

**GALLANT VENTURE LTD**

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**Second Quarter 2017 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2017.

**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 2017 S\$'000	2nd Qtr 2016 S\$'000	Incr/ (Decr) %	Half year 2017 S\$'000	Half year 2016 S\$'000	Incr/ (Decr) %
Revenue	431,826	425,920	1	868,700	898,144	(3)
Cost of sales	<b>(343,406)</b>	<b>(350,139)</b>	(2)	<b>(699,399)</b>	<b>(746,744)</b>	(6)
<b>Gross profit</b>	<b>88,420</b>	75,781	17	<b>169,301</b>	151,400	12
Other income	<b>12,529</b>	13,022	(4)	<b>22,808</b>	33,580	(32)
General and administrative expenses	<b>(47,719)</b>	(42,881)	11	<b>(90,771)</b>	(81,159)	12
Other operating expenses	<b>(39,469)</b>	(40,282)	(2)	<b>(77,474)</b>	(77,559)	(0)
Share of associated company's result	<b>(15,285)</b>	(4,800)	218	<b>(30,245)</b>	(3,112)	872
Finance costs	<b>(31,800)</b>	(32,604)	(3)	<b>(64,226)</b>	(67,192)	(4)
<b>Loss before taxation</b>	<b>(33,324)</b>	(31,764)	5	<b>(70,607)</b>	(44,042)	60
Taxation	<b>(6,944)</b>	(1,862)	273	<b>(13,418)</b>	(4,412)	204
<b>Loss after taxation for the period</b>	<b>(40,268)</b>	(33,626)	20	<b>(84,025)</b>	(48,454)	73
<b>Attributable to:</b>						
Equity holders of the Company	<b>(33,572)</b>	(28,647)	17	<b>(72,723)</b>	(44,303)	64
Non-controlling interest	<b>(6,696)</b>	(4,979)	35	<b>(11,302)</b>	(4,151)	172
	<b>(40,268)</b>	(33,626)	20	<b>(84,025)</b>	(48,454)	73

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 2017 S\$'000	2nd Qtr 2016 S\$'000	Incr/ (Decr) %	Half year 2017 S\$'000	Half year 2016 S\$'000	Incr/ (Decr) %
<b>Loss after taxation for the period</b>	<b>(40,268)</b>	(33,626)	20	<b>(84,025)</b>	(48,454)	73
<b>Other comprehensive (expenses)/income:</b>						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	<b>(7,534)</b>	356	N.M	<b>(9,615)</b>	(27,159)	(65)
Net gain on fair value changes of hedging investments entered into for cash flow hedge	<b>(586)</b>	4,770	N.M	<b>(4,450)</b>	1,686	N.M
Foreign currency translation	<b>(3,789)</b>	3,545	N.M	<b>(19,564)</b>	191	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Actuarial losses arising during the period	<b>(143)</b>	(1,114)	(87)	<b>(360)</b>	(166)	117
<b>Other comprehensive expenses</b>	<b>(12,052)</b>	7,557	N.M	<b>(33,989)</b>	(25,448)	34
<b>Total comprehensive expenses</b>	<b>(52,320)</b>	(26,069)	101	<b>(118,014)</b>	(73,902)	60
<b>Attributable to:</b>						
Equity holders of the Company	<b>(41,665)</b>	(23,946)	74	<b>(94,278)</b>	(62,428)	51
Non-controlling interest	<b>(10,655)</b>	(2,123)	402	<b>(23,736)</b>	(11,474)	107
	<b>(52,320)</b>	(26,069)	101	<b>(118,014)</b>	(73,902)	60

N.M. denotes "Not Meaningful"

**Note:**

The exchange rate of S\$1=IDR 9,590 (30 June 2016: S\$1=IDR 9,770) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,481 (30 June 2016: S\$1=IDR 9,747) 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.**

	<b>Group</b>			
	<b>Quarter ended 30 Jun</b>		<b>YTD 30 Jun</b>	
	<b>2nd Qtr</b>	<b>2nd Qtr</b>	<b>Half year</b>	<b>Half year</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	<b>4,079</b>	4,104	<b>8,158</b>	8,209
Depreciation of property, plant and equipment	<b>17,460</b>	20,993	<b>35,916</b>	42,293
Depreciation of investment properties	<b>6,283</b>	6,108	<b>12,560</b>	11,885
Gain on sale of property, plant and equipment	<b>(272)</b>	(23)	<b>(1,305)</b>	(364)
Allowance for impairment loss on trade receivables	<b>2,744</b>	2,276	<b>10,239</b>	9,448
Allowance for inventories obsolescence	<b>166</b>	1,014	<b>58</b>	1,175
Exchange loss / (gain)	<b>1,809</b>	2,232	<b>10,596</b>	(1,499)
Interest Income	<b>(5,386)</b>	(9,926)	<b>(11,068)</b>	(11,211)
Interest Expense	<b>31,800</b>	32,604	<b>64,226</b>	67,192

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	
	30.06.17 S\$'000	31.12.16 S\$'000	30.06.17 S\$'000	31.12.16 S\$'000
<b>Assets</b>				
<b>Non-current</b>				
Intangible assets	740,492	748,650	29	57
Property, plant and equipment	546,743	549,332	397	450
Investment properties	225,152	231,686	-	-
Subsidiaries	-	-	2,536,681	2,536,681
Associates	174,317	233,628	-	-
Financing receivables	539,996	510,359	-	-
Deferred tax assets	41,231	40,025	2,474	2,474
Other non-current assets	138,237	152,918	155	154
	<u>2,406,168</u>	<u>2,466,598</u>	<u>2,539,736</u>	<u>2,539,816</u>
<b>Current</b>				
Land inventories	617,382	612,963	-	-
Other inventories	237,367	217,164	-	-
Financing receivables	447,435	447,139	-	-
Trade and other receivables	702,148	590,924	137,909	135,371
Cash and bank balances	174,403	425,413	729	196,134
	<u>2,178,735</u>	<u>2,293,603</u>	<u>138,638</u>	<u>331,505</u>
<b>Total assets</b>	<u>4,584,903</u>	<u>4,760,201</u>	<u>2,678,374</u>	<u>2,871,321</u>
<b>Equity and liabilities</b>				
Share capital	1,880,154	1,880,154	1,880,154	1,880,154
Accumulated losses	(235,490)	(162,767)	(114,346)	(91,476)
Reserves	(189,409)	(168,281)	80,000	80,000
<b>Equity attributable to equity holders of the Company</b>	<u>1,455,255</u>	<u>1,549,106</u>	<u>1,845,808</u>	<u>1,868,678</u>
<b>Non-controlling interest</b>	<u>289,941</u>	<u>317,711</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>1,745,196</u>	<u>1,866,817</u>	<u>1,845,808</u>	<u>1,868,678</u>
<b>Liabilities</b>				
<b>Non-current</b>				
Borrowings	725,487	634,194	-	-
Debt securities	398,961	634,488	229,319	228,926
Deferred tax liabilities	91,271	94,040	-	-
Employee benefits liabilities	39,958	38,467	-	-
Other non-current liabilities	35,789	33,804	348	348
	<u>1,291,466</u>	<u>1,434,993</u>	<u>229,667</u>	<u>229,274</u>
<b>Current</b>				
Trade and other payables	300,003	278,622	541,147	30,120
Borrowings	1,109,261	1,029,535	-	517,244
Debt securities	118,980	139,262	61,728	224,580
Current tax payable	19,997	10,972	24	1,425
	<u>1,548,241</u>	<u>1,458,391</u>	<u>602,899</u>	<u>773,369</u>
<b>Total liabilities</b>	<u>2,839,707</u>	<u>2,893,384</u>	<u>832,566</u>	<u>1,002,643</u>
<b>Total liabilities and equity</b>	<u>4,584,903</u>	<u>4,760,201</u>	<u>2,678,374</u>	<u>2,871,321</u>

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

	<b>Group</b>	
	<b>30.06.17</b>	31.12.16
	<b>S\$'000</b>	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	<b>1,109,261</b>	1,029,535
Unsecured	<b>118,980</b>	139,262
	<b>1,228,241</b>	1,168,797
(ii) Amount repayable after one year		
Secured	<b>725,487</b>	634,194
Unsecured	<b>398,961</b>	634,488
	<b>1,124,448</b>	1,268,682
<b>TOTAL</b>	<b>2,352,689</b>	2,437,479

(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 2017 S\$'000	2Q 2016 S\$'000	30.06.17 S\$'000	30.06.16 S\$'000
Cash flows from operating activities				
Loss before taxation	<b>(33,324)</b>	(31,764)	<b>(70,607)</b>	(44,042)
Adjustments for:				
Amortisation of intangible assets	<b>4,079</b>	4,104	<b>8,158</b>	8,209
Depreciation of property, plant and equipment	<b>17,460</b>	20,993	<b>35,916</b>	42,293
Depreciation of investment properties	<b>6,283</b>	6,108	<b>12,560</b>	11,885
Allowance for inventories obsolescence	<b>166</b>	1,014	<b>58</b>	1,175
Provision for employee benefits	<b>1,211</b>	1,177	<b>2,401</b>	2,340
Loss on sales of foreclosed assets	<b>9,051</b>	5,314	<b>3,529</b>	5,314
Impairment loss on trade receivables and foreclosed assets	<b>2,744</b>	2,276	<b>10,239</b>	9,448
Gain on sale of property, plant & equipment	<b>(272)</b>	(23)	<b>(1,305)</b>	(364)
Share of associates' results	<b>15,285</b>	4,800	<b>30,245</b>	3,112
Interest expense	<b>31,800</b>	32,604	<b>64,226</b>	67,192
Interest income	<b>(5,386)</b>	(9,926)	<b>(11,068)</b>	(11,211)
Cash from operations before changes in working capital	<b>49,097</b>	36,677	<b>84,352</b>	95,351
Changes in working capital				
Increase in land inventories	<b>(1,999)</b>	(4,955)	<b>(4,419)</b>	(7,777)
Decrease / (increase) in other inventories	<b>34</b>	16,564	<b>(27,742)</b>	1,836
Decrease/ (Increase) in operating receivables	<b>(40,867)</b>	24,582	<b>(169,173)</b>	(51,760)
(Decrease)/ increase/ in operating payables	<b>9,018</b>	(114,292)	<b>129,408</b>	(45,328)
Cash generated from/ (used in) operating activities	<b>15,283</b>	(41,424)	<b>12,426</b>	(7,678)
Income tax paid	<b>(14,927)</b>	(18,327)	<b>(39,214)</b>	(44,647)
Employee benefits paid	<b>(450)</b>	(397)	<b>(666)</b>	(549)
Interest paid	<b>(69,892)</b>	(32,644)	<b>(131,720)</b>	(96,040)
Interest received	<b>216</b>	3,890	<b>7,789</b>	6,869
Deposits (refunded to) / collected from tenants/golf members	<b>101</b>	(136)	<b>(4,275)</b>	(126)
<b>Net cash used in operating activities</b>	<b>(69,669)</b>	(89,038)	<b>(155,660)</b>	(142,171)
Cash flows from investing activities				
Acquisition of property, plant and equipment	<b>(25,030)</b>	(12,116)	<b>(58,814)</b>	(35,766)
Acquisition of intangible assets	<b>-</b>	-	<b>(1)</b>	(3)
Acquisition of investment properties	<b>(6,268)</b>	(1,993)	<b>(11,877)</b>	(3,717)
Addition in investment in shares stock	<b>(8,142)</b>	-	<b>(8)</b>	(2,059)
Proceeds from sale of property, plant and equipment	<b>2,075</b>	300	<b>4,004</b>	2,942
Proceeds from disposal of other investment	<b>7,820</b>	194,760	<b>7,820</b>	194,760
Dividend from associates	<b>5,337</b>	-	<b>5,337</b>	-
Interest received on and proceeds from / (placement) of restricted cash and time deposits	<b>87</b>	(346)	<b>605</b>	(346)
<b>Net cash (used in)/ generated from investing activities</b>	<b>(24,121)</b>	180,605	<b>(52,934)</b>	155,811

- 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)*

	<b>Group</b>			
	<b>Quarter ended</b>		<b>Half year ended</b>	
	<b>2Q 2017</b>	<b>2Q 2016</b>	<b>30.06.17</b>	<b>30.06.16</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	-	(2,878)
Proceeds from additional capital stock contribution of non-controlling interests	<b>(207)</b>	51	<b>1,252</b>	4,466
Repayment to other financing activities	<b>(165,863)</b>	(177,136)	<b>(271,243)</b>	(175,556)
Proceeds from bank borrowings	<b>263,220</b>	565,686	<b>995,318</b>	1,019,026
Repayment of bank borrowings	<b>(280,358)</b>	(534,195)	<b>(915,779)</b>	(984,548)
Proceeds from issuance of bonds and shares	<b>114,506</b>	-	<b>157,519</b>	152,593
Dividends paid to non-controlling interest	<b>(4,761)</b>	(2,531)	<b>(4,761)</b>	(2,794)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(73,463)</b>	(148,125)	<b>(37,694)</b>	10,309
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(167,253)</b>	(56,558)	<b>(246,288)</b>	23,949
Cash and cash equivalents at beginning of period	<b>342,314</b>	281,107	<b>425,413</b>	201,921
Effect of currency translation on cash and cash equivalent	<b>(658)</b>	95	<b>(4,722)</b>	(1,226)
Cash and cash equivalent at end of period	<b>174,403</b>	224,644	<b>174,403</b>	224,644

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 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	-	-	-	-	-	-	(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)	(43,576)	4,598	(29,233)	3,577	(250,580)	1,459,169	330,003	1,789,172
(Loss) for the period	-	-	-	-	-	-	(28,647)	(28,647)	(4,979)	(33,626)
Other comprehensive income/(expenses)	-	-	2,069	3,410	253	(1,031)	-	4,701	2,856	7,557
Total comprehensive income/(expenses) 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)	(41,507)	8,008	(28,980)	2,546	(279,227)	1,435,223	325,393	1,760,616



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 2017:

	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 2017	1,880,154	(105,771)	(52,319)	4,371	(19,698)	5,136	(162,767)	1,549,106	317,711	1,866,817
(Loss) for the period	-	-	-	-	-	-	(39,151)	(39,151)	(4,606)	(43,757)
Other comprehensive (expenses)/income	-	-	(9,443)	(2,767)	(1,481)	229	-	(13,462)	(8,475)	(21,937)
Total comprehensive (expenses)/income for the period	-	-	(9,443)	(2,767)	(1,481)	229	(39,151)	(52,613)	(13,081)	(65,694)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	576	-	576	965	1,541
Balance as at 31 March 2017	1,880,154	(105,771)	(61,762)	1,604	(21,179)	5,941	(201,918)	1,497,069	305,595	1,802,664
(Loss) for the period	-	-	-	-	-	-	(33,572)	(33,572)	(6,696)	(40,268)
Other comprehensive (expenses)/income	-	-	(2,298)	(436)	(5,359)	-	-	(8,093)	(3,959)	(12,052)
Total comprehensive (expenses)/income for the period	-	-	(2,298)	(436)	(5,359)	-	(33,572)	(41,665)	(10,655)	(52,320)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(149)	-	(149)	(4,999)	(5,148)
Balance as at 30 June 2017	1,880,154	(105,771)	(64,060)	1,168	(26,538)	5,792	(235,490)	1,455,255	289,941	1,745,196

- 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 2017:**

	<b>Share Capital S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Balance as at 1 January 2016	1,880,154	80,000	(122,339)	1,837,815
Total comprehensive expense for the period	-	-	(15,627)	(15,627)
Balance as at 31 March 2016	1,880,154	80,000	(137,966)	1,822,188
Total comprehensive expense for the period	-	-	33,861	33,861
Balance as at 30 June 2016	1,880,154	80,000	(104,105)	1,856,049
<b>Balance as at 1 January 2017</b>	<b>1,880,154</b>	<b>80,000</b>	<b>(91,476)</b>	<b>1,868,678</b>
<b>Total comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>(12,118)</b>	<b>(12,118)</b>
<b>Balance as at 31 March 2017</b>	<b>1,880,154</b>	<b>80,000</b>	<b>(103,594)</b>	<b>1,856,560</b>
<b>Total comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>(10,752)</b>	<b>(10,752)</b>
<b>Balance as at 30 June 2017</b>	<b>1,880,154</b>	<b>80,000</b>	<b>(114,346)</b>	<b>1,845,808</b>

- 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:

	<b>As at 30 Jun 2017</b>	<b>As at 30 Jun 2016</b>
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 2017 and 30 June 2016 were 4,824,965,112. The company does not hold any treasury shares as at 30 June 2017 and 30 June 2016.

- 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 2016.

- 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 2017). 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:

	<b>Group</b>			
	<b>2nd Qtr 2017</b>	<b>2nd Qtr 2016</b>	<b>Half year 2017</b>	<b>Half year 2016</b>
Net (loss) / income attributable to equity owners of the Company (S\$'000)	<b>(33,572)</b>	(28,647)	<b>(72,723)</b>	(44,303)
(i) Based on the weighted average number of ordinary shares on issue (cents)	<b>(0.696)</b>	(0.594)	<b>(1.507)</b>	(0.918)
(ii) On a fully diluted basis (cents) <sup>(1)</sup>	<b>(0.696)</b>	(0.594)	<b>(1.507)</b>	(0.918)

<sup>(1)</sup> The conversion right of convertible bond has not been included in the calculation of diluted loss per shares 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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.17</b>	<b>30.06.16</b>	<b>30.06.17</b>	<b>30.06.16</b>
Net asset value per ordinary share	<b>30.16 cents</b>	29.75 cents	<b>38.26 cents</b>	38.48 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 2017 and 30 June 2016.

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 2017 (2Q 2017) vs. 2nd Quarter 2016 (2Q 2016)**

##### **Profit & Loss Statement**

IMAS's 2Q 2017 revenue was S\$392.5 million as compared to S\$387.5 million in 2Q 2016. Higher revenue was mainly due to higher financial services and car rental related income. The Group (excluding IMAS) registered marginally higher revenue of S\$39.3 million as compared to S\$38.5 million in the previous period and was mainly due to higher revenue from utilities and resort segment but partially offset by lower revenue from the industrial parks. The Consolidated Group revenue was S\$431.8 million, 1.4% higher than 2Q 2016's S\$425.9 million.

IMAS's 2Q 2017 cost of sales was S\$310.0 million as compared to S\$317.4 million in 2Q 2016. The Group's (excluding IMAS) cost of sales was S\$33.4 million as compared to S\$32.7 million in 2Q 2016. Accordingly, the Consolidated Group's cost of sales decreased from S\$350.1 million in 2Q 2016 to 2Q 2017's S\$343.4 million.

The Consolidated Group's gross profit was S\$88.4 million in 2Q 2017 as compared to S\$75.8 million in 2Q 2016 and was mainly due to contribution from higher margin vehicle servicing and financial services in the automotive segment.

IMAS's 2Q 2017 "other income" was S\$14.1 million as compared to S\$10.4 million in 2Q 2016 and was mainly due to higher interest income and lower foreign exchange loss as compared to the previous period. The Group's (excluding IMAS) "other income" was S\$1.6 million expenses as compared to S\$2.6 million income in 2Q 2016 and was mainly due to the unrealised foreign exchange loss from USD denominated receivables and bank balances. Accordingly, the Consolidated Group's "other income" was S\$12.5 million in 2Q 2017 as compared to 2Q 2016's S\$13.0 million.

IMAS's 2Q 2017 "general and administrative expenses" was S\$38.9 million as compared to S\$32.6 million in 2Q 2016. Higher expenses were mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$3.6 million as compared to 2Q 2016's S\$5.2 million and was mainly due to higher salary related expenses and professional fees in the previous period. The Consolidated Group's "general and administrative expenses" was S\$47.7 million as compared to 2Q 2016's S\$42.9 million.

IMAS's 2Q 2017 "other operating expenses" was S\$32.9 million as compared to 2Q 2016's S\$34.5 million. Lower expenses were mainly due to lower sales related expenses. The Group's (excluding IMAS) "other operating expenses" was S\$6.6 million as compared to 2Q 2016's S\$5.8 million and was mainly due to higher depreciation and repair and maintenance expenses. The Consolidated Group's "other operating expenses" was S\$39.5 million as compared to 2Q 2016's S\$40.3 million.

The Consolidated Group's 2Q 2017 "share of associated companies' result" was S\$15.3 million loss as compared to 2Q 2016's S\$4.8 million loss and was mainly due to higher losses from the automotive associated companies.

IMAS's 2Q 2017 "finance costs" was S\$22.7 million as compared to 2Q 2016's S\$19.9 million and the Group's (excluding IMAS) "finance costs" was S\$9.1 million as compared to 2Q 2016's S\$12.7 million. The Consolidated Group's "finance costs" was S\$31.8 million as compared to S\$32.6 million in 2Q 2016 and was mainly due to repayment of external bank borrowings and partial early redemption of the Company's 2017 EMTN.

IMAS's 2Q 2017 net loss was S\$18.1 million as compared to S\$11.8 million in 2Q 2016 and was mainly due to increased losses from its associated companies. The Group's (excluding IMAS) net loss was S\$17.9 million as compared to S\$17.7 million loss in 2Q 2016. The Consolidated Group's net loss attributable to equity holders of the Company was S\$33.6 million for 2Q 2017 as compared to 2Q 2016's S\$28.6 million net loss.

## **Half Year 2017 (1H 2017) vs. Half Year 2016 (1H 2016)**

### **Profit & Loss Statement**

IMAS's 1H 2017 revenue was S\$790.6 million as compared to S\$821.1 million in 1H 2016. Lower revenue was mainly due to lower passenger vehicle sales. The Group (excluding IMAS) registered higher revenue of S\$78.1 million as compared to S\$77.0 million in 1H 2016 and was mainly due to higher revenue from resort segment. The Consolidated Group revenue was S\$868.7 million, representing 3.3% lower than 1H 2016's S\$898.1 million.

In line with the revenue, IMAS's 1H 2017 cost of sales was S\$633.2 million as compared to previous period's S\$682.5 million. The Group's (excluding IMAS) cost of sales was S\$66.2 million as compared to S\$64.2 million in 1H 2016. Accordingly, the Consolidated Group's cost of sales decreased from S\$746.7 million in 1H 2016 to 1H 2017's S\$699.4 million. The Consolidated Group registered a higher gross profit of S\$169.3 million in 1H 2017 as compared to S\$151.4 million in 1H 2016 and was mainly due to contributions from higher margin vehicle servicing and financial services in the automotive segment.

IMAS's 1H 2017 "other income" was S\$29.5 million as compared to S\$26.6 million in 1H 2016 and was mainly due to higher interest income. The Group's (excluding IMAS) "other income" was S\$6.7 million expenses as compared to S\$6.9 million income in 1H 2016 and was mainly due to the unrealised foreign exchange loss on the USD denominated receivables and bank balances. Accordingly, the Consolidated Group's "other income" was S\$22.8 million in 1H 2017 as compared to 1H 2016's S\$33.6 million.

IMAS's 1H 2017 "general and administrative expenses" was S\$71.9 million as compared to S\$62.0 million in 1H 2016. Higher expenses were mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$8.3 million as compared to 1H 2016's S\$8.9 million and was mainly due to lower manpower costs. The Consolidated Group's "general and administrative expenses" was S\$90.8 million as compared to 1H 2016's S\$81.1 million.

IMAS's 1H 2017 "other operating expenses" was S\$64.8 million as compared to 1H 2016's S\$66.6 million. Lower expenses were mainly due to lower depreciation and packing and delivery expenses. The Group's (excluding IMAS) "other operating expenses" was S\$12.7 million as compared to S\$10.9 million in 1H 2016 and was mainly due to higher depreciation and repair and maintenance expenses. The Consolidated Group's "other operating expenses" was S\$77.5 million as compared to 1H 2016's S\$77.6 million.

The Consolidated Group's 1H 2017 "share of associate's results" was S\$30.2 million loss as compared to 1H 2016's S\$3.1 million loss and was mainly due to higher losses from automotive associated companies.

IMAS's 1H 2017 "finance costs" was S\$44.2 million as compared to S\$40.2 million in 1H 2016 and the Group's (excluding IMAS) "finance costs" was S\$20.0 million as compared to S\$27.0 million in 1H 2016. The Consolidated Group's "finance costs" was S\$64.2 million as compared to S\$67.2 million in 1H 2016 and was mainly due to repayment of external bank borrowings and early partial redemption of the Company 2017 EMTN.

IMAS's 1H 2017 net loss was S\$33.5 million as compared to S\$7.8 million loss in 1H 2016 and was mainly due to the losses from its associated companies. The Group's (excluding IMAS) net loss was S\$42.0 million as compared to S\$32.4 million loss in 1H 2016 and was mainly due to the foreign currency exchange loss. The Consolidated Group's net loss attributable to equity holders of the Company was S\$72.3 million for 1H 2017 as compared to 1H 2016's S\$44.3 million net loss.

### **Balance Sheet**

The Group's total assets of S\$4,584.9 million as at 30 June 2017 were S\$175.3 million lower than as at the previous year end. Other non-current assets decreased by S\$14.7 million mainly due to the decline in value of the Group's quoted equity investments. Current assets decreased by S\$114.9 million to S\$2,178.7 million mainly due to cash and bank balances used for repayment of borrowings during the year.

The Group's total liabilities of S\$2,839.7 million as at 30 June 2017 were S\$53.6 million lower than as at the previous year-end and was mainly due to the decreased in borrowings and debt securities. The Group's borrowings and debt securities as at 30 June 2017 were S\$2.4 billion of which S\$1.1 billion relates to IMAS' car rental and financial services business.

### **Cash Flow Statement**

Net cash used in operating activities was S\$155.7 million as compared to S\$142.2 million in the previous period.

Net cash used in investing activities was S\$52.9 million and was mainly due to capital expenditure.

Net cash used in financing activities was S\$37.7 million mainly due to the repayment 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, heavy duty truck and equipment businesses continue to remain weak, we witnessed gradual improvement as compared to the previous period. With the increased infrastructure spending by the Indonesian Government, we are hopeful that this will contribute positively to our automotive segment. Growth in our financing services and vehicle servicing businesses continue to contribute positively to IMAS.

The refocusing of our industrial parks business continues. The utilities business has benefited from lower energy prices that may not continue and affected by recent volatility. We continue to pursue tourist arrival growth and 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 June 2017.

**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 2017 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
<b>PURCHASES</b>		
<b>PT Mentari Subur Abadi</b> Purchases		193
<b>PT Sumalindo Alam Lestari</b> Purchases		169
<b>PT Adijaya Mulia</b> Purchases		133
<b>SALES</b>		
<b>PT Prima Sarana Gemilang</b> Sales		2,986
<b>PT Laju Perdana Indah</b> Sales		1,219
<b>PT Wahana Inti Sela</b> Interest Income		1,063
<b>PT Hamfred Technology Indonesia</b> Interest Income		674
<b>PT Shinhan Indo Finance</b> Rental Income		279
<b>PT Tunas Karya Indoswasta</b> Sales		218
<b>PT Alam Indah Bintang</b> Sales		879

**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  
11 AUGUST 2017



**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 2017 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: 11 AUGUST 2017