



**Second Quarter 2012 Financial Statements and Dividend Announcement**

**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2012**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2012.

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

|  | <b>GROUP</b>                        |                                     |                               |                                       |                                       |                               |
|--|-------------------------------------|-------------------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------|
|  | <b>Quarter ended 30 June</b>        |                                     |                               | <b>YTD 30 June</b>                    |                                       |                               |
|  | <b>2nd Qtr<br/>2012<br/>S\$'000</b> | <b>2nd Qtr<br/>2011<br/>S\$'000</b> | <b>Incr/<br/>(Decr)<br/>%</b> | <b>Half year<br/>2012<br/>S\$'000</b> | <b>Half year<br/>2011<br/>S\$'000</b> | <b>Incr/<br/>(Decr)<br/>%</b> |
| Revenue  | 51,405                              | 48,521                              | 5.9                           | 95,011                                | 93,025                                | 2.1                           |
| Cost of sales  | <b>(44,167)</b>                     | (41,645)                            | 6.1                           | <b>(83,162)</b>                       | (79,533)                              | 4.6                           |
| <b>Gross profit</b>                                    | <b>7,238</b>                        | 6,876                               | 5.3                           | <b>11,849</b>                         | 13,492                                | (12.2)                        |
| General and administrative expenses                    | <b>(3,491)</b>                      | (2,947)                             | 18.5                          | <b>(6,403)</b>                        | (5,810)                               | 10.2                          |
| Other operating expenses                               | <b>(6,468)</b>                      | (6,190)                             | 4.5                           | <b>(12,172)</b>                       | (12,025)                              | 1.2                           |
| Other income net of other expenses                     | <b>623</b>                          | 4,568                               | (86.4)                        | <b>1,062</b>                          | 5,645                                 | (81.2)                        |
| Interest income  | <b>4,998</b>                        | 4,814                               | 3.8                           | <b>11,693</b>                         | 9,843                                 | 18.8                          |
| Finance costs  | <b>(4,797)</b>                      | (4,119)                             | 16.5                          | <b>(9,277)</b>                        | (8,381)                               | 10.7                          |
| Exchange loss  | <b>(1,118)</b>                      | (472)                               | 136.9                         | <b>(1,033)</b>                        | (811)                                 | 27.4                          |
| Share of associated company's profit                   | <b>1,857</b>                        | 28                                  | N.M                           | <b>3,309</b>                          | 40                                    | N.M                           |
| <b>(Loss)/profit before tax</b>                        | <b>(1,158)</b>                      | 2,558                               | N.M                           | <b>(972)</b>                          | 1,993                                 | N.M                           |
| Taxation   | <b>(2,620)</b>                      | (2,735)                             | (4.2)                         | <b>(5,087)</b>                        | (5,467)                               | (7.0)                         |
| <b>Loss after tax for the period</b>                   | <b>(3,778)</b>                      | (177)                               | N.M                           | <b>(6,059)</b>                        | (3,474)                               | 74.4                          |
| <b>Other comprehensive income:</b>                     |                                     |                                     |                               |                                       |                                       |                               |
| Exchange differences on translating foreign operations | <b>(105)</b>                        | (39)                                | 169.2                         | <b>(332)</b>                          | (237)                                 | 40.1                          |
| <b>Other comprehensive loss for the period</b>         | <b>(105)</b>                        | (39)                                | 169.2                         | <b>(332)</b>                          | (237)                                 | 40.1                          |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>         | <b>(3,883)</b>                      | (216)                               | N.M                           | <b>(6,391)</b>                        | (3,711)                               | 72.2                          |
| (Loss)/profit attributable to:                         |                                     |                                     |                               |                                       |                                       |                               |
| Equity holders of the Company                          | <b>(3,466)</b>                      | 153                                 | N.M                           | <b>(5,316)</b>                        | (2,827)                               | 88.0                          |
| Non-controlling interest                               | <b>(312)</b>                        | (330)                               | (5.5)                         | <b>(743)</b>                          | (647)                                 | 14.8                          |
|  | <b>(3,778)</b>                      | (177)                               | N.M                           | <b>(6,059)</b>                        | (3,474)                               | 74.4                          |
| Total comprehensive (loss)/income attributable to:     |                                     |                                     |                               |                                       |                                       |                               |
| Equity holders of the Company                          | <b>(3,565)</b>                      | 116                                 | N.M                           | <b>(5,678)</b>                        | (3,066)                               | 85.2                          |
| Non-controlling Interests                              | <b>(318)</b>                        | (332)                               | (4.2)                         | <b>(713)</b>                          | (645)                                 | 10.5                          |
|  | <b>(3,883)</b>                      | (216)                               | N.M                           | <b>(6,391)</b>                        | (3,711)                               | 72.2                          |

N.M. denotes "Not Meaningful"

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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 |                | YTD 30 June    |                |
|   | 2nd Qtr               | 2nd Qtr        | Half year      | Half year      |
|   | 2012                  | 2011           | 2012           | 2011           |
|   | <b>S\$'000</b>        | <b>S\$'000</b> | <b>S\$'000</b> | <b>S\$'000</b> |
| Amortisation of intangible assets             | 30                    | 48             | 124            | 81             |
| Depreciation of property, plant and equipment | 8,037                 | 7,994          | 15,758         | 15,888         |
| Depreciation of investment properties         | 5,516                 | 5,545          | 11,252         | 11,066         |
| Gain on sale of property, plant and equipment | (267)                 | (800)          | (293)          | (811)          |
| Gain from sale of investment properties       | -                     | -              | -              | (80)           |
| 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             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 30.06.12<br>S\$'000 | 31.12.11<br>S\$'000 | 30.06.12<br>S\$'000 | 31.12.11<br>S\$'000 |
| <b>Non-current assets</b>                                   |                     |                     |                     |                     |
| Intangible assets   | 1,532               | 1,344               | 15                  | 30                  |
| Property, plant and equipment                               | 294,256             | 307,665             | 145                 | 169                 |
| Investment properties                                       | 217,152             | 232,437             | -                   | -                   |
| Subsidiaries  | -                   | -                   | 1,207,642           | 1,207,642           |
| Associated companies  | 18,763              | 15,454              | -                   | -                   |
| Deferred tax assets   | 4,108               | 4,198               | -                   | -                   |
| Loan receivables  | 47,500              | 47,500              | -                   | -                   |
| Notes receivables   | 260,731             | 279,556             | 6,391               | 279,556             |
| Other non-current assets                                    | 71,600              | 37,322              | 1,717               | 34,827              |
|   | <u>915,642</u>      | <u>925,476</u>      | <u>1,215,910</u>    | <u>1,522,224</u>    |
| <b>Current assets</b>                                       |                     |                     |                     |                     |
| Land inventories  | 580,142             | 569,681             | -                   | -                   |
| Other inventories   | 11,969              | 10,860              | -                   | -                   |
| Trade and other receivables                                 | 43,283              | 44,993              | 123,498             | 125,134             |
| Cash and bank balances                                      | 63,855              | 95,084              | 9,947               | 52,558              |
|   | <u>699,249</u>      | <u>720,618</u>      | <u>133,445</u>      | <u>177,692</u>      |
| <b>Total assets</b>   | <u>1,614,891</u>    | <u>1,646,094</u>    | <u>1,349,355</u>    | <u>1,699,916</u>    |
| <b>Non-current liabilities</b>                              |                     |                     |                     |                     |
| Deposits from tenants/golf membership                       | 31,871              | 31,856              | -                   | -                   |
| Employee benefits liabilities                               | 8,427               | 8,514               | -                   | -                   |
| Deferred tax liabilities                                    | 2,052               | 2,082               | 411                 | 411                 |
| Loans and borrowings  | 202,038             | 177,509             | -                   | 177,491             |
|   | <u>244,388</u>      | <u>219,961</u>      | <u>411</u>          | <u>177,902</u>      |
| <b>Current liabilities</b>                                  |                     |                     |                     |                     |
| Trade and other payables                                    | 46,464              | 64,847              | 10,392              | 35,766              |
| Current tax payable   | 3,834               | 2,974               | 21                  | 32                  |
| Current portion of loans and borrowings                     | 48,480              | 80,196              | 144,697             | 287,608             |
|   | <u>98,778</u>       | <u>148,017</u>      | <u>155,110</u>      | <u>323,406</u>      |
| <b>Total liabilities</b>                                    | <u>343,166</u>      | <u>367,978</u>      | <u>155,521</u>      | <u>501,308</u>      |
| <b>Equity</b>   |                     |                     |                     |                     |
| Share capital   | 1,207,642           | 1,207,642           | 1,207,642           | 1,207,642           |
| Translation reserves  | (1,823)             | (1,461)             | -                   | -                   |
| Retained profits/(accumulated losses)                       | 41,644              | 46,960              | (13,808)            | (9,034)             |
| <b>Equity attributable to equity holders of the Company</b> | <u>1,247,463</u>    | <u>1,253,141</u>    | <u>1,193,834</u>    | <u>1,198,608</u>    |
| <b>Non-controlling interest</b>                             | <u>24,262</u>       | <u>24,975</u>       | <u>-</u>            | <u>-</u>            |
| <b>Total equity</b>   | <u>1,271,725</u>    | <u>1,278,116</u>    | <u>1,193,834</u>    | <u>1,198,608</u>    |
| <b>Total liabilities and equity</b>                         | <u>1,614,891</u>    | <u>1,646,094</u>    | <u>1,349,355</u>    | <u>1,699,916</u>    |

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

|  | Group               |                     |
|--|---------------------|---------------------|
|  | 30.06.12<br>S\$'000 | 31.12.11<br>S\$'000 |
| (i) Amount payable in one year or less, or on demand |                     |                     |
| Secured  | 48,224              | 79,871              |
| Unsecured  | 256                 | 325                 |
|  | <b>48,480</b>       | 80,196              |
| (ii) Amount repayable after one year                 |                     |                     |
| Secured  | 202,020             | 177,491             |
| Unsecured  | 18                  | 18                  |
|  | <b>202,038</b>      | 177,509             |
| <b>TOTAL</b>   | <b>250,518</b>      | <b>257,705</b>      |

**(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 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.

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               |                     |
|---|---------------------|---------------------|
|   | 30.06.12<br>S\$'000 | 30.06.11<br>S\$'000 |
| Cash flows from operating activities                          |                     |                     |
| Profit before taxation  | (972)               | 1,993               |
| Adjustments for:  |                     |                     |
| Amortisation of intangible assets                             | 124                 | 81                  |
| Depreciation of property, plant and equipment                 | 15,758              | 15,888              |
| Depreciation of investment properties                         | 11,252              | 11,066              |
| Currency translation difference                               | (768)               | 501                 |
| Provision for employee benefits                               | 688                 | 507                 |
| Gain on sale of investment properties                         | -                   | (80)                |
| Gain on sale of property, plant & equipment                   | (293)               | (811)               |
| Gain on sale of a subsidiary                                  | -                   | (21)                |
| Share of associated companies' profits                        | (3,309)             | (40)                |
| Interest expense  | 9,277               | 8,381               |
| Interest income   | (11,693)            | (9,843)             |
| Cash from operations before changes in working capital        | 20,064              | 27,622              |
| Changes in working capital                                    |                     |                     |
| Increase in land inventories                                  | (10,461)            | (9,297)             |
| Increase in other inventories                                 | (1,109)             | (1,177)             |
| Increase in operating receivables                             | (1,582)             | (8,400)             |
| Decrease in operating payables                                | (20,703)            | (1,407)             |
| Cash generated from operating activities                      | (13,791)            | 7,341               |
| Income tax paid   | (1,849)             | (1,327)             |
| Employee benefits paid  | (226)               | (83)                |
| Interest paid   | (10,325)            | (7,447)             |
| Interest received   | 479                 | 784                 |
| Deposits received from/(refunded to) tenants/golf members     | 14                  | (821)               |
| <b>Net cash used in operating activities</b>                  | <b>(25,698)</b>     | <b>(1,553)</b>      |
| Cash flows from investing activities                          |                     |                     |
| Acquisition of intangible assets                              | (311)               | (60)                |
| Acquisition of property, plant and equipment                  | (4,145)             | (5,084)             |
| Acquisition of investment properties                          | (35)                | -                   |
| Acquisition of subsidiaries, net of cash acquired (Note A)    | 55                  | -                   |
| Proceeds from sale of property, plant and equipment           | 1,857               | 1,783               |
| Proceeds from sale of investment properties                   | 4,187               | 125                 |
| Net proceeds from disposal of a subsidiary                    | -                   | (7)                 |
| Deposits received   | 47                  | 98                  |
| <b>Net cash generated from/(used in) investing activities</b> | <b>1,655</b>        | <b>(3,145)</b>      |
| Cash flows from financing activities                          |                     |                     |
| Loan from financial institutions                              | 251,787             | 312                 |
| Repayment of bank loan  | (258,973)           | (39,173)            |
| <b>Net cash used in financing activities</b>                  | <b>(7,186)</b>      | <b>(38,861)</b>     |
| <b>Net decrease in cash and cash equivalents</b>              | <b>(31,229)</b>     | <b>(43,559)</b>     |
| Cash and cash equivalents at beginning of period              | 95,084              | 160,365             |
| <b>Cash and cash equivalents at end of period</b>             | <b>63,855</b>       | <b>116,806</b>      |



**Note A: Acquisition of subsidiaries**

The Group acquired subsidiaries during the period. The carrying value of assets and liabilities acquired were as follows:

|                                       | <b>30.06.12</b>  |
|---------------------------------------|------------------|
|                                       | <b>S\$'000</b>   |
| <b>Net assets acquired</b>            |                  |
| Current assets                        | 3,632            |
| Current liabilities                   | <u>(3,632)</u>   |
|                                       | -                |
| Cash consideration                    | 230              |
| Cash balance in subsidiaries acquired | <u>284</u>       |
| Cash inflow on acquisition            | <u><u>55</u></u> |

**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 2012:**

|  | Share<br>capital        | Translation<br>reserves | Retained<br>profits  | Attributable<br>to equity<br>holders of<br>the Company | Non-<br>controlling<br>Interest | Total                   |
|--|-------------------------|-------------------------|----------------------|--|---------------------------------|-------------------------|
|  | S\$'000                 | S\$'000                 | S\$'000              | S\$'000  | S\$'000                         | 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 at 31 March 2011                      | 1,207,642               | (1,110)                 | 35,696               | 1,242,228  | 26,446                          | 1,268,674               |
| Total comprehensive (loss)/income for the period | -                       | (37)                    | 153                  | 116  | (332)                           | (216)                   |
| Balance as 30 June 2011                          | <u>1,207,642</u>        | <u>(1,147)</u>          | <u>35,849</u>        | <u>1,242,344</u>                                       | <u>26,114</u>                   | <u>1,268,458</u>        |
| <b>Balance as at 1 January 2012</b>              | <b>1,207,642</b>        | <b>(1,461)</b>          | <b>46,960</b>        | <b>1,253,141</b>                                       | <b>24,975</b>                   | <b>1,278,116</b>        |
| <b>Total comprehensive loss for the period</b>   | <b>-</b>                | <b>(263)</b>            | <b>(1,850)</b>       | <b>(2,113)</b>   | <b>(395)</b>                    | <b>(2,508)</b>          |
| <b>Balance as at 31 March 2012</b>               | <b>1,207,642</b>        | <b>(1,724)</b>          | <b>45,110</b>        | <b>1,251,028</b>                                       | <b>24,580</b>                   | <b>1,275,608</b>        |
| <b>Total comprehensive loss for the period</b>   | <b>-</b>                | <b>(99)</b>             | <b>(3,466)</b>       | <b>(3,565)</b>   | <b>(318)</b>                    | <b>(3,883)</b>          |
| <b>Balance as 30 June 2012</b>                   | <b><u>1,207,642</u></b> | <b><u>(1,823)</u></b>   | <b><u>41,644</u></b> | <b><u>1,247,463</u></b>                                | <b><u>24,262</u></b>            | <b><u>1,271,725</u></b> |



**Statement of changes in equity of the Company for the period ended 30 June 2012:**

|  | Share Capital<br>S\$'000 | (Accumulated<br>losses)/retained<br>profits<br>S\$'000 | Total<br>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        |
| Total comprehensive loss for the period        | -                        | 2,728  | 2,728            |
| Balance as at 30 June 2011                     | 1,207,642                | (9,118)  | 1,198,524        |
| <b>Balance as at 1 January 2012</b>            | <b>1,207,642</b>         | <b>(9,034)</b>   | <b>1,198,608</b> |
| <b>Total comprehensive loss for the period</b> | <b>-</b>                 | <b>(2,721)</b>   | <b>(2,721)</b>   |
| <b>Balance as at 31 March 2012</b>             | <b>1,207,642</b>         | <b>(11,755)</b>  | <b>1,195,887</b> |
| <b>Total comprehensive loss for the period</b> | <b>-</b>                 | <b>(2,053)</b>   | <b>(2,053)</b>   |
| <b>Balance as at 30 June 2012</b>              | <b>1,207,642</b>         | <b>(13,808)</b>  | <b>1,193,834</b> |

**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 2012 and 30 June 2011 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 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.

**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:

|  | <b>Group</b>                                |   |                                       |                                       |
|--|---|---|---------------------------------------|---------------------------------------|
|  | <b>2nd<br/>Quarter<br/>2012<br/>S\$'000</b> | <b>2nd<br/>Quarter<br/>2011<br/>S\$'000</b> | <b>Half year<br/>2012<br/>S\$'000</b> | <b>Half year<br/>2011<br/>S\$'000</b> |
| (Loss)/profit  | (3,466)                                     | 153   | (5,316)                               | (2,827)                               |
| Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2012 and 2011 respectively | <b>(0.14) cents</b>                         | 0.01 cents                                  | <b>(0.22) cents</b>                   | (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            |             |
|------------------------------------|--------------------|-------------|--------------------|-------------|
|                                    | 30.06.12           | 31.12.11    | 30.06.12           | 31.12.11    |
| Net asset value per ordinary share | <b>51.71 cents</b> | 51.94 cents | <b>49.49 cents</b> | 49.68 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 2012 (2Q2012) vs. 2nd Quarter 2011 (2Q2011)**

##### **Profit & Loss Statement**

The Group's 2Q2012 revenue was S\$51.4 million, which was 6% higher than 2Q2011's S\$48.5 million. Higher revenue was mainly due to:

- Recognition of S\$7.2 million factory building sales and S\$0.2 million resorts land sales in 2Q2012 as compared to S\$1.7 million industrial land sales in 2Q2011; and partially offset by:
- Lower utilities revenue of S\$28.4 million in 2Q2012 as compared to S\$29.8 million in 2Q2011 as result of decreased demand from industrial parks' tenants; and
- Lower rental revenue of S\$8.1 million in 2Q2012 as compared to S\$9.4 million in 2Q2011. This was mainly due to lower rental rate and factory occupancy as compared to the previous period.

The Group's cost of sales increased from S\$41.7 million in 2Q2011 to 2Q2012's S\$44.2 million and this was mainly due to the recognition of cost relating to land and factory building sales. Accordingly, the Group reported higher gross profit of S\$7.2 million in 2Q2012 as compared with S\$6.9 million in 2Q2011.

The Group's 2Q2012 "general and administrative expenses was S\$3.5 million as compared to 2Q2011's S\$3.0 million and this was mainly due to higher salaries related expenses.

"Other income net of other expenses" of S\$0.6 million in 2Q2012 was lower than 2Q2011's S\$4.6 million and this was mainly due to one-time recovery of corporate income tax in 2Q2011.

Equity accounting of 29.4% share of PT SILO's profit has contributed to the improvement in "Share of associated company's profit".



With above, the Group's net loss attributable to shareholders was S\$3.5 million as compared to 2Q2011's S\$0.15 million profit.

### **Half Year 2012 (1H2012) vs. Half Year 2011 (1H2011)**

#### **Profit & Loss Statement**

The Group's 1H2012 revenue was S\$95 million, which was 2% higher than 1H2011's S\$93 million. Higher revenue was mainly due to:

- Recognition of S\$8.2 million factory building sales and S\$0.6 million resorts land sales in 1H2012;
- Higher ferry revenue of S\$10.0 million in 1H2012 as compared to S\$9.1 million in 1H2011. This was mainly due to higher tourist arrivals in Bintan as compared to 1H2011; and partially offset by:
- Lower utilities revenue of S\$54.9 million in 1H2012 as compared to S\$57.8 million in 1H2011 as result of decreased demand from industrial parks' tenants.
- Lower rental revenue of S\$16.5 million in 1H2012 as compared to S\$18.7 million in 1H2011. This was mainly due to lower rental rate and occupancy rate as compared to corresponding period.

The Group's cost of sales increased from S\$79.6 million in 1H2011 to 1H2012's S\$83.2 million and this was mainly due to higher fuel cost and the recognition of cost relating to land and factory building sales. Consequentially, the Group reported lower gross profit of S\$11.9 million in 1H2012 as compared to 1H2011's S\$13.5 million.

The Group's 1H2012 "general and administrative expenses was S\$6.4 million as compared to 1H2011's S\$5.8 million and this was mainly due to higher salaries related expenses.

"Other income net of other expenses" of S\$1.1 million in 1H2012 was lower than 1H2011's S\$5.7 million and this was mainly due to write back of excess provision for withholding tax and one-time recovery of corporate income tax expenses in 1H2011.

Equity accounting of 29.4% share of PT SILO's profit has contributed to the improvement in "Share of associated company's profit".

With above, the Group's a net loss attributable to shareholders was S\$5.3 million in 1H2012 as compared to 1H2011 net loss of S\$2.8 million.

#### **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 sales of investment property in 1H2012.

The Group's cash and bank balances as at 30 June 2012 were S\$63.9 million, representing S\$31.2 million decrease from FY2011's S\$95.1 million. The decrease was mainly due to repayment of external bank borrowings, refund of deposits to investor on an aborted 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 remain challenging as several tenants withdrew from our Industrial Parks and electricity consumption remains depressed. The Group is hopeful that its property 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 30 June 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 30 June 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  |
| <b>PURCHASES</b>  |   |  |
| <b>PT Adhya Tirta Batam</b><br>Purchases of treated water | -   | 1,473  |
| <b>PT Asuransi Central Asia</b><br>Insurance premium      |   | 625  |
| <b>SALES</b>  |   |  |
| <b>PT Alam Indah Bintang</b><br>Sales                     | -   | (1,625)  |
| <b>PT Straits CM Village</b><br>Sales                     | -   | (1,859)  |
| <b>CONVERTIBLE BOND</b>                                   |   |  |
| <b>PT Alam Indah Bintang</b><br>Interest income           | (1,182)   |  |

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
COMPANY SECRETARY  
08 August 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 Second Quarter Financial Statements for the period ended 30 June 2012 to be false or misleading in any material aspect.

Eugene Cho Park  
CEO / Executive Director

Gianto Gunara  
Executive Director

08 August 2012