

**First Quarter 2012 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 March 2012.

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		
	1st Qtr 2012	1st Qtr 2011	Incr/(Decr)
	S\$'000	S\$'000	%
Revenue	43,606	44,504	(2.0)
Cost of sales	(38,995)	(37,888)	2.9
Gross profit	4,611	6,616	(30.3)
General and administrative expenses	(2,912)	(2,863)	1.7
Other operating expenses	(5,704)	(5,835)	(2.2)
Other income net of other expenses	439	1,076	(59.2)
Interest income	6,695	5,029	33.1
Finance costs	(4,480)	(4,262)	5.1
Exchange gain	85	(338)	N.M
Share of associate company's profit	1,452	12	N.M
Profit/(Loss) before tax	186	(565)	N.M
Taxation	(2,467)	(2,732)	(9.7)
Loss after tax for the period	(2,281)	(3,297)	(30.8)
Other comprehensive income:			
Exchange differences on translating foreign operations	(227)	(198)	14.6
Other comprehensive income for the period	(227)	(198)	14.6
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(2,508)	(3,495)	(28.2)
Loss attributable to:			
Equity holders of the Company	(1,850)	(2,980)	(37.9)
Non-controlling interests	(431)	(317)	36.0
	(2,281)	(3,297)	(30.8)
Total comprehensive loss attributable to:			
Equity holders of the Company	(2,113)	(3,182)	(33.6)
Non-controlling interests	(395)	(313)	26.2
	(2,508)	(3,495)	(28.2)

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

	Group	
	1st Qtr 2012 S\$'000	1st Qtr 2011 S\$'000
Amortisation of intangible assets	94	33
Depreciation of property, plant and equipment	7,721	7,894
Depreciation of investment properties	5,736	5,521
Gain on sale of property, plant and equipment	(26)	(80)
Gain on sale of investment properties	-	(11)
Gain on sale of a subsidiary	-	(21)



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	
	31.03.12 S\$'000	31.12.11 S\$'000	31.03.12 S\$'000	31.12.11 S\$'000
Non-current assets				
Intangible assets	1,302	1,344	23	30
Property, plant and equipment	302,013	307,665	138	169
Investment properties	226,157	232,437	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	16,906	15,454	-	-
Deferred tax assets	4,139	4,198	-	-
Loan receivables	47,500	47,500	-	-
Notes receivables	261,624	279,556	6,294	279,556
Other non-current assets	67,951	37,322	1,558	34,827
	<u>927,592</u>	<u>925,476</u>	<u>1,215,655</u>	<u>1,522,224</u>
Current assets				
Land inventories	574,178	569,681	-	-
Other inventories	11,805	10,860	-	-
Trade and other receivables	37,289	44,993	118,338	125,134
Cash and bank balances	63,533	95,084	17,095	52,558
	<u>686,805</u>	<u>720,618</u>	<u>135,433</u>	<u>177,692</u>
Total assets	<u>1,614,397</u>	<u>1,646,094</u>	<u>1,351,088</u>	<u>1,699,916</u>
Non-current liabilities				
Deposits from tenants/golf membership	31,799	31,856	-	-
Employee benefits liabilities	8,208	8,514	-	-
Deferred tax liabilities	2,045	2,082	411	411
Loans and borrowings	203,009	177,509	-	177,491
	<u>245,061</u>	<u>219,961</u>	<u>411</u>	<u>177,902</u>
Current liabilities				
Trade and other payables	42,012	64,847	10,057	35,766
Current tax payable	2,964	2,974	35	32
Current portion of loans and borrowings	48,752	80,196	144,698	287,608
	<u>93,728</u>	<u>148,017</u>	<u>154,790</u>	<u>323,406</u>
Total liabilities	<u>338,789</u>	<u>367,978</u>	<u>155,201</u>	<u>501,308</u>
Equity				
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(1,724)	(1,461)	-	-
Retained profits/(accumulated losses)	45,110	46,960	(11,755)	(9,034)
Equity attributable to equity holders of the Company	<u>1,251,028</u>	<u>1,253,141</u>	<u>1,195,887</u>	<u>1,198,608</u>
Non-controlling interest	<u>24,580</u>	<u>24,975</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,275,608</u>	<u>1,278,116</u>	<u>1,195,887</u>	<u>1,198,608</u>
Total liabilities and equity	<u>1,614,397</u>	<u>1,646,094</u>	<u>1,351,088</u>	<u>1,699,916</u>

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

	Group	
	31.03.12 S\$'000	31.12.11 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	48,458	79,871
Unsecured	294	325
	48,752	80,196
(ii) Amount repayable after one year		
Secured	203,000	177,491
Unsecured	9	18
	203,009	177,509
TOTAL	251,761	257,705

(iii) Details of any collaterals

During the period under review, the Group has obtained a long term facilities from CIMB Niaga to repay existing bank borrowings and for the general purposes of the Group.

Arising from the refinancing, the following securities were discharged:

1. Security Documents:
 - (i) Assignment of Notes;
 - (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 Megawisatama ("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.

The following assets of the Group were in-turn mortgaged to CIMB Niaga:

1. Pledge of land title over Batamindo Industrial Park;
2. pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC");
3. Assignment of insurance proceeds, receivables and equipment of PT BIC



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	
	31.03.12 S\$'000	31.03.11 S\$'000
Cash flows from operating activities		
Profit /(loss) before taxation	186	(565)
Adjustments for:		
Amortisation of intangible assets	94	33
Depreciation of property, plant and equipment	7,721	7,894
Depreciation of investment properties	5,736	5,521
Currency translation difference	(538)	312
Provision for employee benefits	165	308
Gain on sale of property, plant and equipment	(26)	(11)
Gain on sale of investment property	-	(80)
Gain on disposal of a subsidiary	-	(21)
Share of associate companies' profits	(1,452)	(12)
Interest expense	4,496	4,262
Interest income	(6,695)	(5,029)
Cash from operations before changes in working capital	9,687	12,612
Changes in working capital		
Increase in land inventories	(4,497)	(4,382)
Increase in other inventories	(945)	(1,049)
Increase in operating receivables	2,485	(7,880)
(Decrease)/increase in operating payables	(24,548)	2,522
Cash (used in)/generated from operating activities	(17,818)	1,823
Income tax paid	(744)	(382)
Employee benefits paid	(43)	(43)
Interest paid	(5,529)	(1,195)
Interest received	254	107
Deposits received from tenants/golf members	(57)	1,714
Net cash (used in)/generated from operating activities	(23,937)	2,024
Cash flows from investing activities		
Acquisition of intangible assets	(52)	-
Acquisition of property, plant and equipment	(2,384)	(2,694)
Proceeds from sale of property, plant and equipment	80	10
Proceeds from sale of investment property	690	125
Net proceeds from disposal of a subsidiary	-	(7)
Deposits received/(paid)	11	(29)
Net cash used in investing activities	(1,655)	(2,595)
Cash flows from financing activities		
Loan from financial institutions	251,459	312
Repayment of bank loan	(257,418)	(40)
Net cash (used in)/generated from financing activities	(5,959)	272
Net decrease in cash and cash equivalents	(31,551)	(299)
Cash and cash equivalents at beginning of period	95,084	160,365
Cash and cash equivalents at end of period	63,533	160,066



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 2012:

	Share capital S\$'000	Translation reserves S\$'000	Retained profits S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling Interest S\$'000	Total S\$'000
Balance as at 1 January 2011	1,207,642	(908)	38,676	1,245,410	26,759	1,272,169
Total comprehensive loss for the period	-	(202)	(2,980)	(3,182)	(313)	(3,495)
Balance as 31 March 2011	1,207,642	(1,110)	35,696	1,242,228	26,446	1,268,674
Balance as at 1 January 2012	1,207,642	(1,461)	46,960	1,253,141	24,975	1,278,116
Total comprehensive loss for the period	-	(263)	(1,850)	(2,113)	(395)	(2,508)
Balance as 31 March 2012	1,207,642	(1,724)	45,110	1,251,028	24,580	1,275,608

Statement of changes in equity of the Company for the period ended 31 March 2012:

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2011	1,207,642	(9,264)	1,198,378
Total comprehensive loss for the period	-	(2,582)	(2,582)
Balance as at 31 March 2011	1,207,642	(11,846)	1,195,796
Balance as at 1 January 2012	1,207,642	(9,034)	1,198,608
Total comprehensive loss for the period	-	(2,721)	(2,721)
Balance as at 31 March 2012	1,207,642	(11,755)	1,195,887

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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 2012 and 31 March 2011 were 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.**

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 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 2011.

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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)***

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

	Group	
	1st Quarter 2012 S\$'000	1st Quarter 2011 S\$'000
Loss	(1,850)	(2,980)
Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2012 and 2011 respectively	(0.08 cents)	(0.12 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	
	31.03.12	31.03.11	31.03.12	31.03.11
Net asset value per ordinary share	51.86 cents	51.49 cents	49.57 cents	49.57 cents

The net asset value per ordinary share is calculated using the Group's net assets value as at the 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 2012 (1Q2012) vs 1st Quarter 2011 (1Q2011)

Profit & Loss Statement

The Group's 1Q2012 revenue was S\$43.6 million which was 2% lower than 1Q2011's S\$44.5 million. Lower revenue was mainly due to:

- Lower utilities revenue of S\$26.4 million in 1Q2012 as compared to S\$28 million in 1Q2011 as a result of decreased demand from industrial parks' tenants and lower utility rate to remain competitive, and partially offset by:
- Recognition of S\$1 million factory building sales and S\$0.4 million resorts land sales in 1Q2012; and
- Higher ferry revenue of S\$4.9 million in 1Q2012 as compared to S\$4.2 million in 1Q2011. This was mainly due to higher tourist arrivals into Bintan as compared to previous period.

The Group's cost of sales increased from S\$37.9 million in 1Q2011 to 1Q2012's S\$39 million and it was mainly due to higher fuel cost and the recognition of cost relating to land and factory building sales. Accordingly, the Group reported lower gross profit of S\$4.6 million in 1Q2012 as compared with S\$6.6 million in 1Q2011.

The Group's 1Q2012 "general and administrative expenses" increased marginally to S\$2.9 million from 1Q2011's S\$2.8 million. The increase was mainly due to higher salary related expenses.

"Other income net of other expenses" of S\$0.4 million in 1Q2012 was lower than 1Q2011's S\$1.1 million and this was due to write back of excess withholding tax provision in 1Q2011.

Improvement in "Share of associate's profit" of S\$1.4 million was due to equity accounting of 29.4% share of PT SILO's profit in 1Q2012.

In line with lower revenue, the Group registered lower taxation of S\$2.5 million in 1Q2012 as compared to 1Q2011's S\$2.7 million.

With above, the Group's net loss attributable to shareholders was S\$1.9 million which was an improvement over the 1Q2011's S\$3 million loss.

Balance Sheet

The Group's "property, plant and equipment" and "investment properties" were lower than FY2011's and was mainly due to depreciation and accounting for sale of investment property in 1Q2012.

The Group's cash and bank balances as at 31 March 2012 were S\$63.5 million, representing S\$31.6 million decrease from FY2011's S\$95.1 million. The decrease was mainly due to

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repayment of external bank borrowings, refund of deposits to investor on an abortive power plant construction project, expenses incurred for bank loan refinancing and capital expenditure relating to Lagoi Bay Developments.

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 and utilities business remains challenging as it faced with competitive pressure to reduce rates. The Group is hopeful that its property development business and PT SILO will continue to contribute positively.

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 2012



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 2012 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 Adhya Tirta Batam Purchases of treated water	-	847
SALES		
PT Alam Indah Bintan Sales	-	(800)
PT Straits CM Village Sales	-	(1,043)
CONVERTIBLE BOND		
PT Alam Indah Bintan Interest income	(591)	

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY
10 May 2012

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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 First Quarter Financial Statements for the period ended 31 March 2012 to be false or misleading in any material aspect.

For and on behalf of the Board

Eugene Cho Park
CEO / Executive Director

Gianto Gunara
Executive Director

Date: 10 May 2012