



Third Quarter 2010 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2010

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 September 2010.

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 2010 S\$'000	3rd Qtr 2009 S\$'000	Incr/ (Decr) %	9 months 2010 S\$'000	9 months 2009 S\$'000	Incr/ (Decr) %
Revenue	68,051	47,544	43.1	176,545	142,456	23.9
Cost of sales	(47,179)	(39,641)	19.0	(133,089)	(116,290)	14.4
Gross profit	20,872	7,903	164.1	43,456	26,166	66.1
General and administrative expenses	(3,478)	(2,760)	26.0	(8,971)	(7,572)	18.5
Other operating expenses	(6,356)	(6,044)	5.2	(18,184)	(17,629)	3.1
Other income net of other expenses	(18)	767	(102.3)	146	2,346	(93.8)
Interest income	4,928	464	962.1	10,242	1,597	541.3
Finance costs	(4,609)	(948)	386.2	(9,477)	(2,351)	303.1
Exchange (loss)/gain	(538)	80	(772.5)	(1,442)	555	(359.8)
Share of associated company's profit	9	33	(72.7)	26	71	(63.4)
Profit before tax	10,810	(505)	2,240.6	15,796	3,183	396.3
Taxation	(3,291)	(2,704)	21.7	(8,965)	(8,285)	8.2
Profit/(loss) after tax for the period	7,519	(3,209)	326.2	6,831	(5,102)	233.9
Other comprehensive income/(loss):						
Exchange differences on translating foreign operations	(271)	(134)	102.2	(90)	(852)	(89.4)
Other comprehensive income/(loss) for the period	(271)	(134)	102.2	(90)	(852)	(89.4)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	7,248	(3,343)	316.8	6,741	(5,954)	213.2
Profit/(loss) attributable to:						
Equity holders of the Company	8,140	(2,675)	404.3	8,355	(4,246)	296.7
Non-controlling interest	(621)	(534)	16.3	(1,524)	(856)	78.0
	7,519	(3,209)	334.3	6,831	(5,102)	233.9
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	7,953	(2,761)	388.0	8,338	(5,073)	264.4
Non-controlling Interests	(705)	(582)	21.1	(1,597)	(881)	81.3
	7,248	(3,343)	316.8	6,741	(5,954)	213.2

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

	Group			
	Quarter ended 30 September		YTD 30 September	
	3rd Qtr 2010	3rd Qtr 2009	9 months 2010	9 months 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	33	43	112	163
Depreciation of property, plant and equipment	8,253	8,840	25,627	25,509
Depreciation of investment properties	5,517	5,525	15,673	16,653
(Gain)/loss on disposal of property, plant and equipment	(6)	(71)	(85)	(32)
Gain from sale of investment properties	-	-	(277)	(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	
	30.09.10 S\$'000	31.12.09 S\$'000	30.09.10 S\$'000	31.12.09 S\$'000
Non-current assets				
Intangible assets	1,357	1,397	3	7
Property, plant and equipment	341,304	361,240	314	359
Investment properties	259,026	276,591	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associate companies	14,964	14,998	-	-
Deferred tax assets	5,237	5,409	-	-
Loan receivables	47,500	60,000	-	-
Notes receivables	274,160	-	274,160	-
Interest receivables from notes	8,633	-	-	-
Other non-current assets	2,819	2,547	-	-
	<u>955,000</u>	<u>722,182</u>	<u>1,482,119</u>	<u>1,208,008</u>
Current assets				
Land inventories	552,509	552,808	-	-
Other inventories	12,104	11,226	-	-
Trade and other receivables	60,810	43,242	146,529	128,873
Cash and bank balances	166,759	118,717	62,940	357
	<u>792,182</u>	<u>725,993</u>	<u>209,469</u>	<u>129,230</u>
Total assets	<u>1,747,182</u>	<u>1,448,175</u>	<u>1,691,588</u>	<u>1,337,238</u>
Non-current liabilities				
Deposits from tenants/golf membership	35,735	35,194	-	-
Employee benefits liabilities	7,809	7,319	-	-
Deferred tax liabilities	1,309	1,168	-	-
Loans and borrowings	299,125	34,593	299,069	33,093
	<u>343,978</u>	<u>78,274</u>	<u>299,069</u>	<u>33,093</u>
Current liabilities				
Trade and other payables	67,063	47,451	26,924	4,047
Current tax payable	6,416	1,172	11	-
Current portion of loans and borrowings	58,150	56,444	166,735	97,126
	<u>131,629</u>	<u>105,067</u>	<u>193,670</u>	<u>101,173</u>
Total liabilities	<u>475,607</u>	<u>183,341</u>	<u>492,739</u>	<u>134,266</u>
Equity				
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(991)	(974)	-	-
Retained profits/(accumulated losses)	37,714	29,359	(8,793)	(4,670)
Equity attributable to equity holders of the Company	<u>1,244,365</u>	<u>1,236,027</u>	<u>1,198,849</u>	<u>1,202,972</u>
Non-controlling Interest	<u>27,210</u>	<u>28,807</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,271,575</u>	<u>1,264,834</u>	<u>1,198,849</u>	<u>1,202,972</u>
Total liabilities and equity	<u>1,747,182</u>	<u>1,448,175</u>	<u>1,691,588</u>	<u>1,337,238</u>

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

	Group	
	30.09.10	31.12.09
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	58,028	55,200
Unsecured	122	1,244
	58,150	56,444
(ii) Amount repayable after one year		
Secured	299,070	34,593
Unsecured	55	-
	299,125	34,593
TOTAL	357,275	91,037

(iii) Details of any collaterals

During the period under review and further to the Shanghai acquisition as described in Paragraph 8 below, the Group secured above bank borrowings to finance the Shanghai acquisition and refinance the existing borrowings. The following assets of the Group were mortgaged to lenders to secure credit facilities for the Company and the Group:

1. Security Documents:
 - (i) Assignment of Notes as described in paragraph 8 below;
 - (ii) Deed of Sponsor's Undertaking;
 - (iii) Indonesian Guarantor Undertaking from certain subsidiaries in the Group; and
 - (iv) Share pledges / mortgages from companies relating to the Shanghai acquisition.
2. Pledge of shares of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE"), PT Batam Bintan Telekomunikasi, PT Buana Megawisata ("PT BMW"), Verizon Resorts Limited and World Elite Investment Limited; and
3. Assignment of insurance proceeds, receivables and tangible assets of PT BIC, PT BIIE and PT BMW.

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	
	30.09.10 S\$'000	30.09.09 S\$'000
Cash flows from operating activities		
Profit before taxation	15,796	3,183
Adjustments for:		
Amortisation of intangible assets	112	163
Depreciation of property, plant and equipment	25,627	25,509
Depreciation of investment properties	15,673	16,653
Currency translation difference	(92)	(852)
Provision for employee benefits	727	1,255
Gain from sale of investment properties	(85)	(32)
(Gain)/Loss on disposal of property, plant & equipment	(277)	(160)
Share of associated companies' profits	(26)	(71)
Interest expense	9,477	2,351
Interest income	(10,242)	(1,597)
Cash from operations before changes in working capital	56,690	46,402
Changes in working capital		
Decrease/(Increase) in land inventories	298	(1,922)
Decrease in other inventories	(878)	3,799
(Increase)/Decrease in operating receivables	(5,267)	5,161
Decrease in operating payables	20,622	1,625
Cash generated from operating activities	71,465	55,065
Income tax paid	(3,308)	(3,869)
Employee benefits paid	(237)	(53)
Interest paid	(10,585)	(3,454)
Interest received	1,809	701
Deposits refunded to tenants/golf members	541	(2,514)
Net cash generated from operating activities	59,685	45,876
Cash flows from investing activities		
Acquisition of intangible assets	(72)	(58)
Acquisition of property, plant and equipment	(5,546)	(31,567)
Acquisition of investment properties	-	(70)
Investment in associate company	-	(14,213)
Investment in notes	(274,160)	-
Proceeds from disposal of property, plant and equipment	87	2,972
Proceeds from sale of investment properties	2,090	210
Dividends from associate companies	60	90
Deposits (paid)/received	(272)	113
Net cash used in investing activities	(277,813)	(42,523)
Cash flows from financing activities		
(Increase)/Decrease in fixed deposits pledged with a bank	-	11,413
Loan from financial institutions	368,261	36,120
Repayment of bank loan	(102,024)	(22,579)
Dividends paid to non-controlling interests	(67)	-
Net cash generated from financing activities	266,170	24,954
Net increase/(decrease) in cash and cash equivalents	48,042	28,307
Cash and cash equivalents at beginning of period	118,717	78,454
Cash and cash equivalents at end of period	166,759	106,761



- 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 2010:

	Share capital	Translation reserves	Retained profits	Attributable to equity holders of the Company	Non-controlling Interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2009	1,207,642	(980)	39,859	1,246,521	30,990	1,277,511
Total comprehensive income/(loss) for the period	-	(741)	(1,571)	(2,312)	(299)	(2,611)
Balance as at 30 June 2009	1,207,642	(1,721)	38,288	1,244,209	30,691	1,274,900
Total comprehensive income/(loss) for the period	-	(86)	(2,675)	(2,761)	(582)	(3,343)
Balance as 30 September 2009	1,207,642	(1,807)	35,613	1,241,448	30,109	1,271,557
Balance as at 1 January 2010	1,207,642	(974)	29,359	1,236,027	28,807	1,264,834
Total comprehensive income/(loss) for the period	-	170	215	385	(892)	(507)
Balance as at 30 June 2010	1,207,642	(804)	29,574	1,236,412	27,915	1,264,327
Total comprehensive income/(loss) for the period	-	(187)	8,140	7,953	(705)	7,248
Balance as 30 September 2010	1,207,642	(991)	37,714	1,244,365	27,210	1,271,575



Statement of changes in equity of the Company for the period ended 30 September 2010:

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2009	1,207,642	(1,980)	1,205,662
Total comprehensive loss for the period	-	(3,324)	(3,324)
Balance as at 30 June 2009	1,207,642	(5,304)	1,202,338
Total comprehensive loss for the period	-	2,096	2,096
Balance as at 30 September 2009	1,207,642	(3,208)	1,204,434
Balance as at 1 January 2010	1,207,642	(4,670)	1,202,972
Total comprehensive loss for the period	-	(1,597)	(1,597)
Balance as at 30 June 2010	1,207,642	(6,267)	1,201,375
Total comprehensive loss for the period	-	(2,526)	(2,526)
Balance as at 30 September 2010	1,207,642	(8,793)	1,198,849

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 September 2010 and 30 September 2009 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.***

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 2009.

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.***

None

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 equity holders of the Company:

	Group			
	3rd Quarter 2010 S\$'000	3rd Quarter 2009 S\$'000	9 months 2010 S\$'000	9 months 2009 S\$'000
Profit/(Loss)	8,140	(2,675)	8,355	(4,246)
Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2010 and 2009 respectively	0.34 cents	(0.11) cents	0.35 cents	(0.18) 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	
	30.09.10	31.12.09	30.09.10	31.12.09
Net asset value per ordinary share	51.58 cents	51.23 cents	49.69 cents	49.86 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.**

3rd Quarter 2010 (3Q2010) vs. 3rd Quarter 2009 (3Q2009)

Gross Profit. In 3Q2010, because of growing competition, operating performance of our subsidiaries was lower compared to last year. This situation is likely to persist in the 4Q2010. In addition, it will be compounded by higher fuel and natural gas cost. Nonetheless the Group's gross profit was S\$20.9 million, as compared with 3Q2009's S\$7.9 million, and was mainly due to completion of land sales for year 2010.

General and administrative expenses. Higher general and administrative expenses of S\$3.5 million in 3Q2010, as compared to 3Q2009's S\$2.8 million, were mainly due to land sales marketing commission.

Other operating expenses. Higher depreciation and salaries related expenses have contributed increase in operating expenses from 3Q2009's S\$6 million to 3Q2010's S\$6.4 million.

Interest income and expenses Arising from the investment in interest bearing Notes of US\$202.5 million in March 2010 relating to the Shanghai Acquisition, which is funded by bank borrowings, the interest income and expense in 3Q2010 were S\$4.9 million and S\$4.6 million, respectively. For 3Q2009, the corresponding figures were S\$0.5 million and S\$0.9 million, respectively.

Exchange (loss)/gain. Higher exchange loss of S\$0.5 million in 3Q2010, as compared to 3Q2009's exchange gain of S\$80K, was mainly due to foreign currency translation on part of the USD Notes receivables from Market Strength Limited and USD fixed deposit reflecting weakening USD/SGD exchange rate.

Taxation. In line with higher revenue that attracts Indonesia Final Tax, the Group reported higher taxation of S\$3.3 million in 3Q2010 as compared to 3Q2009's S\$2.7 million.

**9 months 2010 (YTD Sep 2010) vs. 9 months 2009 (YTD Sep 2009)****Income statement review**

Revenue. The Group's YTD Sep 2010 revenue was S\$176.5 million, which was 23.9% higher than YTD Sep 2009's S\$142.4 million primarily due to completion of land sales in Lagoi Bay.

Gross Profit. Land sales recognition has contributed to higher gross profit of S\$43.4 million in YTD Sep 2010 as compared with YTD Sep 2009's S\$26.2 million. However, this was partially offset by lower profit margin from other operations.

General and administrative expenses. The Group's YTD Sep 2010 general and administrative expenses of S\$9 million was 18.5% higher than YTD Sep 2009's S\$7.6 million mainly due to land sale marketing commission.

Other operating expenses. Higher operating expenses of S\$18.2 million in YTD 2010, as compared to YTD Sep 2009's S\$17.6 million, was mainly due to higher depreciation and salary related expenses.

Other income net of other expenses. Lower other income (net of other expenses) of S\$0.1 million in YTD Sep 2010, as compared to YTD Sep 2009's S\$2.3 million, arising from the amortization of bank charges relating to external bank borrowings for the Shanghai Acquisition.

Interest income and expenses. Arising from the investment in interest bearing Notes of US\$202.5 million in March 2010 relating to the Shanghai Acquisition, which is funded by bank borrowings, the interest income and expense in YTD Sep 2010 were S\$10.2 million and S\$9.5 million, respectively. For YTD Sep 2009, the corresponding figures were S\$1.6 million and S\$2.4 million, respectively.

Exchange (loss)/gain. The Group registered foreign currency translation exchange loss of S\$1.4 million in YTD Sep 2010 as compared to YTD Sep 2009's exchange gain of S\$0.5 million and was mainly due to weaker USD/SGD exchange rate.

Taxation. The Group's YTD Sep 2010 tax expense of S\$9 million was 8.2% higher than YTD 2009's S\$8.3 million. This was mainly due to recognition of Indonesia final tax on land sales and partially offset by lower Indonesian corporate tax on other Indonesia sourced businesses (reduced from FY2009's 28% to FY2010's 25%).

Statement of financial position review**Assets**

Notes receivables. Notes receivable of S\$274.2 million (equivalent to US\$202.5 million) relates to investment in notes, with warrants, issued by Market Strength Limited in connection with investment in a property development project in Lao Xi Men ("老西门"), Shanghai, China.

Other inventories. As at 30 September 2010, the Group's other inventories was S\$12.1 million as compared to S\$11.2 million in FY 2009. This was mainly due to increase in spare parts inventory level and lower provision for stock obsolescence.

Trade and other receivables. Trade and other receivables increased from S\$43.2 million in FY2009 to S\$85.3 million as at 30 September 2010. This was mainly due to prepayment of approximately S\$11 million of front-end fees relating to the bank borrowings for the Shanghai Acquisition and recognition of interest receivable from Market Strength Limited.



Loans and borrowings. The Group's loans and borrowings increased by S\$266.2 million, as compared to FY2009. This was mainly due to bank borrowings for the Shanghai acquisition.

Current tax payable. Current tax payable of S\$6.4 million, as compared to FY2009's S\$1.2 million, includes accrual of Indonesia corporate tax payable and Indonesia final tax on land sales.

Cash Flow

Net cash flows from operating activities. Higher YTD Sep 2010 net operating cash flow of S\$59.7 million, as compared to YTD Sep 2009's S\$45.9 million, was mainly due to contribution from land sales.

Net cash flows from investing and financing activities. The Group invested S\$274.2 million (equivalent to US\$202.5 million) in Notes with warrants for the Shanghai acquisition. This acquisition was funded with external bank borrowings and, correspondingly, the net cash inflow from financing activities for YTD Sep 2010 was S\$ 266.2 million.

The Group's total cash and bank balances were S\$166.8 million, represents an increase of S\$48.1 million, from FY 2009's of S\$118.7 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.*

The industrial park business remains challenging as they have to maintain low rental rates to remain competitive and the Group still experiencing cost pressures from higher fuel and natural gas cost.

The Group does not expect any land sale completion in the coming quarter.

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 2010.

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 2010 was as follows:

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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		
Sembcorp Parks Management Pte Ltd Marketing services fees	-	338
PT Herwido Rintis Management fee	-	234
PT Asuransi Central Asia Insurance premiums	-	628
SALES		
PT Alam Indah Bintan Sales	-	(899)
PT Straits CM Village Sales	-	(2,111)
CONVERTIBLE BOND		
PT Alam Indah Bintan Convertible bond	-	(13,592)

BY THE ORDER OF THE BOARDCHOO KOK KIONG
COMPANY SECRETARY
11 November 2010

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CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors of Gallant Venture Ltd., that, to the best of our 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 2010 to be false or misleading in any material aspect.

Eugene Cho Park
CEO / Executive Director

Gianto Gunara
Executive Director

11 November 2010