

GALLANT VENTURE LTD

Registration Number: 200303179Z

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

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com

**Second Quarter 2016 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2016.

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

| | GROUP | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|
| | Quarter ended 30 June | | | YTD 30 June | | |
| | 2nd Qtr 2016 S\$'000 | 2nd Qtr 2015 S\$'000 | Incr/ (Decr) % | Half year 2016 S\$'000 | Half year 2015 S\$'000 | Incr/ (Decr) % |
| Revenue | 425,920 | 490,301 | (13) | 898,144 | 1,067,612 | (15) |
| Cost of sales | (350,139) | (408,195) | (14) | (746,744) | (908,867) | (18) |
| Gross profit | 75,781 | 82,106 | (7) | 151,400 | 158,745 | (5) |
| Other income | 13,022 | 22,220 | (41) | 33,580 | 52,716 | (57) |
| General and administrative expenses | (42,881) | (40,645) | 6 | (81,159) | (79,660) | 2 |
| Other operating expenses | (40,282) | (41,878) | (4) | (77,559) | (83,330) | 7 |
| Share of associated company's result | (4,800) | (5,111) | (6) | (3,112) | (6,724) | (54) |
| Finance costs | (32,604) | (39,519) | (18) | (67,192) | (70,878) | (5) |
| Loss before taxation | (31,764) | (22,827) | 39 | (44,042) | (29,131) | 51 |
| Taxation | (1,862) | (10,708) | (83) | (4,412) | (13,621) | (67) |
| Loss after taxation for the period | (33,626) | (33,535) | N.M | (48,454) | (42,752) | 13 |
| Attributable to: | | | | | | |
| Equity holders of the Company | (28,647) | (31,148) | (8) | (44,303) | (41,558) | 7 |
| Non-controlling interest | (4,979) | (2,387) | 150 | (4,151) | (1,194) | 248 |
| | (33,626) | (33,535) | N.M | (48,454) | (42,752) | 13 |

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

| | GROUP | | | | | |
|--|----------------------------|----------------------------|----------------------|------------------------------|------------------------------|----------------------|
| | Quarter ended 30 Jun | | | YTD 30 Jun | | |
| | 2nd Qtr 2016 S\$'000 | 2nd Qtr 2015 S\$'000 | Incr/ (Decr) % | Half year 2016 S\$'000 | Half year 2015 S\$'000 | Incr/ (Decr) % |
| Loss after taxation for the period | (33,626) | (33,535) | N.M | (48,454) | (42,752) | 13 |
| Other comprehensive (expenses)/income: | | | | | | |
| <u>Items that are/may be reclassified subsequently to profit or loss</u> | | | | | | |
| Net changes in available-for sales investment | 356 | (12,424) | N.M | (27,159) | (27,928) | N.M |
| Net gain on fair value changes of hedging investments entered into for cash flow hedge | 4,770 | 1,907 | 150 | 1,686 | 7,119 | (76) |
| Foreign currency translation | 3,545 | (24,213) | N.M | 191 | (23,022) | N.M |
| <u>Items that will not be reclassified subsequently to profit or loss</u> | | | | | | |
| Actuarial losses arising during the period | (1,114) | (1,538) | (28) | (166) | (148) | N.M |
| Other comprehensive expenses | 7,557 | (36,268) | N.M | (25,448) | (43,979) | (42) |
| Total comprehensive expenses | (26,069) | (69,803) | 63 | (73,902) | (86,731) | (15) |
| Attributable to: | | | | | | |
| Equity holders of the Company | (23,946) | (54,390) | 56 | (62,428) | (71,478) | (13) |
| Non-controlling interest | (2,123) | (15,413) | 86 | (11,474) | (15,253) | (25) |
| | (26,069) | (69,803) | 63 | (73,902) | (86,731) | (15) |

N.M. denotes "Not Meaningful"

Note:

The exchange rate of S\$1=IDR 9,770 (30 June 2015: S\$1=IDR 9,895) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,747 (30 June 2015: S\$1=IDR 9,558) was used for translating the results for the period.

1(a)(iii). Profit before taxation is arrived at after charging/(crediting) the following significant items.

| | Group | | | |
|--|-----------------------------|----------------|-------------------|------------------|
| | Quarter ended 30 Jun | | YTD 30 Jun | |
| | 2nd Qtr | 2nd Qtr | Half year | Half year |
| | 2016 | 2015 | 2016 | 2015 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amortisation of intangible assets | 4,104 | 4,097 | 8,209 | 8,199 |
| Depreciation of property, plant and equipment | 20,993 | 21,261 | 42,293 | 42,809 |
| Depreciation of investment properties | 6,108 | 5,645 | 11,885 | 11,285 |
| Gain on sale of property, plant and equipment | (23) | (2,47) | (364) | (413) |
| Allowance for impairment loss on trade receivables | 2,276 | 4,392 | 9,448 | 10,197 |
| Allowance for inventories obsolescence | 1,014 | 15 | 1,175 | 67 |
| Gain on disposal of associates | - | - | - | (9,223) |
| Interest Income | (9,926) | (7,172) | (11,211) | (14,332) |
| Interest Expense | 32,604 | 39,519 | 67,192 | 70,878 |

1(b)(i). **A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

| | Group | | Company | |
|---|------------------|-----------------|------------------|-----------------|
| | 30.06.16 | 31.12.15 | 30.06.16 | 31.12.15 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Assets | | | | |
| Non-current | | | | |
| Intangible assets | 780,458 | 788,666 | 92 | 171 |
| Property, plant and equipment | 621,933 | 639,866 | 25 | 34 |
| Investment properties | 175,951 | 183,984 | - | - |
| Subsidiaries | - | - | 2,557,260 | 2,557,260 |
| Associates | 212,460 | 215,405 | - | - |
| Financing receivables | 422,240 | 383,988 | - | - |
| Deferred tax assets | 48,369 | 40,527 | 6,502 | 6,502 |
| Other non-current assets | 135,818 | 626,979 | 11,423 | 11,649 |
| | 2,397,229 | 2,879,415 | 2,575,302 | 2,575,616 |
| Current | | | | |
| Land inventories | 637,804 | 630,027 | - | - |
| Other inventories | 290,197 | 298,605 | - | - |
| Financing receivables | 390,321 | 423,083 | - | - |
| Trade and other receivables | 808,505 | 523,039 | 65,338 | 58,859 |
| Cash and bank balances | 224,644 | 201,921 | 4,450 | 18,074 |
| | 2,351,471 | 2,076,675 | 69,788 | 76,933 |
| Total assets | 4,748,700 | 4,956,090 | 2,645,090 | 2,652,549 |
| Equity and liabilities | | | | |
| Share capital | 1,880,154 | 1,880,154 | 1,880,154 | 1,880,154 |
| Accumulated losses | (49,837) | (5,534) | (83,526) | (101,760) |
| Reserves | (195,276) | (176,819) | 80,000 | 80,000 |
| Equity attributable to equity holders of the Company | 1,635,041 | 1,697,801 | 1,876,628 | 1,858,394 |
| Non-controlling interest | 325,393 | 336,434 | - | - |
| Total equity | 1,960,434 | 2,034,235 | 1,876,628 | 1,858,394 |
| Liabilities | | | | |
| Non-current | | | | |
| Borrowings | 566,529 | 500,684 | - | - |
| Debt securities | 633,486 | 622,634 | 452,588 | 451,677 |
| Deferred tax liabilities | 95,554 | 95,681 | - | - |
| Employee benefits liabilities | 32,652 | 30,960 | - | - |
| Other non-current liabilities | 32,213 | 35,524 | 3,376 | 3,376 |
| | 1,360,434 | 1,285,483 | 455,964 | 455,053 |
| Current | | | | |
| Trade and other payables | 320,814 | 361,886 | 14,755 | 17,877 |
| Borrowings | 930,178 | 973,498 | 297,736 | 145,604 |
| Debt securities | 158,244 | 286,707 | - | 174,693 |
| Current tax payable | 18,596 | 14,281 | 7 | 928 |
| | 1,427,832 | 1,636,372 | 312,498 | 339,102 |
| Total liabilities | 2,788,266 | 2,921,855 | 768,462 | 794,155 |
| Total liabilities and equity | 4,748,700 | 4,956,090 | 2,645,090 | 2,652,549 |

1(b)(ii). Aggregate amount of the Group's borrowings and debt securities.

| | Group | |
|--|------------------|-----------|
| | 30.06.16 | 31.12.15 |
| | S\$'000 | S\$'000 |
| (i) Amount payable in one year or less, or on demand | | |
| Secured | 1,088,422 | 1,085,512 |
| Unsecured | - | 174,693 |
| | 1,088,422 | 1,260,205 |
| (ii) Amount repayable after one year | | |
| Secured | 747,427 | 671,641 |
| Unsecured | 452,588 | 451,677 |
| | 1,200,015 | 1,123,318 |
| TOTAL | 2,288,437 | 2,383,523 |

(iii) Details of any collaterals

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

1. Mortgage of land titles over Batamindo Industrial Park;
2. Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC");
3. Assignment of insurance proceeds, receivables and equipment of PT BIC;
4. Pledge of shares of PT Buana Megawisata ("PT BMW"); and
5. PT Indomobil Sukses Internasional Tbk's borrowings and debt securities are secured by mortgage over land, inventories, property, plant and equipment, marketable equities of available-for-sales assets, trade and other receivables, financing receivables and bank accounts of its various subsidiaries in Indonesia.

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

| | Group | | | |
|---|--------------------|--------------------|---------------------|---------------------|
| | Quarter ended | | Half year ended | |
| | 2Q 2016 S\$'000 | 2Q 2015 S\$'000 | 30.06.16 S\$'000 | 30.06.15 S\$'000 |
| Cash flows from operating activities | | | | |
| Loss before taxation | (31,764) | (22,827) | (44,042) | (29,131) |
| Adjustments for: | | | | |
| Amortisation of intangible assets | 4,104 | 4,097 | 8,209 | 8,199 |
| Depreciation of property, plant and equipment | 20,993 | 21,261 | 42,293 | 42,809 |
| Depreciation of investment properties | 6,108 | 5,645 | 11,885 | 11,285 |
| Unrealised currency translation differences | (769) | 488 | (2,065) | (662) |
| Allowance for inventories obsolescence | 1,014 | 15 | 1,175 | 67 |
| Provision for employee benefits | 1,177 | 964 | 2,340 | 1,984 |
| Loss on sales of foreclosed assets | 5,314 | 3,646 | 5,314 | 6,149 |
| Allowance for impairment loss on trade receivables | 2,276 | 4,392 | 9,448 | 10,197 |
| Gain on sale of property, plant & equipment | (23) | (247) | (364) | (413) |
| Gain on disposal of associates | - | - | - | (9,223) |
| Fair value gain on derivatives instruments | - | - | - | (2,683) |
| Share of associates' results | 4,800 | 5,111 | 3,112 | 6,724 |
| Interest expense | 32,604 | 39,519 | 67,192 | 70,878 |
| Interest income | (9,926) | (7,172) | (11,211) | (14,332) |
| Cash from operations before changes in working capital | 35,908 | 54,892 | 93,286 | 101,848 |
| Changes in working capital | | | | |
| Increase in land inventories | (4,955) | (4,434) | (7,777) | (11,055) |
| Decrease / (increase) in other inventories | 16,564 | 23,177 | 1,836 | (39,032) |
| Decrease / (increase) in operating receivables | 24,582 | 5,501 | (51,760) | (78,235) |
| (Decrease) / increase in operating payables | (114,292) | (77,633) | (45,328) | 66,199 |
| Cash generated from operating activities | (42,193) | 1,503 | (9,743) | 39,725 |
| Income tax paid | (18,327) | (20,249) | (44,647) | (42,687) |
| Employee benefits paid | (397) | (246) | (549) | (335) |
| Interest paid | (32,644) | (17,552) | (96,040) | (46,254) |
| Interest received | 3,890 | 1,420 | 6,869 | 3,674 |
| Deposits (refunded to) / collected from tenants/golf members | (136) | (1,259) | (126) | (195) |
| Net cash generated from / (used in) operating activities | (89,807) | (36,383) | (144,236) | (46,072) |
| Cash flows from investing activities | | | | |
| Acquisition of property, plant and equipment | (12,116) | (23,195) | (35,766) | (43,686) |
| Acquisition of intangible assets | - | (3) | (3) | (11) |
| Acquisition of investment properties | (1,993) | (67) | (3,717) | (113) |
| Addition in investment in shares stock | - | (6,636) | (2,059) | (7,984) |
| Proceeds from disposal of associates | - | - | - | 20,969 |
| Proceeds from sale of property, plant and equipment | 300 | 5,721 | 2,942 | 6,466 |
| Proceeds from disposal of other investment | 194,760 | - | 194,760 | - |
| Interest received on and proceeds from / (placement) of restricted cash and time deposits | (346) | 535 | (346) | 535 |
| Net cash used in investing activities | 180,605 | (23,645) | 155,811 | (23,824) |

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

| | Group | | | |
|--|----------------------|----------------|------------------------|-----------------|
| | Quarter ended | | Half year ended | |
| | 2Q 2016 | 2Q 2015 | 30.06.16 | 30.06.15 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from financing activities | | | | |
| Acquisition of non-controlling interests | - | (936) | (2,878) | (1,068) |
| Proceeds from additional capital stock contribution of non-controlling interests | 51 | 1,048 | 4,466 | 1,048 |
| Proceeds from other financing activities | - | 278,518 | 152,593 | 352,632 |
| Repayment to other financing activities | (177,136) | (135,404) | (175,556) | (138,718) |
| Proceeds from bank borrowings | 566,455 | 527,753 | 1,021,091 | 1,073,759 |
| Repayment of bank borrowings | (534,195) | (591,570) | (984,548) | (1,194,043) |
| Dividends paid to non-controlling interest | (2,531) | (1,477) | (2,794) | (1,477) |
| Net cash generated from / (used in) financing activities | (147,356) | 77,932 | 12,374 | 92,133 |
| Net increase in cash and cash equivalents | (56,558) | 17,904 | 23,949 | 22,237 |
| Cash and cash equivalents at beginning of period | 281,107 | 165,299 | 201,921 | 161,292 |
| Effect of currency translation on cash and cash equivalent | 95 | (4,503) | (1,226) | (4,829) |
| Cash and cash equivalent at end of period | 224,644 | 178,700 | 224,644 | 178,700 |

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

Consolidated statement of changes in equity for the period ended 30 June 2015:

| | Share Capital \$'000 | Capital Reserve \$'000 | Translation Reserve \$'000 | Hedging Reserve \$'000 | Fair Value Reserve \$'000 | Other Reserves \$'000 | Retained Earnings/ (Accumulated Losses) \$'000 | Total \$'000 | Non- controlling Interests \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|----------------------------------|------------------------------|---------------------------------|-----------------------------|--|-----------------|--|---------------------------|
| Balance as at 1 January 2015, as restated | 1,880,154 | (105,771) | (62,341) | 3,446 | (315) | 5,872 | 102,014 | 1,823,059 | 362,007 | 2,185,066 |
| (Loss) for the period, as reported | - | - | - | - | - | - | (10,410) | (10,410) | 1,193 | (9,217) |
| Other comprehensive income/(expenses) | - | - | (68) | 3,726 | (11,028) | 692 | - | (6,678) | (1,033) | (7,711) |
| Total comprehensive income/(expenses) for the period | - | - | (68) | 3,726 | (11,028) | 692 | (10,410) | (17,088) | 160 | (16,928) |
| Changes in interest in subsidiaries and effect of transaction with non-controlling interest | - | - | - | - | - | (592) | - | (592) | 449 | (143) |
| Balance as at 31 March 2015 | 1,880,154 | (105,771) | (62,409) | 7,172 | (11,343) | 5,972 | 91,604 | 1,805,379 | 362,616 | 2,167,995 |
| (Loss) for the period | - | - | - | - | - | - | (31,148) | (31,148) | (2,387) | (33,535) |
| Other comprehensive (expenses)/income | - | - | (14,794) | 1,363 | (8,837) | (974) | - | (23,242) | (13,026) | (36,268) |
| Total comprehensive (expenses)/income for the period | - | - | (14,794) | 1,363 | (8,837) | (974) | (31,148) | (54,390) | (15,413) | (69,803) |
| Changes in interest in subsidiaries and effect of transaction with non-controlling interest | - | - | - | - | - | (172) | - | (172) | (1,374) | (1,546) |
| Balance as at 30 June 2015 | 1,880,154 | (105,771) | (77,203) | 8,535 | (20,180) | 4,826 | 60,456 | 1,750,817 | 345,829 | 2,096,646 |

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

Consolidated statement of changes in equity for the period ended 30 June 2016:

| | Share Capital \$'000 | Capital Reserve \$'000 | Translation Reserve \$'000 | Hedging Reserve \$'000 | Fair Value Reserve \$'000 | Other Reserves \$'000 | Retained Earnings/ (Accumulated Losses \$'000) | Total \$'000 | Non- controlling Interests \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|----------------------------------|------------------------------|---------------------------------|-----------------------------|--|-----------------|--|---------------------------|
| Balance as at 1 January 2016 | 1,880,154 | (105,771) | (71,217) | 6,803 | (9,661) | 3,027 | (5,534) | 1,697,801 | 336,434 | 2,034,235 |
| (Loss) for the period | - | - | - | - | - | - | (15,656) | (15,656) | 828 | (14,828) |
| Other comprehensive (expenses)/income | - | - | (1,931) | (2,205) | (19,572) | 882 | - | (22,826) | (10,179) | (33,005) |
| Total comprehensive (expenses)/income for the period | - | - | (1,931) | (2,205) | (19,572) | 882 | (15,656) | (38,482) | (9,351) | (47,833) |
| Changes in interest in subsidiaries and effect of transaction with non-controlling interest | - | - | - | - | - | (332) | - | (332) | 2,920 | 2,588 |
| Balance as at 31 March 2016 | 1,880,154 | (105,771) | (73,148) | 4,598 | (29,233) | 3,577 | (21,190) | 1,658,987 | 330,003 | 1,988,990 |
| (Loss)/profit for the period | - | - | - | - | - | - | (28,647) | (28,647) | (4,979) | (33,626) |
| Other comprehensive (expenses)/income | - | - | 2,069 | 3,410 | 253 | (1,031) | - | 4,701 | 2,856 | 7,557 |
| Total comprehensive (expenses)/income for the period | - | - | 2,069 | 3,410 | 253 | (1,031) | (28,647) | (23,946) | (2,123) | (26,069) |
| Changes in interest in subsidiaries and effect of transaction with non-controlling interest | - | - | - | - | - | - | - | - | (2,487) | (2,487) |
| Balance as at 30 June 2016 | 1,880,154 | (105,771) | (71,079) | 8,008 | (28,980) | 2,546 | (49,837) | 1,635,041 | 325,393 | 1,960,434 |

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

Statement of changes in equity of the Company for the period ended 30 June 2016:

| | Share Capital S\$'000 | Capital reserve S\$'000 | Accumulated losses S\$'000 | Total S\$'000 |
|---|--------------------------|-------------------------------|----------------------------------|------------------|
| Balance as at 1 January 2015 | 1,880,154 | 80,000 | (49,772) | 1,910,382 |
| Total comprehensive expense for the period | - | - | (10,965) | (10,965) |
| Balance as at 31 March 2015 | 1,880,154 | 80,000 | (60,737) | 1,899,417 |
| Total comprehensive expense for the period | - | - | (20,693) | (20,693) |
| Balance as at 30 June 2015 | 1,880,154 | 80,000 | (81,430) | 1,878,724 |
| Balance as at 1 January 2016 | 1,880,154 | 80,000 | (101,760) | 1,858,394 |
| Total comprehensive expense for the period | - | - | (15,627) | (15,627) |
| Balance as at 31 March 2016 | 1,880,154 | 80,000 | (117,387) | 1,842,767 |
| Total comprehensive expense for the period | - | - | 33,861 | 33,861 |
| Balance as at 30 June 2016 | 1,880,154 | 80,000 | (83,526) | 1,876,628 |

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

Shares to be issued upon exercise of conversion right of convertible bond:-

The details are as follows:

| | As at 30 Jun 2016 | As at 30 Jun 2015 |
|--------------------------------------|------------------------------|------------------------------|
| Conversion right of convertible bond | 250,000,000 | 250,000,000 |

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

The total number of issued shares excluding treasury shares as at 30 June 2016 and 30 June 2015 were 4,824,965,112. The company does not hold any treasury shares as at 30 June 2016 and 30 June 2015.

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

None.

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

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

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

Not applicable.

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

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements as at 31 December 2015.

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

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted the new and revised standards and interpretations of FRS (INT FRS that are effective for annual periods beginning on or after 1 January 2016). The adoption of these standards and interpretations does not have any effect on the financial performance or position of the Group and the Company.

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

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

| | Group | | | |
|--|-------------------------|-------------------------|---------------------------|---------------------------|
| | 2nd Qtr 2016 | 2nd Qtr 2015 | Half year 2016 | Half year 2015 |
| Net (loss) / income attributable to equity owners of the Company (S\$'000) | (28,647) | (31,148) | (44,303) | (41,558) |
| (i) Based on the weighted average number of ordinary shares on issue (cents) | (0.594) | (0.646) | (0.918) | (0.861) |
| (ii) On a fully diluted basis (cents) ⁽¹⁾ | (0.594) | (0.646) | (0.918) | (0.861) |

⁽¹⁾ The conversion right of convertible bond has not been included in the calculation of diluted profit/(loss) per share as these will have an anti-dilutive effect (i.e. resulting in a reduction in loss per share)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

| | Group | | Company | |
|------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | 30.06.16 | 31.12.15 | 30.06.16 | 31.12.15 |
| Net asset value per ordinary share | 33.89 cents | 35.19 cents | 38.89 cents | 38.52 cents |

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each period divided by the share capital of 4,824,965,112 ordinary shares as at 30 June 2016 and 31 December 2015

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

2nd Quarter 2016 (2Q 2016) vs. 2nd Quarter 2015 (2Q 2015)

Profit & Loss Statement

IMAS's 2Q 2016 revenue was S\$387.5 million as compared to S\$447.6 million in 2Q 2015. The Group (excluding IMAS) registered lower revenue of S\$38.5 million as compared to S\$42.7 million in 2Q 2015. Consolidated Group revenue was S\$425.9 million, 13.1% lower than 2Q 2015's S\$490.3 million. Lower Consolidated Group revenue was mainly due to lower passenger vehicle sales revenue, lower heavy duty trucks and equipment sales and lower lease rates in the Industrial Parks segment.

IMAS's 2Q 2016 cost of sales was S\$317.4 million as compared to previous period's S\$374.1 million. The Group's (excluding IMAS) cost of sales was S\$32.7 million as compared to S\$34.1 million in 2Q

2015. In line with lower revenue, the Consolidated Group's cost of sales decreased from S\$408.2 million in 2Q 2015 to 2Q 2016's S\$350.1 million. Accordingly, the Group registered lower gross profit of S\$75.8 million in 2Q 2016 as compared to S\$82.1 million in 2Q 2015.

IMAS's 2Q 2016 "other income" was S\$10.4 million as compared to S\$18.3 million in 2Q 2015. The Group's (excluding IMAS) "other income" was S\$2.6 million as compared to S\$3.9 million in 2Q 2015. The Consolidated Group's "other income" was S\$13.0 million in 2Q 2016 which was lower than 2Q 2015's S\$22.2 million. This was mainly due to lower sales incentives from car manufacturers and lower interest income as compared to the previous period.

IMAS's 2Q 2016 "general and administrative expenses" was S\$33.7 million as compared to S\$30.8 million in 2Q 2015. The Group's (excluding IMAS) "general and administrative expenses" was S\$5.2 million as compared to 2Q 2015's S\$5.8 million. The Consolidated Group's "general and administrative expenses" was S\$42.9 million as compared to 2Q 2015's S\$40.6 million. Higher expenses were mainly due to higher manpower costs in the automotive segment.

IMAS's 2Q 2016 "other operating expenses" was S\$34.5 million as compared to 2Q 2015's S\$36.7 million. The Group's (excluding IMAS) "other operating expenses" was S\$5.8 million as compared to S\$5.2 million in 2Q 2015. The Consolidated Group's "other operating expenses" was S\$40.3 million as compared to 2Q 2015's S\$41.9 million. Lower expenses were mainly due to lower marketing related expenses.

The Consolidated Group's 2Q 2016 "share of associate's results" was S\$4.8 million loss as compared to 2Q 2015's S\$5.1 million loss.

IMAS's 2Q 2016 "finance costs" was S\$19.9 million as compared to S\$19.4 million in 2Q 2015. The Group's (excluding IMAS) "finance costs" was S\$12.7 million as compared to S\$20.1 million in 2Q 2015. The Consolidated Group's "finance costs" was S\$32.6 million as compared to S\$39.5 million in 2Q 2015 and lower finance costs was mainly due to repayment of external borrowings and redemption of bond of S\$175 million in April 2016 issued under the EMTN programme.

IMAS's 2Q 2016 net loss was S\$9.0 million as compared to S\$7.0 million loss in 2Q 2015 and was mainly due to lower passenger vehicle sales, heavy duty trucks and equipment sales and lower sales incentive from car manufacturer. The Group's (excluding IMAS) net loss was S\$17.3 million as compared to S\$21.9 million loss in 2Q 2015 and was mainly due to lower financing costs. The Consolidated Group's net loss for 2Q 2016 was S\$28.6 million as compared to 2Q 2015's S\$31.1 million loss.

Half Year 2016 (1H 2016) vs. Half Year 2015 (1H 2015)

Profit & Loss Statement

IMAS's 1H 2016 revenue was S\$821.1 million as compared to S\$984.0 million in 1H 2015. The Group (excluding IMAS) registered lower revenue of S\$77.0 million as compared to S\$83.6 million in 1H 2015. Consolidated Group revenue was S\$898.1 million, representing 15.9% lower than 1H 2015's S\$1,067.6 million. Lower Consolidated Group revenue was mainly due to lower passenger vehicle sales, lower heavy duty trucks and equipment sales and lower average rental rates in the Industrial Parks segment.

IMAS's 1H 2016 cost of sales was S\$682.5 million as compared to previous period's S\$841.1 million. The Group's (excluding IMAS) cost of sales was S\$64.3 million as compared to S\$67.8 million in 1H 2015. Consolidated Group's cost of sales was S\$746.7 million, lower than 1H 2015's S\$908.9 million and was in line with lower revenue from the automotive segment and lower fuel cost in the utilities segment. Accordingly, the Consolidated Group registered a lower gross profit of S\$151.4 million in 1H 2016 as compared to S\$158.7 million in 1H 2015.

IMAS's 1H 2016 "other income" was S\$26.6 million as compared to S\$41.0 million in 1H 2015. The Group's (excluding IMAS) "other income" was S\$6.9 million as compared to S\$11.7 million in 1H 2015. The Consolidated Group's "other income" was S\$33.6 million in 1H 2016 which was lower than 1H

2015's S\$52.7 million. This was mainly due to one-time gain on disposal of non-core investment, higher sales incentives from car manufacturers and higher interest income in the previous period.

IMAS's 1H 2016 "general and administrative expenses" was S\$64.2 million as compared to S\$61.7 million in 1H 2015. The Group's (excluding IMAS) "general and administrative expenses" was S\$8.9 million as compared to 1H 2015's S\$9.7 million. The Consolidated Group's "general and administrative expenses" was S\$81.1 million as compared to 1H 2015's S\$79.7 million. Higher expenses were mainly due to higher manpower costs and rental related expenses in the Automotive segment.

IMAS's 1H 2016 "other operating expenses" was S\$66.6 million as compared to 1H 2015's S\$73.0 million. The Group's (excluding IMAS) "other operating expenses" was S\$10.9 million as compared to S\$10.3 million in 1H 2015. The Consolidated Group's "other operating expenses" was S\$77.6 million as compared to 1H 2015's S\$83.3 million. Lower expenses were mainly due to lower marketing related expenses.

The Consolidated Group's 1H 2016 "share of associate's results" was S\$3.1 million loss as compared to 1H 2015's S\$6.7 million loss.

IMAS's 1H 2016 "finance costs" was S\$40.2 million as compared to S\$37.4 million in 1H 2015. The Group's (excluding IMAS) "finance costs" was S\$27.0 million as compared to S\$33.5 million in 1H 2015. The Consolidated Group's "finance costs" was S\$67.2 million as compared to S\$70.9 million in 1H 2015 and lower financing cost was due to repayment of external bank borrowings and redemption of bond of S\$175 million in April 2016 issued under the EMTN programme.

IMAS's 1H 2016 net loss was S\$8.1 million as compared to S\$6.5 million loss in 1H 2015 and was mainly due to lower sales of passenger vehicles and heavy duty trucks and equipment business and lower sales incentive from car manufacturer. The Group's (excluding IMAS) net loss was S\$31.9 million as compared to S\$ 32.1 million loss in 1H 2015 and was mainly due to lower financing costs. The Consolidated Group's net loss for 1H 2016 was S\$44.3 million as compared to 1H 2015's S\$41.6 million net loss.

Balance Sheet

The Group's total assets of S\$4,748.7 million as at 30 June 2016 were S\$207.4 million lower than as at the previous year end. Other non-current assets decreased by S\$491.2 million and was mainly due to the divestment of the Group's non-core investment and reclassification to current assets due to change in nature and use. Current assets increased by S\$274.8 million to S\$2,351.5 million and was mainly due to the reclassification from other non-current assets and cash and bank balances arising from financing activities.

The Group' total liabilities of S\$2,788.3 million as at 30 June 2016 were S\$133.6 million lower than as at the previous year-end and was mainly due to the decreased in debt securities and redemption of bond of S\$175 million in April 2016 issued under the EMTN programme. The Group's borrowings and debt securities as at 30 June 2016 were S\$2.3 billion of which S\$903.9 million relates to IMAS' financial services business.

Cash Flow Statement

Net cash used in operating activities was S\$144.2 million as compared to S\$46.1 million used in the previous period.

Net cash generated from investing activities was S\$155.8 million and was mainly due to proceeds from divestment of Group's non-core investment.

Net cash generated from financing activities was S\$12.4 million mainly from the proceeds from issue of debt securities and borrowings.

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

No forecast or prospect statement has been previously disclosed.

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

While the reduced consumer spending in Indonesia has adversely impacted IMAS's vehicle sales, contributions from finance, vehicle service and rental related businesses are growing and will become a critical revenue segments in IMAS.

The Group's financial statements for FY 2014 had been selected for review by Financial Reporting Surveillance Programme ("FRSP"). The Company is in discussion with ACRA who has not issued any formal outcome to its review. The Company will announce their findings, if any, in due course.

11. ***If a decision regarding dividend has been made.***

Not applicable.

12. ***If no dividend has been declared (recommended), a statement to that effect.***

No dividend has been declared (recommended) for the quarter ended 30 June 2016.

13. Pursuant to Rule 920 of the SGX-ST Listing Manual, details of the aggregate value of the interested person transactions transacted.

The aggregate value of the interested person transactions for the financial period ended 30 June 2016 was as follows:

| Name of interested person | Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|--|---|--|
| | S\$'000 | S\$'000 |
| PURCHASES | | |
| PT Indomobil Manajemen Corporation Interest expenses | | 759 |
| PT Indormarco Prismaatama Purchases | | 438 |
| PT Sumalindo Alam Lestari Purchases | | 203 |
| SALES | | |
| PT Alam Indah Bintan Sales | | 775 |
| PT Indofood Sukses Makmur Tbk Sales | | 155 |
| PT Straits CM Village Sales | | 849 |
| PT Ria Bintan Sales | | 426 |
| PT Wahana Inti Sela Interest Income | | 531 |

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

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

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
4 AUGUST 2016

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors of Gallant Venture Ltd., that, to the best of our 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 Second Quarter Financial Statements for the period ended 30 June 2016 to be false or misleading in any material aspect.

For and on behalf of the Board

Eugene Cho Park
CEO / Executive Director

Gianto Gunara
Executive Director

Date: 4 August 2016