

GALLANT VENTURE LTD

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**Second Quarter 2019 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2019.

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

	Group					
	Quarter ended 30 June			YTD 30 June		
	2nd Qtr 2019 S\$'000	2nd Qtr 2018 S\$'000	Incr/ (Decr) %	Half year 2019 S\$'000	Half year 2018 S\$'000	Incr/ (Decr) %
Revenue	507,991	429,701	18	997,764	883,226	13
Cost of sales	(404,863)	(336,365)	20	(799,342)	(701,925)	14
Gross profit	103,128	93,336	10	198,422	181,301	9
Other income	10,639	15,815	(33)	27,911	29,963	(7)
General and administrative expenses	(56,971)	(49,001)	16	(102,920)	(89,264)	15
Other operating expenses	(40,765)	(39,615)	3	(77,574)	(74,751)	4
Share of associate companies' results	(1,356)	1,474	N.M	(2,533)	5,032	N.M
Finance costs	(46,973)	(33,580)	40	(88,605)	(63,018)	41
Loss before taxation	(32,298)	(11,571)	179	(45,299)	(10,737)	322
Taxation	(5,847)	(9,787)	(40)	(14,569)	(17,882)	(19)
Loss after taxation for the period	(38,145)	(21,358)	79	(59,868)	(28,619)	109
Attributable to:						
Equity holders of the Company	(29,595)	(21,610)	37	(49,518)	(31,385)	58
Non-controlling interests	(8,550)	252	N.M	(10,350)	2,766	N.M
	(38,145)	(21,358)	79	(59,868)	(28,619)	109

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

	Group					
	Quarter ended 30 Jun			YTD 30 Jun		
	2nd Qtr 2019 S\$'000	2nd Qtr 2018 S\$'000	Incr/ (Decr) %	Half year 2019 S\$'000	Half year 2018 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(38,145)	(21,358)	79	(59,868)	(28,619)	109
Other comprehensive income/(expenses):						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Change in fair value of available-for-sale financial assets	-	(1,718)	N.M	-	4,220	N.M
Change in fair value of cash flow hedges, net of tax	(5,638)	(1,524)	270	(7,657)	(612)	N.M
Currency translation differences from foreign subsidiaries	4,678	(3,248)	N.M	12,349	(32,632)	N.M
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Change in fair value on equity instruments at fair value through other comprehensive income	375	-	N.M	21,385	-	N.M
Remeasurements of defined benefit plans	309	188	64	629	120	424
Other comprehensive income/(expenses)	(276)	(6,302)	(96)	26,706	(28,904)	N.M
Total comprehensive expenses	(38,421)	(27,660)	39	(33,162)	(57,523)	(42)
Attributable to:						
Equity holders of the Company	(28,657)	(26,173)	9	(29,780)	(49,771)	(40)
Non-controlling interests	(9,764)	(1,487)	557	(3,382)	(7,752)	(56)
	(38,421)	(27,660)	39	(33,162)	(57,523)	(42)

N.M. denotes "Not Meaningful"

Note:

The exchange rate of S\$1=IDR 10,446 (30 June 2018: S\$1=IDR 10,529) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,474 (30 June 2018: S\$1=IDR 10,348) was used for translating the results for the period.

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

	Group			
	Quarter ended 30 Jun		YTD 30 Jun	
	2nd Qtr	2nd Qtr	Half year	Half year
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	4,082	4,082	8,160	8,162
Depreciation of property, plant and equipment	73,715	17,368	91,942	35,030
Depreciation of investment properties	6,925	7,189	14,170	14,574
Loss/(gain) on sale of property, plant and equipment	5	(103)	(73)	(213)
Allowance/(reversal) for impairment loss on trade receivables and foreclosed assets	2,293	(7,455)	11,733	2,379
Reversal of inventories obsolescence	-	(129)	-	(129)
Write back of other payables	-	(1,851)	-	(1,851)
Provision for employee benefits	741	600	2,042	1,913
Loss on sales of foreclosed assets	6,960	4,035	7,108	10,142
Gain on dilution from a subsidiary to associate	-	(464)	-	(464)
Exchange loss/(gain)	3,173	(3,151)	4,771	125
Interest income	(5,561)	(4,635)	(13,197)	(9,967)
Interest expense	46,973	33,580	88,605	63,018

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

	Group		Company	
	30.06.19	31.12.18	30.06.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	708,204	716,234	44	62
Property, plant and equipment	1,018,726	769,129	252	310
Investment properties	176,239	182,203	-	-
Subsidiaries	-	-	2,537,174	2,537,174
Associates	120,171	116,269	-	-
Financing receivables	701,130	680,318	-	-
Deferred tax assets	43,871	34,542	-	-
Other non-current assets	228,516	345,388	155	155
	2,996,857	2,844,083	2,537,625	2,537,701
Current				
Land inventories	594,986	594,654	-	-
Other inventories	310,998	359,552	-	-
Financing receivables	576,234	519,405	-	-
Trade and other receivables	776,290	703,775	77,427	81,393
Cash and cash equivalents	206,069	228,879	382	381
	2,464,577	2,406,265	77,809	81,774
Total assets	5,461,434	5,250,348	2,615,434	2,619,475
Equity and liabilities				
Equity				
Share capital	1,948,307	1,948,307	1,948,307	1,948,307
Treasury shares	(50)	(50)	(50)	(50)
Accumulated losses	(374,797)	(373,273)	(179,302)	(148,600)
Reserves	(196,497)	(136,594)	80,000	80,000
Equity attributable to equity holders of the Company	1,376,963	1,438,390	1,848,955	1,879,657
Non-controlling interests	284,482	293,995	-	-
Total equity	1,661,445	1,732,385	1,848,955	1,879,657
Liabilities				
Non-current				
Borrowings	1,286,280	1,030,198	300,841	311,489
Debt securities	116,421	163,237	-	-
Deferred tax liabilities	101,434	102,209	-	-
Employee benefits liabilities	38,586	36,709	-	-
Contract liabilities	14,241	11,621	-	-
Other non-current liabilities	41,582	32,780	88	88
	1,598,544	1,376,754	300,929	311,577
Current				
Trade and other payables	490,976	505,260	56,889	45,494
Contract liabilities	21,314	15,195	-	-
Borrowings	1,589,860	1,410,338	408,584	381,583
Debt securities	71,652	195,560	-	-
Current tax payable	27,643	14,856	77	1,164
	2,201,445	2,141,209	465,550	428,241
Total liabilities	3,799,989	3,517,963	766,479	739,818
Total equity and liabilities	5,461,434	5,250,348	2,615,434	2,619,475

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

		Group	
		30.06.19	31.12.18
		S\$'000	S\$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	1,661,512	1,605,898
	Unsecured	-	-
		1,661,512	1,605,898
(ii)	Amount repayable after one year		
	Secured	1,402,701	1,193,435
	Unsecured	-	-
		1,402,701	1,193,435
TOTAL		3,064,213	2,799,333

(iii) Details of any collaterals

The Group's borrowings 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 inventories, property, plant and equipment, trade and other receivables and financing receivables of its various subsidiaries in Indonesia.

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

	Group			
	Quarter ended		Half year ended	
	2Q 2019 S\$'000	2Q 2018 S\$'000	30.06.19 S\$'000	30.06.18 S\$'000
Cash flows from operating activities				
Loss before taxation	(32,298)	(11,571)	(45,299)	(10,737)
Adjustments for:				
Amortisation of intangible assets	4,082	4,082	8,160	8,162
Depreciation of property, plant and equipment	73,715	17,368	91,942	35,030
Depreciation of investment properties	6,925	7,189	14,170	14,574
Provision for employee benefits	741	600	2,042	1,913
Reversal of inventories obsolescence	-	(129)	-	(129)
Impairment loss/(reversal) on trade receivables and foreclosed assets	2,293	(7,455)	11,733	2,379
Loss/(gain) on sale of property, plant and equipment	5	(103)	(73)	(213)
Gain on dilution from a subsidiary to associate	-	(464)	-	(464)
Loss on sales of foreclosed assets	6,960	4,035	7,108	10,142
Write back of other payables	-	(1,851)	-	(1,851)
Share of associate companies' results	1,356	(1,474)	2,533	(5,032)
Interest expense	46,973	33,580	88,605	63,018
Interest income	(5,561)	(4,635)	(13,197)	(9,967)
Cash from operations before changes in working capital	105,191	39,172	167,724	106,825
Increase in land inventories	(229)	(691)	(332)	(1,384)
Decrease/(increase) in other inventories	31,799	19,912	54,127	(42,559)
Increase in operating receivables	(62,108)	(84,101)	(154,620)	(242,101)
(Decrease)/increase in operating payables	(198,877)	(42,305)	(67,166)	103,832
Cash used in operating activities	(124,224)	(68,013)	(267)	(75,387)
Income tax paid	(17,176)	(19,409)	(29,742)	(38,151)
Employee benefits paid	8	(121)	(284)	(310)
Interest paid	(56,695)	(53,866)	(114,731)	(108,865)
Interest received	482	1,542	802	2,659
Net cash used in operating activities	(197,605)	(139,867)	(144,222)	(220,054)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(40,518)	(39,910)	(263,325)	(86,379)
Acquisition of intangible assets	(30)	(2)	(130)	(34)
Acquisition of investment properties	(756)	(5,913)	(1,498)	(7,721)
Addition in investments	(7,346)	(7,609)	(7,346)	(7,598)
Interest received on and proceeds from restricted cash in banks and time deposits	361	78	156	435
Proceeds from sale of equity investments at fair value through other comprehensive income	-	-	144,943	-
Proceeds from sale of property, plant and equipment	1,658	717	2,983	1,240
Dividend from associate	1,381	5,001	1,381	5,001
Net cash used in investing activities	(45,250)	(47,638)	(122,836)	(95,056)

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		Half year ended	
	2Q 2019	2Q 2018	30.06.19	30.06.18
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Repayment of debt securities	(68,372)	(44,389)	(176,338)	(44,426)
Proceeds from bank borrowings	934,814	1,040,626	2,028,539	1,770,500
Repayment of bank borrowings	(683,175)	(935,694)	(1,616,458)	(1,646,914)
Purchase of treasury shares	-	-	-	(50)
Proceeds from issuance of bonds	-	96,026	-	200,622
Proceeds from/(acquisition of) additional capital stock contribution of non-controlling interests	4,751	(98)	6,490	1,328
Net cash generated from financing activities	188,018	156,471	242,233	281,060
Net decrease in cash and cash equivalents	(54,837)	(31,034)	(24,825)	(34,050)
Cash and cash equivalents at beginning of period	259,973	252,351	228,879	258,441
Effect of currency translation on cash and cash equivalents	933	(1,431)	2,015	(4,505)
Cash and cash equivalents at end of period	206,069	219,886	206,069	219,886

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

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

	Attributable to equity holders of the Company								Non-controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Translation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Accumulated Losses S\$'000	Total S\$'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	1,712,090
Effects of adoption of SFRS(I) 9	-	-	-	(276)	-	28,549	-	(327)	27,946	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	1,751,086
Loss for the period	-	-	-	-	-	-	-	(9,775)	(9,775)	(7,261)
Other comprehensive (expenses)/income	-	-	-	(18,662)	573	4,240	26	-	(13,823)	(22,602)
Total comprehensive (expenses)/income for the period	-	-	-	(18,662)	573	4,240	26	(9,775)	(23,598)	(29,863)
Purchase of treasury shares	-	(50)	-	-	-	-	-	-	(50)	(50)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(104)	-	(104)	1,251
Balance as at 31 March 2018	1,948,307	(50)	(105,771)	(103,789)	99	13,951	4,867	(309,300)	1,448,314	1,722,424
Loss for the period	-	-	-	-	-	-	-	(21,610)	(21,610)	(21,358)
Other comprehensive expenses	-	-	-	(2,075)	(1,092)	(1,227)	(169)	-	(4,563)	(6,302)
Total comprehensive expenses for the period	-	-	-	(2,075)	(1,092)	(1,227)	(169)	(21,610)	(26,173)	(27,660)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	129	-	129	23
Balance as at 30 June 2018	1,948,307	(50)	(105,771)	(105,864)	(993)	12,724	4,827	(330,910)	1,422,270	1,694,787

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

Consolidated statement of changes in equity for the period ended 30 June 2019:

	Attributable to equity holders of the Company										
	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Translation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserves S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Balance as at 1 January 2019	1,948,307	(50)	(105,771)	(108,341)	(2,254)	64,175	15,597	(373,273)	1,438,390	293,995	1,732,385
Loss for the period	-	-	-	-	-	-	-	(19,923)	(19,923)	(1,800)	(21,723)
Other comprehensive income/(expenses)	-	-	-	4,854	(1,406)	15,014	338	-	18,800	8,182	26,982
Total comprehensive income/(expenses) for the period	-	-	-	4,854	(1,406)	15,014	338	(19,923)	(1,123)	6,382	5,259
Transfer of fair value reserve of equity investment at fair value through other comprehensive income to accumulated losses upon disposal	-	-	-	-	-	(47,994)	-	47,994	-	-	-
Disposal of equity investment at fair value through other comprehensive income	-	-	-	355	-	-	-	-	355	142	497
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(612)	-	(612)	1,504	892
Balance as at 31 March 2019	1,948,307	(50)	(105,771)	(103,132)	(3,660)	31,195	15,323	(345,202)	1,437,010	302,023	1,739,033
Loss for the period	-	-	-	-	-	-	-	(29,595)	(29,595)	(8,550)	(38,145)
Other comprehensive income/(expenses)	-	-	-	3,895	(4,106)	268	881	-	938	(1,214)	(276)
Total comprehensive income/(expenses) for the period	-	-	-	3,895	(4,106)	268	881	(29,595)	(28,657)	(9,764)	(38,421)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(31,390)	-	(31,390)	(7,777)	(39,167)
Balance as at 30 June 2019	1,948,307	(50)	(105,771)	(99,237)	(7,766)	31,463	(15,186)	(374,797)	1,376,963	284,482	1,661,445

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

Statement of changes in equity of the Company for the period ended 30 June 2019:

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance as at 1 January 2018	1,948,307	-	80,000	(116,085)	1,912,222
Total comprehensive expense for the period	-	-	-	(450)	(450)
Purchase of treasury shares	-	(50)	-	-	(50)
Balance as at 31 March 2018	1,948,307	(50)	80,000	(116,535)	1,911,722
Total comprehensive expense for the period	-	-	-	(21,462)	(21,462)
Balance as at 30 June 2018	1,948,307	(50)	80,000	(137,997)	1,890,260
Balance as at 1 January 2019	1,948,307	(50)	80,000	(148,600)	1,879,657
Total comprehensive expense for the period	-	-	-	(13,992)	(13,992)
Balance as at 31 March 2019	1,948,307	(50)	80,000	(162,592)	1,865,665
Total comprehensive expense for the period	-	-	-	(16,710)	(16,710)
Balance as at 30 June 2019	1,948,307	(50)	80,000	(179,302)	1,848,955

- 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 Jun 2019	As at 31 Dec 2018
Conversion right of convertible bond	250,000,000	250,000,000

Total number of Company's shares held as treasury shares:-

	As at 30 Jun 2019	As at 31 Dec 2018
Treasury shares	450,000	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.**

Number of issued shares excluding treasury shares:-

	30 Jun 2019	31 Dec 2018
Total number of issued shares	5,338,010,225	5,338,010,225
Less: Treasury shares	(450,000)	(450,000)
Total number of issued shares excluding treasury shares	5,337,560,225	5,337,560,225

- 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 2018, 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 period, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2019. The adoption of the new standards including SFRS(I) 16 Leases that are effective on 1 January 2019 have no material financial impact on the Group's 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 loss attributable to equity holders of the company:

	Group			
	2nd Qtr 2019	2nd Qtr 2018	Half year 2019	Half year 2018
Net loss attributable to equity owners of the Company (S\$'000)	(29,595)	(21,610)	(49,518)	(31,385)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.554)	(0.405)	(0.928)	(0.588)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.554)	(0.405)	(0.928)	(0.588)

⁽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	
	30.06.19	31.12.18	30.06.19	31.12.18
Net asset value per ordinary share	25.80 cents	26.95 cents	34.64 cents	35.22 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 June 2019 and 5,337,560,225 as at 31 December 2018.

8. ***A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.***

2nd Quarter 2019 (2Q 2019) vs. 2nd Quarter 2018 (2Q 2018)

Profit & Loss Statement

GV Group's 2Q 2019 revenue relating to IMAS was S\$466.5 million as compared to S\$388.9 million in 2Q 2018. Higher revenue was mainly due to increased revenue contributions from IMAS's finance companies, vehicle rental and distribution of fuels and lubricants, but partially offset by lower trucks and heavy duty equipment sales. The Group (excluding IMAS) registered higher revenue of S\$41.5 million as compared to S\$40.8 million in the previous period and was mainly due to higher revenue from industrial parks and resort segments. The Consolidated Group revenue was S\$508.0 million, 18% higher than 2Q 2018's S\$429.7 million.

IMAS's 2Q 2019 cost of sales IMAS was S\$370.8 million as compared to S\$303.6 million in 2Q 2018. The Group's (excluding IMAS) cost of sales was S\$34.1 million as compared to S\$32.7 million in 2Q 2018. In line with the increased revenue, the Consolidated Group's cost of sales increased from S\$336.3 million in 2Q 2018 to 2Q 2019's S\$404.9 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in 2Q 2019 as compared to 0.78 in 2Q 2018. The Consolidated Group's gross profit was S\$103.1 million in 2Q 2019 as compared to S\$93.4 million in 2Q 2018 and was in line with higher revenue.

IMAS's 2Q 2019 "other income" was S\$9.2 million as compared to S\$17.9 million in 2Q 2018 and was mainly due to unrealised foreign exchange loss of S\$3.7 million as compared to 2Q 2018's unrealised foreign exchange gain of S\$6.5 million. The Group's (excluding IMAS) "other income" was S\$1.4 million income as compared to S\$2.1 million expenses in 2Q 2018 and was mainly due to unrealised foreign exchange gain of S\$0.5 million as compared to 2Q 2018's unrealised foreign exchange loss of S\$3.3 million. The Consolidated Group's "other income" was S\$10.6 million in 2Q 2019 as compared to 2Q 2018's S\$15.8 million.

IMAS's 2Q 2019 "general and administrative expenses" was S\$46.4 million as compared to S\$38.4 million in 2Q 2018. Higher expenses were mainly due to higher manpower costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$5.1 million as compared to 2Q 2018's S\$4.9 million. The Consolidated Group's "general and administrative expenses" was S\$57.0 million as compared to 2Q 2018's S\$49.0 million.

IMAS's 2Q 2019 "other operating expenses" was S\$33.4 million as compared to 2Q 2018's S\$33.0 million. The Group's (excluding IMAS) "other operating expenses" was S\$7.4 million as compared to 2Q 2018's S\$6.6 million and was mainly due to higher manpower costs. The Consolidated Group's "other operating expenses" was S\$40.8 million as compared to 2Q 2018's S\$39.6 million.

The Consolidated Group's 2Q 2019 "share of associate companies' results" was S\$1.3 million loss as compared to 2Q 2018's S\$1.5 million profit and mainly due to losses from automotive associate companies.

IMAS's 2Q 2019 "finance costs" was S\$38.5 million as compared to 2Q 2018's S\$25.6 million and the Group's (excluding IMAS) "finance costs" was S\$8.5 million as compared to 2Q 2018's S\$8.0 million. The Consolidated Group's "finance costs" was S\$47.0 million as compared to S\$33.6 million in 2Q 2018 and was mainly due to higher interest rate and increased borrowings for capital expenditure in the automotive segment.

IMAS registered net loss of S\$16.1 million in 2Q 2019 as compared to S\$2.2 million net loss in 2Q 2018 and was mainly due to higher financing cost, provision for doubtful debts and unrealised foreign exchange loss as compared to unrealised foreign exchange gain in the previous period. The Group's (excluding IMAS) net loss was S\$15.0 million as compared to 2Q 2018's S\$16.8 million and was mainly due to unrealised foreign exchange gain in the current period. The Consolidated Group's reported a net loss attributable to equity holder of the Company of S\$29.6 million as compared to 2Q 2018's S\$21.6 million.

Half Year 2019 (1H 2019) vs. Half Year 2018 (1H 2018)

Profit & Loss Statement

GV Group's 1H 2019 revenue relating to IMAS was S\$914.9 million as compared to S\$801.7 million in 1H 2018. Higher revenue was mainly due to higher contributions IMAS's finance companies, vehicle rental and distribution of fuel and lubricant, but partially offset by lower trucks and heavy duty equipment sales.

The Group (excluding IMAS) registered higher revenue of S\$82.9 million as compared to S\$81.5 million in the previous period and was mainly due to higher revenue from utilities and resort segments. The Consolidated Group revenue was S\$997.8 million, 13% higher than 1H 2018's S\$883.2 million.

IMAS's 1H 2019 cost of sales IMAS was S\$732.7 million as compared to S\$637.6 million in 1H 2018. The Group's (excluding IMAS) cost of sales was S\$66.7 million as compared to S\$64.3 million in 1H 2018. In line with the increased revenue, the Consolidated Group's cost of sales increased from S\$701.9 million in 1H 2018 to 1H 2019's S\$799.4 million. The Consolidated Group's cost of sales to revenue ratio was 0.80 in 1H 2019 as compared to 0.79 in 1H 2018. The Consolidated Group's gross profit was S\$198.4 million in 1H 2019 as compared to S\$181.3 million in 1H 2018 and was in line with higher revenue.

IMAS's 1H 2019 "other income" was S\$94.2 million as compared to S\$34.3 million in 1H 2018 and was mainly due to the gain of S\$69.5 million on the divestment of its 19.42% stake in PT Multistrada Arah Sarana Tbk ("MASA"). The Group's (excluding IMAS) "other income" was S\$3.1 million income as compared to S\$4.3 million expenses in 1H 2018 and was mainly due to unrealised foreign exchange gain of S\$1.1 million as compared to 1H 2018's unrealised foreign exchange loss of S\$6.6 million. IMAS's gain on the divestment of MASA was not taken into the Consolidated Group's profit or loss as the Group's accounting policies require investment designated at fair value through other comprehensive income ("FVOCI"), where the gain and losses previously accumulated in equity in Other Components of Equity ("OCE") are not recognised in the profit or loss upon the divestment of the investment but was transfer to the accumulated losses. Accordingly, the Consolidated Group's "other income" was S\$27.9 million in 1H 2019 as compared to 1H 2018's S\$30.0 million.

IMAS's 1H 2019 "general and administrative expenses" was S\$83.0 million as compared to S\$69.3 million in 1H 2018. Higher expenses were mainly due to higher manpower costs and provision for doubtful debts. The Group's (excluding IMAS) "general and administrative expenses" was S\$8.6 million as compared to 1H 2018's S\$8.5 million. The Consolidated Group's "general and administrative expenses" was S\$102.9 million as compared to 1H 2018's S\$89.3 million.

IMAS's 1H 2019 "other operating expenses" was S\$63.8 million as compared to 1H 2018's S\$64.1 million. The Group's (excluding IMAS) "other operating expenses" was S\$13.8 million as compared to 1H 2018's S\$10.7 million and was mainly due to write back of accrued expenses in the previous period. The Consolidated Group's "other operating expenses" was S\$77.6 million as compared to 1H 2018's S\$74.8 million.

The Consolidated Group's 1H 2019 "share of associate companies' results" was S\$2.5 million loss as compared to 1H 2018's S\$5.0 million profit and mainly due to losses from automotive associate companies.

IMAS's 1H 2019 "finance costs" was S\$72.8 million as compared to 1H 2018's S\$48.9 million and the Group's (excluding IMAS) "finance costs" was S\$15.8 million as compared to 1H 2018's S\$14.1 million. The Consolidated Group's "finance costs" was S\$88.6 million as compared to S\$63.0 million in 1H 2018 and was mainly due to higher interest rate and increased borrowings for capital expenditure in the automotive segment.

IMAS registered net profit of S\$44.4 million in 1H 2019 as compared to S\$3.7 million in 1H 2018 and was mainly due to the gain on the divestment of MASA. The Group's (excluding IMAS) net loss was S\$25.2 million as compared to 1H 2018's S\$27.4 million. After adjustment of the S\$69.5 million gain on the divestment of MASA in compliance with the Group's accounting standards, the Consolidated Group's reported a net loss attributable to equity holder of the Company of S\$49.5 million as compared to 1H 2018's S\$31.4 million.

Balance Sheet

The Group's total assets of S\$5,461.4 million as at 30 June 2019, were S\$211.1 million higher than as at the previous year end mainly due to higher investment in the properties, plant and equipment from the automotive segment to generate the revenue. Other non-current assets decreased by S\$116.9 million mainly due to the divestment of the Group's quoted equity investments at FVOCI. Current assets increased from S\$2,406.3 million to S\$2,464.6 million mainly due to the increase in trade and other receivables and financing receivables in line with increased revenue from finance companies and automotive business segment.

The Group' total liabilities of S\$3,800.0 million were S\$282.0 million higher than the previous year-end's and was mainly due to the increased in borrowings for capital expenditure and for the finance companies business. The Group's borrowings and debt securities as at 30 June 2019 were S\$3.1 billion of which S\$1.7 billion relates to IMAS' vehicle rental and financial companies business.

Cash Flow Statement

Net cash used in operating activities was S\$144.2 million as compared to S\$220.1 million in the previous period.

Net cash used in investing activities was S\$122.8 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$242.2 million mainly from the proceeds of 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 business segments registered good growth despite slight dip in the truck and heavy duty equipment segment.

We expect tourist arrival into Bintan to continue to strengthen. Our Industrial Parks segment has recovered and we expect our Industrial Park in Batam to reach close to full capacity by end 2019. With this momentum and development of key industrial clusters in Bintan, we are confident 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 June 2019. The Group is committing its cash resources to further develop its Resorts, Utilities and Automotive businesses.

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

The aggregate value of the interested person transactions for the financial period ended 30 June 2019 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 Asuransi Central Asia Purchases	618
PT Indomarco Prismatama Purchases	558
PT Hino Motors Sales Indonesia Purchases	364
PT Mentari Subur Abadi Purchases	349
PT Kilau Indah Gemerlang Purchases	219
PT Shinhan Indo Finance Purchases	146
PT Penta Artha Impresi Purchases	133
SALES	
PT Hino Motors Manufacturing Indonesia Dividend Income	1,669
PT Hino Motors Sales Indonesia Dividend Income	1,284
PT Indofood CBP Sukses Makmur Tbk Sales	1,036
PT Sumi Rubber Indonesia Dividend Income	542
PT Salim Ivomas Pratama Sales	206
PT Soxal Batamindo Industrial Gases Sales	202
PT Indomobil Manajemen Corpora Interest income	151
PT Wahana Inti Sela Interest income	144
PT Wolfsburg Auto Indonesia Sales	133

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.

15. Confirmation pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors of Gallant Venture Ltd. confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the Second Quarter Financial Statements for the period ended 30 June 2019 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
7 AUGUST 2019