

**GALLANT VENTURE LTD**

Registration Number: 200303179Z

Blk 3 #02-06/07, 991 Alexandra Road,  
Singapore 119964

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com

**FIRST QUARTER 2008 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

The Board of Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the first quarter ended 31 March 2008.

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

	<b>Group</b>		
	<b>1st Qtr 2008</b>	<b>1st Qtr 2007</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	55,692	54,536	2.1
Cost of sales	(40,598)	(40,123)	1.2
<b>Gross profit</b>	<b>15,094</b>	<b>14,413</b>	<b>4.7</b>
General and administrative expenses	(1,856)	(1,329)	39.7
Other operating expenses	(6,004)	(7,841)	(23.4)
Other income net of expenses	575	352	63.4
Interest income	909	926	(1.8)
Finance costs	(884)	(1,871)	(52.8)
Exchange gain	188	611	(69.2)
Share of associated company's profit/(losses)	58	67	(13.4)
<b>Profit before taxation</b>	<b>8,080</b>	<b>5,328</b>	<b>51.7</b>
Taxation	(7,304)	(3,974)	83.8
<b>Profit after taxation</b>	<b>776</b>	<b>1,354</b>	<b>(42.7)</b>
Attributable to:			
Equity holders of the Company	1,104	1,757	(37.2)
Minority Interests	(328)	(403)	(18.6)
	<b>776</b>	<b>1,354</b>	<b>(42.7)</b>

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

	<b>Group</b>	
	<b>1st Qtr 2008</b>	<b>1st Qtr 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amortization of intangible assets	<b>23</b>	16
Depreciation of property, plant and equipment	<b>9,813</b>	8,451
Depreciation of investment properties	<b>4,159</b>	5,709
Loss on disposal of property, plant and equipment	<b>4</b>	-

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

	<u>Group</u>		<u>Company</u>	
	<u>31.03.08</u>	<u>31.12.07</u>	<u>31.03.08</u>	<u>31.12.07</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Non-current assets</b>				
Intangible assets	1,431	1,448	10	6
Property, plant and equipment	384,795	380,714	154	171
Investment properties	301,064	317,577	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	1,011	953	-	-
Other investments	-	-	-	-
Deferred tax assets	6,858	7,669	-	-
Loan receivables	62,046	62,046	-	-
Other non-current assets	4,664	3,366	-	-
	<u>761,869</u>	<u>773,773</u>	<u>1,207,806</u>	<u>1,207,819</u>
<b>Current assets</b>				
Land inventories	546,693	546,481	-	-
Other inventories	10,366	10,503	-	-
Trade and other receivables	67,102	62,067	92,708	88,211
Restricted cash	2,682	3,276	-	-
Cash and cash equivalents	65,835	81,639	1,032	1,747
	<u>692,678</u>	<u>703,966</u>	<u>93,740</u>	<u>89,958</u>
<b>Total assets</b>	<u>1,454,547</u>	<u>1,477,739</u>	<u>1,301,546</u>	<u>1,297,777</u>
<b>Non-current liabilities</b>				
Deposits from tenants/golf membership	35,748	36,045	-	-
Employee benefits liabilities	5,073	5,928	-	-
Deferred tax liabilities	556	557	-	-
Loans and borrowings	19,120	38,200	17,000	34,000
	<u>60,497</u>	<u>80,730</u>	<u>17,000</u>	<u>34,000</u>
<b>Current liabilities</b>				
Trade and other payables	46,822	48,192	2,696	3,224
Current tax payable	4,895	8,923	-	-
Current portion of loans and borrowings	62,058	61,074	70,257	69,546
	<u>113,775</u>	<u>118,189</u>	<u>72,953</u>	<u>72,770</u>
<b>Total liabilities</b>	<u>174,272</u>	<u>198,919</u>	<u>89,953</u>	<u>106,770</u>
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(50)	(730)	-	-
Retained profits/(accumulated losses)	40,406	39,302	3,951	(16,635)
<b>Equity attributable to equity holders of the Company</b>	<u>1,247,998</u>	<u>1,246,214</u>	<u>1,211,593</u>	<u>1,191,007</u>
<b>Minority Interest</b>	<u>32,277</u>	<u>32,606</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>1,280,275</u>	<u>1,278,820</u>	<u>1,211,593</u>	<u>1,191,007</u>
<b>Total liabilities and equity</b>	<u>1,454,547</u>	<u>1,477,739</u>	<u>1,301,546</u>	<u>1,297,777</u>

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

	Group	
	31.03.08	31.12.07
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	42,620	41,620
Unsecured	19,438	19,454
	<b>62,058</b>	61,074
(ii) Amount repayable after one year		
Secured	19,120	38,200
Unsecured	-	-
	<b>19,120</b>	38,200
<b>TOTAL</b>	<b>81,178</b>	99,274

#### (iii) Details of any collaterals

The following assets of the Group were mortgaged to lenders to secure credit facilities for the Company and the Group:

- Pledge of shares in the capital of PT Batamindo Investment Cakrawala ("PT BIC");
- Deed of assignment and charge, whereby the Group has assigned and charged to United Overseas Bank Ltd ("UOBL") all its rights, title and interest in dividends arising from, *inter alia*, the shares pledged as mentioned in (a) above;
- Assignment of accounts receivable of PT BIC and the related bank account maintained with UOBL which is maintained for the collections of such accounts receivables;
- Deed of debenture creating a fixed and floating charge over Bintan Resorts Ferries Pte Ltd ("BRF")'s assets both present and future including goodwill and uncalled capital; and
- First legal mortgage on BRF's vessels.

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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	
	31.03.08 S\$'000	31.03.07 S\$'000
Cash flows from operating activities		
Profit before taxation	8,080	5,328
Adjustments for:		
Amortisation of intangible assets	23	16
Depreciation of property, plant and equipment	9,813	8,451
Depreciation of investment properties	4,159	5,709
Currency translation difference	584	(237)
Loss on disposal of property, plant & equipment	4	-
Share of associated companies' (profits)/losses	(58)	(67)
Interest expense	884	1,871
Interest income	(909)	(926)
Cash from operations before changes in working capital	22,580	20,145
Changes in working capital		
Increase in land inventories	(212)	-
Decrease in other inventories	136	274
Increase in operating receivables	(5,034)	(12,515)
(Decrease)/increase in operating payables	(842)	12,135
Cash generated from operating activities	16,628	20,039
Income tax paid	(9,838)	(3,494)
Employee benefits paid	(781)	-
Interest paid	(2,070)	(1,871)
Interest received	909	926
Deposits refunded to tenants/golf members	(296)	(2,538)
<b>Net cash generated from operating activities</b>	<b>4,552</b>	<b>13,062</b>
Cash flows from investing activities		
Acquisition of intangible assets	(6)	-
Acquisition of property, plant and equipment	(2,122)	(9,158)
Proceeds from disposal of property, plant and equipment	579	-
Deposits (paid)/received	(1,299)	1,028
<b>Net cash used in investing activities</b>	<b>(2,848)</b>	<b>(8,130)</b>
Cash flows from financing activities		
(Increase)/decrease in fixed deposits pledged with a bank	594	(177)
Repayment of bank loan	(18,102)	(18,577)
<b>Net cash (used in)/generated from financing activities</b>	<b>(17,508)</b>	<b>(18,754)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(15,804)</b>	<b>(13,822)</b>
Cash and cash equivalents at beginning	81,639	66,934
<b>Cash and cash equivalents at end</b>	<b>65,835</b>	<b>53,112</b>

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- 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 March 2008:**

	Share capital S\$'000	Translation reserve S\$'000	(Accumulated losses) /retained profits S\$'000	Attributable to equity holders of the Company S\$'000	Minority Interest S\$'000	Total S\$'000
Balance as at 1 January 2007	1,205,212	653	24,582	1,230,447	32,891	1,263,338
Currency translation difference	-	(438)	-	(438)	-	(438)
Net profit for the period	-	-	1,757	1,757	(403)	1,354
Total recognised income and expense for the period	-	(438)	1,757	1,319	(403)	916
Balance as at 31 March 2007	1,205,212	215	26,339	1,231,766	32,488	1,264,254
<b>Balance as at 1 January 2008</b>	<b>1,207,642</b>	<b>(730)</b>	<b>39,302</b>	<b>1,246,214</b>	<b>32,606</b>	<b>1,278,820</b>
Currency translation difference	-	680	-	680	(1)	679
Net profit for the period	-	-	1,104	1,104	(328)	776
Total recognised income and expense for the period	-	680	1,104	1,784	(329)	1,455
Balance as 31 March 2008	1,207,642	(50)	40,406	1,247,998	32,277	1,280,275

**Statement of changes in equity of the Company for the period ended 31 March 2008:**

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2007	1,205,212	(11,120)	1,194,092
Net loss for the period	-	(1,735)	(1,735)
Total recognised income and expense for the period	-	(1,735)	(1,735)
Balance as at 31 March 2007	1,205,212	(12,855)	1,192,357
<b>Balance as at 1 January 2008</b>	<b>1,207,642</b>	<b>(16,635)</b>	<b>1,191,007</b>
Net profit for the period	-	20,586	20,586
Total recognised income and expense for the period	-	20,586	20,586
Balance as at 31 March 2008	1,207,642	3,951	1,121,593

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**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.**

None

**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.**

The total number of issued shares excluding treasury shares as at 31 March 2008 and 31 December 2007 was 2,412,482,556.

**1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasure shares as at the end of the current financial period reported on.**

Not applicable.

**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 nor 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 and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements as at 31 December 2007.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reason for, and the effect of, the change.**

Not applicable.





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)***

Earnings per ordinary share for the period based on profit attributable to shareholders:

	<b>Group</b>	
	<b>1st Quarter 2008</b>	<b>1st Quarter 2007</b>
Earnings (S\$'000)	<b>1,104</b>	1,757
Based on weighted number of ordinary shares in issue – 2,412,482,556 and 2,410,423,184 in 2008 and 2007 respectively	<b>0.05 cents</b>	0.07 cents

There was no dilutive effect on Earnings per Shares.

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.***

	<b>Group</b>		<b>Company</b>	
	<b>31.03.08</b>	31.12.07	<b>31.03.08</b>	31.12.07
Net asset value per ordinary share	<b>51.73 cents</b>	51.66 cents	<b>50.22 cents</b>	49.37 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 2,412,482,556 ordinary shares.

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.***

**1st Quarter 2008 (1Q 2008) vs. 1st Quarter 2007 (1Q 2007)**

The Group's revenue for 1Q 2008 was S\$55.7 million representing a 2.1% increase from 1Q 2007's S\$54.5 million. This was mainly due to sale of a factory in the Industrial Park in 1Q 2008. Consequently, the gross profit margin for 1Q 2008 of S\$15.1 million was 4.7% higher than 1Q 2007's S\$14.4 million.

Net profit before taxation for 1Q 2008 was S\$8.1 million which was an increase of 51.7% as compared to 1Q 2007's of S\$5.3 million. The higher profit before taxation was mainly due to lower overall other operating expenses and general administrative expenses and lower finance costs as a result of lower bank borrowings as compared to previous period.

For 1Q 2008 net profit attributable to shareholders of S\$1.1 million was lower than the corresponding period of S\$1.8 million. This was mainly due to a one-time payment of Indonesian withholding tax of S\$2.0 million in 1Q 2008.

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Cash and cash equivalents for the Group as at 31 March 2008 was S\$68.5 million (including restricted cash). This was S\$16.4 million lower than 31 December 2007's S\$84.9 million due to repayment of bank 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.***

Recent developments such as the sub-prime crisis and economic slowdown in the USA have somewhat affected investment sentiment in Bintan. This may result in slower land sales from the property development business. High fuel cost and inflation may negatively impact the Group's businesses. Notwithstanding the above, the Company is confident of its future land sale.

**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 31 March 2008.



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**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 31 March 2008 was as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	<b>S\$'000</b>	<b>S\$'000</b>
<b>PURCHASES</b>		
<b>Sembcorp Parks Management Pte Ltd</b> Marketing remuneration fees	-	1,467
<b>PT Herwido Rintis</b> Management fee	-	143
<b>Island Leisure International Pte Ltd</b> Management fee	-	350
<b>Ascendas Investment Pte Ltd</b> Shareholder loan interest	-	253
<b>SALES</b>		
<b>PT Alam Indah Bintan</b> Sales	-	(1,037)
<b>PT Straits CM Village</b> Sales	-	(781)

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
COMPANY SECRETARY  
14 May 2008

Asian Corporate Advisors Pte Ltd ("ACA") and Genesis Capital Pte Ltd ("Genesis") were the Issue Managers of Gallant Venture Ltd.'s listing exercise. ACA and Genesis assume no responsibility for the contents of this announcement.

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**CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of Gallant Venture Ltd. which may render the first quarter 2008 financial results to be false or misleading.

For and on behalf of the Board

Eugene Cho Park  
CEO / Executive Director

Gianto Gunara  
Executive Director

14 May 2008