

GALLANT VENTURE LTD

Registration Number: 200303179Z

3 HarbourFront Place
#16-01 HarbourFront Tower Two
Singapore 099254

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board of Directors of Gallant Venture Ltd. ("**Company**") refers to the unaudited full year results announcement for the financial year ended 31 December 2017 released via the SGX-NET on 28 February 2018 (the "Unaudited Financial Statements"). Further reference is made to the Audited Financial Statements of the Company for FY2017 (the "Audited Financial Statements") which will be provided to shareholders and the SGX-ST in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Consolidated Statement of Comprehensive Income, Statements of Financial Position and Consolidated Statement of Cash Flows in the Audited Financial Statements as compared to the Unaudited Financial Statements. The adjustments were made following the finalisation of the Company's subsidiary, PT Indomobil Sukses Internasional Tbk ("IMAS") sub-group's audits and reclassification of some of the line items. The details of the adjustments are set out in the Appendix A of this announcement.

BY ORDER OF THE BOARD
GALLANT VENTURE LTD.

Choo Kok Kiong
Executive Director and Company Secretary
12 April 2018

Appendix 1

Consolidated Statement of Comprehensive Income for the year ended 31 December 2017

	Audited	Group Unaudited	Variance	Notes
	FY 2017	FY 2017	FY 2017	
	\$'000	\$'000	\$'000	
Revenue	1,746,741	1,752,555	(5,814)	1
Cost of sales	(1,403,444)	(1,409,234)	5,790	1
Gross profit	343,297	343,321	(24)	
Other income	56,011	58,561	(2,550)	2
General and administrative expenses	(187,752)	(186,696)	(1,056)	3
Other operating expenses	(154,087)	(155,102)	1,015	3
Share of associate company's results	(56,273)	(56,272)	(1)	
Finance costs	(127,030)	(128,713)	1,683	4
Loss before taxation	(125,834)	(124,901)	(933)	
Taxation	(31,671)	(31,387)	(284)	5
Loss after taxation	(157,505)	(156,288)	(1,217)	
Other comprehensive (expense)/income after taxation:				
<u>Items that are/may be reclassified subsequently to profit or loss</u>				
Change in fair value of available-for-sales investments	1,165	1,165	-	
Changes in fair value of derivative instrument - net of tax	(6,738)	(6,529)	(209)	
Currency translation differences from foreign subsidiaries	(53,930)	(53,938)	8	
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Remeasurements of defined benefit plans	(429)	(297)	(132)	
Other comprehensive expense for the year after taxation	(59,932)	(59,599)	(333)	
Total comprehensive expense for the year	(217,437)	(215,887)	(1,550)	
Loss attributable to:-				
Equity holders of the company	(136,431)	(135,722)	(709)	
Non-controlling interest	(21,074)	(20,566)	(508)	
	(157,505)	(156,288)	(1,217)	
Total comprehensive expense attributable to:				
Equity holders of the company	(172,361)	(171,540)	(821)	
Non-controlling interest	(45,076)	(44,347)	(729)	
	(217,437)	(215,887)	(1,550)	

Notes:

1. Due to the adjustment of inter-company revenue.
2. Due to the adjustment of other income and reclassification to finance costs.
3. Due to the reclassification of other operating expenses to general and administrative expenses.
4. Due to the reclassification of other income to finance costs.
5. Due to the adjustment of deferred tax expenses.

Consolidated Statements of Financial Position as at 31 December 2017

	Audited	Group	Variance	Notes
	FY 2017	Unaudited	FY 2017	
	\$'000	\$'000	\$'000	
Assets				
Non-Current				
Intangible assets	732,452	732,454	(2)	
Property, plant and equipment	578,529	579,508	(979)	1
Investment properties	232,625	231,650	975	1
Associates	139,854	140,132	(278)	2
Financing receivables	535,644	535,644	-	
Deferred tax assets	33,013	33,036	(23)	
Other non-current assets	149,800	150,319	(519)	3
	<u>2,401,917</u>	<u>2,402,743</u>	<u>(826)</u>	
Current				
Land inventories	591,767	591,767	-	
Other inventories	260,020	260,213	(193)	4
Financing receivables	453,284	453,284	-	
Trade and other receivables	544,303	547,745	(3,442)	2
Cash and cash equivalents	258,441	258,904	(463)	5
	<u>2,107,815</u>	<u>2,111,913</u>	<u>(4,098)</u>	
Total assets	4,509,732	4,514,656	(4,924)	
Equity and liabilities				
Share capital	1,948,307	1,948,307	-	
Accumulated losses	(299,198)	(298,489)	(709)	
Reserves	(204,989)	(204,243)	(746)	6
Equity attributable to equity holders of the Company	1,444,120	1,445,575	(1,455)	
Non-controlling interests	267,970	268,698	(728)	
Total equity	1,712,090	1,714,273	(2,183)	
Liabilities				
Non-Current				
Borrowings	798,164	841,494	(43,330)	7
Debt securities	170,117	170,117	-	
Deferred tax liabilities	89,759	89,745	14	
Employee benefits liabilities	41,999	41,974	25	
Other non-current liabilities	32,463	32,975	(512)	3
	<u>1,132,502</u>	<u>1,176,305</u>	<u>(43,803)</u>	
Current				
Trade and other payables	346,345	348,192	(1,847)	2
Borrowings	1,222,591	1,179,413	43,178	7
Debt securities	85,585	85,585	-	
Current tax payable	10,619	10,888	(269)	2
	<u>1,665,140</u>	<u>1,624,078</u>	<u>41,062</u>	
Total liabilities	2,797,642	2,800,383	(2,741)	
Total equity and liabilities	4,509,732	4,514,656	(4,924)	

Consolidated Statements of Financial Position as at 31 December 2017 (cont'd)

Notes:

1. Due to the reclassification of property, plant and equipment to investment properties.
2. Due to the reclassification of associates to other receivables, prepaid tax from other receivables to current tax payable and elimination of inter-company balances.
3. Due to the reclassification of other non-current assets to other non-current liabilities.
4. Due to the adjustment of other inventories.
5. Due to payments from operating activities.
6. Due to adjustment of currency translation differences, fair value of derivative instrument and remeasurement of defined benefit plans.
7. Due to the reclassification of non-current borrowings to current borrowings.

Consolidated Statement of Cash Flows for the for the year ended 31 December 2017

	Audited	Group Unaudited	Variance	Notes
	FY 2017	FY 2017	FY 2017	
	\$'000	\$'000	\$'000	
Net cash used in operating activities	(30,585)	(11,857)	(18,728)	1
Net cash used in investing activities	(137,709)	(156,015)	18,306	1
Net cash generated from financing activities	18,467	12,106	6,361	2
Effect of exchange difference	(17,145)	(10,743)	(6,402)	2
	(166,972)	(166,509)	(463)	3

Notes:

As a result of the changes to the Consolidated Statements of Financial Position and Consolidated Statement of Comprehensive Income, correspondence changes have been made to the Consolidated Statement of Cash Flows.

1. Due to the reclassification between investment properties and land inventories, hence reclassification of investing activities to changes in working capital.
2. Due to the difference arose from certain currency translations of bank borrowings of foreign currency.
3. Due to payments from operating activities.