



Second Quarter 2009 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2009

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2009.

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 2009 S\$'000	2nd Qtr 2008 S\$'000	Incr/ (Decr) %	Half year 2009 S\$'000	Half year 2008 S\$'000	Incr/ (Decr) %
Revenue	48,652	56,371	(13.7)	94,648	112,063	(15.5)
Cost of sales	(39,871)	(41,381)	(3.6)	(76,649)	(81,979)	(6.5)
Gross profit	8,781	14,990	(41.4)	17,999	30,084	(40.2)
General and administrative expenses	(2,881)	(3,078)	(6.4)	(4,812)	(4,934)	(2.5)
Other operating expenses	(5,144)	(6,430)	(20.0)	(11,585)	(12,434)	(6.8)
Other income net of other expenses	1,486	395	276.2	1,843	970	90.0
Interest income	524	650	(19.4)	1,133	1,559	(27.3)
Finance costs	(681)	(655)	4.0	(1,403)	(1,539)	(8.8)
Exchange gain	411	167	146.1	475	355	33.8
Share of associated company's profit	33	39	(15.4)	38	97	(60.8)
Profit before tax	2,529	6,078	(58.4)	3,688	14,158	(74.0)
Taxation	(2,249)	(5,243)	(57.1)	(5,581)	(12,547)	(55.5)
Profit/(loss) after tax for the period	280	835	(66.5)	(1,893)	1,611	(217.5)
Other comprehensive income/(loss):						
Exchange differences on translating foreign operations	(782)	(1,068)	(26.8)	(718)	(389)	84.6
Other comprehensive income/(loss) for the period	(782)	(1,068)	(26.8)	(718)	(389)	84.6
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(502)	(233)	115.5	(2,611)	1,222	(313.7)
Profit attributable to:						
Equity holders of the Company	346	1,245	(72.2)	(1,571)	2,349	(166.9)
Minority Interests	(66)	(410)	(83.9)	(322)	(738)	(56.4)
	280	835	(66.5)	(1,893)	1,611	(217.5)
The comprehensive income/(loss) attributable to:						
Equity holders of the Company	(459)	177	(359.3)	(2,312)	1,961	(217.9)
Minority Interests	(43)	(410)	(89.5)	(299)	(739)	(59.5)
	(502)	(233)	115.5	(2,611)	1,222	(313.7)

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

	Group			
	Quarter ended 30 June 2nd Qtr 2009 S\$'000	2nd Qtr 2008 S\$'000	YTD 30 June Half year 2009 S\$'000	Half year 2008 S\$'000
Amortisation of intangible assets	46	31	120	54
Depreciation of property, plant and equipment	8,526	6,476	16,669	16,289
Depreciation of investment properties	5,511	7,184	11,128	11,343
Loss on disposal of property, plant and equipment	39	66	39	70
Gain from sale of investment properties	(160)	-	(160)	-



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.

	Group		Company	
	30.06.09	31.12.08	30.06.09	31.12.08
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Intangible assets	1,413	1,483	4	7
Property, plant and equipment	378,428	368,879	416	343
Investment properties	287,651	295,209	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	750	802	-	-
Deferred tax assets	6,482	6,507	-	-
Loan receivables	62,046	62,046	-	-
Other non-current assets	2,891	2,944	-	-
	739,661	737,870	1,208,062	1,207,992
Current assets				
Land inventories	551,268	549,918	-	-
Other inventories	10,739	15,588	-	-
Trade and other receivables	66,308	70,593	125,723	102,285
Cash and bank balances	108,784	89,867	2,413	1,124
	737,099	725,966	128,136	103,409
Total assets	1,476,760	1,463,836	1,336,198	1,311,401
Non-current liabilities				
Deposits from tenants/golf membership	33,373	36,100	-	-
Employee benefits liabilities	6,305	5,527	-	-
Deferred tax liabilities	583	583	-	-
Loans and borrowings	45,543	34,420	42,543	34,420
	85,804	76,630	42,543	34,420
Current liabilities				
Trade and other payables	54,642	50,617	4,221	3,573
Current tax payable	4,936	7,637	-	-
Current portion of loans and borrowings	56,478	51,441	87,096	67,746
	116,056	109,695	91,317	71,319
Total liabilities	201,860	186,325	133,860	105,739
Equity				
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(1,721)	(980)	-	-
Retained profits/(accumulated losses)	38,288	39,859	(5,304)	(1,980)
Equity attributable to equity holders of the Company	1,244,209	1,246,521	1,202,338	1,205,662
Minority Interest	30,691	30,990	-	-
Total equity	1,274,900	1,277,511	1,202,338	1,205,662
Total liabilities and equity	1,476,760	1,463,836	1,336,198	1,311,401

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

	Group	
	30.06.09	31.12.08
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	44,800	32,900
Unsecured	11,678	18,541
	56,478	51,441
(ii) Amount repayable after one year		
Secured	45,543	34,420
Unsecured	-	-
	45,543	34,420
TOTAL	102,021	85,861

(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:

- a. Assignment of refundment guarantees of the vessels during the construction;
- b. Assignment of hull and machinery and protection and indemnity insurances with respect to the vessels;
- c. All-monies first preferred mortgage on the vessels upon completion;
- d. Pledge of shares in the capital of PT Batamindo Investment Cakrawala ("PT BIC");
- e. Deed of assignment and charge, whereby the companies have assigned and charged to the bank all its rights, title and interest in dividends arising from; inter alia, the shares pledged as mentioned in (d) above;
- f. Assignment of accounts receivable of PT BIC and the related bank account with United Overseas Bank Limited ("UOBL") which is maintained for the collections of such accounts receivables;
- g. 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;
- h. First legal mortgage on BRF's vessels;
- i. Corporate Guarantee from PT Bintan Resort Cakrawala ("PT BRC");
- j. A "hull and machinery and war" insurance on BRF's vessels; and
- k. Credit agreement between the Group and its banker.



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	
	30.06.09 S\$'000	30.06.08 S\$'000
Cash flows from operating activities		
Profit before taxation	3,688	14,158
Adjustments for:		
Amortisation of intangible assets	120	54
Depreciation of property, plant and equipment	16,669	16,289
Depreciation of investment properties	11,128	11,343
Currency translation difference	(717)	(333)
Provision for employee benefits	798	543
Gain from sale of investment properties	(160)	-
Loss on disposal of property, plant & equipment	39	70
Share of associated companies' profits	(38)	(97)
Interest expense	1,403	1,539
Interest income	(1,133)	(1,559)
Cash from operations before changes in working capital	31,797	42,007
Changes in working capital		
Increase in land inventories	(1,351)	(811)
Decrease/(Increase) in other inventories	4,849	(1,771)
Decrease/(Increase) in operating receivables	4,285	(14,037)
Decrease in operating payables	(989)	(326)
Cash generated from operating activities	38,591	25,062
Income tax paid	(2,306)	(11,783)
Employee benefits paid	(21)	(939)
Interest paid	(2,339)	(2,805)
Interest received	1,133	1,559
Deposits refunded to tenants/golf members	(2,726)	(326)
Net cash generated from operating activities	32,332	10,768
Cash flows from investing activities		
Acquisition of intangible assets	(50)	(6)
Acquisition of property, plant and equipment	(29,808)	(6,046)
Proceeds from disposal of property, plant and equipment	(70)	585
Proceeds from sale of investment properties	210	-
Dividends from associated companies	90	90
Deposits received/(paid)	53	(823)
Net cash used in investing activities	(29,575)	(6,200)
Cash flows from financing activities		
Decrease in fixed deposits pledged with a bank	11,413	921
Loan from financial institutions	36,115	5,200
Repayment of bank loan	(19,955)	(20,242)
Net cash generated from/(used in) financing activities	27,573	(14,121)
Net increase/(decrease) in cash and cash equivalents	30,330	(9,553)
Cash and cash equivalents at beginning of period	78,454	81,639
Cash and cash equivalents at end of period	108,784	72,086
The Group		
Cash and bank balances	108,784	74,441
Less: Bank deposits pledged	-	(2,355)
Cash and cash equivalents	108,784	72,086



- 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 2009:

	Share capital S\$'000	Translation reserves S\$'000	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 2008	1,207,642	(730)	39,302	1,246,214	32,606	1,278,820
Currency translation difference	-	680	-	680	(1)	679
Net profit for the period	-	-	1,104	1,104	(328)	776
Total recognised income/ (expense) for the period	-	680	1,104	1,784	(329)	1,455
Balance as at 31 March 2008	1,207,642	(50)	40,406	1,247,998	32,277	1,280,275
Currency translation difference	-	(1,068)	-	(1,068)	-	(1,068)
Net profit for the period	-	-	1,245	1,245	(410)	835
Total recognised income/ (expense) for the period	-	(1,068)	1,245	177	(410)	(233)
Balance as 30 June 2008	1,207,642	(1,118)	41,651	1,248,175	31,867	1,280,042
Balance as at 1 January 2009	1,207,642	(980)	39,859	1,246,521	30,990	1,277,511
Currency translation difference	-	64	-	64	-	64
Net loss for the period	-	-	(1,917)	(1,917)	(256)	(2,173)
Total recognised income/ (expense) for the period	-	64	(1,917)	(1,853)	(256)	(2,109)
Balance as at 31 March 2009	1,207,642	(916)	37,942	1,244,668	30,734	1,275,402
Currency translation difference	-	(805)	-	(805)	23	(782)
Net profit for the period	-	-	346	346	(66)	280
Total recognised income/ (expense) for the period	-	(805)	346	(459)	(43)	(502)
Balance as 30 June 2009	1,207,642	(1,721)	38,288	1,244,209	30,691	1,274,900



Statement of changes in equity of the Company for the period ended 30 June 2009:

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2008	1,207,642	(16,635)	1,191,007
Net profit for the period	-	20,586	20,586
Total recognised income for the period	-	20,586	20,586
Balance as at 31 March 2008	1,207,642	3,951	1,211,593
Net loss for the the period	-	(1,863)	(1,863)
Total recognised expense for the period	-	(1,863)	(1,863)
Balance as at 30 June 2008	1,207,642	2,088	1,209,730
Balance as at 1 January 2009	1,207,642	(1,980)	1,205,662
Net loss for the period	-	(2,071)	(2,071)
Total recognised expense for the period	-	(2,071)	(2,071)
Balance as at 31 March 2009	1,207,642	(4,051)	1,203,591
Net loss for the period	-	(1,253)	(1,253)
Total recognised expense for the period	-	(1,253)	(1,253)
Balance as at 30 June 2009	1,207,642	(5,304)	1,202,338

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 30 June 2009 and 30 June 2008 were 2,412,482,556.



- 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 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.**

Except as disclosed in paragraph 5 below, the Group has 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 2008.

- 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 adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS.

The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of Financial Statements and the disclosure of operating segments in accordance with FRS 108 (Revised) Operating Segments.

- 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/(loss) per ordinary share for the period based on profit attributable to shareholders:

	Group			
	2nd Quarter 2009	2nd Quarter 2008	Half year 2009	Half year 2008
	S\$'000	S\$'000	S\$'000	S\$'000
Earnings/(loss)	346	1,245	(1,571)	2,349
Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2009 and 2008 respectively	0.01 cents	0.05 cents	(0.07) cents	0.10 cents

There was no dilutive effect on Earnings 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	
	31.06.09	31.12.08	30.06.09	31.12.08
Net asset value per ordinary share	51.57 cents	51.67 cents	48.84 cents	49.98 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.***

2nd Quarter 2009 (2Q2009) vs. 2nd Quarter 2008 (2Q2008)

In 2Q2009, the Group's net profit attributable to shareholders was S\$0.3 million as compared to 2Q2008's S\$1.2 million. Lower net profit was mainly due to lower revenue from utility and rental related businesses.

The Group initiated various cost control measures resulting in lower operating costs as follows:

- Cost of sales decreased from 2Q2008's S\$41.4 million to S\$39.9 million in 2Q2009;
- General and administrative expenses decreased from 2Q2008's S\$3.1 million to S\$2.9 million in 2Q2009; and
- Other operating expenses decreased from 2Q2008's S\$6.4 million to S\$5.1 million in 2Q2009. The reduction was mainly due to lower salary and marketing related expenses.

Higher other income (net of expenses) of S\$1.5 million, as compared to 2Q2008's S\$0.4 million, was mainly due to sale of investment properties, receipt of government grants (Jobs Credit Scheme) and higher service income from the Resort Operations business.



Higher exchange gain of S\$0.4 million in 2Q2009, as compared to 2Q2008's S\$0.2 million, was mainly due to translation gain from Rupiah denominated deposits; and

In line with lower revenue, the Group reported lower taxation in 2Q2009 of S\$2.2 million as compared to 2Q2008's S\$5.2 million.

Half year 2009 (1H2009) vs. Half year 2008 (1H2008)

The Group's 1H2009 revenue was S\$94.6 million, which was 15.5% lower than 1H2008's S\$112.1 million. Lower revenue was mainly due to:

- Lower utility revenue as a result of decreased demand from Industrial Park's and Resorts' tenants;
- Withdrawal of several tenants in late FY2008 resulted in lower factory and dormitory rental revenue; and
- No recognition of factory and land sale in 1H2009 as compared to 1H2008's S\$2.5 million.

In line with the lower revenue, the Group's cost of sales decreased from S\$82.0 million in 1H2008 to S\$76.6 million in 1H2009 and correspondingly the gross profit was reduced to S\$18.0 million in 1H2009.

The Group's 1H2009 other operating expenses of S\$11.6 million was 6.8% lower than 1H2008's S\$12.4 million. This was mainly due to lower salary and marketing related expenses.

The Group recognised higher other income (net of other expenses) of S\$1.8 million in 1H2009 as compared to 1H2008's S\$1.0 million. This was mainly due to income from sale of investment properties, receipt government grants (job credit) and higher service income from Resort Operations business.

With lower bank deposit rates, the Group's 1H2009 interest income of S\$1.1 million was 27.3% lower than 1H2008's S\$1.6 million.

The Group maintains regular repayment of external bank borrowings and, accordingly, registered lower interest expense of S\$1.4 million in 1H2009 as compared to 1H2008's S\$1.5 million.

The Group's 1H2009 tax expense of S\$5.6 million was 55.5% lower than 1H2008's S\$12.5 million. This was mainly due to one-time S\$2 million withholding tax payment in 1H2008 and lower revenue in 1H2009. Significant portion of the Group's Indonesia-sourced income is taxed on a 10% final tax basis (i.e. corporate taxation is computed on 10% of gross rental and service revenue). In addition, tax losses in loss-making subsidiaries are not available for offset against taxable profit in profitable subsidiaries. Consequently, the Group's tax expense was S\$5.6 million.

Accordingly, the Group recognised a net loss attributable to shareholders of S\$1.6 million in 1H2009 as compared 1H2008's profit of S\$2.3 million.



Balance Sheet

As at 30 June 2009, the Group's other inventories was S\$10.7 million as compared to S\$15.6 million in FY2008. This was due to lower fuel and spare parts inventory. With improved debt collections, the Group's total trade receivables reduced from S\$70.6 million in FY 2008 to S\$66.3 million as at 30 June 2009. As a result, the Group's total cash and bank balances increased from FY2008's S\$89.9 million to S\$108.8 million as at 30 June 2009.

The Group's loans and borrowings increased by S\$16.2 million, as compared to FY2008, and was mainly due to additional bank borrowings for purchase of ferries.

Cash Flow

In 1H2009, the Group's net cash flow from operations was S\$32.4 million and was mainly due to improved collections from trade receivables and lower inventory level.

In 1H2009, the Group made a total payment, amounted to S\$20.4 million, for purchase of ferries and spent S\$9.4 million for other capital expenditures. The Group's capital expenditures were funded with external bank borrowings and, accordingly, the Group's net borrowing (new borrowings from financial institutions less repayment of bank loans) increased by S\$16.1 million.

With improved cash flow from operations, the Group's total cash and bank balances were S\$108.8 million, representing a S\$18.9 million increase from FY2008's S\$89.9 million.

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.*

Although the manufacturing activities in our industrial parks tenants have shown moderate improvement in this quarter, the outlook remains uncertain.

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 2009.



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 2009 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)
	S\$'000	S\$'000
PURCHASES		
PT Herwido Rintis Management fee	-	142
PT Tunas Karya Management fee	-	227
PT Asuransi Central Asia Insurance premiums	-	649
SALES		
PT Alam Indah Bintan Sales	-	(1,478)
PT Straits CM Village Sales	-	(1,393)

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY
7 August 2009

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) 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

7 August 2009