832	90,594	1,560	689
Restricted bank balances	1,567	18,543	-	-
Cash and cash equivalents in the statement of financial position	83,399	109,137	1,560	689

Restricted bank balances are cash at banks maintained in debt service reserve accounts which are restricted to payment for principal and interest on bank borrowings.

17 Share capital

The Company and The Group	No. of ordinary share		Amount	
	30 June 2024	31 December 2023	30 June 2024 \$'000	31 December 2023 \$'000
Issued and fully paid:				
Beginning and end of the period/year	5,463,605,283	5,463,605,283	1,963,457	1,963,457

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

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

18 Treasury share

The Company and The Group	No. of ordinary share		Amount	
	30 June 2024	31 December 2023	30 June 2024 \$'000	31 December 2023 \$'000
Beginning and end of the period/year	450,000	450,000	(50)	(50)

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

19 Borrowings

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
(i) Amount payable in one year or less or on demand				
- Loans from subsidiaries	-	-	467,224	459,025
- Bank loans	87,470	71,174	40,138	24,443
	87,470	71,174	507,362	483,468
(ii) Amount repayable after one year				
- Bank loans	333,724	311,177	218,343	216,978
Total borrowings	421,194	382,351	725,705	700,446
Represented by:				
- Secured	420,012	380,534	258,481	241,421
- Unsecured	1,182	1,817	467,224	459,025
	421,194	382,351	725,705	700,446

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

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

In 1H 2024, the Company obtained a term loan of up to an aggregate principal amount of S\$8 million and a revolving credit facility of up to an aggregate principal amount of S\$3 million ("RCF1") and S\$15 million ("RCF2") (the "Facilities"), arranged by Malayan Banking Berhad. The term loan, with a tenure of 4 years, bears an annual interest margin of 2.5% and the applicable compound SORA. RCF is payable on demand, whilst RCF2 has a tenure of 12 months, subject to extension. RCF1 and RCF2 bear annual interest with a margin of 3% and the applicable compound SORA. The proceeds from the facilities will be used to finance capital expenditure and working capital.

20 Trade and other payables

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Trade payables	11,996	7,230	-	-
Other payables:				
- Accruals	15,751	11,597	1,427	1,589
- Other payables ⁽¹⁾	100,647	98,981	73,024	71,361
- Interest payable on bank loan	2,999	2,307	2,878	1,823
- Amount owing to related parties ⁽²⁾	5,633	5,616	-	-
- Amount owing to subsidiaries	-	-	115,565	112,335
	125,030	118,501	192,894	187,108
Total	137,026	125,731	192,894	187,108

FINANCIAL STATEMENTS

(e) Notes to the condensed interim consolidated financial statements

20 Trade and other payables (Cont'd)

- (1) Comprising of S\$73.0 million for advance payments received from third parties (31 December 2023 – S\$71.0 million), for joint venture development of high-tech greenhouse sustainable farming projects for vegetables and egg laying in Riau Island Indonesia, the changes in the amount owing was due to currency translation, not on actual increase in the underlying amount, S\$21.5 million (31 December 2023 – S\$21.5 million) including retainers, due to construction contractors for the ongoing development of Lagoi Bay in Bintan Resorts and construction of new factories, S\$0.4 million (31 December 2023 – S\$0.4 million) deposits received for the construction of villas and residential units and S\$5.7 million (31 December 2023 – S\$6.1 million) due to other creditors for indirect expenses.

All advances received for the joint venture development will be taken as the investors' equity contribution once the joint ventures have materialized. Other payables are unsecured, non-interest-bearing, and repayable on demand.

- (2) Comprising of S\$0.1 million (31 December 2023- S\$0.1 million) owing to associated company, S\$4.9 million (31 December 2023 – S\$4.9 million) owing to Salim Group's related companies which are balances carried forward from the past Group's restructuring and S\$0.6 million (31 December 2023 – S\$0.6 million) owing to Salim Group's related companies for indirect expenses in the ordinary course of business. The changes in the amount owing were due to currency translation, not an actual increase in the underlying amount.

21 Related party transactions

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

22 Financial assets and financial liabilities

The fair values of financial assets are as follows:

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Financial assets at amortised cost				
Trade and other receivables	55,982	43,986	56,883	69,432
Cash and cash equivalents	83,399	109,137	1,560	689
Other non-current assets	311	998	416	416
	139,692	154,121	58,859	70,537

The fair values of financial liabilities are as follows:

	The Group		The Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Financial liabilities at amortised cost				
Trade and other payables	137,026	125,731	192,894	187,108
Borrowings	421,194	382,351	725,705	700,446
Other non-current liabilities	34,410	32,369	54	54
Lease liabilities	7,884	10,522	1,170	1,415
	600,514	550,973	919,823	889,023

FINANCIAL STATEMENTS

(f) Notes to the condensed interim consolidated financial statements

23 Fair value measurement

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

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

The Group did not have any financial assets and liabilities measured at fair value in the statements of financial position, which were grouped into three levels of a fair value hierarchy as of 30 June 2024 and 31 December 2023.

24 Subsequent events

On 3 July 2024, the Company and its subsidiary, PT Batamindo Investment Cakrawala (“PT BIC”), entered into a facility agreement with PT Bank Mandiri (Persero) Tbk, Singapore Branch, and Malayan Banking Berhad Singapore Branch in respect of up to an aggregate principal amount of US\$311 million and S\$141 million term loan and revolving credit facilities with a tenure of 5 to 10 years (the “new facilities”).

The proceeds of the new facilities will be used to refinance in full the Group’s various existing bank borrowings from PT Bank Mandiri (Persero) Tbk, ING Bank N.V., Singapore Branch, Lembaga Pembiayaan Ekspor Indonesia, Malayan Banking Berhad, Singapore Branch and United Overseas Bank Limited and for new investment and working capital purposes.

The refinancing aims to consolidate the Group’s debt and strengthen its overall financial position to support future growth initiatives.

OTHER INFORMATION

(i) Review of financial statements

The condensed consolidated statements of financial position of the Company and its subsidiaries as of 30 June 2024, the related condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the six months ended, and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the financial year ended 31 December 2023 are not subject to an adverse opinion, qualified opinion, or disclaimer of opinion.

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

Half Year 2024 (1H 2024) vs. Half Year 2023 (1H 2023)

Profit or Loss

The Group revenue was S\$93.3 million, 6.0% higher than 1H 2023's S\$87.9 million and was mainly due to higher revenue from industrial leases and related income driven by the increased occupancy from the industrial parks segment and higher ferry services and tourism-related services on the continued recovery of travel and tourism in this region. The property development segment also contributed S\$1.7 million to the increase.

In line with the increased revenue, the Group's cost of sales increased from S\$55.7 million in 1H 2023 to 1H 2024's S\$59.2 million. The Group's cost of sales to revenue ratio was 0.63 in 1H 2024, comparable to the corresponding period. Consequentially, the Group's gross profit increased from S\$32.2 million in 1H 2023 to S\$34.1 million in 1H 2024.

The Group's "other (expenses)/income" was S\$10.5 million expenses compared to S\$6.0 million income in 1H 2023. This was mainly due to the foreign exchange loss of S\$12.4 million in 1H 2024 compared to the foreign exchange gain of S\$4.4 million in 1H 2023. The foreign exchange loss was mainly due to the translation of the Group's US Dollar-denominated financial liabilities, where the US Dollar appreciated against the Singapore Dollar in 1H 2024.

The Group's "general and administrative expenses" were S\$11.4 million, compared to 1H 2023's S\$11.2 million. This was mainly due to higher manpower-related costs and professional fees.

The Group's "other operating expenses" were higher at S\$14.6 million compared to 1H 2023's S\$13.8 million, mainly due to higher manpower-related costs, repair and maintenance, and marketing-related expenses.

The Group's share of profit from its associate companies decreased from S\$13.4 million in 1H 2023 to 1H 2024's S\$0.1 million, mainly due to:

- 1) PT IMAS's profit contribution to the Group in 1H 2024 decreased by S\$12.8 million or 97.2% to S\$0.4 million as PT IMAS's net profit has decreased from S\$29.3 million in 1H 2023 to S\$3.3 million in 1H 2024 due to:
 - (i) Gross profit decreased by S\$21.3 million as revenue declined by S\$42.8 million from S\$1,261.0 million in 1H 2023 to 1H 2024's S\$1,218.2 million, mainly due to lower truck and heavy-duty equipment sales and demand for its passenger cars;
 - (ii) Financing costs increased by S\$13.3 million from 1H 2023's S\$87.0 million to 1H 2024's S\$100.3 million, mainly due to higher external bank borrowing rates;
 - (iii) Share of profit from its associated companies has decreased by S\$5.3 million; and
 - (iv) Foreign exchange loss of S\$1.8 million in 1H 2024 compared to foreign exchange gain of S\$2.3 million in 1H 2023.

- 2) Adjustment to the share of its associate's results to account for unrealised intragroup profit from transactions with the Group's associated company.

The Group's "finance costs" were S\$19.1 million, higher than 1H 2023's S\$17.6 million. This was mainly due to the higher interest rate on external bank borrowings.

The Group's net loss attributable to owners of the Company was S\$29.0 million, compared to 1H 2023's net profit of S\$0.8 million.

Financial position

As of 30 June 2024, the Group's total assets were S\$1,396.1 million, compared to S\$1,399.5 million at the previous year's end.

The Group's intangible assets increased by S\$1.5 million due to the acquisition of telecommunication software and systems. Property, plant, and equipment increased by S\$19.2 million due to capital expenditures incurred on building, infrastructure, and construction in relation to new factories, partially offset by depreciation. The Group's right-of-use assets and investment properties decreased by S\$2.9 million, mainly due to depreciation.

Notwithstanding the investment of S\$16.0 million in a new associated company during the period, the Group's associates decreased by S\$5.1 million due to the translation loss of S\$19.8 million on the translation of PT IMAS's results and net assets from the Indonesian Rupiah to the Singapore dollar, where the Indonesian Rupiah weakened as of 30 June 2024.

The Group's trade receivables increased by S\$5.2 million, which aligns with higher revenue. Other receivables increased by S\$6.8 million, mainly due to the advances paid to contractors for the construction of new industrial factories, the development of the airport project, the construction of resort-related facilities, and the Solar PV project.

The Group's other non-current assets decreased by S\$6.6 million, mainly due to the realisation of prepaid taxes.

As of 30 June 2024, the Group's total liabilities were S\$697.6 million, compared to S\$651.8 million at the previous year's end. The Group's borrowings increased by S\$38.8 million, mainly due to increased bank borrowings obtained to finance the Group's capital expenditures, investments, and working capital.

The Group's trade and other payables increased by S\$11.3 million, mainly due to contractors and suppliers working on expanding and constructing new factories in the Group's industrial parks and the ongoing development in Bintan Resorts.

The Group's lease liabilities decreased by S\$2.6 million, mainly due to the payment of the principal portion of the lease liabilities. The Group's other non-current liabilities increased by S\$2.0 million, mainly due to the increased rental and electricity deposits received from the industrial park tenants for the new factories.

The Group's contract liabilities decreased by S\$1.2 million, mainly due to revenue recognition of rental received in advance from the industrial park tenants and the travel agents for tour packages to Bintan Resorts.

Cash Flow

For the period under review, net cash outflow from operating activities was S\$22.8 million compared to S\$16.3 million generated from the previous period. The net cash outflow in operating activities was due to the payment of income tax and interest amounting to S\$29.7 million in the current period.

The Group had a net cash outflow of S\$49.2 million from investing activities, compared to S\$15.4 million in the previous period. This was mainly due to increased capital expenditures for the construction of new factories, expansion of industrial parks, and new investments.

The Group had a net cash inflow of S\$63.3 million from financing activities, compared to an outflow of S\$19.3 million in the previous period. The net cash inflow in the current period was mainly due to the utilisation of the Group's new banking facilities obtained during the period but offset by the repayment of existing borrowings and the principal portion of the lease liabilities.

The Group's cash and cash equivalents in the statement of cash flow were S\$81.8 million as of 30 June 2024, compared with S\$90.6 million as of 31 December 2023.

Liquidity and financial resources

For the financial period ended 30 June 2024, the Group's working capital was mainly financed by internal resources generated from the operation, whilst the Group's capital expenditure in relation to the construction of new factories, expansion of the industrial parks and new investment was financed by both the advance payment from the tenants and bank borrowings. As of 30 June 2024, the cash and cash equivalents in the statement of financial position were S\$83.4 million, which decreased by 24% compared to S\$109.1 million as of 31 December 2023. The Group's current ratio was approximately 3.0 times (31 December 2023 – 3.5 times).

As of 30 June 2024, the Group's borrowings were S\$421.2 million. Borrowings due within one year were S\$87.5 million (31 December 2023 – S\$71.2 million), and borrowings due after one year were S\$333.7 million (31 December 2023 – S\$311.2 million). The Group's borrowings were denominated in Singapore dollars and United States dollars, with interest charged on these borrowings ranging from 6.2% to 9.7%. The Group's total debts, including lease liabilities, were S\$429.1 million (31 December 2023 – S\$392.9 million). As of 30 June 2024, the Group's gearing ratio was 0.6 times (31 December 2023 – 0.5 times, which was calculated on the Group's total debts to total share shareholders' equity (including non-controlling interests). The increase was primarily due to increased bank borrowings to finance the capital expenditure and investment.

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

No forecast or prospect statement has been previously disclosed.

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

The demand for industrial spaces in our industrial parks remains robust, and we expect this segment to maintain its strong performance, driven by sustained growth in both industrial lettable spaces and rental yield. In 2024, 116,400 sqm of new industrial spaces will be completed and transferred to the tenants, and another 5,000 sqm is projected for 2025. These expansions and increased industrial activities will contribute to our utilities segment too.

The strong tourist arrivals and tourism activities in our Bintan Resort in 2023 are expected to continue in 2024. The Group expects a full recovery of tourist arrivals by the end of 2024, supported by remaining pent-up demand, increased air connectivity, and a stronger recovery of the Asia-Pacific region.

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

Name of interested Person	Nature of Relationship	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholder's Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Sales of Goods and Services			
Salim Group	See Note (1)	N.A	3,566
IMAS Group	See Note (2)	N.A	3,023
Purchase of Goods and Services			
Salim Group	See Note (1)	N.A	36,255
IMAS Group	See Note (2)	N.A	3,969
Interest Income			
Salim Group	See Note (1)	N.A	459
Dividend Income			
IMAS Group	See Note (2)	N.A	1,775

Note:

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

(vi) Disclosure required pursuant to Rule 706A

During 1H 2024, save as disclosed below, the Company did not incorporate or acquire any shares, resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary or associated company. Additionally, the Company did not dispose of any shares, resulting in a company ceasing to be a subsidiary or associated company or a decrease in its shareholding percentage in any subsidiary or associated company.

(a) Acquisition of associated company

The Company has acquired 40% of the existing shares ("the Sale Shares") in the capital of Regent Group Pte. Ltd. ("RG") (formerly known as Legend Logistics Group Pte Ltd) from the existing shareholder (the "Acquisition"). The Acquisition constitutes a "non-disclosable transaction" pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

RG is a company incorporated in Singapore. It is an integrated specialised logistics provider with vested interests in specialised logistics, tank containers, and container shipping in Singapore, Indonesia, and Australia. RG has eight subsidiaries incorporated in Singapore, Indonesia, and Australia, respectively.

The purchase consideration of S\$16.0 million for the Acquisition was arrived at after arm's length negotiations between the parties on a willing buyer and willing seller basis, taking into account, inter alia, RG's future business prospects and net asset value of approximately S\$4.6 million. The purchase consideration is paid in cash and funded from external borrowing. With the acquisition, RG becomes an associated company of the Group.

The Acquisition is not expected to have any material impact on the Company's consolidated net tangible

assets and earnings per share for the current financial year ending 31 December 2024.

None of the Company's Directors or controlling shareholders has any interest, direct or indirect, in the Acquisition (other than through their respective shareholdings in the Company, if any).

(b) Change in shareholding in a subsidiary

PT Batam Bintan Telekomunikasi ("PT BBT"), an indirect 95%- owned subsidiary of the Company, bought back 250,000 of its shares ("Share Buy-Back") from PT Telekomunikasi Indonesia Tbk for a cash consideration of IDR 5,700,000,000 (approximately S\$486,919). This represented 5% of PT BBT's issued shares.

Subsequent to the Share Buy-Back, PT BBT has increased its issued and paid-up capital from IDR 11,750,000,000 to IDR 29,382,600,000 by allotting a total of 2,692,000 new shares for cash consideration of IDR 17,632,600,000 (approximately S\$1,482,658) to PT Persada Nusantara Telekomunikasi ("PT PNT"). The cash will be used mainly to acquire PT PNT's telecommunication software and systems in Indonesia so that PT BBT can expand its telecommunication business into Greater Indonesia.

As a result of the above, the interest of the Company's indirect-owned subsidiary, PT BBT, has been diluted from 100% to 63.83% (the "Dilution").

The Dilution is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2024.

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

(c) Striking off a subsidiary

Bintan Power Pte. Ltd. ("BP"), an indirect wholly-owned subsidiary of the Company incorporated in Singapore, has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967. The striking-off is due to BP being a dormant company.

The striking-off is not expected to have any material impact on the Group's consolidated net tangible assets and earnings per share for the current financial period ending 31 December 2024.

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

(vii) Confirmation that the issuer has procured undertakings from all its directors and executive officers.

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

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

The Board of Directors of Gallant Venture Ltd. confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the First Half Financial Statements for the period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

EUGENE CHO PARK
DIRECTOR

CHOO KOK KIONG
DIRECTOR

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
8 AUGUST 2024