

GALLANT VENTURE LTD

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**Third Quarter 2019 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 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 September			YTD 30 September	
	3rd Qtr 2019	3rd Qtr 2018	Incr/ (Decr)	YTD Sep 2019	YTD Sep 2018
	S\$'000	S\$'000	%	S\$'000	S\$'000
Revenue	545,146	443,496	23	1,542,910	1,326,722
Cost of sales	(445,422)	(353,241)	26	(1,244,764)	(1,055,166)
Gross profit	99,724	90,255	10	298,146	271,556
Other income	15,075	13,971	8	42,986	43,934
General and administrative expenses	(53,550)	(46,096)	16	(156,470)	(135,360)
Other operating expenses	(39,971)	(36,630)	9	(117,545)	(111,381)
Share of associate companies' results	(836)	2,442	N.M	(3,369)	7,474
Finance costs	(48,687)	(34,956)	39	(137,292)	(97,974)
Loss before taxation	(28,245)	(11,014)	156	(73,544)	(21,751)
Taxation	(3,716)	(488)	661	(18,285)	(18,370)
Loss after taxation for the period	(31,961)	(11,502)	178	(91,829)	(40,121)
Attributable to:					
Equity holders of the Company	(26,042)	(13,910)	87	(75,560)	(45,295)
Non-controlling interests	(5,919)	2,408	N.M	(16,269)	5,174
	(31,961)	(11,502)	178	(91,829)	(40,121)

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 2019 S\$'000	3rd Qtr 2018 S\$'000	Incr/ (Decr) %	YTD Sep 2019 S\$'000	YTD Sep 2018 S\$'000	Incr/ (Decr) %
Loss after taxation for the period	(31,961)	(11,502)	178	(91,829)	(40,121)	129
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	-	7,064	N.M	-	11,284	N.M
Change in fair value of cash flow hedges, net of tax	(1,173)	1,142	N.M	(8,830)	530	N.M
Currency translation differences from foreign subsidiaries	18,032	(30,338)	N.M	30,381	(62,970)	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	509	-	N.M	21,894	-	N.M
Remeasurements of defined benefit plans	335	15	N.M	964	135	614
Other comprehensive income/(expenses)	17,703	(22,117)	N.M	44,409	(51,021)	N.M
Total comprehensive expenses	(14,258)	(33,619)	(58)	(47,420)	(91,142)	(48)
Attributable to:						
Equity holders of the Company	(15,969)	(27,209)	(41)	(45,749)	(76,980)	(41)
Non-controlling interests	1,711	(6,410)	N.M	(1,671)	(14,162)	(88)
	(14,258)	(33,619)	(58)	(47,420)	(91,142)	(48)

N.M. denotes "Not Meaningful"

Note:

The exchange rate of S\$1=IDR 10,258 (30 September 2018: S\$1=IDR 10,919) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,419 (30 September 2018: S\$1=IDR 10,441) 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 September		YTD 30 September	
	3rd Qtr	3rd Qtr	YTD Sep	YTD Sep
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	4,080	4,070	12,240	12,232
Depreciation of property, plant and equipment *	(30,295)	17,844	61,647	52,874
Depreciation of investment properties	7,066	7,179	21,236	21,753
Loss/(gain) on sale of property, plant and equipment	159	(47)	86	(260)
Allowance for impairment loss on trade receivables and foreclosed assets	15,974	506	27,707	2,885
Reversal of inventories obsolescence	-	(241)	-	(370)
Write back of other payables	-	-	-	(1,851)
Provision for employee benefits	1,008	875	3,050	2,788
Loss on sales of foreclosed assets	1,980	3,538	9,088	13,680
Gain on dilution from a subsidiary to associate	-	-	-	(464)
Exchange loss	2,089	2,423	6,860	2,548
Interest income	(7,400)	(5,914)	(20,597)	(15,881)
Interest expense	48,687	34,956	137,292	97,974

* Adjustment of depreciation for previous quarter

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	
	30.09.19	31.12.18	30.09.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current				
Intangible assets	704,142	716,234	35	62
Property, plant and equipment	1,092,332	769,129	224	310
Investment properties	178,805	182,203	-	-
Subsidiaries	-	-	2,537,174	2,537,174
Associates	120,495	116,269	-	-
Financing receivables	767,239	680,318	-	-
Deferred tax assets	47,931	34,542	-	-
Other non-current assets	244,169	345,388	155	155
	3,155,113	2,844,083	2,537,588	2,537,701
Current				
Land inventories	595,209	594,654	-	-
Other inventories	273,282	359,552	-	-
Financing receivables	603,710	519,405	-	-
Trade and other receivables	767,252	703,775	78,310	81,393
Cash and cash equivalents	216,752	228,879	4,842	381
	2,456,205	2,406,265	83,152	81,774
Total assets	5,611,318	5,250,348	2,620,740	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	(400,838)	(373,273)	(196,229)	(148,600)
Reserves	(186,440)	(136,594)	80,000	80,000
Equity attributable to equity holders of the Company	1,360,979	1,438,390	1,832,028	1,879,657
Non-controlling interests	285,894	293,995	-	-
Total equity	1,646,873	1,732,385	1,832,028	1,879,657
Liabilities				
Non-current				
Borrowings	1,533,028	1,030,198	298,486	311,489
Debt securities	103,976	163,237	-	-
Deferred tax liabilities	101,827	102,209	-	-
Employee benefits liabilities	39,532	36,709	-	-
Contract liabilities	3,032	11,621	-	-
Other non-current liabilities	43,965	32,780	88	88
	1,825,360	1,376,754	298,574	311,577
Current				
Trade and other payables	463,842	505,260	75,828	45,494
Contract liabilities	30,534	15,195	-	-
Borrowings	1,521,959	1,410,338	414,245	381,583
Debt securities	87,605	195,560	-	-
Current tax payable	35,145	14,856	65	1,164
	2,139,085	2,141,209	490,138	428,241
Total liabilities	3,964,445	3,517,963	788,712	739,818
Total equity and liabilities	5,611,318	5,250,348	2,620,740	2,619,475

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

		Group	
		30.09.19	31.12.18
		S\$'000	S\$'000
(i)	Amount payable in one year or less, or on demand		
	Secured	1,609,564	1,605,898
	Unsecured	-	-
		1,609,564	1,605,898
(ii)	Amount repayable after one year		
	Secured	1,637,004	1,193,435
	Unsecured	-	-
		1,637,004	1,193,435
TOTAL		3,246,568	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		YTD	
	3Q 2019 S\$'000	3Q 2018 S\$'000	30.09.19 S\$'000	30.09.18 S\$'000
Cash flows from operating activities				
Loss before taxation	(28,245)	(11,014)	(73,544)	(21,751)
Adjustments for:				
Amortisation of intangible assets	4,080	4,070	12,240	12,232
Depreciation of property, plant and equipment	(30,295)	17,844	61,647	52,874
Depreciation of investment properties	7,066	7,179	21,236	21,753
Provision for employee benefits	1,008	875	3,050	2,788
Reversal of inventories obsolescence	-	(241)	-	(370)
Impairment loss on trade receivables and foreclosed assets	15,974	506	27,707	2,885
Loss/(gain) on sale of property, plant and equipment	159	(47)	86	(260)
Loss on sale of investment properties	10	-	10	-
Gain on dilution from a subsidiary to associate	-	-	-	(464)
Loss on sales of foreclosed assets	1,980	3,538	9,088	13,680
Write back of other payables	-	-	-	(1,851)
Share of associate companies' results	836	(2,442)	3,369	(7,474)
Interest expense	48,687	34,956	137,292	97,974
Interest income	(7,400)	(5,914)	(20,597)	(15,881)
Cash from operations before changes in working capital	13,860	49,310	181,584	156,135
Increase in land inventories	(223)	(665)	(555)	(2,049)
Decrease/(increase) in other inventories	43,322	24,468	97,449	(18,091)
Increase in operating receivables	(50,598)	(86,116)	(205,218)	(328,217)
Increase in operating payables	74,512	90,694	7,346	194,532
Cash generated from operating activities	80,873	77,691	80,606	2,310
Income tax paid	(24,921)	(18,236)	(54,663)	(56,387)
Employee benefits paid	(277)	(112)	(561)	(422)
Interest paid	(80,121)	(55,642)	(194,852)	(164,507)
Interest received	1,129	1,473	1,931	4,132
Net cash (used in) / generated from operating activities	(23,317)	5,174	(167,539)	(214,874)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(133,219)	(76,085)	(396,544)	(162,464)
Acquisition of intangible assets	(17)	(1)	(147)	(35)
Acquisition of investment properties	(866)	(58)	(2,364)	(7,779)
(Addition in)/proceeds from investments	(11)	7,285	(7,357)	(313)
Interest received on and proceeds from restricted cash in banks and time deposits	513	-	669	429
Proceeds from sale of equity investments at fair value through other comprehensive income	-	-	144,943	-
Proceeds from sale of property, plant and equipment	1,509	714	4,492	1,954
Dividend from associate	256	439	1,637	5,440
Net cash used in investing activities	(131,835)	(67,706)	(254,671)	(162,768)

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 2019	3Q 2018	30.09.19	30.09.18
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Repayment of debt securities	-	(26,924)	(176,338)	(71,350)
Proceeds from bank borrowings	1,041,902	775,630	3,070,441	2,546,130
Repayment of bank borrowings	(877,847)	(694,232)	(2,494,305)	(2,341,146)
Purchase of treasury shares	-	-	-	(50)
Proceeds from issuance of bonds	-	4,465	-	205,087
Dividends paid to non-controlling interests	(421)	(374)	(421)	(374)
Proceeds from additional capital stock contribution of non-controlling interests	119	10,037	6,609	11,365
Net cash generated from financing activities	163,753	68,602	405,986	349,662
Net increase / (decrease) in cash and cash equivalents	8,601	6,070	(16,224)	(27,980)
Cash and cash equivalents at beginning of period	206,069	219,886	228,879	258,441
Effect of currency translation on cash and cash equivalents	2,082	(3,805)	4,097	(8,310)
Cash and cash equivalents at end of period	216,752	222,151	216,752	222,151

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 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	-	-	-	-	-	-	-	(31,385)	(31,385)	(28,619)
Other comprehensive (expenses)/income	-	-	-	(20,737)	(519)	3,013	(143)	-	(18,386)	(28,904)
Total comprehensive (expenses)/income for the period	-	-	-	(20,737)	(519)	3,013	(143)	(31,385)	(49,771)	(57,523)
Purchase of treasury shares	-	(50)	-	-	-	-	-	-	(50)	(50)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	25	-	25	1,274
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
Loss for the period	-	-	-	-	-	-	-	(13,910)	(13,910)	(11,502)
Other comprehensive (expenses)/income	-	-	-	(19,103)	805	5,042	(43)	-	(13,299)	(22,117)
Total comprehensive (expenses)/income for the period	-	-	-	(19,103)	805	5,042	(43)	(13,910)	(27,209)	(33,619)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(374)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	3,621	-	3,621	9,322
Balance as at 30 September 2018	1,948,307	(50)	(105,771)	(124,967)	(188)	17,766	8,405	(344,820)	1,398,682	1,670,116

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 2019:

	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 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	-	-	-	-	-	-	-	(49,518)	(49,518)	(10,350)	(59,868)
Other comprehensive income/(expenses)	-	-	-	8,749	(5,512)	15,282	1,219	-	19,738	6,968	26,706
Total comprehensive income/(expenses) for the period	-	-	-	8,749	(5,512)	15,282	1,219	(49,518)	(29,780)	(3,382)	(33,162)
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	-	-	-	-	-	-	(32,002)	-	(32,002)	(6,273)	(38,275)
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
Loss for the period	-	-	-	-	-	-	-	(26,042)	(26,042)	(5,919)	(31,961)
Other comprehensive income/(expenses)	-	-	-	10,160	(894)	364	443	-	10,073	7,630	17,703
Total comprehensive income/(expenses) for the period	-	-	-	10,160	(894)	364	443	(26,042)	(15,969)	1,711	(14,258)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(421)	(421)
Changes in interest in subsidiaries and effect of transaction with non-controlling interests	-	-	-	-	-	-	(15)	-	(15)	122	107
Balance as at 30 September 2019	1,948,307	(50)	(105,771)	(89,077)	(8,660)	31,827	(14,758)	(400,839)	1,360,979	285,894	1,646,873

- 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 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	-	-	-	(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 expense for the period	-	-	-	9,448	9,448
Balance as at 30 September 2018	1,948,307	(50)	80,000	(128,549)	1,899,708
Balance as at 1 January 2019	1,948,307	(50)	80,000	(148,600)	1,879,657
Total comprehensive expense for the period	-	-	-	(30,702)	(30,702)
Balance as at 30 June 2019	1,948,307	(50)	80,000	(179,302)	1,848,955
Total comprehensive expense for the period	-	-	-	(16,927)	(16,927)
Balance as at 30 September 2019	1,948,307	(50)	80,000	(196,229)	1,832,028

- 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 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 Sep 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 Sep 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			
	3rd Qtr 2019	3rd Qtr 2018	YTD Sep 2019	YTD Sep 2018
Net loss attributable to equity owners of the Company (\$'000)	(26,042)	(13,910)	(75,560)	(45,295)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.488)	(0.261)	(1.416)	(0.849)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.488)	(0.261)	(1.416)	(0.849)

⁽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	
	30.09.19	31.12.18	30.09.19	31.12.18
Net asset value per ordinary share	25.50 cents	26.95 cents	34.32 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 September 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.***

3rd Quarter 2019 (3Q 2019) vs. 3rd Quarter 2018 (3Q 2018)

Profit & Loss Statement

GV Group's 3Q 2019 revenue relating to IMAS was S\$500.1 million as compared to S\$401.3 million in 3Q 2018. Higher revenue was mainly due to increased revenue contributions from IMAS's finance companies, passenger vehicle sales, vehicle rental and distribution of fuels and lubricants, but partially offset by lower trucks and heavy equipment sales. The Group (excluding IMAS) registered higher revenue of S\$45.0 million as compared to S\$42.2 million in the previous period and was mainly due to higher revenue from utilities, industrial parks and resort segments. The Consolidated Group's revenue was S\$545.1 million, 23% higher than 3Q 2018's S\$443.5 million.

IMAS's 3Q 2019 cost of sales IMAS was S\$410.8 million as compared to S\$321.8 million in 3Q 2018. The Group's (excluding IMAS) cost of sales was S\$34.6 million as compared to S\$31.4 million in 3Q 2018. In line with the increased revenue, the Consolidated Group's cost of sales increased from S\$353.2 million in 3Q 2018 to 3Q 2019's S\$445.4 million. The Consolidated Group's cost of sales to revenue ratio was 0.82 in 3Q 2019 as compared to 0.80 in 3Q 2018. The Consolidated Group's gross profit was S\$99.7 million in 3Q 2019 as compared to S\$90.3 million in 3Q 2018 and was in line with higher revenue.

IMAS's 3Q 2019 "other income" was S\$15.8 million as compared to S\$16.5 million in 3Q 2018 and was mainly due to higher unrealised foreign exchange losses as compared to the previous period. The Group's (excluding IMAS) "other income" was S\$0.3 million income as compared to S\$1.6 million expenses in 3Q 2018 and was mainly due to lower unrealised foreign exchange loss as compared to the previous period. The Consolidated Group's "other income" was S\$15.1 million in 3Q 2019 as compared to 3Q 2018's S\$14.0 million.

IMAS's 3Q 2019 "general and administrative expenses" was S\$44.0 million as compared to S\$36.6 million in 3Q 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\$3.9 million as compared to 3Q 2018's S\$3.8 million. The Consolidated Group's "general and administrative expenses" was S\$53.6 million as compared to 3Q 2018's S\$46.1 million.

IMAS's 3Q 2019 "other operating expenses" was S\$32.8 million as compared to 3Q 2018's S\$30.3 million and was mainly due to higher manpower costs. The Group's (excluding IMAS) "other operating expenses" was S\$7.2 million as compared to 3Q 2018's S\$6.3 million and was mainly due to higher manpower costs and marketing expenses. The Consolidated Group's "other operating expenses" was S\$40.0 million as compared to 3Q 2018's S\$36.6 million.

The Consolidated Group's 3Q 2019 "share of associate companies' results" was S\$0.9 million loss as compared to 3Q 2018's S\$2.4 million profit and mainly due to losses from automotive associate companies.

IMAS's 3Q 2019 "finance costs" was S\$39.9 million as compared to 3Q 2018's S\$27.8 million and the Group's (excluding IMAS) "finance costs" was S\$8.8 million as compared to 3Q 2018's S\$7.2 million. The Consolidated Group's "finance costs" was S\$48.7 million as compared to S\$35.0 million in 3Q 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\$13.1 million in 3Q 2019 as compared to S\$4.0 million net profit in 3Q 2018 and was mainly due to higher financing cost, provision for doubtful debts, manpower costs and higher unrealised foreign exchange loss as compared to the previous period. The Group's (excluding IMAS) net loss was S\$12.5 million as compared to 3Q 2018's S\$12.6 million. The Consolidated Group reported a net loss attributable to equity holder of the Company of S\$26.0 million as compared to 3Q 2018's S\$13.9 million.

9 Months 2019 (YTD Sep 2019) vs. 9 Months 2018 (YTD Sep 2018)

Profit & Loss Statement

GV Group's YTD Sep 2019 revenue relating to IMAS was S\$1,414.9 million as compared to S\$1,203.1 million in YTD Sep 2018. Higher revenue was mainly due to higher contributions IMAS's finance companies, passenger vehicle sales, vehicle rental and distribution of fuel and lubricant, but partially offset

by lower trucks and heavy equipment sales. The Group (excluding IMAS) registered higher revenue of S\$128.0 million as compared to S\$123.6 million in the previous period and was mainly due to higher revenue from utilities, industrial parks and resort segments. The Consolidated Group revenue was S\$1,542.9 million, 16% higher than YTD Sep 2018's S\$1,326.7 million.

IMAS's YTD Sep 2019 cost of sales IMAS was S\$1,143.5 million as compared to S\$959.4 million in YTD Sep 2018. The Group's (excluding IMAS) cost of sales was S\$101.3 million as compared to S\$95.8 million in YTD Sep 2018. In line with the increased revenue, the Consolidated Group's cost of sales increased from S\$1,055.2 million in YTD Sep 2018 to YTD Sep 2019's S\$1,244.8 million. The Consolidated Group's cost of sales to revenue ratio was 0.81 in YTD Sep 2019 as compared to 0.80 in YTD Sep 2018. The Consolidated Group's gross profit was S\$298.1 million in YTD Sep 2019 as compared to S\$271.5 million in YTD Sep 2018 and was in line with higher revenue.

IMAS's YTD Sep 2019 "other income" was S\$110.0 million as compared to S\$50.8 million in YTD Sep 2018 and was mainly due to 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\$3.4 million income as compared to S\$6.0 million expenses in YTD Sep 2018 and was mainly due to lower foreign exchange loss as compared to the previous period. 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 investments designated at fair value through other comprehensive income ("FVOCI"), where the gains and losses previously accumulated in the Other Components of Equity ("OCE") are not recognised in the profit or loss statement upon the divestment of the investment but is transfer to the accumulated profit and loss. Accordingly, the Consolidated Group's "other income" was S\$43.0 million in YTD Sep 2019 as compared to YTD Sep 2018's S\$43.9 million.

IMAS's YTD Sep 2019 "general and administrative expenses" was S\$127.0 million as compared to S\$105.9 million in YTD Sep 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\$12.5 million as compared to YTD Sep 2018's S\$12.3 million. The Consolidated Group's "general and administrative expenses" was S\$156.5 million as compared to YTD Sep 2018's S\$135.4 million.

IMAS's YTD Sep 2019 "other operating expenses" was S\$96.6 million as compared to YTD Sep 2018's S\$94.4 million and was mainly due to higher manpower costs. The Group's (excluding IMAS) "other operating expenses" was S\$21.0 million as compared to YTD Sep 2018's S\$17.0 million and was mainly due to write back of accrued expenses in the previous period. The Consolidated Group's "other operating expenses" was S\$117.5 million as compared to YTD Sep 2018's S\$111.4 million.

The Consolidated Group's YTD Sep 2019 "share of associate companies' results" was S\$3.4 million loss as compared to YTD Sep 2018's S\$7.5 million profit and mainly due to losses from automotive associate companies.

IMAS's YTD Sep 2019 "finance costs" was S\$112.7 million as compared to YTD Sep 2018's S\$76.7 million and the Group's (excluding IMAS) "finance costs" was S\$24.6 million as compared to YTD Sep 2018's S\$21.3 million. The Consolidated Group's "finance costs" was S\$137.3 million as compared to S\$98.0 million in YTD Sep 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\$31.4 million in YTD Sep 2019 as compared to S\$7.7 million in YTD Sep 2018 and was mainly due to the gain on the divestment of MASA. The Group's (excluding IMAS) net loss was S\$37.7 million as compared to YTD Sep 2018's S\$40.0 million. After adjustment of the S\$69.5 million gain on the divestment of MASA, the Consolidated Group reported a net loss attributable to equity holder of the Company of S\$75.6 million as compared to YTD Sep 2018's S\$45.3 million.

Balance Sheet

The Group's total assets of S\$5,611.3 million as at 30 September 2019 were S\$361.0 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\$101.2 million mainly due to the divestment of the Group's quoted equity investments at FVOCI and changes in the fair value of derivative instruments. Current assets increased from S\$2,406.3 million to S\$2,456.2 million and was 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.

Other non-current assets

The breakdown of other non-current assets as at 30 September 2019 is as follows:-

	S\$'000
Equity investments in FVOCI	133,465
Derivative assets	8,149
Estimated claims for tax refund	32,752
Restricted cash in banks and time deposits	22,287
Other receivables	46,408
Prepayment	618
Deposits	490
	<u>244,169</u>

Trade and other receivables

The breakdown of the trade and other receivables as at 30 September 2019 is as follows:-

	S\$'000
Trade and other receivables	382,156
Due from related parties ⁽¹⁾	204,212
Short term investment	95,143
Prepayment and other current assets	85,741
	<u>767,252</u>

⁽¹⁾ The non-trade amount owing by related parties are mainly advanced payment of expenses that are non-interest bearing, unsecured and repayable on demand.

The aging of the trade and other receivables as at 30 September 2019 is as follows:-

	S\$'000
Under 30 days	169,993
31 – 60 days past due	46,101
61 – 90 days past due	16,454
>90 days past due	149,608
	<u>382,156</u>

The Group' total liabilities of S\$3,964.4 million were S\$446.4 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 September 2019 were S\$3.2 billion of which S\$1.9 billion relates to IMAS' vehicle rental and financial companies business.

Cash Flow Statement

Net cash used in operating activities was S\$167.5 million as compared to S\$214.9 million in the previous period.

Net cash used in investing activities was S\$254.7 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$406.0 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 slower truck and heavy equipment sales.

Tourist arrivals into Bintan continue to strengthen and have contributed positively to our Resorts segment. Our Industrial Parks segment has recovered and we expect our Batamindo Industrial Park to reach close to full occupancy by end 2019. With this momentum and development of key industrial clusters in Bintan, we are confident that these core business segments will continue to grow and 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 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 September 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 Indomarco Prismatama Purchases	1,128
PT Mentari Subur Abadi Purchases	729
PT Asuransi Central Asia Purchases	618
PT Hino Motors Sales Indonesia Purchases	364
PT Shinhan Indo Finance Purchases	300
PT Kilau Indah Gemerlang Purchases	219
PT Penta Artha Impressi Purchases	133
PT Herwido Rintis Purchases	125
SALES	
PT Nusantara Berau Coal Sales	6,876
PT Artha Tunggal Mandiri Sales	2,739
PT Hino Motors Manufacturing Indonesia Dividend Income	1,671
PT Indofood CBP Sukses Makmur Tbk Sales	1,590
PT Hino Motors Sales Indonesia Dividend Income	1,285
PT Sumi Rubber Indonesia Dividend Income	543
PT Sumi Indo Wiring Systems Dividend Income	407
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
PT Anugerah Indofood Barokah Makmur Sales	128

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 Third Quarter Financial Statements for the period ended 30 September 2019 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
6 NOVEMBER 2019