

GALLANT VENTURE LTD

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**Full Year 2018 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the year ended 31 December 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 31 December			Full Year		
	4th Qtr 2018 S\$'000	4th Qtr 2017 S\$'000	Incr/ (Decr) %	2018 S\$'000	2017 S\$'000	Incr/ (Decr) %
Revenue	503,706	441,037	14	1,830,428	1,746,741	5
Cost of sales	(413,311)	(349,392)	18	(1,468,477)	(1,403,444)	5
Gross profit	90,395	91,645	(1)	361,951	343,297	5
Other income	46,887	17,919	162	90,821	56,011	62
General and administrative expenses	(57,222)	(51,791)	10	(192,582)	(187,752)	3
Other operating expenses	(37,689)	(38,571)	(2)	(149,070)	(154,087)	(3)
Share of associated company's result	(22,115)	(12,742)	74	(14,641)	(56,273)	(74)
Finance costs	(38,144)	(32,310)	18	(136,118)	(127,030)	7
Loss before taxation	(17,888)	(25,850)	(31)	(39,639)	(125,834)	(68)
Taxation	(9,476)	(12,010)	(21)	(27,846)	(31,671)	(12)
Loss after taxation for the period	(27,364)	(37,860)	(28)	(67,485)	(157,505)	(57)
Attributable to:						
Equity holders of the Company	(21,508)	(33,807)	(36)	(66,803)	(136,431)	(51)
Non-controlling interest	(5,856)	(4,053)	44	(682)	(21,074)	(97)
	(27,364)	(37,860)	(28)	(67,485)	(157,505)	(57)

1(a)(ii). A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	Quarter ended 31 December			Full Year		
	4th Qtr 2018 S\$'000	4th Qtr 2017 S\$'000	Incr/ (Decr) %	2018 S\$'000	2017 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(27,364)	(37,860)	(28)	(67,485)	(157,505)	(57)
Other comprehensive (expenses)/income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	-	12,667	N.M	-	1,165	N.M
Net gain on fair value changes of hedging investments entered into for cash flow hedge	(2,347)	(503)	367	(1,817)	(6,738)	(73)
Foreign currency translation	26,523	(15,001)	N.M	(36,447)	(53,930)	(32)
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Net gain on equity instruments designated at fair value through other comprehensive income	65,001	-	N.M	76,285	-	N.M
Actuarial gains/ (losses) arising during the period	4,852	217	N.M	4,987	(429)	N.M
Other comprehensive income/ (expenses)	94,029	(2,620)	N.M	43,008	(59,932)	N.M
Total comprehensive income/ (expenses)	66,665	(40,480)	N.M	(24,477)	(217,437)	(89)
Attributable to:						
Equity holders of the Company	43,851	(34,131)	N.M	(33,129)	(172,361)	(81)
Non-controlling interest	22,814	(6,349)	N.M	8,652	(45,076)	(119)
	66,665	(40,480)	N.M	(24,477)	(217,437)	(89)

Note:

1. N.M. denotes "Not Meaningful"
2. The exchange rate of S\$1=IDR 10,603 (31 December 2017: S\$1=IDR 10,134) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,528 (31 December 2017: S\$1=IDR 9,671) was used for translating the results for the period.
3. The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") that is mandatory for application for the annual periods beginning on or after 1 January 2018. The adoption of SFRS(I) 15 Revenue from Contracts with Customers has no material impact on the financial statements. For the adoption of SFRS(I) 9 Financial Instruments, the Group has elected to apply the adjustments in the opening equity as at 1 January 2018 without restating the comparative information.
4. In preparing the consolidated financial statements of the Group, adjustments are made to bring the accounting policies of its foreign operations, including subsidiaries and associates, whose accounting policies differ from the Group, to be in line with the Group. For the year ended 31 December 2018, revaluation gains on investment properties of S\$12.4 million (2017 – S\$53.6 million) recorded by PT IMAS were adjusted and recognised as S\$Nil

in the financial statements of the Group as the accounting policy of the Group is to measure investment properties at cost.

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

	Group			
	Quarter ended 31 Dec		Full Year	
	4th Qtr	4th Qtr	2018	2017
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	4,077	4,081	16,309	16,313
Depreciation of property, plant and equipment	17,717	17,253	70,591	72,174
Depreciation of investment properties	7,142	7,460	28,895	26,550
Loss/ (gain) on disposal of property, plant and equipment	720	(5,752)	460	(7,776)
Allowance for impairment loss on trade receivables	34,269	10,815	37,154	37,153
Reversal of allowance for inventories obsolescence	(183)	(684)	(553)	(512)
Gain on dilution from a subsidiary to associate	-	-	(464)	-
Write back of other payables	-	-	(1,851)	-
(Reversal)/ provision for employee benefits	(747)	2,687	2,041	6,270
Loss on sales of foreclosed assets	2,074	4,919	15,754	11,576
Exchange (gain)/ loss	(1,873)	2,657	675	15,397
Interest Income	(6,910)	(5,207)	(22,791)	(21,551)
Interest Expense	38,144	32,310	136,118	127,030

1(b)(i). A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	716,237	732,452	62	110
Property, plant and equipment	765,818	578,529	310	415
Investment properties	184,050	232,625	-	-
Subsidiaries	-	-	2,537,174	2,537,407
Associates	115,002	139,854	-	-
Financing receivables	684,153	535,644	-	-
Deferred tax assets	34,181	33,013	-	-
Other non-current assets	349,258	149,800	155	155
	<u>2,848,699</u>	<u>2,401,917</u>	<u>2,537,701</u>	<u>2,538,087</u>
Current				
Land inventories	594,772	591,767	-	-
Other inventories	362,012	260,020	-	-
Financing receivables	522,219	453,284	-	-
Trade and other receivables	764,930	544,303	81,394	78,860
Cash and bank balances	229,758	258,441	381	2,394
	<u>2,473,691</u>	<u>2,107,815</u>	<u>81,775</u>	<u>81,254</u>
Total assets	<u>5,322,390</u>	<u>4,509,732</u>	<u>2,619,476</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	(366,328)	(299,198)	(148,599)	(116,085)
Reserves	(129,082)	(204,989)	80,000	80,000
Equity attributable to equity holders of the Company	<u>1,452,847</u>	<u>1,444,120</u>	<u>1,879,658</u>	<u>1,912,222</u>
Non-controlling interest	<u>298,425</u>	<u>267,970</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,751,272</u>	<u>1,712,090</u>	<u>1,879,658</u>	<u>1,912,222</u>
Liabilities				
Non-current				
Borrowings	1,040,621	798,164	311,489	330,181
Debt securities	166,340	170,117	-	-
Deferred tax liabilities	102,059	89,759	-	-
Contract liabilities	-	-	-	-
Employee benefits liabilities	37,840	41,999	-	-
Other non-current liabilities	30,508	32,463	88	88
	<u>1,377,368</u>	<u>1,132,502</u>	<u>311,577</u>	<u>330,269</u>
Current				
Trade and other payables	560,588	346,345	45,494	24,220
Contract liabilities	-	-	-	-
Borrowings	1,407,397	1,222,591	381,583	350,728
Debt securities	192,457	85,585	-	-
Current tax payable	33,308	10,619	1,164	1,902
	<u>2,193,750</u>	<u>1,665,140</u>	<u>428,241</u>	<u>376,850</u>
Total liabilities	<u>3,571,118</u>	<u>2,797,642</u>	<u>739,818</u>	<u>707,119</u>
Total liabilities and equity	<u>5,322,390</u>	<u>4,509,732</u>	<u>2,619,476</u>	<u>2,619,341</u>

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

	Group	
	31.12.18	31.12.17
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	1,407,397	1,222,591
Unsecured	192,457	85,585
	1,599,854	1,308,176
(ii) Amount repayable after one year		
Secured	1,040,621	798,164
Unsecured	166,340	170,117
	1,206,961	968,281
TOTAL	2,806,815	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 Buana Megawisata ("PT BMW"); and
5. PT IMAS's borrowings and debt securities are secured by mortgage over land, inventories, property, plant and equipment, marketable equities of available-for-sales assets, trade and other receivables, financing receivables and bank accounts of its various subsidiaries in Indonesia.

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

	Group			
	Quarter Ended		YTD	
	4Q 2018 S\$'000	4Q 2017 S\$'000	31.12.18 S\$'000	31.12.17 S\$'000
Cash flow from operating activities				
Loss before taxation	(17,888)	(25,850)	(39,639)	(125,834)
Adjustments for:				
Amortisation of intangible assets	4,077	4,081	16,309	16,313
Depreciation of property, plant and equipment and investment properties	24,859	24,713	99,486	98,724
Loss/ (gain) on disposal of property, plant and equipment	720	(5,752)	460	(7,776)
(Reversal of provision)/ impairment of trade and other receivables	34,269	10,815	37,154	37,153
Loss on sales of foreclosed assets	2,074	4,919	15,754	11,576
Reversal of allowance for inventories obsolescence	(183)	(684)	(553)	(512)
(Reversal)/ provision for employees' benefits	(747)	2,687	2,041	6,270
Gain on dilution from a subsidiary to associate	-	-	(464)	-
Write back of other payables	-	-	(1,851)	-
Interest expense	38,144	32,310	136,118	127,030
Interest income	(6,910)	(5,207)	(22,791)	(21,551)
Share of associates' result	22,115	12,742	14,641	56,273
Cash from operations before working capital changes	100,530	54,774	256,665	197,666
Increase in land inventories	(957)	-	(3,006)	-
(Increase)/Decrease in other inventories	(96,256)	3,141	(114,347)	(42,344)
Decrease/(Increase) in operating receivables	34,644	80,770	(293,573)	26,083
Increase/(Decrease) in operating payables	15,110	(157,825)	209,642	70,846
Cash generated from/(used in) operating activities	53,071	(19,140)	55,381	252,251
Income tax paid	(23,851)	(13,663)	(80,238)	(72,427)
Interest paid	(55,945)	(75,032)	(220,452)	(225,886)
Interest received	3,728	3,397	7,860	16,409
Employee benefit paid	(363)	(178)	(785)	(932)
Net cash used in operating activities	(23,360)	(104,616)	(238,234)	(30,585)
Cash flow from investing activities				
Acquisition of intangible assets	(57)	(108)	(92)	(115)
Acquisition of property, plant and equipment	(53,783)	(35,039)	(216,247)	(125,807)
Acquisition of investment properties	(2,487)	(744)	(10,266)	(21,784)
Dividend from associates	120	180	5,560	6,620
Proceeds from disposal of property, plant and equipment	774	3,460	2,728	8,736
Addition in investment in shares stock	(41,907)	(12,779)	(42,220)	(5,511)
Interest received on and proceeds from restricted cash and time deposits	103	828	532	152
Net cash used in investing activities	(97,237)	(44,202)	(260,005)	(137,709)

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

	Group			
	Quarter Ended		YTD	
	4Q 2018 S\$'000	4Q 2017 S\$'000	31.12.18 S\$'000	31.12.17 S\$'000
Cash flow from financing activities				
Proceeds from issuance of bonds and shares	4,244	99,049	209,331	324,581
Repayment of other financing activities	(11,567)	(230,026)	(82,917)	(581,348)
Proceeds from additional capital stock contribution of NCI	4,058	3,314	15,423	5,323
Proceeds from bank borrowings	975,805	1,041,027	3,521,935	2,591,031
Repayment of bank borrowings	(847,073)	(732,493)	(3,188,219)	(2,320,707)
Purchase of treasury shares	-	-	(50)	-
Dividend paid to non-controlling interests	-	4,397	(374)	(413)
Net cash generated from financing activities	125,467	185,268	475,129	18,467
Increase/ (decrease) in cash and cash equivalent	4,870	36,450	(23,110)	(149,827)
Cash and cash equivalents at beginning of year	222,151	230,478	258,441	425,413
Effect of currency translation of cash and cash equivalent	2,737	(8,487)	(5,573)	(17,145)
Cash and cash equivalents at end of year	229,758	258,441	229,758	258,441

1(d)(i). **A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statement of changes in equity for the period ended 31 December 2017:

	Attributable to Equity holders of the Company								Non-controlling Interests	Total Equity
	Share Capital \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Accumulated losses \$'000	Total \$'000	\$'000	\$'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	-	-	-	-	-	-	(102,624)	(102,624)	(17,021)	(119,645)
Other comprehensive (expenses)/income	-	-	(23,192)	(4,461)	(8,182)	229	-	(35,606)	(21,706)	(57,312)
Total comprehensive (expenses)/income for the period	-	-	(23,192)	(4,461)	(8,182)	229	(102,624)	(138,230)	(38,727)	(176,957)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(413)	(413)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	566	-	566	(3,859)	(3,293)
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
Loss for the period	-	-	-	-	-	-	(33,807)	(33,807)	(4,053)	(37,860)
Other comprehensive income/(expenses)	-	-	(9,340)	(384)	9,042	358	-	(324)	(2,296)	(2,620)
Total comprehensive income/(expenses) for the period	-	-	(9,340)	(384)	9,042	358	(33,807)	(34,131)	(6,349)	(40,480)
Issuance of shares	68,235	-	-	-	-	-	-	68,235	-	68,235
Shares issuance expenses	(82)	-	-	-	-	-	-	(82)	-	(82)
Dilution in interests of subsidiary with loss of control	-	-	-	-	-	-	-	-	1,304	1,304
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(1,344)	-	(1,344)	(1,697)	(3,041)
Balance as at 31 December 2017	1,948,307	(105,771)	(84,851)	(474)	(18,838)	4,945	(299,198)	1,444,120	267,970	1,712,090

1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated statement of changes in equity for the period ended 31 December 2018:

	Attributable to Equity holders of the Company									Non-controlling	Total
	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	Interests \$'000	Equity \$'000
Balance as at 1 January 2018, as previously reported	1,948,307	-	(105,771)	(84,851)	(474)	(18,838)	4,945	(299,198)	1,444,120	267,970	1,712,090
Effect of adoption of SFRS (I) 9	-	-	-	(276)	-	28,549	-	(327)	27,946	11,050	38,996
Balance as at 1 January 2018, as restated	1,948,307	-	(105,771)	(85,127)	(474)	9,711	4,945	(299,525)	1,472,066	279,020	1,751,086
Loss for the period	-	-	-	-	-	-	-	(45,295)	(45,295)	5,174	(40,121)
Other comprehensive (expenses)/income	-	-	-	(39,840)	286	8,055	(186)	-	(31,685)	(19,336)	(51,021)
Total comprehensive (expenses)/income for the period	-	-	-	(39,840)	286	8,055	(186)	(45,295)	(76,980)	(14,162)	(91,142)
Purchase of treasury shares	-	(50)	-	-	-	-	-	-	(50)	-	(50)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(374)	(374)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	3,646	-	3,646	6,950	10,596
Balance as at 30 September 2018	1,948,307	(50)	(105,771)	(124,967)	(188)	17,766	8,405	(344,820)	1,398,682	271,434	1,670,116
Loss for the period	-	-	-	-	-	-	-	(21,508)	(21,508)	(5,856)	(27,364)
Other comprehensive income/ (expenses)	-	-	-	16,931	(1,631)	46,410	3,649	-	65,359	28,670	94,029
Total comprehensive expenses for the period	-	-	-	16,931	(1,631)	46,410	3,649	(21,508)	43,851	22,814	66,665
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	10,314	-	10,314	4,177	14,491
Balance as at 31 December 2018	1,948,307	(50)	(105,771)	(108,036)	(1,819)	64,176	22,368	(366,328)	1,452,847	298,425	1,751,272

- 1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of changes in equity of the Company for the period ended 31 December 2018:

	Share Capital S\$'000	Treasury Shares	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	-	-	-	(15,872)	(15,872)
Balance as at 30 September 2017	1,880,154	-	80,000	(107,348)	1,852,806
Issuance of shares	68,235	-	-	-	68,235
Share issuance expenses	(82)	-	-	-	(82)
Total comprehensive expense for the period	-	-	-	(8,737)	(8,737)
Balance as at 31 December 2017	1,948,307	-	80,000	(116,085)	1,912,222
Balance as at 1 January 2018	1,948,307	-	80,000	(116,085)	1,912,222
Total comprehensive income for the period	-	-	-	(12,464)	(12,464)
Purchase of treasury shares	-	(50)	-	-	(50)
Balance as at 30 September 2018	1,948,307	(50)	80,000	(128,549)	1,899,708
Total comprehensive income for the period	-	-	-	(20,050)	(20,050)
Balance as at 31 December 2018	1,948,307	(50)	80,000	(148,599)	1,879,658

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

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

The details are as follows:

	As at 31 Dec 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 31 December 2018 as follows:

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

	31 Dec 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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2017, 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 Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) SFRS(I) which became effective from annual periods beginning on or after 1 January 2018. The application of SFRS(I) has no material effect on the financial statements, except as described below:

(1) Adoption of SFRS(I) 9, Financial Instruments

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9. As a result, certain balance sheet items and reserves were adjusted as at 1 January 2018.

Upon adoption of IFRS 9, the Group's investments in equity instruments that are currently classified as available-for-sale and satisfy certain conditions will be classified as at fair value through other comprehensive income ("FVOCI"). All other equity instruments financial assets will be held at fair value through profit or loss ("FVTPL").

Impairment of financial assets

Debt instruments financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, trade receivables (including financing receivables) and accumulated losses as at 1 January 2018 were adjusted.

The following adjustments were made to reflect the financial effects of the adoption SFRS(I) 9:

Impact on Statement of Financial Position at the Group level

	31 Dec 2017 Previously reported \$'000	SFRS(I) 9 \$'000	1 Jan 2018 Restated \$'000
Non-Current Assets			
Other non-current assets	149,800	52,722	202,522
Current Assets			
Financing receivables	453,284	(546)	452,738
Non-Current Liabilities			
Deferred tax liabilities	89,759	13,180	102,939
Total Equity			
Accumulated losses	(299,198)	(327)	(299,525)
Reserves	(204,989)	28,273	(176,716)
Equity attributable to equity holder of the company	1,444,120	27,946	1,472,066
Non-controlling interests	267,970	11,050	279,020

The adoption of SFRS(I)s has no impact on the financial statements of the Company.

(2) Adoption of SFRS(I) 15, Revenue from Contracts with Customers

SFRS(I) 15 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The application of SFRS(I) 15 has no material effect and does not require adjustments to the financial statements for the year ended 31 December 2018.

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			
	Quarter ended		Full Year	
	4Q 2018	4Q 2017	31.12.18	31.12.17
Net (loss) / income attributable to equity owners of the Company (S\$'000)	(21,508)	(33,807)	(66,803)	(136,431)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.403)	(0.695)	(1.252)	(2.803)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.403)	(0.695)	(1.252)	(2.803)

⁽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	
	31.12.18	31.12.17	31.12.18	31.12.17
Net asset value per ordinary share	27.22 cents	27.05 cents	35.22 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 31 December 2018 and 5,338,010,225 ordinary shares 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.***

4th Quarter 2018 (4Q 2018) vs. 4th Quarter 2017 (4Q 2017)

Profit & Loss Statement

GV Group's 4Q 2018 revenue relating to IMAS was S\$461.3 million as compared to S\$400.7 million in 4Q 2017. Higher revenue was mainly due to higher truck and heavy duty equipment sales, financial services, car rental related income and property rental income, but partially offset by lower passenger vehicle sales. The Group (excluding IMAS) registered higher revenue of S\$42.4 million as compared to S\$40.3 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\$503.7 million, higher than 4Q 2017's S\$441.0 million.

IMAS's 4Q 2018 cost of sales was S\$381.0 million as compared to S\$315.8 million in 4Q 2017. The Group's (excluding IMAS) cost of sales was S\$32.3 million as compared to S\$33.6 million in 4Q 2017. The Consolidated Group's cost of sales was S\$413.3 million in 4Q 2018 as compared to 4Q 2017's S\$349.4 million. The Consolidated Group's cost of sales to revenue ratio was 0.82 in 4Q 2018 as compared to 0.79 in 4Q 2017. The Consolidated Group's gross profit was S\$90.4 million in 4Q 2018 as compared to S\$91.6 million in 4Q 2017.

IMAS's 4Q 2018 "other income" was S\$54.9 million as compared to S\$72.3 million in 4Q 2017 and was mainly due to lower fair value revaluation gain on the investment properties but was partially mitigated by gain on disposal of non-core assets. The Group's (excluding IMAS) "other income" was S\$4.3 million income as compared to S\$0.8 million expenses in 4Q 2017 and was mainly due to higher interest income and foreign exchange gain of S\$1.9 million as compared to S\$2.6 million loss in the previous period. The Consolidated Group's "other income" was S\$46.9 million in 4Q 2018 as compared to 4Q 2017's S\$17.9 million. IMAS's fair value revaluation gain on its investment properties was not taken into the Consolidated Group as the Group adopts cost method for its investment properties.

IMAS's 4Q 2018 "general and administrative expenses" was S\$45.7 million as compared to S\$37.9 million in 4Q 2017. Higher expenses were mainly due to higher provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$5.3 million as compared to 4Q 2017's S\$8.3 million and was mainly due to lower professional fees. The Consolidated Group's "general and administrative expenses" was S\$57.2 million as compared to 4Q 2017's S\$51.8 million.

IMAS's 4Q 2018 "other operating expenses" was S\$26.6 million as compared to 4Q 2017's S\$32.7 million. Lower expenses were mainly due to lower provision of impairment loss on foreclosed assets. The Group's (excluding IMAS) "other operating expenses" was S\$11.1 million as compared to 4Q 2017's S\$5.9 million and was mainly due to higher salary related expenses, depreciation of property, plant and equipment, provision for doubtful debts and re-class of write back of accrued expenses previously recorded to "other income". The Consolidated Group's "other operating expenses" was S\$37.7 million as compared to 4Q 2017's S\$38.6 million.

The Consolidated Group's 4Q 2018 "share of associated companies' result" was S\$22.1 million loss as compared to 4Q 2017's S\$12.7 million loss and was mainly due to higher losses from the automotive associated companies.

IMAS's 4Q 2018 "finance costs" was S\$31.0 million as compared to 4Q 2017's S\$22.7 million and the Group's (excluding IMAS) "finance costs" was S\$7.1 million as compared to 4Q 2017's S\$9.6 million. The Consolidated Group's "finance costs" was S\$38.2 million as compared to S\$32.3 million in 4Q 2017 and was mainly due to increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$2.9 million in 4Q 2018 as compared to S\$40.8 million net profit in 4Q 2017 and was mainly due to lower fair value revaluation gain on its investment properties and share of losses from its associated companies. The Group's (excluding IMAS) net loss was S\$11.1 million as compared to 4Q 2017's S\$21.5 million loss and was mainly due to higher revenue, foreign exchange gain and lower financing costs. The Consolidated Group's net loss attributable to equity holders of the Company was S\$21.5 million for 4Q 2018 as compared to 4Q 2017's S\$33.8 million.

12 Months 2018 (FY 2018) vs. 12 Months 2017 (FY 2017)

Profit & Loss Statement

GV Group's FY 2018 revenue relating to IMAS was S\$1,664.3 million as compared to S\$1,587.9 million in FY 2017. Higher revenue was mainly due to higher trucks and heavy duty equipment sales, after sales services revenue, financial services, vehicle rental and property rental but was partially offset by lower passenger car sales. The Group (excluding IMAS) registered higher revenue of S\$166.1 million as compared to S\$158.8 million in FY 2017 and was mainly due to higher revenue from ferry services, resort management services and housing project in Batam. The Consolidated Group revenue was S\$1,830.4 million, 5% higher than FY 2017's S\$1,746.7 million.

IMAS's FY 2018 cost of sales was S\$1,340.4 million as compared to S\$1,270.8 million in FY 2017. The Group's (excluding IMAS) cost of sales was S\$128.1 million as compared to S\$132.7 million in FY 2017. In line with the revenue, the Consolidated Group's cost of sales increased from S\$1,403.5 million in FY 2017 to FY 2018's S\$1,468.4 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in FY 2018 and FY 2017 respectively. The Consolidated Group's gross profit was S\$361.9 million in FY 2018 as compared to S\$343.3 million in FY 2017 and was in line with higher revenue.

IMAS's FY 2018 "other income" was S\$105.7 million as compared to S\$117.7 million in FY 2017 and was mainly due to lower fair value gain on its investment properties as compared to the previous period. The Group's (excluding IMAS) "other income" was S\$1.6 million expenses as compared to S\$7.1 million expenses in FY 2017 and was mainly due to lower foreign exchange losses as compared to the previous period. The Consolidated Group's "other income" was S\$90.8 million in FY 2018 as compared to FY 2017's S\$56.0 million. IMAS's fair value revaluation gain on its investment properties was not taken into the Consolidated Group as the Group adopts cost method for its investment properties.

IMAS's FY 2018 "general and administrative expenses" was S\$151.6 million as compared to S\$145.8 million in FY 2017. Higher expenses were mainly due to higher provision for doubtful debts and professional fees. The Group's (excluding IMAS) "general and administrative expenses" was S\$17.5 million as compared to FY 2017's S\$20.5 million and was mainly due to lower professional fees. The Consolidated Group's "general and administrative expenses" was S\$192.6 million as compared to FY 2017's S\$187.8 million.

IMAS's FY 2018 "other operating expenses" was S\$121.0 million as compared to FY 2017's S\$129.4 million. Lower expenses were mainly due to lower packing and delivery expenses, depreciation of property, plant and equipment and salary related expenses but were partially offset by higher provision of impairment loss on foreclosed assets. The Group's (excluding IMAS) "other operating expenses" was S\$28.0 million as compared to FY 2017's S\$24.7 million and was mainly due to higher salary related expenses and depreciation of property, plant and equipment. The Consolidated Group's "other operating expenses" was S\$149.0 million as compared to FY 2017's S\$154.1 million.

The Consolidated Group's FY 2018 "share of associated companies' result" was S\$14.6 million loss as compared to FY 2017's S\$56.2 million loss and mainly due to lower losses from automotive associated companies.

IMAS's FY 2018 "finance costs" was S\$107.7 million as compared to FY 2017's S\$90.2 million and the Group's (excluding IMAS) "finance costs" was S\$28.4 million as compared to FY 2017's S\$36.8 million. The Consolidated Group's "finance costs" was S\$136.1 million as compared to S\$127.0 million in FY 2017 and was mainly due to increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$10.6 million in FY 2018 as compared to S\$13.6 million net loss in FY 2017 and was mainly due to higher revenue and lower losses from its associated companies. The Group's (excluding IMAS) net loss was S\$51.1 million as compared to FY 2017's S\$75.4 million loss and was mainly due to higher revenue, improved utilities margin and lower foreign exchange loss and lower financing costs. The Consolidated Group's net loss attributable to equity holders of the Company was S\$66.8 million for FY 2018 as compared to FY 2017's S\$136.4 million.

Balance Sheet

The Group's total assets of S\$5,322.4 million as at 31 December 2018 were S\$812.7 million higher than as at the previous year end. Other non-current assets increased by S\$199.5 million and was mainly due to reclassification of investments in associates to equity investments and increased in fair value of the Group's

equity investments. Current assets increased from S\$2,107.8 million to S\$2,473.7 million mainly due to the increased in trade and other receivables, financing receivables and inventories.

The Group' total liabilities of S\$3,571.1 million as at 31 December 2018 were S\$773.5 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 31 December 2018 were S\$2.8 billion of which S\$1.5 billion relates to IMAS' car rental and financial services business.

Cash Flow Statement

Net cash used in operating activities was S\$238.2 million as compared to S\$30.6 million in the previous period.

Net cash used in investing activities was S\$260.0 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$475.1 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 business segments registered strong growth, contributions from passenger vehicle sales remain lagging. The Group expects contributions from passenger vehicle segment after launch of new vehicle models which is expected to be by 1st half of 2019.

We started 2018 with strong tourist arrivals into Bintan and the island received more than 1 million visitors, 18% increase from previous period. Strong visitorship has contributed positively to our Resorts and Ferry segments. Our Industrial Parks segment has recovered and we expect our Industrial Park in Batam to reach close to full capacity by 2019. 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.

On 23 January 2019, PT Multistrada Arah Sarana Tbk ("MASA"), an IMAS investment, made an announcement in Indonesia Stock Exchange ("IDX") in relation to Michelin Group's acquisition of 80% stake in MASA from its substantial shareholders. The proposed 80% acquisition includes IMAS' stake of approximately 19.42% in MASA. The investment in MASA has been marked to market and fair valued as at 31 December 2018.

11. *If a decision regarding dividend has been made.*

Not applicable.

12. *If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.*

The Board of Directors ("**Board**") does not recommend any dividends for FY 2018 as the Company is committing its cash resources to further develop its Resorts, Utilities and Automotive businesses.

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

Group	Industrial Park		Utilities		Resort Operations		Property Development		Automotive		Corporate		Elimination		Total	
Business segments	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Operating revenue																
External sales	36,196	32,713	100,201	101,660	29,693	24,497	-	-	1,664,338	1,587,871	-	-	-	-	1,830,428	1,746,741
Inter-segment sales	-	-	128	94	44	62	-	-	-	-	-	-	(172)	(156)	-	-
Total sales	36,196	32,713	100,329	101,754	29,737	24,559	-	-	1,664,338	1,587,871	-	-	(172)	(156)	1,830,428	1,746,741
Segment results																
(Loss)/ profit from operation	(6,370)	(11,478)	27,890	24,329	(3,130)	(6,424)	(13,436)	(11,931)	121,194	84,584	(15,028)	(21,611)	-	-	111,120	57,469
Share of associates' results															(14,641)	(56,273)
Finance costs															(136,118)	(127,030)
Loss before taxation															(39,639)	(125,834)
Taxation															(27,846)	(31,671)
Loss after taxation															(67,485)	(157,505)
Attributable to:-																
Equity holders of company															(66,803)	(136,431)
Non-controlling interest															(682)	(21,074)
															(67,485)	(157,505)
Other information																
Segment assets	101,736	109,389	138,827	172,908	41,719	38,053	686,621	674,721	2,683,716	1,793,167	1,290,246	1,289,384	-	-	4,942,865	4,077,622
Associates															115,002	139,854
Unallocated assets															264,523	292,256
															5,322,390	4,509,732
Segment liabilities	26,035	19,804	44,933	47,889	10,017	9,700	50,355	20,358	2,062,697	1,584,256	21,905	12,792	-	-	2,215,942	1,694,799
Unallocated liabilities															1,355,176	1,102,843
															3,571,118	2,797,642

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

Industrial Parks. Industrial parks revenue was higher due to higher revenue from housing project in Batam but was partially offset by lower rental related revenue from factory, commercial and dormitory. Lower operating loss was mainly due to higher revenue and lower operating expenses

Utilities. Utilities related revenue decreased by S\$1.4 mil and was mainly due to lower power consumption from industrial parks tenants and reduced tariff rate in tandem with lower power cost in Resort. Operating profit improved mainly due to lower power generation cost.

Resort Operations. In line with higher tourist arrival into Bintan, our Resorts segment registered higher revenue from its ferries and resort management services. In FY2018, operating loss from resorts segment was S\$3.1 million as compared to FY2017's S\$6.4 million.

Property Development. In FY2018, Property Development business registered the operating loss of S\$13.4 million as compared to S\$11.9 million loss in FY2017. Higher operating loss was mainly due to higher depreciation and operating expenses.

Automotive. Automotive segment registered a higher operating profit of S\$121.1 million as compared to FY 2017's profit of S\$84.6 million. This was mainly due to contributions from higher margin segments such as vehicle after sales services, financial services and vehicle rental related businesses.

15. A breakdown of sales as follows:

The breakdown of sales of the Group is as follows:

	GROUP		
	Full Year		
	2018 S\$'000	2017 S\$'000	+ / (-) %
(a) Revenue reported for the first half year	883,226	868,700	2%
(b) Loss after tax before non-controlling interest reported for the first half year	(28,619)	(84,025)	(66)%
(c) Revenue reported for second half year	947,202	878,041	7%
(d) Loss after tax before non-controlling interest reported for second half year	(38,866)	(73,480)	(46)%

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

Not applicable.

17. Pursuant to Rule 920 of the SGX-ST Listing Manual, details of the aggregate value of the interested person transactions transacted.

The aggregate value of the interested person transactions for the financial period ended 31 December 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	796
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	2,002
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	536
PT Indofood Fritolay Makmur Sales	164
PT Indofood CBP Sukses Makmur Tbk Sales	243
PT Soxal Batamindo Industrial Gases Sales	107

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

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

19. *Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers*

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
28 FEBRUARY 2019