

GALLANT VENTURE LTD

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Full Year 2016 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 December 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 31 December			Full Year		
	4th Qtr 2016 S\$'000	4th Qtr 2015 S\$'000	Incr/ (Decr) %	2016 S\$'000	2015 S\$'000	Incr/ (Decr) %
Revenue	431,766	510,968	(16)	1,719,676	2,028,105	(15)
Cost of sales	(347,118)	(429,266)	(19)	(1,411,967)	(1,715,205)	(18)
Gross profit	84,648	81,702	4	307,709	312,900	(2)
Other income/(expenses)	187,512	(1,777)	N.M	232,454	58,978	294
General and administrative expenses	(50,694)	(49,459)	3	(173,804)	(168,446)	3
Other operating expenses	(40,300)	(42,363)	(5)	(155,915)	(168,268)	(7)
Share of associated company's result	(8,419)	(9,481)	(11)	(14,439)	(26,271)	(45)
Finance costs	(33,526)	(38,839)	(14)	(132,867)	(145,208)	(8)
Profit/(Loss) before taxation	139,221	(60,217)	N.M	63,138	(136,315)	N.M
Taxation	(15,772)	(10,046)	57	(23,197)	(27,061)	(14)
Profit/(Loss) after taxation for the period	123,449	(70,263)	N.M	39,941	(163,376)	N.M
Attributable to:						
Equity holders of the Company	143,980	(57,758)	N.M	71,391	(144,877)	N.M
Non-controlling interest	(20,531)	(12,505)	64	(31,450)	(18,499)	70
	123,449	(70,263)	N.M	39,941	(163,376)	N.M

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 31 December			Full Year		
	4th Qtr 2016 S\$'000	4th Qtr 2015 S\$'000	Incr/ (Decr) %	2016 S\$'000	2015 S\$'000	Incr/ (Decr) %
Profit/(Loss) after taxation for the period	123,449	(70,263)	N.M	39,941	(163,376)	N.M
Other comprehensive (expenses)/income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	16,712	22,204	(25)	(14,109)	(13,139)	7
Net gain on fair value changes of hedging investments entered into for cash flow hedge	(5,168)	(2,245)	130	(3,221)	4,688	N.M
Foreign currency translation	17,746	30,645	(42)	33,121	750	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Actuarial gains/(losses) arising during the year	(1,340)	(1,707)	(21)	(1,308)	(1,810)	(28)
Other comprehensive (expenses)/income	27,950	48,897	(42)	14,483	(9,511)	N.M
Total comprehensive (expenses)/income	151,399	(21,366)	N.M	54,424	(172,887)	N.M
Attributable to:						
Equity holders of the Company	162,422	(20,199)	N.M	78,441	(148,535)	N.M
Non-controlling interest	(11,023)	(1,167)	N.M	(24,017)	(24,352)	(2)
	151,399	(21,366)	N.M	54,424	(172,887)	N.M

Note:

1. N.M. denotes "Not Meaningful"
2. The exchange rate of S\$1=IDR 9,299 (31 December 2015: S\$1=IDR 9,751) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,678 (31 December 2015: S\$1=IDR 9,732) was used for translating the results for the period.
3. The 4th Qtr 2015 and full year 2015 income statement have been restated and unaudited following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statement FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016. The Restated and Re-audited financial statement for FY 2015 will be presented to the shareholders for their adoption in the Company coming annual general meeting.
4. In preparing the consolidated financial statements of the Group, adjustments are made to bring the accounting policies of its foreign operations, including subsidiaries and associates, whose accounting policies differ from the Group, to be in line with the Group. For the year ended 31 December 2016, revaluation gains on investment properties of S\$15.09 million (2015 – S\$52.28 million) recorded by PT IMAS were adjusted and recognised as S\$Nil in the financial statements of the Group as the accounting policy of the Group is to measure investment properties at cost.

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

	Group			
	Quarter ended 31 Dec		Full Year	
	4th Qtr 2016 S\$'000	4th Qtr 2015 S\$'000	2016 S\$'000	2015 S\$'000
Amortisation of intangible assets	4,114	4,106	16,433	16,408
Depreciation of property, plant and equipment	15,707	22,111	79,639	86,601
Depreciation of investment properties	6,383	6,095	24,047	23,025
Gain on sale of property, plant and Equipment	(19)	(26)	(412)	(673)
Allowance for impairment loss on trade and other Receivables and foreclosed assets	10,338	20,267	27,816	35,740
Reversal of allowance for inventories Obsolescence	(2,322)	(150)	(1,147)	-
Gain on disposal of subsidiaries and associates	(220,623)	-	(220,623)	(9,222)
Loss on sales of foreclosed assets	6,395	3,905	16,514	13,050
Loss on disposal of investment in shares	-	-	-	691
Fair value (gain)/Loss on derivative instruments	(3,026)	3,286	(3,026)	603
Write off of goodwill, associates and assets	48,687	-	48,687	-
Interest Income	(1,127)	5,154	(16,527)	(15,806)
Interest Expense	33,526	38,839	132,867	145,208

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	
	31.12.16 S\$'000	31.12.15 S\$'000	31.12.16 S\$'000	31.12.15 S\$'000
Assets				
Non-current				
Intangible assets	748,647	768,087	57	171
Property, plant and equipment	547,899	639,866	450	34
Investment properties	233,512	183,984	-	-
Subsidiaries	-	-	2,536,681	2,819,979
Associates	316,505	450,704	-	-
Financing receivable	510,359	383,988	-	-
Deferred tax assets	40,992	40,527	6,502	6,502
Other non-current assets	68,757	219,515	154	11,649
	<u>2,466,671</u>	<u>2,686,671</u>	<u>2,543,844</u>	<u>2,838,335</u>
Current				
Land inventories	612,963	630,027	-	-
Other inventories	216,973	298,605	-	-
Financing receivables	447,254	423,083	-	-
Trade and other receivables	600,767	523,039	135,371	58,859
Cash and bank balances	425,931	201,921	196,134	18,074
	<u>2,303,888</u>	<u>2,076,675</u>	<u>331,505</u>	<u>76,933</u>
Total assets	<u>4,770,559</u>	<u>4,763,346</u>	<u>2,875,349</u>	<u>2,915,268</u>
Equity and liabilities				
Share capital	1,880,154	1,880,154	1,880,154	1,880,154
Accumulated losses	(163,533)	(234,924)	(87,448)	(122,339)
Other reserves	(166,468)	(147,247)	80,000	80,000
Equity attributable to equity holders of the Company	<u>1,550,153</u>	<u>1,497,983</u>	<u>1,872,706</u>	<u>1,837,815</u>
Non-controlling interest	<u>314,454</u>	<u>336,434</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,864,607</u>	<u>1,834,417</u>	<u>1,872,706</u>	<u>1,837,815</u>
Liabilities				
Non-current				
Borrowings	633,470	500,684	-	-
Debt securities	409,908	622,634	453,506	451,677
Deferred tax liabilities	93,866	95,681	-	-
Employee benefits liabilities	38,341	30,960	-	-
Other non-current liabilities	34,007	42,598	348	3,376
	<u>1,209,592</u>	<u>1,292,557</u>	<u>453,854</u>	<u>455,053</u>
Current				
Trade and other payables	285,663	361,886	547,364	17,877
Borrowings	1,030,912	973,498	-	428,902
Debt securities	363,842	286,707	-	174,693
Current tax payable	15,943	14,281	1,425	928
	<u>1,696,360</u>	<u>1,636,372</u>	<u>548,789</u>	<u>622,400</u>
Total liabilities	<u>2,905,952</u>	<u>2,928,929</u>	<u>1,002,643</u>	<u>1,077,453</u>
Total liabilities and equity	<u>4,770,559</u>	<u>4,763,346</u>	<u>2,875,349</u>	<u>2,915,268</u>

Note:

The statement of financial position for the Company and Group for FY 2015 have been restated and unaudited following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statement FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016. The Restated and Re-audited financial statements for FY 2014 and FY 2015 will be presented to the shareholders for their adoption in the Company coming annual general meeting.

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

	Group	
	31.12.16	31.12.15
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	1,170,174	1,085,512
Unsecured	224,580	174,693
	1,394,754	1,260,205
(ii) Amount repayable after one year		
Secured	814,452	671,641
Unsecured	228,926	451,677
	1,043,378	1,123,318
TOTAL	2,438,132	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 Megawisatama ("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	
	4Q 2016 S\$'000	4Q 2015 S\$'000	31.12.16 S\$'000	31.12.15 S\$'000
Cash flows from operating activities				
Profit / (Loss) before taxation	139,221	(60,217)	63,136	(136,315)
Adjustments for:				
Amortisation of intangible assets	4,114	4,106	16,433	16,408
Depreciation of property, plant and equipment	15,707	22,111	79,639	86,601
Depreciation of investment properties	6,383	6,095	24,047	23,025
Reversal of allowance for inventories obsolescence	(2,322)	(150)	(1,147)	-
Provision for employee benefits	2,303	2,345	5,530	5,235
Loss on sales of foreclosed assets	6,395	3,905	16,514	13,050
Impairment of foreclosed assets	-	4,429	-	4,429
Impairment loss on trade and other receivables	10,337	15,838	27,816	31,311
Net gain on disposal of subsidiary [A]	(220,623)	-	(220,623)	-
Written off of goodwill, associates and assets	48,687	-	48,687	-
Gain on sale of property, plant & equipment	(19)	(26)	(412)	(673)
Gain on disposal of investment in associate	-	-	-	(9,222)
Loss on disposal of investment in shares	-	-	-	691
Fair value (gain) / loss on derivatives instruments	(3,026)	3,286	(3,026)	603
Share of associates' results	8,420	9,481	14,439	26,271
Interest expense	33,526	38,839	132,867	145,208
Interest income	(1,127)	5,154	(16,527)	(15,806)
Cash from operations before changes in working capital	47,976	55,196	187,373	190,816
Changes in working capital				
Decrease / (Increase) in land inventories	27,814	(3,219)	17,064	(20,229)
Decrease in other inventories	68,884	68,349	92,561	67,905
Decrease / (Increase) in operating receivables	175,588	143,423	14,550	(6,635)
(Decrease) / Increase in operating payables	(29,134)	(44,552)	55,528	28,295
Cash generated from operating activities	291,128	219,197	367,076	260,152
Income tax paid / (refund)	(16,620)	25,640	(79,659)	(39,987)
Employee benefits paid	(208)	(657)	(888)	(1,100)
Interest paid	(61,594)	(69,942)	(199,504)	(166,365)
Interest received	1,011	5,443	11,946	12,353
Deposits collected from tenants/golf members	3,831	156	3,146	-
Net cash generated from operating activities	217,548	179,837	102,117	65,053
Cash flows from investing activities				
Acquisition of property, plant and equipment	(36,817)	(41,451)	(94,877)	(110,772)
Acquisition of intangible assets	(43)	-	(97)	(61)
Acquisition of investment properties	(82,533)	(2,253)	(88,605)	(2,440)
Addition in investment in shares stock	(355)	(4,089)	(59,259)	(12,073)
Proceeds from sales of associates	-	35	-	21,005
Proceeds from sale of property, plant and equipment	157	8,000	5,213	14,941
Disposal of subsidiaries, net of cash disposal [A]	195,335	-	390,095	-
Dividends from associated companies	90	-	250	753
Short term investment	-	39,982	-	(28,956)
Interest received on and proceeds from / (placement) of restricted cash and time deposits	(95)	(577)	101	-
Net cash generated from / (used in) investing activities	75,739	(353)	152,821	(117,603)

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	
	4Q 2016	4Q 2015	31.12.16	31.12.15
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	-	(200)	(3,073)	250
Proceeds from additional capital stock contribution of non-controlling interests	(12,446)	823	(8,765)	823
Proceeds from issuance of bonds and shares	(6,035)	60,503	145,329	413,135
Repayment to other financing activities	(27,977)	(94,045)	(300,462)	(234,745)
Proceeds from bank borrowings	582,129	534,548	2,018,339	2,498,748
Repayment of bank borrowings	(616,481)	(696,096)	(1,884,954)	(2,580,280)
Dividends paid to non-controlling interest	(861)	(302)	(4,011)	(2,594)
Net cash (used in) / generated from financing activities	(81,671)	(194,769)	(37,597)	95,337
Net increase/(decrease) in cash and cash equivalents	211,616	(15,285)	217,341	42,787
Cash and cash equivalents at beginning of period	209,773	211,445	201,921	161,292
Effect of currency translation on cash and cash equivalent	4,542	5,761	6,669	(2,158)
Cash and cash equivalent at end of period	425,931	201,921	425,931	201,921

Note:

The Group's cash flow statement has been restated and unaudited following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statements for FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016. The Restated and Re-audited financial statements for FY 2015 will be presented to the shareholders for their adoption in the Company coming annual general meeting.

A: Disposal of subsidiary

In Year 2016, the Group disposed the entire equity interest in its subsidiary, Market Strength Limited. The carrying value of net assets disposed and discharged were as follows:-

	Carrying Value S\$'000
Total net assets	55,465
Amount due from MSL and its associates	186,319
Gain on disposal	220,623
	462,407
<u>Consideration transferred for the disposal</u>	
Cash	390,095
Deferred payment	72,312
	462,407
<u>Effect of the disposal on cash flow:</u>	
Cash consideration	390,095
Less: Cash balance in subsidiary disposed	-
Cash inflow on disposal	390,095

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 31 December 2016:

	Share Capital \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance as at 1 January 2015	1,880,154	(105,771)	(45,930)	3,446	(315)	5,872	(90,047)	1,647,409	362,007	2,009,416
Loss for the period	-	-	-	-	-	-	(87,119)	(87,119)	(5,994)	(93,113)
Other comprehensive income/(expenses)	-	-	(20,507)	4,964	(25,139)	(535)	-	(41,217)	(17,191)	(58,408)
Total comprehensive income/(expenses) for the period	-	-	(20,507)	4,964	(25,139)	(535)	(87,119)	(128,336)	(23,185)	(151,521)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(816)	(816)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(736)	-	(736)	(523)	(1,259)
Balance as at 30 September 2015	1,880,154	(105,771)	(66,437)	8,410	(25,454)	4,601	(177,166)	1,518,337	337,483	1,855,821
Loss for the period	-	-	-	-	-	-	(57,758)	(57,758)	(12,505)	(70,263)
Other comprehensive income/(expenses)	-	-	24,792	(1,607)	15,793	(1,419)	-	37,559	11,338	48,897
Total comprehensive income/(expenses) for the period	-	-	24,792	(1,607)	15,793	(1,419)	(57,758)	(20,199)	(1,167)	(21,366)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,778)	(1,778)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(155)	-	(155)	1,896	1,741
Balance as at 31 December 2015	1,880,154	(105,771)	(41,645)	6,803	(9,661)	3,027	(234,924)	1,497,983	336,434	1,834,417

Note:

The Group's consolidated statement of changes in equity has been restated and unaudited following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statements for FY 2014 and FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016. The Restated and Re-audited financial statements for FY 2014 and FY 2015 will be presented to the shareholders for their adoption in the Company coming annual general meeting.

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 31 December 2016:

	Share Capital \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance as at 1 January 2016	1,880,154	(105,771)	(41,645)	6,803	(9,661)	3,027	(234,924)	1,497,983	336,434	1,834,417
Loss for the period	-	-	-	-	-	-	(72,589)	(72,589)	(10,919)	(83,508)
Other comprehensive (expenses)/income	-	-	9,125	1,392	(21,924)	15	-	(11,392)	(2,075)	(13,467)
Total comprehensive (expenses)/income for the period	-	-	9,125	1,392	(21,924)	15	(72,589)	(83,981)	(12,994)	(96,975)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(2,418)	-	(2,418)	(2,194)	(4,612)
Balance as at 30 September 2016	1,880,154	(105,771)	(32,520)	8,195	(31,585)	624	(307,513)	1,411,584	321,246	1,732,830
Profit for the period	-	-	-	-	-	-	143,980	143,980	(20,531)	123,449
Other comprehensive (expenses)/income	-	-	10,891	(3,700)	11,887	(636)	-	18,442	9,508	27,950
Total comprehensive (expenses)/income for the period	-	-	10,891	(3,700)	11,887	(636)	143,980	162,422	(11,023)	151,399
Disposal of subsidiaries	-	-	(30,668)	-	-	-	-	(30,668)	-	(30,668)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(4,011)	(4,011)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	6,815	-	6,815	8,242	15,057
Balance as at 31 December 2016	1,880,154	(105,771)	(52,297)	4,495	(19,698)	6,803	(163,533)	1,550,153	314,454	1,864,607

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 31 December 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	(70,351)	1,889,803
Total comprehensive expense for the period	-	-	(35,190)	(35,190)
Balance as at 30 September 2015	1,880,154	80,000	(105,541)	1,854,613
Total comprehensive expense for the period	-	-	(16,798)	(16,798)
Balance as at 31 December 2015	1,880,154	80,000	(122,339)	1,837,815
Balance as at 1 January 2016	1,880,154	80,000	(122,339)	1,837,815
Total comprehensive income for the period	-	-	26,925	26,925
Balance as at 30 September 2016	1,880,154	80,000	(95,414)	1,864,740
Total comprehensive income for the period	-	-	7,966	7,966
Balance as at 31 December 2016	1,880,154	80,000	(87,448)	1,872,706

Note:

The Company's statement of changes in equity has been restated and unaudited following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statements for FY 2014 and FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016. The Restated and Re-audited financial statements for FY 2014 and FY 2015 will be presented to the shareholders for their adoption in the Company coming annual general meeting.

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 31 Dec 2016	As at 31 Dec 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 31 December 2016 and 31 December 2015 were 4,824,965,112. The company does not hold any treasury shares as at 31 December 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 restated and unaudited financial statements as at 31 December 2015 following the advisory letter issued by ACRA to the Company on 10 October 2016 which requires the Company to restate and re-audit the Group's consolidated financial statement FY 2015 to comply with certain accounting standards, as per the announcement made on 12 October 2016.

Accordingly, the comparative figures in the statement of financial position, income statement and statement of cash flow for the Group for the period ended 31 December 2015 have been restated.

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 do not have any significant effect on the financial statements 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)***

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

	Group			
	Quarter ended		Full Year	
	4Q 2016	4Q 2015	31.12.16	31.12.15
Net profit/(loss) attributable to equity owners of the Company (S\$'000)	143,980	(57,758)	71,391	(144,877)
(i) Based on the weighted average number of ordinary shares on issue (cents)	2.984	(1.197)	1.480	(3.003)
(ii) On a fully diluted basis (cents)	2.837	(1.197)	1.407	(3.003)

For 4Q 2015 and Full Year 2015, the conversion right of the convertible bond has not been included in the calculation of diluted 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	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary share	32.13 cents	31.05 cents	38.81 cents	38.09 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 31 December 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.***

4th Quarter 2016 (4Q 2016) vs. 4th Quarter 2015 (4Q 2015)

Profit & Loss Statement

IMAS's 4Q 2016 revenue was S\$386.4 million as compared to S\$471.5 million in 4Q 2015. Lower revenue from IMAS was mainly due to lower passenger vehicle, heavy duty trucks and equipment sales. The Group (excluding IMAS) registered higher revenue of S\$45.4 million as compared to S\$39.4 million in 4Q 2015 and was mainly due to the sales of factory. The Consolidated Group revenue was S\$431.8 million, 15.5% lower than 4Q 2015's S\$511.0 million.

In line with the revenue, IMAS's 4Q 2016 cost of sales was S\$313.7 million as compared to previous period's S\$397.3 million while the Group's (excluding IMAS) cost of sales was S\$33.4 million as compared to S\$32.0 million in 4Q 2015. Accordingly, the Consolidated Group's cost of sales decreased from S\$429.2 million in 4Q 2015 to 4Q 2016's S\$347.1 million. The Consolidated Group's gross profit was S\$84.6 million in 4Q 2016 as compared to S\$81.7 million in 4Q 2015 and was mainly due to gain from sales of factory building.

IMAS's 4Q 2016 "other income" was S\$26.4 million as compared to S\$49.0 million in 4Q 2015. This was mainly due to lower sales incentives from car manufacturers and revaluation gain on the investment properties in the previous period. The Group's (excluding IMAS) "other income" was S\$209.7 million as compared to S\$1.5 million expenses in 4Q 2015 was mainly to the gain from divestment of MSL. The Consolidated Group's "other income" was S\$187.5 million in 4Q 2016 as compared to 4Q 2015's S\$1.8 million expenses. The revaluation gain on investment properties from IMAS was not taken up in the Consolidated Group's level as the Group adopt cost method for investment properties.

IMAS's 4Q 2016 "general and administrative expenses" was S\$36.2 million as compared to S\$35.3 million in 4Q 2015. Higher expenses were mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$9.1 million as compared to 4Q 2015's S\$9.3 million. The Consolidated Group's "general and administrative expenses" was S\$50.7 million as compared to 4Q 2015's S\$49.5 million.

IMAS's 4Q 2016 "other operating expenses" was S\$33.9 million as compared to 4Q 2015's S\$36.7 million. Lower expenses were mainly due to lower packaging and delivery cost and lower provision for impairment on foreclosed assets. The Group's (excluding IMAS) "other operating expenses" was S\$6.4 million as compared to 4Q 2015's S\$5.7 million and was mainly due to higher professional fees. The Consolidated Group's 4Q 2016 "other operating expenses" was S\$40.3 million as compared to 4Q 2015's S\$42.4 million.

The Consolidated Group's 4Q 2016 "share of associate's result" was S\$8.5 million loss as compared to 4Q 2015's S\$7.6 million loss and was mainly due to lower losses from the automotive associated companies.

IMAS's 4Q 2016 "finance costs" was S\$22.4 million as compared to 4Q 2015's S\$20.8 million and the Group's (excluding IMAS) "finance costs" was S\$11.1 million as compared to 4Q 2015's S\$18.1 million. The Consolidated Group's "finance costs" was S\$33.5 million as compared to S\$38.8 million in 4Q 2015 and lower finance costs were mainly due to repayment of external bank borrowings.

IMAS's 4Q 2016 net loss was S\$10.6 million as compared to S\$14.2 million profit in 4Q 2015 and was mainly due lower vehicle revenue and revaluation gain on the investment properties. The Group's (excluding IMAS) net profit was S\$187.0 million as compared to S\$28.3 million loss in 4Q 2015. The Consolidated Group's net profit attributable to equity holders of the Company for 4Q 2016 was S\$144.0 million profit as compared to 4Q 2015's S\$57.8 million net loss.

12 months 2016 (FY 2016) vs. 12 months 2015 (FY 2016)

Profit & Loss Statement

IMAS's FY 2016 revenue was S\$1,559.3 million as compared to FY 2015's S\$1,864.6 million. Lower revenue was mainly due to lower passenger vehicle sales and heavy duty truck and equipment sales. The Group (excluding IMAS) registered lower revenue of S\$160.4 million as compared to FY2015's S\$163.5 million and was mainly due to lower revenue from utilities and resort segment. The Consolidated Group's FY 2016 revenue was S\$1,719.7 million, representing 15.2% decline from FY 2015's S\$2,028.1 million.

In line with lower revenue, IMAS's FY 2016 cost of sales was S\$1,283.7 million as compared to S\$1,582.1 million in FY 2015 and the Group (excluding IMAS) FY 2016's cost of sales was S\$128.2 million as compared to FY 2015's S\$133.1 million. Consolidated Group's cost of sales was S\$1,412.0 million, representing 17.7% lower than FY 2015's S\$1,715.2 million. Consequentially, the Group reported a lower gross profit of S\$307.7 million in FY 2016 as compared to S\$312.9 million in FY 2015.

IMAS's FY 2016's "other income" was S\$63.3 million as compared to FY 2015's S\$105.5 million. The difference arises mainly due to one-time gain on disposal of non-core investment, higher sales incentives from car manufacturer and higher revaluation gain on investment properties in FY 2015. The Group's (excluding IMAS) "other income" was S\$219.8 million as compared to FY 2015's S\$7.7 million and the significant increase was mainly to the gain on divestment of MSL. The Consolidated Group's "other income" was S\$232.5 million in FY 2016 as compared to FY 2015's S\$59.0 million. The revaluation gain on investment properties from IMAS was not taken up in the Consolidated Group's level as the Group adopt cost method for investment properties.

IMAS's FY 2016 "general and administrative expenses" was S\$130.9 million as compared to FY 2015's S\$125.5 million. Higher expenses were mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$22.1 million as compared to FY 2015's S\$23.2 million. The Consolidated Group's "general and administrative expenses" was S\$173.8 million as compared to FY 2015's S\$168.4 million.

IMAS's FY 2016 "other operating expenses" was S\$132.6 million as compared to FY 2015's S\$146.7 million. Lower expenses were mainly due to lower cost of packaging and delivery and decrease in provision for impairment on foreclosed assets. The Group's (excluding IMAS) "other operating expenses" was S\$23.3 million as compared to S\$21.6 million in FY 2015 was mainly due to higher manpower costs. The Consolidated Group's "other operating expenses" was S\$155.9 million as compared to FY 2015's S\$168.3 million.

The Consolidated Group's FY 2016 "share of associate's result" was S\$14.4 million loss as compared to FY 2015's S\$26.3 million loss and mainly due to lower losses from associated companies in the automotive segment.

IMAS's FY 2016 "finance costs" was S\$83.7 million as compared to FY 2015's S\$78.4 million. The Group's (excluding IMAS) "finance costs" was S\$49.2 million in FY 2016 as compared to FY 2015's S\$66.8 million. The Consolidated Group's "finance costs" was S\$132.9 million as compared to FY 2015's S\$145.2 million and lower financing cost was mainly due to repayment of external bank borrowings and redemption of April 2016 EMTN amounted to S\$175 million.

IMAS's FY 2016 net loss was S\$33.6 million as compared to S\$2.3 million loss in FY 2015 and was mainly due to lower revaluation gain from investment properties and one-time gain on disposal of non-core investment in the previous period. The Group's (excluding IMAS) net profit was S\$140.8 million as compared to S\$93.1 million loss in FY 2015 and was mainly due to the gain on the divestment of MSL. The Consolidated Group's net profit attributable to equity holders of the Company was S\$71.4 million for FY 2016 as compared to FY 2015's S\$144.9 million net loss.

Balance Sheet

The Group's total assets of S\$4,770.6 million as at 31 December 2016 were S\$7.3 million higher than as at the previous year end. Other non-current assets decreased by S\$150.8 million and was mainly due to the divestment of the Group's non-core investments. Current assets increased by S\$227.2 million to S\$2,303.9 and was mainly due to the increase in trade and other receivables and cash and bank balances arising from financing activities.

The Group's total liabilities of S\$2,906.0 million as at 31 December 2016 were S\$23.0 million lower than as at the previous year end mainly due to the decrease in the trade and other payables. The Group's borrowings and debt securities as at 31 December 2016 were S\$2.4 billion of which S\$1.0 billion relates to IMAS' car rental and financial services business.

Cash Flow Statement

Net cash generated from operating activities was S\$102.1 million as compared to S\$65.1 million last year.

Net cash generated in investing activities was S\$152.8 million and was mainly due to proceeds from divestment of Group's non-core investments. The inflow was partially offset by capital expenditure.

Net cash used in financing activities was S\$37.6 million, was mainly due from repayment of bank borrowings and bonds.

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 poor 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 31 December 2016.

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year.**

Group	Industrial Park		Utilities		Resort operations		Property development		Automotive		Corporate		Elimination		Total	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Business segments																
Operating revenue																
Total sales	39,961	37,487	100,173	104,797	20,291	21,203	-	54	1,559,251	1,864,564	-	-	-	-	1,719,676	2,028,105
Segment results																
(Loss)/Profit from operation	(5,623)	(7,609)	12,811	23,681	(6,449)	(4,320)	(9,580)	(9,643)	5,887	43,778	213,396	(10,723)	-	-	210,442	35,164
Share of associates' results															(14,439)	(26,271)
Finance costs															(132,867)	(145,208)
(Loss)/Profit before taxation															63,136	(136,315)
Taxation															(23,197)	(27,061)
Profit after taxation															39,939	(163,376)
Attributable to:																
Equity holders of the company															71,391	(144,877)
Non-controlling interests															(31,452)	(18,499)
															39,939	(163,376)
Other information																
Segment assets	148,852	206,258	174,715	166,087	37,827	34,586	675,280	697,085	2,851,724	1,644,884	98,694	1,305,818	-	-	3,987,092	4,054,718
Associates															316,505	450,704
Unallocated assets															466,962	257,924
															4,770,559	4,763,346
Segment liabilities	25,369	22,449	45,891	38,677	9,549	5,895	17,041	15,828	1,395,594	1,359,108	15,161	43,703	-	-	1,508,605	1,485,660
Unallocated liabilities															1,397,347	1,443,269
															2,905,952	2,928,929

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Industrial Parks. Industrial parks revenue was higher due to the sales of factory but was offset by lower average rental rates and occupancy rates due depressed manufacturing activities and withdrawal of some factory leases.

Utilities. Utilities related revenue declined by S\$4.6 mil due to lower operating hours in our tenants' facilities and lower tariff charged to resort operators in line with lower fuel cost. However, this segment registered improved gross margin due to lower fuel costs (i.e. lower fuel oil price) and lower operating expenses due to cost saving initiatives.

Resort Operations. Resorts segment registered lower revenue from its ferry operations and rental related revenue. In FY2016, the loss from resorts segment was S\$6.4 million as compared to FY2015's S\$4.3 million.

Property Development. In FY2016, our Property Development business registered a loss of S\$9.6 million as compared to S\$9.6 million loss in FY2015. Higher loss was due to higher operating expenses and absence of resort land sales.

Automotive. Automotive segment registered a lower profit of S\$5.9 million as compared to FY 2015's profit of S\$43.8 million. This was mainly due to lower sales from passenger car, heavy duty equipment and higher facility / showroom rental expenses, manpower costs, and provision for doubtful debts and impairment.

15. A breakdown of sales as follows:

The breakdown of sales of the Group is as follows:

	GROUP		
	Full Year		+ / (-) %
	2016 S\$'000	2015 S\$'000	
(a) Revenue reported for the first half year	898,144	1,067,612	-16%
(b) (Loss) after tax before non-controlling interest reported for the first half year	(48,454)	(55,902)	-13%
(c) Revenue reported for second half year	821,532	960,493	-14%
(d) Profit/(Loss) after tax before non-controlling interest reported for second half year	88,393	(107,474)	N.M

16. A breakdown of the total annual dividends (in dollar value) for the issuer's latest full year and its previous full year as follows:- (a) Ordinary, (b) Preference, and (c) Total

Not applicable.

17. 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 31 December 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		2,740
PT Indormarco Prismaatama Purchases		438
PT Sumalindo Alam Lestari Purchases		203
PT Salim Ivomas Pratama Purchases		124
SALES		
PT Alam Indah Bintan Sales		1,756
PT Indofood Sukses Makmur Tbk Sales		1,657
PT Straits CM Village Sales		849
PT Wolfsburg Auto Indonesia Sales		496
PT Ria Bintan Sales		426
PT Tunas Karya Indoswasta Sales		215
PT Asuransi Central Asia Sales		154
PT Shinhan Indo Finance Sales		111
PT Makmur Karsa Mulia Sales		105
PT Wahana Inti Sela Interest Income		1,591
PT Indomobil Manajemen Corporation Interest Income		139

18. Report of persons occupying managerial positions who are related to a Director, CEO or Substantial Shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Gallant Venture Ltd (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

19. 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
27 FEBRUARY 2017