

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

**Third Quarter 2018 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 2018.

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 2018 S\$'000	3rd Qtr 2017 S\$'000	Incr/ (Decr) %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Incr/ (Decr) %
Revenue	443,496	437,004	1	1,326,722	1,305,704	2
Cost of sales	(353,241)	(354,653)	(0)	(1,055,166)	(1,054,052)	0
Gross profit	90,255	82,351	10	271,556	251,652	8
Other income	13,971	15,284	(9)	43,934	38,092	15
General and administrative expenses	(46,096)	(45,190)	2	(135,360)	(135,961)	(0)
Other operating expenses	(36,630)	(38,042)	(4)	(111,381)	(115,516)	(4)
Share of associated company's result	2,442	(13,286)	N.M	7,474	(43,531)	N.M
Finance costs	(34,956)	(30,494)	15	(97,974)	(94,720)	3
Loss before taxation	(11,014)	(29,377)	(63)	(21,751)	(99,984)	(78)
Taxation	(488)	(6,243)	(92)	(18,370)	(19,661)	(7)
Loss after taxation for the period	(11,502)	(35,620)	(68)	(40,121)	(119,645)	(66)
Attributable to:						
Equity holders of the Company	(13,910)	(29,901)	(52)	(45,295)	(102,624)	(56)
Non-controlling interest	2,408	(5,719)	N.M	5,174	(17,021)	N.M
	(11,502)	(35,620)	(68)	(40,121)	(119,645)	(66)

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 2018 S\$'000	3rd Qtr 2017 S\$'000	Incr/ (Decr) %	YTD Sep 2018 S\$'000	YTD Sep 2017 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(11,502)	(35,620)	(68)	(40,121)	(119,645)	(66)
Other comprehensive (expenses)/income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	7,064	(1,887)	N.M	11,284	(11,502)	N.M
Net gain on fair value changes of hedging investments entered into for cash flow hedge	1,142	(1,785)	N.M	530	(6,235)	N.M
Foreign currency translation	(30,338)	(19,365)	57	(62,970)	(38,929)	62
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Defined benefit plan actuarial gain/ (losses)	15	(286)	N.M	135	(646)	N.M
Other comprehensive expenses	(22,117)	(23,323)	(5)	(51,021)	(57,312)	(11)
Total comprehensive expenses	(33,619)	(58,943)	(43)	(91,142)	(176,957)	(48)
Attributable to:						
Equity holders of the Company	(27,209)	(43,952)	(38)	(76,980)	(138,230)	(44)
Non-controlling interest	(6,410)	(14,991)	(57)	(14,162)	(38,727)	(63)
	(33,619)	(58,943)	(43)	(91,142)	(176,957)	(48)

N.M. denotes "Not Meaningful"

Note:

The exchange rate of S\$1=IDR 10,919 (30 September 2017: S\$1=IDR 9,926) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,441 (30 September 2017: S\$1=IDR 9,569) was used for translating the results for the period.

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

	Group			
	Quarter ended 30 September		YTD 30 September	
	3rd Qtr 2018	3rd Qtr 2017	YTD Sep 2018	YTD Sep 2017
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	4,070	4,074	12,232	12,232
Depreciation of property, plant and equipment	17,844	19,005	52,874	54,921
Depreciation of investment properties	7,179	6,530	21,753	19,090
Gain on sale of property, plant and equipment	(47)	(719)	(260)	(2,024)
Allowance for impairment loss on trade receivables and foreclosed assets	506	16,099	2,885	26,338
(Reversal of)/ allowance for inventories obsolescence	(241)	114	(370)	172
Write back of other payables	-	-	(1,851)	-
Provision for employee benefits	875	1,182	2,788	3,583
Loss on sales of foreclosed assets	3,538	3,128	13,680	6,657
Gain on dilution from a subsidiary to associate	-	-	(464)	-
Exchange loss	2,423	2,144	2,548	12,740
Interest Income	(5,914)	(5,276)	(15,881)	(16,344)
Interest Expense	34,956	30,494	97,974	94,720

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	
	30.09.18	31.12.17	30.09.18	31.12.17
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	720,252	732,452	71	110
Property, plant and equipment	735,362	578,529	348	415
Investment properties	177,334	232,625	-	-
Subsidiaries	-	-	2,537,174	2,537,407
Associates	110,129	139,854	-	-
Financing receivables	616,942	535,644	-	-
Deferred tax assets	36,457	33,013	-	-
Other non-current assets	200,372	149,800	155	155
	<u>2,596,848</u>	<u>2,401,917</u>	<u>2,537,748</u>	<u>2,538,087</u>
Current				
Land inventories	593,816	591,767	-	-
Other inventories	258,502	260,020	-	-
Financing receivables	513,470	453,284	-	-
Trade and other receivables	629,061	544,303	66,807	78,860
Cash and bank balances	222,151	258,441	3,824	2,394
	<u>2,217,000</u>	<u>2,107,815</u>	<u>70,631</u>	<u>81,254</u>
Total assets	<u>4,813,848</u>	<u>4,509,732</u>	<u>2,608,379</u>	<u>2,619,341</u>
Equity and liabilities				
Share capital	1,948,307	1,948,307	1,948,307	1,948,307
Treasury shares	(50)	-	(50)	-
Accumulated losses	(344,493)	(299,198)	(128,549)	(116,085)
Reserves	(233,028)	(204,989)	80,000	80,000
Equity attributable to equity holders of the Company	<u>1,370,736</u>	<u>1,444,120</u>	<u>1,899,708</u>	<u>1,912,222</u>
Non-controlling interest	<u>260,384</u>	<u>267,970</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,631,120</u>	<u>1,712,090</u>	<u>1,899,708</u>	<u>1,912,222</u>
Liabilities				
Non-current				
Borrowings	931,766	798,164	311,961	330,181
Debt securities	179,963	170,117	-	-
Deferred tax liabilities	87,024	89,759	-	-
Employee benefits liabilities	41,641	41,999	-	-
Other non-current liabilities	28,918	32,463	88	88
	<u>1,269,312</u>	<u>1,132,502</u>	<u>312,049</u>	<u>330,269</u>
Current				
Trade and other payables	390,656	346,345	28,979	24,220
Borrowings	1,313,500	1,222,591	367,595	350,728
Debt securities	179,314	85,585	-	-
Current tax payable	29,946	10,619	48	1,902
	<u>1,913,416</u>	<u>1,665,140</u>	<u>396,622</u>	<u>376,850</u>
Total liabilities	<u>3,182,728</u>	<u>2,797,642</u>	<u>708,671</u>	<u>707,119</u>
Total liabilities and equity	<u>4,813,848</u>	<u>4,509,732</u>	<u>2,608,379</u>	<u>2,619,341</u>

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

		Group	
		30.09.18	31.12.17
		S\$'000	S\$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	1,313,500	1,222,591
	Unsecured	179,314	85,585
		1,492,814	1,308,176
(ii)	Amount repayable after one year		
	Secured	931,766	798,164
	Unsecured	179,963	170,117
		1,111,729	968,281
	Total	2,604,543	2,276,457

(iii) Details of any collaterals

The Group's borrowing and debt securities are secured with the following:-

1. Mortgage of certain land titles of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE"), PT Bintan Resort Cakrawala ("PT BRC"), PT Buana Megawisata ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP");
2. Pledge of accounts of PT BIC, PT BIIE, PT BRC, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;
3. Assignment of insurance proceeds, receivables and movable assets of PT BIC and PT BIIE;
4. Pledge of shares of PT Indomobil Sukes Internasional Tbk ("PT IMAS") and PT BMW; and
5. PT IMAS 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 2018 S\$'000	3Q 2017 S\$'000	30.09.18 S\$'000	30.09.17 S\$'000
Cash flows from operating activities				
Loss before taxation	(11,014)	(29,377)	(21,751)	(99,984)
Adjustments for:				
Amortisation of intangible assets	4,070	4,074	12,232	12,232
Depreciation of property, plant and equipment	17,844	19,005	52,874	54,921
Depreciation of investment properties	7,179	6,530	21,753	19,090
(Reversal of)/ allowance for inventories obsolescence	(241)	114	(370)	172
Provision for employee benefits	875	1,182	2,788	3,583
Loss on sales of foreclosed assets	3,538	3,128	13,680	6,657
Impairment loss on trade receivables and foreclosed assets	506	16,099	2,885	26,338
Gain on sale of property, plant & equipment	(47)	(719)	(260)	(2,024)
Write back of other payables	-	-	(1,851)	-
Gain on dilution from a subsidiary to associate	-	-	(464)	-
Share of associates' results	(2,442)	13,286	(7,474)	43,531
Interest expense	34,956	30,494	97,974	94,720
Interest income	(5,914)	(5,276)	(15,881)	(16,344)
Cash from operations before changes in working capital	49,310	58,540	156,135	142,892
Changes in working capital				
(Increase) / decrease in land inventories	(665)	4,419	(2,049)	-
Decrease / (increase) in other inventories	24,468	(17,743)	(18,091)	(45,485)
(Increase) / decrease in operating receivables	(86,116)	114,486	(328,217)	(54,687)
Increase in operating payables	90,700	103,538	194,532	228,671
Cash generated from operating activities	77,697	263,240	2,310	271,391
Income tax paid	(18,236)	(19,550)	(56,387)	(58,764)
Employee benefits paid	(112)	(88)	(422)	(754)
Interest paid	(55,642)	(19,134)	(164,507)	(150,854)
Interest received	1,473	5,223	4,132	13,012
Net cash generated from / (used in) operating activities	5,180	229,691	(214,874)	74,031
Cash flows from investing activities				
Acquisition of property, plant and equipment	(76,085)	(31,954)	(162,464)	(90,768)
Acquisition of intangible assets	(1)	(6)	(35)	(7)
Acquisition of investment properties	(58)	(9,163)	(7,779)	(21,040)
Addition in investment in shares stock	-	(544)	-	(552)
Proceeds from sale of property, plant and equipment	714	1,272	1,954	5,276
Proceeds / (acquisition) in investment	7,285	-	(313)	7,820
Dividend from associates	439	1,103	5,440	6,440
Interest received on and proceeds from restricted cash and time deposits	(6)	(1,281)	429	(676)
Net cash used in investing activities	(67,712)	(40,573)	(162,768)	(93,507)

1(c). A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Group			
	Quarter ended		YTD	
	3Q 2018 S\$'000	3Q 2017 S\$'000	30.09.18 S\$'000	30.09.17 S\$'000
Cash flows from financing activities				
Proceeds from additional capital stock contribution of non-controlling interests	10,037	757	11,365	2,009
Repayment of debt securities	(26,924)	(80,079)	(71,350)	(351,322)
Proceeds from bank borrowings	775,630	554,686	2,546,130	1,550,004
Repayment of bank borrowings	(694,232)	(672,435)	(2,341,146)	(1,588,214)
Proceeds from issuance of bonds and shares	4,465	68,013	205,087	225,532
Purchase of treasury shares	-	-	(50)	-
Dividends paid to non-controlling interest	(374)	(49)	(374)	(4,810)
Net cash generated from/ (used in) financing activities	68,602	(129,107)	349,662	(166,801)
Net increase / (decrease) in cash and cash equivalents	6,070	60,011	(27,980)	(186,277)
Cash and cash equivalents at beginning of period	219,886	174,403	258,441	425,413
Effect of currency translation on cash and cash equivalent	(3,805)	(3,936)	(8,310)	(8,658)
Cash and cash equivalent at end of period	222,151	230,478	222,151	230,478

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 2017:

	Attributable to Equity holders of the Company										
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'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)/income	-	-	-	(11,451)	(1,258)	(1,342)	-	-	(14,051)	(9,272)	(23,323)
Total comprehensive (expenses)/income 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 (cont'd)

Consolidated statement of changes in equity for the period ended 30 September 2018:

	Attributable to Equity holders of the Company										
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance as at 1 January 2018	1,948,307	-	(105,771)	(84,851)	(474)	(18,838)	4,945	(299,198)	1,444,120	267,970	1,712,090
(Loss)/Profit for the period	-	-	-	-	-	-	-	(31,385)	(31,385)	2,766	(28,619)
Other comprehensive (expenses)/income	-	-	-	(20,737)	(519)	3,013	(143)	-	(18,386)	(10,518)	(28,904)
Total comprehensive (expenses)/income for the period	-	-	-	(20,737)	(519)	3,013	(143)	(31,385)	(49,771)	(7,752)	(57,523)
Purchase of treasury shares	-	(50)	-	-	-	-	-	-	(50)	-	(50)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	25	-	25	1,249	1,274
Balance as at 30 June 2018	1,948,307	(50)	(105,771)	(105,588)	(993)	(15,825)	4,827	(330,583)	1,394,324	261,467	1,655,791
(Loss)/Profit for the period	-	-	-	-	-	-	-	(13,910)	(13,910)	2,408	(11,502)
Other comprehensive (expenses)/income	-	-	-	(19,103)	805	5,042	(43)	-	(13,299)	(8,818)	(22,117)
Total comprehensive (expenses)/income for the period	-	-	-	(19,103)	805	5,042	(43)	(13,910)	(27,209)	(6,410)	(33,619)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(374)	(374)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	3,621	-	3,621	5,701	9,322
Balance as at 30 September 2018	1,948,307	(50)	(105,771)	(124,691)	(188)	(10,783)	8,405	(344,493)	1,370,736	260,384	1,631,120

- 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 2018:

	Share Capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2017	1,880,154	-	80,000	(91,476)	1,868,678
Total comprehensive expense for the period	-	-	-	(22,870)	(22,870)
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
Balance as at 1 January 2018	1,948,307	-	80,000	(116,085)	1,912,222
Total comprehensive expense for the period	-	-	-	(21,912)	(21,912)
Purchase of treasury shares	-	(50)	-	-	(50)
Balance as at 30 June 2018	1,948,307	(50)	80,000	(137,997)	1,890,260
Total comprehensive income for the period	-	-	-	9,448	9,448
Balance as at 30 September 2018	1,948,307	(50)	80,000	(128,549)	1,899,708

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

Shares to be issued upon exercise of conversion right of convertible bond:-

The details are as follows:

	As at 30 Sep 2018	As at 31 Dec 2017
Conversion right of convertible bond	250,000,000	250,000,000

Movement in the Company's treasury shares for the financial period 30 September 2018 as follows:

	No. of Shares
As at 31 December 2017	-
Purchase of treasury shares	450,000
As at 30 September 2018	450,000

- 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.**

	30 Sep 2018	31 Dec 2017
Total number of issued shares	5,338,010,225	5,338,010,225
Less: Treasury shares	(450,000)	-
Total number of issued shares excluding treasury shares	5,337,560,225	5,338,010,225

- 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 accounting policy and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 5.

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 in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018. The adoption of the new standards that are effective on 1 January 2018 and SFRS(I) have no material impact on the financial statements.

6. ***Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)***

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

	Group			
	3rd Qtr 2018	3rd Qtr 2017	YTD Sep 2018	YTD Sep 2017
Net loss attributable to equity owners of the Company (S\$'000)	(13,910)	(29,901)	(45,295)	(102,624)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.261)	(0.620)	(0.849)	(2.127)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.261)	(0.620)	(0.849)	(2.127)

⁽¹⁾ 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.***

	Group		Company	
	30.09.18	30.12.17	30.09.18	31.12.17
Net asset value per ordinary share	25.68 cents	27.05 cents	35.59 cents	35.82 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 5,337,560,225 ordinary shares as at 30 September 2018 and 5,338,010,225 as at 31 December 2017.

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 2018 (3Q 2018) vs. 3rd Quarter 2017 (3Q 2017)

Profit & Loss Statement

GV Group's 3Q 2018 revenue from IMAS was S\$401.3 million, 1% higher as compared to S\$396.6 million in 3Q 2017. In Rupiah term, the revenue increased by 10%. Higher revenue was mainly due to higher truck and heavy duty equipment sales, after sales services revenue, financial services revenue and higher vehicle rental revenue but partially offset by lower passenger vehicle sales. The Group (excluding IMAS) registered higher revenue of S\$42.2 million as compared to S\$40.4 million in the previous period and was mainly due to higher revenue from ferry services and housing project in Batam. The Consolidated Group revenue was S\$443.5 million, higher than 3Q 2017's S\$437.0 million.

IMAS's 3Q 2018 cost of sales was S\$321.8 million as compared to S\$321.8 million in 3Q 2017. The Group's (excluding IMAS) cost of sales was S\$31.4 million as compared to S\$32.8 million in 3Q 2017. The Consolidated Group's cost of sales was S\$353.2 million in 3Q 2018 as compared to 3Q 2017's S\$354.7 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in 3Q 2018 as compared to 0.81 in 3Q 2017. The Consolidated Group's gross profit was S\$90.3 million in 3Q 2018 as compared to S\$82.3 million in 3Q 2017 and was due to contributions from higher margin segments such as vehicle after sales services, financial services and vehicle rental related businesses.

IMAS's 3Q 2018 "other income" was S\$16.5 million as compared to S\$15.9 million in 3Q 2017 and was mainly due to foreign exchange gain. The Group's (excluding IMAS) "other income" was S\$1.6 million expenses as compared to S\$0.4 million income in 3Q 2017 and was mainly due to higher foreign exchange losses as compared to the previous period. The Consolidated Group's "other income" was S\$14.0 million in 3Q 2018 as compared to 3Q 2017's S\$15.3 million.

IMAS's 3Q 2018 "general and administrative expenses" was S\$36.6 million, marginally higher than 3Q 2017's S\$36.0 million. The Group's (excluding IMAS) "general and administrative expenses" was S\$3.8 million as compared to 3Q 2017's S\$4.0 million and was mainly due to lower professional fees. The Consolidated Group's "general and administrative expenses" was S\$46.1 million as compared to 3Q 2017's S\$45.2 million.

IMAS's 3Q 2018 "other operating expenses" was S\$30.3 million as compared to 3Q 2017's S\$32.0 million. Lower expenses were mainly due to lower depreciation of property, plant and equipment. The Group's (excluding IMAS) "other operating expenses" was S\$6.3 million as compared to 3Q 2017's S\$6.1 million. The Consolidated Group's "other operating expenses" was S\$36.6 million as compared to 3Q 2017's S\$38.0 million.

The Consolidated Group's 3Q 2018 "share of associated companies' result" was S\$2.4 million profit as compared to 3Q 2017's S\$13.3 million loss. IMAS ceased equity accounting on one of its loss making associate as the accumulated losses have fully eliminated its investment cost.

IMAS's 3Q 2018 "finance costs" was S\$27.8 million as compared to 3Q 2017's S\$23.2 million and the Group's (excluding IMAS) "finance costs" was S\$7.2 million as compared to 3Q 2017's S\$7.3 million. The Consolidated Group's "finance costs" was S\$35.0 million as compared to S\$30.5 million in 3Q 2017 and was mainly due to increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$4.0 million in 3Q 2018 as compared to S\$18.4 million net loss in 3Q 2017 and was mainly due to contributions from higher margin segments such as vehicle after sales services, financial services and vehicle rental related businesses, and non-equity accounting of loss making associate company. The Group's (excluding IMAS) net loss was S\$12.6 million as compared to 3Q 2017's S\$13.0 million loss and was mainly due to higher revenue but was partially offset by higher foreign exchange losses. The Consolidated Group's net loss attributable to equity holders of the Company was S\$13.9 million for 3Q 2018 as compared to 3Q 2017's S\$29.9 million.

9 Months 2018 (YTD Sep 2018) vs. 9 Months 2017 (YTD Sep 2017)

Profit & Loss Statement

GV Group's YTD Sep 2018 revenue relating to IMAS was S\$1,203.1 million, 1% higher as compared to S\$1,187.2 million in previous period. In Rupiah term, the revenue increased by 11%. Higher revenue was mainly due to higher truck and heavy duty equipment sales, after sales services revenue, financial services revenue and higher vehicle rental revenue but partially offset by lower passenger vehicle sales.

The Group (excluding IMAS) registered higher revenue of S\$123.6 million as compared to S\$118.5 million in YTD Sep 2017 and was mainly due to higher revenue from the ferry services, resort management services and housing project in Batam. The Consolidated Group revenue was S\$1,326.7 million, 2% higher than YTD Sep 2017's S\$1,305.7 million.

IMAS's YTD Sep 2018 cost of sales was S\$959.4 million as compared to previous period's S\$955.0 million. The Group's (excluding IMAS) cost of sales was S\$95.8 million as compared to S\$99.1 million in YTD Sep 2017. In line with the revenue, the Consolidated Group's cost of sales increased from S\$1,054.1 million in YTD Sep 2017 to YTD Sep 2018's S\$1,055.2 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in YTD Sep 2018 as compared to 0.81 in YTD Sep 2017. The Consolidated Group's gross profit was S\$271.5 million in YTD Sep 2018 as compared to S\$251.6 million in YTD Sep 2017 and was in line with higher revenue.

IMAS's YTD Sep 2018 "other income" was S\$50.8 million as compared to S\$45.4 million in YTD Sep 2017 and was mainly due to foreign exchange gain. The Group's (excluding IMAS) "other income" was S\$6.0 million expenses as compared to S\$6.3 million expenses in YTD Sep 2017 and was mainly due to lower unrealised foreign exchange losses as compared to the previous period. The Consolidated Group's "other income" was S\$43.9 million in YTD Sep 2018 as compared to YTD Sep 2017's S\$38.1 million.

IMAS's YTD Sep 2018 "general and administrative expenses" was S\$105.9 million as compared to S\$107.9 million in YTD Sep 2017. Lower expenses were mainly due to lower depreciation of property, plant and equipment, management fees and licensing expenses but were partially offset by higher provision of doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$12.3 million as compared to YTD Sep 2017's S\$12.2 million and was due to higher salary related expenses but was mitigated by lower professional fees. The Consolidated Group's "general and administrative expenses" was S\$135.4 million as compared to YTD Sep 2017's S\$136.0 million.

IMAS's YTD Sep 2018 "other operating expenses" was S\$94.4 million as compared to YTD Sep 2017's S\$96.8 million. Lower expenses were mainly due to lower packing and delivery expenses, depreciation of property, plant and equipment and salary related expenses. The Group's (excluding IMAS) "other operating expenses" was S\$17.0 million as compared to YTD Sep 2017's S\$18.8 million and was mainly due to write back of accrued expenses previously recorded, now no longer required. The Consolidated Group's "other operating expenses" was S\$111.4 million as compared to YTD Sep 2017's S\$115.5 million.

The Consolidated Group's YTD Sep 2018 "share of associated companies' result" was S\$7.5 million profit as compared to YTD Sep 2017's S\$43.5 million loss. IMAS ceased equity accounting on one of its loss making associate as the accumulated losses have fully eliminated its investment cost.

IMAS's YTD Sep 2018 "finance costs" was S\$76.7 million as compared to YTD Sep 2017's S\$67.4 million and the Group's (excluding IMAS) "finance costs" was S\$21.3 million as compared to YTD Sep 2017's S\$27.3 million. The Consolidated Group's "finance costs" was S\$98.0 million as compared to S\$94.7 million in YTD Sep 2017 and was mainly due to increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$7.7 million in YTD Sep 2018 as compared to S\$54.4 million net loss in YTD Sep 2017 and was mainly due to higher revenue and non-equity accounting of loss making associate company. The Group's (excluding IMAS) net loss was S\$40.2 million as compared to YTD Sep 2017's S\$55.0 million loss and was mainly due to higher revenue and lower financing costs and operating expenses. The Consolidated Group's net loss attributable to equity holders of the Company was S\$45.3 million for YTD Sep 2018 as compared to YTD Sep 2017's S\$102.6 million.

Balance Sheet

The Group's total assets of S\$4,813.8 million as at 30 September 2018 were S\$304.1 million higher than as at the previous year-end. Other non-current assets increased by S\$50.6 million mainly due to reclassification of associate to equity investments and increased in value of the Group's quoted equity investments. Current assets increased by S\$109.2 million mainly due to the increased in trade and other receivables and financing receivables.

The Group's total liabilities of S\$3,182.7 million as at 30 September 2018 were S\$385.1 million higher than the previous year-end and was mainly due to the increased in borrowings for capital expenditure and for the financial service business. The Group's borrowings and debt securities as at 30 September 2018 were S\$2.6 billion of which S\$1.4 billion relates to IMAS' car rental and financial services business.

Cash Flow Statement

Net cash used in operating activities was S\$214.9 million as compared to S\$74.0 million generated from in the previous period.

Net cash used in investing activities was S\$162.8 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$349.7 million mainly from the proceeds from issue of debt securities and borrowings.

9. *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

No forecast or prospect statement has been previously disclosed.

10. *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*

While IMAS's truck and heavy duty equipment, car rental, and spare parts and servicing businesses have all registered good growth, higher contributions from passenger vehicle segment, with launch of new vehicle models, is expected towards 1st half of 2019.

We started 2018 with strong tourist arrival into Bintan and registered growth in our Resorts and Ferry segments. Continue with this momentum and development of key industrial clusters in Bintan, we are hopeful that these core business segments will contribute positively to the Group.

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 2018.

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 2018 was as follows:

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
PURCHASES	
PT Inti Ganda Perdana Purchases	1,240
PT Indomarco Prismatama Purchases	1,114
PT Asuransi Central Asia Purchases	619
PT Salim Ivomas Pratama Purchases	555
PT Mentari Subur Abadi Purchases	454
PT Hino Motors Sales Indonesia Purchases	347
PT Prima Sarana Gemilang Purchases	243
PT Wahana Murni Sejahtera Purchases	134
PT Kalamur Purchases	115
SALES	
PT Hino Motors Sales Indonesia Dividend Income	4,721
PT Hino Motors Manufacturing Indonesia Dividend Income	2,052
PT Prima Sarana Gemilang Sales	1,448
PT Alam Indah Bintan Sales	1,422
PT Indomobil Manajemen Corpora Interest Income	1,211
PT Hamfred Technology Indonesia Interest Income	1,052
PT Wahana Inti Sela Interest Income	652
PT Suzuki Indomobil Sales Sales	495
PT Nissan Motor Distributor Indonesia Sales	353
PT Sumi Rubber Indonesia Dividend Income	286
PT Shinhan Indo Finance Sales	240
PT Wolfsburg Auto Indonesia Sales	211
PT Indofood Fritolay Makmur Sales	164
PT Indofood CBP Sukses Makmur Tbk Sales	124
PT Soxal Batamindo Industrial Gases Sales	107

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
8 NOVEMBER 2018

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 2018 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: 8 NOVEMBER 2018