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INVESTMENT BY GALLANT GROUP – SUBSCRIPTION OF US$202,500,000 PRINCIPAL AMOUNT OF NOTES ("NOTES") WITH DETACHABLE WARRANTS ("WARRANTS") OF MARKET STRENGTH LIMITED (THE "ISSUER"), WHICH HAS RIGHT TO ACQUIRE INTERESTS IN PRIME PROPERTY IN SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA

1. Introduction

1.1 The Board of Directors of Gallant Venture Ltd. (the "**Company**") is pleased to announce that the Company has on 10 March 2010 entered into an Investment Agreement ("**Investment Agreement**") with the Issuer, relating to the subscription by the Company of US$202.5 million [1] in principal amount of Notes at par (the "**Investment Consideration**") (approximately S$287.55 million) with 202,500,000 Warrants (the "**Investment**").

1.2 The proceeds from the issue of the Notes with Warrants are to be utilised by the Issuer in connection with its acquisition ("**PRC Acquisition**") of an interest in a proposed property development project ("**Shanghai Project**") in Lao Xi Men, Shanghai, the People's Republic of China ("**PRC**"), as described below.

2. Overview of and Rationale for Investment

2.1 The Issuer is a special purpose vehicle incorporated in the British Virgin Islands, wholly-owned by Mr Budiarsa Sastrawinata.

The Issuer has issued US$72.5 million in principal amount of Notes with 72.5 million Warrants to the Company. The balance US$130 million in principal amount of Notes is to be subscribed from time to time pursuant to the terms of the Investment Agreement, of which US$70.0 million is expected to be subscribed in March 2010.

Certain principal terms and conditions of the Notes and Warrants are summarised in the Appendix to this announcement.

2.2 Under the PRC Acquisition, the Issuer has rights to acquire, for an aggregate consideration of US$202.5 million (approximately S$287.55 million), interests in the holding companies ("**Holdcos**") of a PRC entity, Shanghai Wanye Enterprises Lao Xi Men Real Estate Development Co., Ltd ("**Shanghai Project Co**"), which in turn owns the Shanghai Project.

Shanghai Project Co is held as to approximately 97.3% by the Holdcos, with the remaining 2.7% held by Shanghai Haocheng Development Company Limited. In the

[1] Note: Throughout this announcement, unless otherwise indicated, the following exchange rates have been assumed:

(i) US$1 : S$1.42
(ii) S$1 : RMB 4.82
(iii) S$1 : Rupiah 6,600

event that the Issuer undertakes the PRC Acquisition, it will have an effective interest of approximately 47.7% in Shanghai Project Co.

Of the US$202.5 million consideration for the PRC Acquisition, US$142.5 million is for the acquisition of, inter alia, existing shareholding interests in the Holdco(s) ("**Existing Interests**"), whilst the balance US$60 million is for the acquisition of new shares in the Holdco(s) by way of equity injection ("**Equity Injection**") which is to be flowed down to Shanghai Project Co and utilized to part-finance the redevelopment of the Shanghai Project.

The right to acquire the Existing Interests has been granted to the Issuer by Mr David Salim for a total consideration of US$142.5 million. Mr David Salim has in turn entered into an agreement to acquire such interests from Lugano Holding Company Limited ("**Lugano**") for a consideration of the same quantum of US$142.5 million. Lugano is a Cayman Islands company controlled by the Carlyle group, a private global investment firm. The remaining effective interest(s) in the Holdcos are and/or will be controlled by Mr David Salim and Mr Budiarsa Sastrawinata. Upon completion of the PRC Acquisition, the effective interests in Shanghai Project Co will be held as to 47.7% by the Issuer, 27.6% by Mr Budiarsa Sastrawinata, 22.0% by Mr David Salim and the balance by Shanghai Haocheng Development Company Limited. Mr David Salim is a cousin of Mr Anthoni Salim, a controlling shareholder of the Company. Mr Sastrawinata is the Managing Director of the Ciputra group.

2.3 Shanghai Project Co owns the to-be-developed Shanghai Project located at a prime land parcel at Lao Xi Men, Huangpu District, Shanghai, with a total land area of approximately 42,000 square metres (the "**Property**"). The Property is in close proximity to the French quarter (Luwan District) and the Bund. It is situated above two MRT train stations (subway line numbers 8 and 10) with exits linked to the Property.

Shanghai Project Co has land use rights for the Property for a period of 70 years commencing January 2003. The Property is divided into two land plots separated by a to-be-constructed road named "Yancheng Road". The northern plot is approximately 21,000 square metres and is currently zoned for residential development and the southern plot is approximately 21,000 square metres and is proposed to be re-zoned for commercial and residential development. Shanghai Project Co intends to seek, and is in discussions with the PRC authorities for, re-zoning of the southern plot.

Based on a valuation report in respect of the Property issued by DTZ International Property Advisers (Shanghai) Co., Ltd. dated 16 September 2009 (the "**Valuation Report**"), as of 31 August 2009, the Property had a market value (in its existing state) of RMB3,645,000,000 (approximately S$756,224,066) and a gross development value of RMB8,244,000,000 (approximately S$1,710,373,444).

2.4 The Investment in the Issuer through the subscription of the said Notes with Warrants, therefore presents an opportunity for the Company to participate in the property business in the PRC and, in the event the Warrants are exercised by the Company, to acquire an interest in the Property, a prime property in Shanghai.

2.5 To facilitate the securing of the PRC Acquisition, an interest-free bridging loan of US$72.5 million was arranged through a controlling shareholder of the Company, comprising the Dornier/Parallax group of companies, to fund the payment of a deposit on account of the purchase consideration to Lugano for the acquisition of the Existing Interests in the Holdco(s) and, as required by Lugano, a guarantee was given to secure the payment of the balance US$70 million of the purchase consideration payable on completion of such acquisition. The bridging loan has been or will be repaid from part of the proceeds of the Investment Consideration.

3. The Investment Consideration

3.1 The Investment Consideration was determined on the basis of the purchase price for the Existing Interests (which price was arrived at after arm's length negotiations with Lugano), and after taking into consideration amongst others, the development potential of the Property, economic outlook of Shanghai vis-à-vis the World Expo 2010 and valuation by professional valuer.

Payment of the Investment Consideration is and will be financed through bank borrowings and internal resources of the Company and its subsidiaries ("**Group**").

4. Relative figures for the Investment computed on the bases set out in Rule 1006 of the Listing Manual

4.1 The relative figures for the Investment computed on the bases set out in Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2009 ("**FY2009**") are set out below.

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the net asset value of the Group.	Not applicable to an acquisition of assets.
(b)	Net profit before income tax, minority interests and extraordinary items ("**Net Profit**") of the assets to be acquired compared with the Group's Net Profit for FY2009.	Not applicable as the Issuer is a newly-incorporated special purpose vehicle which has no profit track record.
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation as at 9 March 2010, being the last date on which the Company's shares ("**Shares**") were traded prior to the date of the Investment Agreement.	47.7%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.

4.2 The Investment constitutes a Major Transaction for the purposes of Chapter 10 of the Listing Manual, and shareholder approval of the Investment is required under Rule 1014(2) of the Listing Manual. The Company intends to seek shareholders' ratification for the Investment at a general meeting to be convened. The controlling shareholders of the Company, comprising the Dornier/Parallax group of companies, which have an aggregate shareholding interest of approximately 53.3% in the Company, have undertaken to vote all their said Shares in favour of the Investment.

5. Certain financial effects of the Investment

5.1 For purposes of illustration, the financial effects set out below are based on, amongst other things, the key assumptions below. The financial effects do not represent the actual financial position and/or results of the Group's operations after completion of the Investment and are not indicative of the future financial position and earnings of the Group.

The analysis below has been prepared on the following bases and assumptions:

(a) based on the unaudited consolidated financial statements of the Group for FY2009;

(b) based on 2,412,482,556 Shares in issue as at 31 December 2009;

(c) the Investment Consideration is funded through bank borrowings and internal resources;

(d) the US$ / S$ exchange rate for the Investment is US$1:S$1.42;

(e) US$72.5 million in principal amount of the Notes bear interest of 6.49479% per annum, being 5.75% above the 6-month SIBOR rate of 0.74479% per annum, and the remaining US$130 million in principal amount of the Notes bear interest of 6.14438% per annum, being 5.75% above the 6-month LIBOR rate of 0.39438% per annum;

(f) the cost of bank borrowings is equivalent to the interest on the Notes as set out above;

(g) amortisation of upfront fee of S$1.79 million per annum; and

(h) the Warrants have not been exercised.

5.2 **Financial effects on net tangible asset ("NTA") per Share**

The effect of the Investment on the NTA per Share, assuming it had been effected on 31 December 2009 is set out below.

	Group (FY2009)	Immediately after the Investment
NTA (S$ '000)	1,263,437	1,262,729
NTA per Share (cents)	52.37	52.34

5.3 **Financial effects on earnings and earnings per Share ("EPS")**

The effect of the Investment on the earnings and EPS of the Group, assuming it had been effected on 1 January 2009 is set out below.

	Group (FY2009)	Immediately after the Investment
Profit/(Loss) attributable to shareholders of the Company (S$ '000) [(a)]	(10,500)	(11,208)
EPS (cents)	(0.44)	(0.46)

Note:

(a) Profit/(Loss) attributable to shareholders of the Company has been adjusted to take into account interest expense on bank borrowing and interest income arising from the Investment.

6. Interest of Directors of the Company and Controlling Shareholders

None of the Directors of the Company has any interest, direct or indirect, in the Investment and, save arising from the bridging loan and the guarantee referred to above, the Company has not received any notification from its controlling shareholders that they have any interest, direct or indirect, in the Investment.

7. Documents available for inspection

Copies of the Investment Agreement and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 991A Alexandra Road, #02-06/07, Singapore 119969, for a period of three (3) months commencing from the date of this announcement.

By Order of the Board
Gallant Venture Ltd.
Choo Kok Kiong
Company Secretary

11 March 2010

APPENDIX

The Notes

Issuer	:	Market Strength Limited
Issue size	:	Principal amount of US$202.5 million
Issue price	:	At par
Maturity	:	December 2014
Interest	:	The Notes shall bear interest as follows: (i) US$72.5 million of the Notes shall bear interest at the rate of 6 month SIBOR plus 5.75% per annum; and (ii) US$130 million of the Notes shall bear interest at the rate of 6 month LIBOR plus 5.75% per annum, in each case for and including their date of issue to the Maturity Date and shall be payable on the Maturity Date
Redemption	:	Unless previously redeemed as provided in the terms and conditions of the Notes set out in the Investment Agreement, the Notes shall be redeemed by the Issuer on the Maturity Date at an amount which is equal to its principal amount with interest if any

The Warrants

Issuer	:	Market Strength Limited
Issue Size	:	202,500,000 Warrants
Exercise Price	:	Each Warrant entitles the holder thereof to subscribe for one (1) new share in the capital of the Issuer, at an exercise price for each new share equal to its par value (the "**Exercise Price**") It is envisaged that in the event that the 202,500,000 Warrants are exercised in full by the Company, the Company will acquire a shareholding interest of approximately 99.9% in the Issuer's enlarged and fully diluted issued share capital
Exercise Period	:	The Warrants shall be exercisable from the date of issue up to December 2014
Adjustments	:	The terms of the Notes provide for adjustments to the Exercise Price and/or the number of Warrants under certain circumstances including in the event of alteration of the capital of the Issuer