



CLARIFICATION TO ANNOUNCEMENT DATED 31 DECEMBER 2009

Further to the announcement dated 31 December 2009 (“**Announcement**”) by Gallant Venture Ltd. (“**Company**” and together with its subsidiaries the “**Group**”) on the extension (“**Extension**”) of the tenure of the convertible bond (“**PT AIB Convertible Bond**”) issued to Verizon Resorts Limited (“**VRL**”) by PT Alam Indah Bintan (“**PT AIB**”) to 31 December 2010, the Company wishes to make the following clarification announcement:

1. Interested Person Transaction and review of outstanding amount payable under PT AIB Convertible Bond

The principal and interest payable under the PT AIB Convertible Bond (“**Outstanding Amount**”) after taking into account the Extension and the prevailing Singapore Inter-bank Offer Rate (SIBOR) is approximately S\$61,271,507. The Outstanding Amount is approximately 4.92% of the Group’s latest audited net tangible assets (“**Group NTA**”) of S\$1,245,038,000. This falls below the threshold of 5% of the Group NTA prescribed under Rule 906 of the Listing Manual (“**5% Threshold**”). However the Outstanding Amount may fluctuate depending on (*inter alia*) the prevailing SIBOR and repayments by PT AIB and/or conversion by VRL of the amount outstanding, and therefore the 5% Threshold may be exceeded.

As the interest under the PT AIB Convertible Bond is payable quarterly the Company will make announcements on a quarterly basis as to the outstanding amount payable under the PT AIB Convertible Bond, taking in account the then-prevailing SIBOR. The Company will seek shareholders’ approval on whether to continue with the Extension, in the event that the outstanding principal and interest payable under the PT AIB Convertible Bond crosses the 5% Threshold. In the event that shareholders’ approval is not obtained, VRL has the right to redeem the PT AIB Convertible Bond.

2. Current Total of Interested Persons for the Financial Year

Further to paragraph 7 of the Announcement, the breakdown of the aggregate value of interested person transactions entered into by the Group with the Salim Group (as defined in the Announcement), including the Extension, for the financial years ended 31 December 2008 (“**FY2008**”) and 31 December 2009 (“**FY2009**”), was as follows:

Counterparty	FY2008		FY2009	
	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders’	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders’	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less

	mandate pursuant to Rule 920)	than \$100,000)	mandate pursuant to Rule 920)	than \$100,000)
	S\$'000	S\$'000	S\$'000	S\$'000
Purchases by the Group				
PT Herwido Rintis	-	276	-	273
PT Tunas Karya Indoswasta	-	470	-	227
PT Asuransi Central Asia ("PT ACA")	-	168	-	649
PT ACA - Claims received	-	-	-	1,604
PT Alam Indah Bintan	-	986	-	-
Sub-total	-	1,900		2,753
Sales by the Group				
PT Alam Indah Bintan	-	4,565	-	3,338
PT Straits CM Village	-	3,440	-	3,915
PT Tunas Karya Indoswasta	-	508	-	-
Sub-total	-	8,513	-	7,253
Extension of the PT AIB Convertible Bond	-	-	61,272	-
TOTAL	-	10,413	61,272	10,006

3. Audit Committee

The Audit Committee of the Company is of the view that the Extension is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. In arriving at its view, the Audit Committee has considered PT AIB's financial position, taking into account the following:

- (i) PT AIB presently has no external borrowings other than under the PT AIB Convertible Bond;
- (ii) while PT AIB has negative net equity of about S\$33.9 million as at 31 December 2008, it has a positive revised net asset value of approximately S\$353.2 million based on the valuation by Indonesian valuer, PT Ujatek Baru, taking into account (amongst others) the last sales transacted price of peer companies' assets, age of assets and revenue potential;
- (iii) PT AIB's positive operating cashflow of S\$3.4 million for FY2008 and operating cashflow of approximately S\$4.6 million for the financial year ended 31 December 2009¹ provides about 2.8 to 3.8 times interest cover²;

¹ Based on PT AIB's audited financial statements for FY2008 and unaudited financial statements for FY2009 respectively.

² Based on interest expense of approximately S\$1.2 million per annum.

GALLANT VENTURE LTD

Registration Number: 200303179Z

991A Alexandra Road #02-06/07
Singapore 119969

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



- (iv) the PT AIB Convertible Bond is convertible for an equity stake in PT AIB, and the interest on PT AIB Convertible Bond for the extended tenure is at 1.75% above SIBOR; and
- (v) PT AIB had prior to the Extension repaid interest and principal under the PT AIB Convertible Bond amounting to approximately S\$13.3 million.

By Order of the Board
Gallant Venture Ltd.
Choo Kok Kiong
Company Secretary

25 January 2010