

GALLANT VENTURE LTD

Registration Number: 200303179Z

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

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com

**Third Quarter 2016 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 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 September			YTD 30 September		
	3rd Qtr 2016 S\$'000	3rd Qtr 2015 S\$'000	Incr/ (Decr) %	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Incr/ (Decr) %
Revenue	389,766	449,525	(13)	1,287,910	1,517,137	(15)
Cost of sales	(318,105)	(377,072)	(16)	(1,064,849)	(1,285,939)	(17)
Gross profit	71,661	72,453	(1)	223,061	231,198	(4)
Other income	11,360	21,298	(47)	44,940	74,014	(39)
General and administrative expenses	(41,950)	(39,327)	7	(123,109)	(118,987)	3
Other operating expenses	(38,056)	(42,575)	(11)	(115,615)	(125,905)	(8)
Share of associated company's result	(2,907)	(3,884)	(25)	(6,019)	(10,608)	(43)
Finance costs	(32,149)	(35,491)	(9)	(99,341)	(106,369)	(7)
Loss before taxation	(32,041)	(27,526)	16	(76,083)	(56,657)	34
Taxation	(3,013)	(3,394)	(11)	(7,425)	(17,015)	(56)
Loss after taxation for the period	(35,054)	(30,920)	13	(83,508)	(73,672)	13
Attributable to:						
Equity holders of the Company	(28,286)	(26,120)	8	(72,589)	(67,678)	7
Non-controlling interest	(6,768)	(4,800)	41	(10,919)	(5,994)	82
	(35,054)	(30,920)	13	(83,508)	(73,672)	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 September			YTD 30 September		
	3rd Qtr 2016 S\$'000	3rd Qtr 2015 S\$'000	Incr/ (Decr) %	YTD Sep 2016 S\$'000	YTD Sep 2015 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(35,054)	(30,920)	13	(83,508)	(73,672)	13
Other comprehensive income/(expenses):						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	(3,663)	(7,415)	(51)	(30,822)	(35,342)	(13)
Net gain on fair value changes of hedging investments entered into for cash flow hedge	261	(186)	N.M	1,947	6,933	(72)
Foreign currency translation	15,184	(6,873)	N.M	15,375	(29,895)	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Actuarial losses arising during the period	199	45	342	33	(104)	N.M
Other comprehensive income/(expenses)	11,981	(14,429)	N.M	(13,467)	(58,408)	(77)
Total comprehensive expenses	(23,073)	(45,349)	(49)	(96,975)	(132,080)	(27)
Attributable to:						
Equity holders of the Company	(21,553)	(37,417)	(42)	(83,981)	(108,895)	(23)
Non-controlling interest	(1,520)	(7,932)	(81)	(12,994)	(23,185)	(44)
	(23,073)	(45,349)	(49)	(96,975)	(132,080)	(27)

N.M. denotes "Not Meaningful"

Note:

The exchange rate of S\$1=IDR 9,522 (30 Sep 2015: S\$1=IDR 10,274) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,746 (30 Sep 2015: S\$1=IDR 9,666) 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 Sep		YTD 30 Sep	
	3rd Qtr 2016	3rd Qtr 2015	YTD Sep 2016	YTD Sep 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	4,110	4,103	12,319	12,302
Depreciation of property, plant and equipment	21,639	21,681	63,932	64,490
Depreciation of investment properties	5,779	5,645	17,664	16,930
Loss/(gain) on sale of property, plant and equipment	29	(234)	(393)	(647)
Allowance for impairment loss on trade receivables	8,030	5,276	17,478	15,473
Allowance for inventories obsolescence	-	83	1,175	150
Gain/(loss) on disposal of associates	-	691	-	(8,531)
Interest Income	(4,189)	(8,332)	(15,400)	(22,665)
Interest Expense	32,149	35,491	99,341	106,369

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	
	30.09.16	31.12.15	30.09.16	31.12.15
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	776,400	788,666	97	171
Property, plant and equipment	628,098	639,866	352	34
Investment properties	175,099	183,984	-	-
Subsidiaries	-	-	2,557,260	2,557,260
Associates	270,455	215,405	-	-
Financing receivables	560,375	383,988	-	-
Deferred tax assets	51,461	40,527	6,502	6,502
Other non-current assets	133,633	626,979	11,526	11,649
	2,595,521	2,879,415	2,575,737	2,575,616
Current				
Land inventories	640,777	630,027	-	-
Other inventories	274,168	298,605	-	-
Financing receivables	407,757	423,083	-	-
Trade and other receivables	788,367	523,039	71,098	58,859
Cash and bank balances	209,773	201,921	807	18,074
	2,320,842	2,076,675	71,905	76,933
Total assets	4,916,363	4,956,090	2,647,642	2,652,549
Equity and liabilities				
Share capital	1,880,154	1,880,154	1,880,154	1,880,154
Accumulated losses	(78,123)	(5,534)	(95,414)	(101,760)
Reserves	(190,629)	(176,819)	80,000	80,000
Equity attributable to equity holders of the Company	1,611,402	1,697,801	1,864,740	1,858,394
Non-controlling interest	321,246	336,434	-	-
Total equity	1,932,648	2,034,235	1,864,740	1,858,394
Liabilities				
Non-current				
Borrowings	582,672	500,684	-	-
Debt securities	638,727	622,634	453,047	451,677
Deferred tax liabilities	95,098	95,681	-	-
Employee benefits liabilities	34,382	30,960	-	-
Other non-current liabilities	33,750	35,524	3,370	3,376
	1,384,629	1,285,483	456,417	455,053
Current				
Trade and other payables	319,994	361,886	23,171	17,877
Borrowings	1,093,646	973,498	303,264	145,604
Debt securities	162,528	286,707	-	174,693
Current tax payable	22,918	14,281	50	928
	1,599,086	1,636,372	326,485	339,102
Total liabilities	2,983,715	2,921,855	782,902	794,155
Total liabilities and equity	4,916,363	4,956,090	2,647,642	2,652,549

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

	Group	
	30.09.16	31.12.15
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	1,256,174	1,085,512
Unsecured	-	174,693
	1,256,174	1,260,205
(ii) Amount repayable after one year		
Secured	768,352	671,641
Unsecured	453,047	451,677
	1,221,399	1,123,318
 TOTAL	 2,477,573	 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		YTD	
	3Q 2016 S\$'000	3Q 2015 S\$'000	30.09.16 S\$'000	30.09.15 S\$'000
Cash flows from operating activities				
Loss before taxation	(32,041)	(27,526)	(76,083)	(56,657)
Adjustments for:				
Amortisation of intangible assets	4,110	4,103	12,319	12,302
Depreciation of property, plant and equipment	21,639	21,681	63,932	64,490
Depreciation of investment properties	5,779	5,645	17,664	16,930
Unrealised currency translation differences	(1,062)	3,023	(3,127)	2,361
Allowance for inventories obsolescence	-	83	1,175	150
Provision for employee benefits	887	906	3,227	2,890
Loss on sales of foreclosed assets	4,805	2,996	10,119	9,145
Allowance for impairment loss on trade receivables	8,030	5,276	17,478	15,473
Gain on sale of property, plant & equipment	(29)	(234)	(393)	(647)
Gain on disposal of associates	-	691	-	(8,531)
Fair value gain on derivatives instruments	-	-	-	(2,683)
Share of associates' results	2,907	3,883	6,019	10,608
Interest expense	32,149	35,491	99,341	106,369
Interest income	(4,189)	(8,332)	(15,400)	(22,665)
Cash from operations before changes in working capital	42,985	47,686	136,271	149,535
Changes in working capital				
Increase in land inventories	(2,973)	(5,955)	(10,750)	(17,010)
Decrease / (increase) in other inventories	21,841	38,588	23,677	(444)
Increase in operating receivables	(109,478)	(85,739)	(161,238)	(163,973)
Increase in operating payables	129,994	6,648	84,666	72,847
Cash generated from operating activities	82,369	1,228	72,626	40,955
Income tax paid	(18,392)	(22,939)	(63,039)	(65,627)
Employee benefits paid	(131)	(108)	(680)	(443)
Interest paid	(41,870)	(50,168)	(137,910)	(96,423)
Interest received	4,067	3,236	10,936	6,910
Deposits (refunded to) / collected from tenants/golf members	(559)	39	(685)	(156)
Net cash generated from / (used in) operating activities	25,484	(68,712)	(118,752)	(114,784)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(22,294)	(25,630)	(58,060)	(69,316)
Acquisition of intangible assets	(51)	(55)	(54)	(66)
Acquisition of investment properties	(2,355)	(74)	(6,072)	(187)
Addition in investment in shares stock	(56,845)	-	(58,904)	(7,984)
Proceeds from disposal of associates	-	-	-	20,970
Proceeds from sale of property, plant and equipment	2,113	475	5,055	6,941
Proceeds from disposal of other investment	-	-	194,760	-
Dividends from associated companies	160	753	160	753
Short term investment	-	(68,938)	-	(68,938)
Interest received on and proceeds from / (placement) of restricted cash and time deposits	542	42	196	577
Net cash (used in)/ generated from investing activities	(78,730)	(93,427)	77,081	(117,250)

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		YTD	
	3Q 2016 S\$'000	3Q 2015 S\$'000	30.09.16 S\$'000	30.09.15 S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	-	1,519	(2,878)	450
Proceeds from additional capital stock contribution of non-controlling interests	(785)	(1,048)	3,681	-
Proceeds from other financing activities	-	-	152,593	352,632
Repayment to other financing activities	(98,464)	(1,982)	(274,020)	(140,700)
Proceeds from bank borrowings	418,246	890,442	1,439,337	1,964,200
Repayment of bank borrowings	(283,926)	(690,141)	(1,268,474)	(1,884,184)
Dividends paid to non-controlling interest	(357)	(816)	(3,151)	(2,292)
Net cash generated from financing activities	34,714	197,974	47,088	290,106
Net (decrease)/ increase in cash and cash equivalents	(18,532)	35,835	5,417	58,072
Cash and cash equivalents at beginning of period	224,644	178,700	201,921	161,292
Effect of currency translation on cash and cash equivalent	3,661	(3,090)	2,435	(7,919)
Cash and cash equivalent at end of period	209,773	211,445	209,773	211,445

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 September 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	-	-	-	-	-	-	(41,558)	(41,558)	(1,194)	(42,752)
Other comprehensive income/(expenses)	-	-	(14,862)	5,089	(19,865)	(282)	-	(29,920)	(14,059)	(43,979)
Total comprehensive income/(expenses) for the period	-	-	(14,862)	5,089	(19,865)	(282)	(41,558)	(71,478)	(15,253)	(86,731)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(764)	-	(764)	(925)	(1,689)
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
(Loss) for the period	-	-	-	-	-	-	(26,120)	(26,120)	(4,800)	(30,920)
Other comprehensive (expenses)/income	-	-	(5,645)	(125)	(5,274)	(253)	-	(11,297)	(3,132)	(14,429)
Total comprehensive (expenses)/income for the period	-	-	(5,645)	(125)	(5,274)	(253)	(26,120)	(37,417)	(7,932)	(45,349)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(816)	(816)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	28	-	28	402	430
Balance as at 30 September 2015	1,880,154	(105,771)	(82,848)	8,410	(25,454)	4,601	34,336	1,713,428	337,483	2,050,911

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 September 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	-	-	-	-	-	-	(44,303)	(44,303)	(4,151)	(48,454)
Other comprehensive (expenses)/income	-	-	138	1,205	(19,319)	(149)	-	(18,125)	(7,323)	(25,448)
Total comprehensive (expenses)/income for the period	-	-	138	1,205	(19,319)	(149)	(44,303)	(62,428)	(11,474)	(73,902)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(332)	-	(332)	433	101
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
(Loss)/profit for the period	-	-	-	-	-	-	(28,286)	(28,286)	(6,768)	(35,054)
Other comprehensive (expenses)/income	-	-	8,987	187	(2,605)	164	-	6,733	5,248	11,981
Total comprehensive (expenses)/income for the period	-	-	8,987	187	(2,605)	164	(28,286)	(21,553)	(1,520)	(23,073)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(2,086)	-	(2,086)	(2,627)	(4,713)
Balance as at 30 September 2016	1,880,154	(105,771)	(62,092)	8,195	(31,585)	624	(78,123)	1,611,402	321,246	1,932,648

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 September 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	-	-	(31,658)	(31,658)
Balance as at 30 June 2015	1,880,154	80,000	(81,430)	1,878,724
Total comprehensive expense for the period	-	-	(3,532)	(3,532)
Balance as at 30 September 2015	1,880,154	80,000	(84,962)	1,875,192
Balance as at 1 January 2016	1,880,154	80,000	(101,760)	1,858,394
Total comprehensive expense for the period	-	-	18,234	18,234
Balance as at 30 June 2016	1,880,154	80,000	(83,526)	1,876,628
Total comprehensive expense for the period	-	-	(11,888)	(11,888)
Balance as at 30 September 2016	1,880,154	80,000	(95,414)	1,864,740

- 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 Sep 2016	As at 30 Sep 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 September 2016 and 31 December 2015 were 4,824,965,112. The company does not hold any treasury shares as at 30 September 2016 and 31 December 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			
	3rd Qtr 2016	3rd Qtr 2015	YTD Sep 2016	YTD Sep 2015
Net (loss) / income attributable to equity owners of the Company (S\$'000)	(28,286)	(26,120)	(72,589)	(67,678)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.586)	(0.541)	(1.504)	(1.403)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.586)	(0.541)	(1.504)	(1.403)

⁽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	
	30.09.16	31.12.15	30.09.16	31.12.15
Net asset value per ordinary share	33.40 cents	35.19 cents	38.65 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 September 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.**

Further to the announcement made on 4 August 2016 on the Group's financial statements for FY 2014 and FY2015 being reviewed by the Financial Reporting Surveillance Programme ("FRSP"), the Company has made a separate announcement on 12 October 2016 that the ACRA advisory letter has been issued to the Company requiring restatement of previous years financial statements from 2014 to 2015, with consequential impact to 2016 financial statements. The Company is working with the Auditor on the implementation of ACRA's findings. This will be executed by April 2017 following consultations with the auditors.

3rd Quarter 2016 (3Q 2016) vs. 3rd Quarter 2015 (3Q 2015)

Profit & Loss Statement

IMAS's 3Q 2016 revenue was S\$351.7 million as compared to S\$409.0 million in 3Q 2015. Lower revenue from IMAS was mainly due to lower passenger vehicle and heavy duty trucks and equipment sales. The Group (excluding IMAS) registered lower revenue of S\$38.1 million as compared to S\$40.5 million in 3Q 2015 and was mainly due to lower revenue from the utilities segment. The Consolidated Group revenue was S\$389.8 million, 13.3% lower than 3Q 2015's S\$449.5 million.

In line with lower revenue, IMAS's 3Q 2016 cost of sales was S\$287.5 million as compared to previous period's S\$343.7 million while the Group's (excluding IMAS) cost of sales was S\$30.6 million as compared to S\$33.4 million in 3Q 2015. Accordingly, the Consolidated Group's cost of sales decreased from S\$377.1 million in 3Q 2015 to 3Q 2016's S\$318.1 million and registered lower gross profit of S\$71.7 million in 3Q 2016 as compared to S\$72.5 million in 3Q 2015.

IMAS's 3Q 2016 "other income" was S\$10.3 million as compared to S\$15.5 million in 3Q 2015. This was mainly due to lower sales incentives from car manufacturers. The Group's (excluding IMAS) "other income" was S\$3.1 million as compared to S\$7.8 million in 3Q 2015 was mainly due to lower interest income as compared to the previous period. The Consolidated Group's "other income" was S\$11.4 million in 3Q 2016 as compared to 3Q 2015's S\$21.3 million

IMAS's 3Q 2016 "general and administrative expenses" was S\$33.8 million as compared to S\$31.2 million in 3Q 2015. Higher expenses were mainly due to higher manpower costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was broadly the same as previously period's S\$4.1 million. The Consolidated Group's "general and administrative expenses" was S\$41.9 million as compared to 3Q 2015's S\$39.3 million.

IMAS's 3Q 2016 "other operating expenses" was S\$32.1 million as compared to 3Q 2015's S\$37.0 million. Lower expenses were mainly due to lower marketing related expenses. The Group's (excluding IMAS) "other operating expenses" was S\$6.0 million as compared to S\$5.6 million in 3Q 2015 and was mainly due to the higher land and building taxes. The Consolidated Group's "other operating expenses" was S\$38.1 million as compared to 3Q 2015's S\$42.6 million.

The Consolidated Group's 3Q 2016 "share of associate's results" was S\$2.9 million loss as compared to 3Q 2015's S\$3.9 million loss and was mainly due to lower losses from Associated Companies in the Automotive segment.

IMAS's 3Q 2016 "finance costs" was S\$21.1 million as compared to S\$20.2 million in 3Q 2015 and the Group's (excluding IMAS) "finance costs" was S\$11.0 million as compared to S\$15.3 million in 3Q 2015. The Consolidated Group's "finance costs" was S\$32.1 million as compared to S\$35.5 million in 3Q 2015 and lower finance costs was mainly due to repayment of external bank borrowings and redemption of April 2016 EMTN amounted to S\$175 million.

IMAS's 3Q 2016 net loss was S\$14.8 million as compared to S\$12.9 million loss in 3Q 2015 and was mainly due to lower vehicle revenue. The Group's (excluding IMAS) net loss was S\$15.8 million as compared to S\$15.2 million loss in 3Q 2015. The Consolidated Group's net loss for 3Q 2016 was S\$28.3 million as compared to 3Q 2015's S\$26.1 million loss.

9 months 2016 (YTD Sep 2016) vs. 9 months 2015 (YTD Sep 2015)

Profit & Loss Statement

IMAS's YTD Sep 2016 revenue was S\$1,172.8 million as compared to S\$1,393.0 million in YTD Sep 2015. Lower revenue was mainly due to lower passenger vehicle sales and heavy duty trucks and equipment sales. The Group (excluding IMAS) registered lower revenue of S\$115.1 million as compared to S\$124.1 million in YTD Sep 2015 and mainly due to lower revenue from Industrial Parks

and utilities segment. Consolidated Group revenue was S\$1,287.9 million, representing 15.1% lower than YTD Sep 2015's S\$1,517.1 million.

In line with lower revenue, IMAS's YTD Sep 2016 cost of sales was S\$970.0 million as compared to previous period's S\$1,184.8 million and the Group's (excluding IMAS) cost of sales was S\$94.8 million as compared to S\$101.1 million in YTD Sep 2015. Consolidated Group's cost of sales was S\$1,064.8 million, lower than YTD Sep 2015's S\$1,285.9 million. Consequentially, the Consolidated Group registered a lower gross profit of S\$223.1 million in YTD Sep 2016 as compared to S\$231.2 million in YTD Sep 2015.

IMAS's YTD Sep 2016 "other income" was S\$36.9 million as compared to S\$56.5 million in YTD Sep 2015. The difference arises mainly due to one-time gain on disposal of non-core investment and higher sales incentives from car manufacturers in 2015. The Group's (excluding IMAS) "other income" was S\$8.0 million as compared to S\$17.5 million in YTD Sep 2015 and was mainly due to lower interest income as compared to the previous period. The Consolidated Group's "other income" was S\$44.9 million in YTD Sep 2016 as compared to YTD Sep 2015's S\$74.0 million.

IMAS's YTD Sep 2016 "general and administrative expenses" was S\$98.0 million as compared to S\$93.0 million in YTD Sep 2015. Higher expenses were mainly due to higher manpower costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$13.0 million as compared to YTD Sep 2015's S\$13.9 million and mainly due to lower manpower costs. The Consolidated Group's "general and administrative expenses" was S\$123.1 million as compared to YTD Sep 2015's S\$119.0 million.

IMAS's YTD Sep 2016 "other operating expenses" was S\$98.7 million as compared to YTD Sep 2015's S\$110.0 million. Lower expenses were mainly due to lower marketing related expenses. The Group's (excluding IMAS) "other operating expenses" was S\$16.9 million as compared to S\$15.9 million in YTD Sep 2015 and was mainly due to higher land and building taxes. The Consolidated Group's "other operating expenses" was S\$115.6 million as compared to YTD Sep 2015's S\$125.9 million.

The Consolidated Group's YTD Sep 2016 "share of associate's results" was S\$6.0 million loss as compared to YTD Sep 2015's S\$10.6 million loss due to lower losses from Associated Companies in the Automotive segment.

IMAS's YTD Sep 2016 "finance costs" was S\$61.2 million as compared to S\$57.6 million in YTD Sep 2015. The Group's (excluding IMAS) "finance costs" was S\$38.1 million as compared to S\$48.7 million in YTD Sep 2015. The Consolidated Group's "finance costs" was S\$99.3 million as compared to S\$106.4 million in YTD Sep 2015 and lower financing cost was due to repayment of external bank borrowings and redemption of April 2016 EMTN amounted to S\$175 million.

IMAS's YTD Sep 2016 net loss was S\$26.1 million as compared to S\$22.0 million loss in YTD Sep 2015 and was mainly due to lower sales incentive from car manufacturer and one-time gain of disposal of non-core investment in the previous period. The Group's (excluding IMAS) net loss was S\$47.4 million as compared to S\$46.9 million loss in YTD Sep 2015 and was mainly due to lower contribution from the Industrial Parks and Utilities segments. The Consolidated Group's net loss for YTD Sep 2016 was S\$72.5 million as compared to YTD Sep 2015's S\$67.7 million net loss.

Balance Sheet

The Group's total assets of S\$4,916.4 million as at 30 September 2016 were S\$39.7 million lower than as at the previous year end. Other non-current assets decreased by S\$493.3 million and was mainly due to the divestment of the Group's non-core investment. Current assets increased by S\$244.2 million to S\$2,320.8 million and was mainly due to the other receivables from the divestment of the Group's non-core investment and cash and bank balances arising from financing activities.

The Group' total liabilities of S\$2,983.7 million as at 30 September 2016 were S\$61.8 million higher than as at the previous year-end and was mainly due to the increased borrowings. The Group's borrowings and debt securities as at 30 September 2016 were S\$2.5 billion of which S\$1.0 billion relates to IMAS' car rental and financial services business.

Cash Flow Statement

Net cash used in operating activities was S\$118.7 million as compared to S\$114.7 million used in the previous period.

Net cash generated from investing activities was S\$77.1 million and was mainly due to proceeds from divestment of Group's non-core investment.

Net cash generated from financing activities was S\$47.1 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.*

IMAS's passenger car results have been affected by the lack of new product launch versus the competitors. IMAS's commercial and heavy duty truck and equipment businesses continue to be affected by the reduced consumer and economic sentiment. However, contributions from its financing services, vehicle service, car rental and logistics businesses are continuing to grow.

The refocusing of our industrial parks business continues. The utilities business has benefited from lower energy prices that may not continue. We continue to pursue land sales in Bintan Resorts.

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 Sep 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 September 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		1,081
PT Indofood Sukses Makmur Tbk Sales		155
PT Straits CM Village Sales		702
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
10 NOVEMBER 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 Third Quarter Financial Statements for the period ended 30 September 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: 10 November 2016