

## GALLANT VENTURE LTD

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### Third Quarter 2017 Financial Statements and Dividend Announcement

#### UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 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 September			YTD 30 September		
	3rd Qtr 2017 S\$'000	3rd Qtr 2016 S\$'000	Incr/ (Decr) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Incr/ (Decr) %
Revenue	437,004	389,766	12	1,305,704	1,287,910	1
Cost of sales	(354,653)	(318,105)	11	(1,054,052)	(1,064,849)	(1)
<b>Gross profit</b>	<b>82,351</b>	<b>71,661</b>	<b>15</b>	<b>251,652</b>	<b>223,061</b>	<b>13</b>
Other income	15,284	11,360	35	38,092	44,940	(15)
General and administrative expenses	(45,190)	(41,950)	8	(135,961)	(123,109)	10
Other operating expenses	(38,042)	(38,056)	(0)	(115,516)	(115,615)	(0)
Share of associated company's result	(13,286)	(2,907)	357	(43,531)	(6,019)	623
Finance costs	(30,494)	(32,149)	(5)	(94,720)	(99,341)	(5)
<b>Loss before taxation</b>	<b>(29,377)</b>	<b>(32,041)</b>	<b>(8)</b>	<b>(99,984)</b>	<b>(76,083)</b>	<b>31</b>
Taxation	(6,243)	(3,013)	107	(19,661)	(7,425)	165
<b>Loss after taxation for the period</b>	<b>(35,620)</b>	<b>(35,054)</b>	<b>2</b>	<b>(119,645)</b>	<b>(83,508)</b>	<b>43</b>
<b>Attributable to:</b>						
Equity holders of the Company	(29,901)	(28,286)	6	(102,624)	(72,589)	41
Non-controlling interest	(5,719)	(6,768)	(15)	(17,021)	(10,919)	56
	<b>(35,620)</b>	<b>(35,054)</b>	<b>2</b>	<b>(119,645)</b>	<b>(83,508)</b>	<b>43</b>

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 2017 S\$'000	3rd Qtr 2016 S\$'000	Incr/ (Decr) %	YTD Sep 2017 S\$'000	YTD Sep 2016 S\$'000	Incr/ (Decr) %
<b>Loss after taxation for the period</b>	<b>(35,620)</b>	(35,054)	2	<b>(119,645)</b>	(83,508)	43
<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>(1,887)</b>	(3,663)	(48)	<b>(11,502)</b>	(30,822)	(63)
Net gain on fair value changes of hedging investments entered into for cash flow hedge	<b>(1,785)</b>	261	N.M	<b>(6,235)</b>	1,947	N.M
Foreign currency translation	<b>(19,365)</b>	15,184	N.M	<b>(38,929)</b>	15,375	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Actuarial losses arising during the period	<b>(286)</b>	199	N.M	<b>(646)</b>	33	N.M
<b>Other comprehensive expenses</b>	<b>(23,323)</b>	11,981	N.M	<b>(57,312)</b>	(13,467)	326
<b>Total comprehensive expenses</b>	<b>(58,943)</b>	<b>(23,073)</b>	155	<b>(176,957)</b>	<b>(96,975)</b>	82
<b>Attributable to:</b>						
Equity holders of the Company	<b>(43,952)</b>	(21,553)	104	<b>(138,230)</b>	(83,981)	65
Non-controlling interest	<b>(14,991)</b>	(1,520)	886	<b>(38,727)</b>	(12,994)	198
	<b>(58,943)</b>	<b>(23,073)</b>	155	<b>(176,957)</b>	<b>(96,975)</b>	82

N.M. denotes "Not Meaningful"

**Note:**

The exchange rate of S\$1=IDR 9,926 (30 September 2016: S\$1=IDR 9,522) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,569 (30 September 2016: S\$1=IDR 9,746) 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 Sep</b>		<b>YTD 30 Sep</b>	
	<b>3rd Qtr 2017</b>	<b>3rd Qtr 2016</b>	<b>YTD Sep 2017</b>	<b>YTD Sep 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	<b>4,074</b>	4,110	<b>12,232</b>	12,319
Depreciation of property, plant and equipment	<b>19,005</b>	21,639	<b>54,921</b>	63,932
Depreciation of investment properties	<b>6,530</b>	5,779	<b>19,090</b>	17,664
Gain on sale of property, plant and equipment	<b>(719)</b>	(29)	<b>(2,024)</b>	(393)
Allowance for impairment loss on trade receivables	<b>16,099</b>	8,030	<b>26,338</b>	17,478
Allowance for inventories obsolescence	<b>114</b>	-	<b>172</b>	1,175
Exchange loss / (gain)	<b>2,144</b>	1,262	<b>12,740</b>	(237)
Interest Income	<b>(5,276)</b>	(4,189)	<b>(16,344)</b>	(15,400)
Interest Expense	<b>30,494</b>	32,149	<b>94,720</b>	99,341

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	
	30.09.17 S\$'000	31.12.16 S\$'000	30.09.17 S\$'000	31.12.16 S\$'000
<b>Assets</b>				
<b>Non-current</b>				
Intangible assets	736,423	748,650	19	57
Property, plant and equipment	558,733	549,332	368	450
Investment properties	237,796	231,686	-	-
Subsidiaries	-	-	2,537,379	2,536,681
Associates	155,058	233,628	-	-
Financing receivables	512,614	510,359	-	-
Deferred tax assets	40,135	40,025	2,474	2,474
Other non-current assets	134,740	152,918	155	154
	<u>2,375,499</u>	<u>2,466,598</u>	<u>2,540,395</u>	<u>2,539,816</u>
<b>Current</b>				
Land inventories	595,614	612,963	-	-
Other inventories	248,483	217,164	-	-
Financing receivables	429,946	447,139	-	-
Trade and other receivables	552,350	590,924	8,490	135,371
Cash and bank balances	230,478	425,413	3,377	196,134
	<u>2,056,871</u>	<u>2,293,603</u>	<u>11,867</u>	<u>331,505</u>
<b>Total assets</b>	<u>4,432,370</u>	<u>4,760,201</u>	<u>2,552,262</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	(265,391)	(162,767)	(107,348)	(91,476)
Reserves	(203,321)	(168,281)	80,000	80,000
<b>Equity attributable to equity holders of the Company</b>	<u>1,411,442</u>	<u>1,549,106</u>	<u>1,852,806</u>	<u>1,868,678</u>
<b>Non-controlling interest</b>	<u>274,712</u>	<u>317,711</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>1,686,154</u>	<u>1,866,817</u>	<u>1,852,806</u>	<u>1,868,678</u>
<b>Liabilities</b>				
<b>Non-current</b>				
Borrowings	662,853	634,194	-	-
Debt securities	415,288	634,488	229,540	228,926
Deferred tax liabilities	90,037	94,040	-	-
Employee benefits liabilities	40,323	38,467	-	-
Other non-current liabilities	32,482	33,804	348	348
	<u>1,240,983</u>	<u>1,434,993</u>	<u>229,888</u>	<u>229,274</u>
<b>Current</b>				
Trade and other payables	345,220	278,622	469,531	30,120
Borrowings	1,051,078	1,029,535	-	517,244
Debt securities	83,746	139,262	-	224,580
Current tax payable	25,189	10,972	37	1,425
	<u>1,505,233</u>	<u>1,458,391</u>	<u>469,568</u>	<u>773,369</u>
<b>Total liabilities</b>	<u>2,746,216</u>	<u>2,893,384</u>	<u>699,456</u>	<u>1,002,643</u>
<b>Total liabilities and equity</b>	<u>4,432,370</u>	<u>4,760,201</u>	<u>2,552,262</u>	<u>2,871,321</u>

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

	<b>Group</b>	
	<b>30.09.17</b>	<b>31.12.16</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(i) Amount payable in one year or less, or on demand		
Secured	<b>1,051,078</b>	1,029,535
Unsecured	<b>83,746</b>	139,262
	<b>1,134,824</b>	1,168,797
(ii) Amount repayable after one year		
Secured	<b>662,853</b>	634,194
Unsecured	<b>415,288</b>	634,488
	<b>1,078,141</b>	1,268,682
<b>TOTAL</b>	<b>2,212,965</b>	<b>2,437,479</b>

(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 2017 S\$'000	3Q 2016 S\$'000	30.09.17 S\$'000	30.09.16 S\$'000
Cash flows from operating activities				
Loss before taxation	(29,377)	(32,041)	(99,984)	(76,083)
Adjustments for:				
Amortisation of intangible assets	4,074	4,110	12,232	12,319
Depreciation of property, plant and equipment	19,005	21,639	54,921	63,932
Depreciation of investment properties	6,530	5,779	19,090	17,664
Allowance for inventories obsolescence	114	-	172	1,175
Provision for employee benefits	1,182	887	3,583	3,227
Loss on sales of foreclosed assets	3,128	4,805	6,657	10,119
Impairment loss on trade receivables and foreclosed assets	16,099	8,030	26,338	17,478
Gain on sale of property, plant & equipment	(719)	(29)	(2,024)	(393)
Share of associates' results	13,286	2,907	43,531	6,019
Interest expense	30,494	32,149	94,720	99,341
Interest income	(5,276)	(4,189)	(16,344)	(15,400)
Cash from operations before changes in working capital	58,540	44,047	142,892	139,398
Changes in working capital				
Decrease / (increase) in land inventories	4,419	(2,973)	-	(10,750)
(Increase) / Decrease in other inventories	(17,743)	21,841	(45,485)	23,677
Decrease / (increase) in operating receivables	114,486	(109,478)	(54,687)	(161,238)
Increase in operating payables	103,719	129,994	233,127	84,666
Cash generated from operating activities	263,421	83,431	275,847	75,753
Income tax paid	(19,550)	(18,392)	(58,764)	(63,039)
Employee benefits paid	(88)	(131)	(754)	(680)
Interest paid	(19,134)	(41,870)	(150,854)	(137,910)
Interest received	5,223	4,067	13,012	10,936
Deposits (refunded to) tenants/golf members	(181)	(559)	(4,456)	(685)
<b>Net cash generated from / (used in) operating activities</b>	<b>229,691</b>	<b>26,546</b>	<b>74,031</b>	<b>(115,625)</b>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(31,954)	(22,294)	(90,768)	(58,060)
Acquisition of intangible assets	(6)	(51)	(7)	(54)
Acquisition of investment properties	(9,163)	(2,355)	(21,040)	(6,072)
Addition in investment in shares stock	(544)	(56,845)	(552)	(58,904)
Proceeds from sale of property, plant and equipment	1,272	2,113	5,276	5,055
Proceeds from disposal of other investment	-	-	7,820	194,760
Dividends from associated companies	1,103	160	6,440	160
Interest received on and proceeds from / (placement) of restricted cash and time deposits	(1,281)	542	(676)	196
<b>Net cash (used in) / generated from investing activities</b>	<b>(40,573)</b>	<b>(78,730)</b>	<b>(93,507)</b>	<b>77,081</b>

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>YTD</b>	
	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>30.09.17</b>	<b>30.09.16</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>757</b>	(785)	<b>2,009</b>	3,681
Repayment to other financing activities	<b>(80,079)</b>	(99,526)	<b>(351,322)</b>	(277,147)
Proceeds from bank borrowings	<b>554,686</b>	418,246	<b>1,550,004</b>	1,439,337
Repayment of bank borrowings	<b>(672,435)</b>	(283,926)	<b>(1,588,214)</b>	(1,268,474)
Proceeds from issuance of bonds and shares	<b>68,013</b>	-	<b>225,532</b>	152,593
Dividends paid to non-controlling interest	<b>(49)</b>	(357)	<b>(4,810)</b>	(3,151)
<b>Net cash (used in) / generated from financing activities</b>	<b>(129,107)</b>	33,652	<b>(166,801)</b>	43,961
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>60,011</b>	(18,532)	<b>(186,277)</b>	5,417
Cash and cash equivalents at beginning of period	<b>174,403</b>	224,644	<b>425,413</b>	201,921
Effect of currency translation on cash and cash equivalent	<b>(3,936)</b>	3,661	<b>(8,658)</b>	2,435
Cash and cash equivalent at end of period	<b>230,478</b>	209,773	<b>230,478</b>	209,773

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 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	-	-	-	-	-	-	(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)	(41,507)	8,008	(28,980)	2,546	(279,227)	1,435,223	325,393	1,760,616
(Loss) for the period	-	-	-	-	-	-	(28,286)	(28,286)	(6,768)	(35,054)
Other comprehensive income/(expenses)	-	-	8,987	187	(2,605)	164	-	6,733	5,248	11,981
Total comprehensive income/(expenses) 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)	(32,520)	8,195	(31,585)	624	(307,513)	1,411,584	321,246	1,732,830



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 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	-	-	-	-	-	-	(72,723)	(72,723)	(11,302)	(84,025)
Other comprehensive (expenses)/income	-	-	(11,741)	(3,203)	(6,840)	229	-	(21,555)	(12,434)	(33,989)
Total comprehensive (expenses)/income for the period	-	-	(11,741)	(3,203)	(6,840)	229	(72,723)	(94,278)	(23,736)	(118,014)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	427	-	427	(4,034)	(3,607)
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
(Loss) for the period	-	-	-	-	-	-	(29,901)	(29,901)	(5,719)	(35,620)
Other comprehensive (expenses)	-	-	(11,451)	(1,258)	(1,342)	-	-	(14,051)	(9,272)	(23,323)
Total comprehensive (expenses) for the period	-	-	(11,451)	(1,258)	(1,342)	-	(29,901)	(43,952)	(14,991)	(58,943)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(413)	(413)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	139	-	139	175	314
Balance as at 30 September 2017	1,880,154	(105,771)	(75,511)	(90)	(27,880)	5,931	(265,391)	1,411,442	274,712	1,686,154

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 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 income for the period	-	-	18,234	18,234
Balance as at 30 June 2016	1,880,154	80,000	(104,105)	1,856,049
Total comprehensive income for the period	-	-	8,691	8,691
Balance as at 30 September 2016	1,880,154	80,000	(95,414)	1,864,740
<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>(22,870)</b>	<b>(22,870)</b>
Balance as at 30 June 2017	1,880,154	80,000	(114,346)	1,845,808
Total comprehensive income for the period	-	-	6,998	6,998
Balance as at 30 September 2017	1,880,154	80,000	(107,348)	1,852,806

- 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 Sep 2017</b>	<b>As at 30 Sep 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 September 2017 and 30 September 2016 were 4,824,965,112. The company does not hold any treasury shares as at 30 September 2017 and 30 September 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>3rd Qtr 2017</b>	<b>3rd Qtr 2016</b>	<b>YTD Sep 2017</b>	<b>YTD Sep 2016</b>
Net loss attributable to equity owners of the Company (S\$'000)	<b>(29,901)</b>	(28,286)	<b>(102,624)</b>	(72,589)
(i) Based on the weighted average number of ordinary shares on issue (cents)	<b>(0.620)</b>	(0.586)	<b>(2.127)</b>	(1.504)
(ii) On a fully diluted basis (cents) <sup>(1)</sup>	<b>(0.620)</b>	(0.586)	<b>(2.127)</b>	(1.504)

<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>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>
Net asset value per ordinary share	<b>29.25 cents</b>	29.26 cents	<b>38.40 cents</b>	38.65 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 2017 and 30 September 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.**

### **3rd Quarter 2017 (3Q 2017) vs. 3rd Quarter 2016 (3Q 2016)**

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

IMAS's 3Q 2017 revenue was S\$396.6 million as compared to S\$351.7 million in 3Q 2016. Higher revenue was mainly due to higher trucks and heavy duty equipment sales and car rental related income. The Group (excluding IMAS) registered higher revenue of S\$40.4 million as compared to S\$38.1 million in the previous period and was mainly due to higher revenue from utilities and resort segment. The Consolidated Group revenue was S\$437.0 million, 12.1% higher than 3Q 2016's S\$389.8 million.

IMAS's 3Q 2017 cost of sales was S\$321.8 million as compared to S\$287.5 million in 3Q 2016. The Group's (excluding IMAS) cost of sales was S\$32.8 million as compared to S\$30.6 million in 3Q 2016. In line with the revenue, the Consolidated Group's cost of sales increased from S\$318.1 million in 3Q 2016 to 3Q 2017's S\$354.7 million. The Consolidated Group's cost of sales to revenue ratio was 0.81 in 3Q 2017 as compared to 0.82 in 3Q 2016. The Consolidated Group's gross profit was S\$82.4

million in 3Q 2017 as compared to S\$71.7 million in 3Q 2016 and was in line with higher revenue.

IMAS's 3Q 2017 "other income" was S\$15.9 million as compared to S\$10.3 million in 3Q 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\$0.4 million income as compared to S\$3.1 million income in 3Q 2016 and was mainly due to the foreign exchange loss on the USD final proceeds from the divestment of the Shanghai Lao Xi Men Project. The Consolidated Group's "other income" was S\$15.3 million in 3Q 2017 as compared to 3Q 2016's S\$11.4 million.

IMAS's 3Q 2017 "general and administrative expenses" was S\$36.0 million as compared to S\$32.7 million in 3Q 2016. Higher expenses were mainly due to higher manpower costs and rental expenses. The Group's (excluding IMAS) "general and administrative expenses" was S\$4.0 million as compared to 3Q 2016's S\$4.1 million. The Consolidated Group's "general and administrative expenses" was S\$45.2 million as compared to 3Q 2016's S\$41.9 million.

IMAS's 3Q 2017 "other operating expenses" was S\$32.0 million as compared to 3Q 2016's S\$32.1 million. The Group's (excluding IMAS) "other operating expenses" was S\$6.1 million as compared to 3Q 2016's S\$6.0 million. The Consolidated Group's "other operating expenses" was S\$38.0 million as compared to 3Q 2016's S\$38.1 million.

The Consolidated Group's 3Q 2017 "share of associated companies' result" was S\$13.3 million loss as compared to 3Q 2016's S\$2.9 million loss and was mainly due to higher losses from the automotive associated companies.

IMAS's 3Q 2017 "finance costs" was S\$23.2 million as compared to 3Q 2016's S\$21.1 million and the Group's (excluding IMAS) "finance costs" was S\$7.3 million as compared to 3Q 2016's S\$11.0 million. The Consolidated Group's "finance costs" was S\$30.5 million as compared to S\$32.1 million in 3Q 2016 and was mainly due to repayment of external bank borrowings and redemption of the Company's 2017 EMTN.

IMAS's 3Q 2017 net loss was S\$17.3 million as compared to S\$15.1 million net loss in 3Q 2016 and was mainly due to the losses from its associated companies. The Group's (excluding IMAS) net loss was S\$13.0 million as compared to S\$13.8 million loss in 3Q 2016. The Consolidated Group's net loss attributable to equity holders of the Company was S\$29.9 million for 3Q 2017 as compared to 3Q 2016's S\$28.3 million.

## **9 Months 2017 (YTD Sep 2017) vs. 9 Months 2016 (YTD Sep 2016)**

### **Profit & Loss Statement**

IMAS's YTD Sep 2017 revenue was S\$1,187.2 million as compared to S\$1,172.8 million in the previous period. Higher revenue was mainly due to higher trucks and heavy duty equipment sales, financial services and car rental related income. The Group (excluding IMAS) registered higher revenue of S\$118.5 million as compared to S\$115.1 million in YTD Sep 2016 and was mainly due higher revenue from utilities and resort segment. The Consolidated Group revenue was S\$1,305.7 million, representing 1.4% higher than YTD Sep 2016's S\$1,287.9 million.

IMAS's YTD Sep 2017 cost of sales was S\$955.0 million as compared to previous period's S\$970.0 million. The Group's (excluding IMAS) cost of sales was S\$99.1 million as compared to S\$94.8 million in YTD Sep 2016. The Consolidated Group's cost of sales was S\$1,054.1 million, lower than YTD Sep 2016's S\$1,064.8 million. The Consolidated Group's cost of sales to revenue ratio was 0.81 in YTD Sep 2017 as compared to 0.83 in YTD Sep 2016. Accordingly, the Consolidated Group registered a higher gross profit of S\$251.7 million in YTD Sep 2017 as compared to S\$223.1 million in YTD Sep 2016 and was in line with higher revenue.

IMAS's YTD Sep 2017 "other income" was S\$45.4 million as compared to S\$36.9 million in YTD Sep 2016 and was mainly due to higher interest income and commission income. The Group's (excluding IMAS) "other income" was S\$6.3 million expenses as compared to S\$10.1 million income in YTD Sep 2016 and was mainly due to the foreign exchange loss on the USD final proceeds from the divestment of the Shanghai Lao Xi Men Project. Accordingly, the Consolidated Group's "other income" was S\$38.1 million in YTD Sep 2017 which was lower than YTD Sep 2016's S\$44.9 million.

IMAS's YTD Sep 2017 "general and administrative expenses" was S\$107.9 million as compared to S\$94.7 million in YTD Sep 2016 and was mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$12.2 million as compared to YTD Sep 2016's S\$13.0 million was mainly due to lower manpower related costs. The Consolidated Group's "general and administrative expenses" was S\$136.0 million as compared to YTD Sep 2016's S\$123.1 million.

IMAS's YTD Sep 2017 "other operating expenses" was S\$96.8 million as compared to YTD Sep 2016's S\$98.7 million. Lower expenses were mainly due to lower packing and delivery expenses. The Group's (excluding IMAS) "other operating expenses" was S\$18.7 million as compared to S\$16.9 million in YTD Sep 2016 was mainly due to higher depreciation and repair and maintenance expenses. The Consolidated Group's "other operating expenses" was S\$115.5 million as compared to YTD Sep 2016's S\$115.6 million.

The Consolidated Group's YTD Sep 2017 "share of associate's results" was S\$43.5 million loss as compared to YTD Sep 2016's S\$6.0 million loss and was mainly due to higher losses from automotive associated companies.

IMAS's YTD Sep 2017 "finance costs" was S\$67.4 million as compared to S\$61.2 million in YTD Sep 2016 and the Group's (excluding IMAS) "finance costs" was S\$27.3 million as compared to S\$38.1 million in YTD Sep 2016. The Consolidated Group's "finance costs" was S\$94.7 million as compared to S\$99.3 million in YTD Sep 2016 and was mainly due to repayment of external bank borrowings and redemption of bond of the Company's 2017 EMTN.

IMAS's YTD Sep 2017 net loss was S\$50.8 million as compared to S\$23.0 million loss in YTD Sep 2016 and was mainly due to the losses from its associated companies. The Group's (excluding IMAS) net loss was S\$55.0 million as compared to S\$46.2 million loss in YTD Sep 2016 and was mainly due to the foreign currency exchange losses. The Consolidated Group's net loss attributable to equity holders of the Company was S\$102.6 million in YTD Sep 2017 as compared to YTD Sep 2016's S\$72.5 million.

### **Balance Sheet**

The Group's total assets of S\$4,432.4 million as at 30 September 2017 were S\$327.8 million lower than as at the previous year end. Other non-current assets decreased by S\$18.2 million mainly due to the decline in the value of quoted equity investments. Current assets decreased by S\$236.7 million to S\$2,056.9 million was mainly due to the decrease in cash and bank balances used for repayment of bank borrowings and redemption of 2017 EMTN during the year.

The Group' total liabilities of S\$2,746.2 million as at 30 September 2017 were S\$147.2 million lower than as at the previous year end and was mainly due to the redemption of the Company's EMTN. The Group's borrowings and debt securities as at 30 September 2017 were S\$2.2 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\$74.0 million as compared to S\$115.6 million used in the previous period.

Net cash used in investing activities was S\$93.5 million and was mainly due to capital expenditure.

Net cash used in financing activities was S\$166.8 million and was mainly due to the repayment of debt securities and bank 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 performance will be affected by the timing of new product launches. While IMAS's truck and heavy duty equipment businesses, financial services and car rental related revenue have registered strong growth, the contributions are unlikely to mitigate shortfall in the passenger car segment.

The refocusing of our industrial parks business continues. The utilities business has been affected by volatile energy prices. We continue to pursue tourist arrival growth and land sales in Bintan Resorts that will contribute positively to our other segments.

**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 September 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 September 2017 was as follows:

Name of interestd 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>		
PT Adijaya Mulia Purchases		245
PT Mentari Subur Abadi Purchases		193
PT Sumalindo Alam Lestari Purchases		169
PT Salim Ivomas Pratama Purchases		126
<b>SALES</b>		
PT Prima Sarana Gemilang Sales		2,986
PT Wahana Inti Sela Interest Income		1,657
PT Alam Indah Bintan Sales		1,322
PT Hamfred Technology Indonesia Interest Income		1,273
PT Laju Perdana Indah Sales		1,219
PT Shinhan Indo Finance Rental Income		561
PT Tunas Karya Indoswasta Sales		318
PT Wolfsburg Auto Indonesia Sales		168
PT Tritunggal Inti Permata Sales		145
PT Indofood Fritolay Makmur Sales		136

**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  
09 NOVEMBER 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 Third Quarter Financial Statements for the period ended 30 September 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: 09 November 2017