

GALLANT VENTURE LTD.
(Incorporated in the Republic of Singapore)
Co. Registration No. 200303179Z

ADDITIONAL INFORMATION TO THE ANNOUNCEMENT DATED 14 DECEMBER 2012 MADE BY GALLANT VENTURE LTD. (THE “COMPANY”) IN RELATION TO THE FOLLOWING:

- (A) PROPOSED ACQUISITION OF SHARES REPRESENTING APPROXIMATELY 52.35% OF THE ISSUED SHARE CAPITAL OF PT INDOMOBIL SUKSES INTERNASIONAL TBK. (“IMAS”);
- (B) PROPOSED RENOUNCEABLE NON-UNDERWRITTEN 1-FOR-1 RIGHTS ISSUE OF 2,412,482,556 NEW SHARES IN THE COMPANY TO RAISE APPROXIMATELY S\$675.5 MILLION; AND
- (C) PROPOSED TENDER OFFER FOR SHARES IN IMAS, SUBJECT TO COMPLETION OF THE PROPOSED ACQUISITION OF 52.35% OF IMAS,

(COLLECTIVELY, THE “PROPOSED TRANSACTIONS”).

Unless otherwise defined, capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Company’s announcement dated 14 December 2012 in relation to the Proposed Transactions (the “Announcement”).

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company refers to the Company’s Announcement dated 14 December 2012 in relation to the Proposed Transactions and wishes to provide additional information in respect of the Proposed Transactions as set out in Section 2 below in response to queries received from the SGX-ST.

2. ADDITIONAL INFORMATION

No.	Section in Announcement	Query	Response
1	Section 1.1	Please identify the source(s) of the exchange rates set out in footnote (2).	The exchange rates set out in footnote (2) under Section 1.1 of the Announcement are extracted from published information by Bloomberg L.P. on 12 December 2012.
2	Section 1.3, Section 4	Please include the number of IMAS Shares which are the subject of the Proposed IMAS Tender Offer other than the IMAS Shares which are the subject of the undertaking furnished by PT TI referred to in Section 4 of the Announcement (the	As stated in Section 4 of the Announcement, it is expected that the Proposed IMAS Tender Offer will be in respect of IMAS Shares representing in aggregate approximately 29.6% of the issued share capital of IMAS. Such 29.6% is equivalent to 818,521,254 IMAS Shares.

No.	Section in Announcement	Query	Response
		"Remaining IMAS Shares").	
3	Section 2.2.2	Please identify the circumstances under which the Conversion Price may be subject to adjustments.	Under the terms and conditions of the Convertible Bonds, in the event that there is any alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price may, at the Company's discretion, be adjusted by the Company to take into account such alteration to the number of issued Shares.
4	Section 2.2.3	Please disclose the Gallant Last Traded Price.	The Gallant Last Traded Price is S\$0.280, as disclosed in Section 3.1 of the Announcement.
5	Section 2.4	Please clarify if the Company intends to preserve the listed status of IMAS following the completion of the Proposed Transactions.	The Company intends to preserve IMAS' listed status following the completion of the Proposed Transactions.
6	Section 2.5	Please disclose if there is any goodwill arising from the Proposed Acquisition.	<p>As set out in paragraph 1.2(vi) of Appendix C to the Announcement, according to the Group's accounting policies, the Group shall determine the fair value of each of the identifiable assets and liabilities including intangible assets of the IMAS Group and calculate the goodwill arising from the Proposed Acquisition which represents the difference between the consideration transferred and the fair value of the identifiable assets and liabilities of the IMAS Group.</p> <p>For the purposes of the proforma financial information presented in the Announcement, the book value of the IMAS Group is assumed to be equal to the fair values of its assets and liabilities and no impairment for goodwill is assumed.</p> <p>Upon completion of the Proposed Acquisition, in accordance with Singapore Financial Reporting Standards ("SFRS") 103 "Business Combinations", the Group is required to finalise within one year, a purchase price allocation exercise to assess the fair values of the net identifiable</p>

No.	Section in Announcement	Query	Response
			assets and liabilities of the IMAS Group. The excess of the consideration transferred arising from the Proposed Acquisition over the fair values of the net identifiable assets and liabilities will be recorded as actual goodwill in the balance sheet and subject to at least an annual impairment test and more frequent if there are indicators of impairment.
7	Section 2.5	Please compute the figures using the bases set out in Rule 1006(c) of the Listing Manual assuming that the Convertible Bonds have been fully converted and the Company acquires all the Remaining IMAS Shares.	Please see Annex A to this announcement.
8	Section 2.5	Please explain why the Proposed Acquisition constitutes a Very Substantial Acquisition and not a Reverse Takeover (as defined in the Listing Manual).	<p>Based on the enlarged Share capital of 5,074,965,112 issued Shares (taking into account the Proposed Rights Issue and assuming the full conversion of the Convertible Bonds (which are convertible into Conversion Shares only on and after the 1st anniversary of their issue)):</p> <p>(a) the Conversion Shares will represent approximately 4.93% of the Company's fully diluted capital such that the Convertible Bond holder would not become a controlling shareholder (as defined in the Listing Manual) of the Company (please see Section 2.2.2 of the Announcement);</p> <p>(b) as stated in paragraph 1.3 of Appendix D to the Announcement, the Salim Group would hold between 50.74% to 72.91% of the enlarged issued share capital of the Company in the scenarios illustrated¹. Accordingly, it is envisaged that even in</p>

¹ The scenarios are as follows: (i) where the non-Salim Group Shareholders subscribe in full for their entitlements under the Proposed Rights Issue; and (ii) where none of the non-Salim Group Shareholders subscribe for any of their entitlements under the Proposed Rights Issue. Both scenarios (i) and (ii) are on the basis that the Salim Group subscribes for the Rights Shares in accordance with the Salim Group Undertakings.

No.	Section in Announcement	Query	Response
			<p>the scenario where the Convertible Bonds are fully converted, the Convertible Bond holder will not under the Proposed Acquisition become a controlling shareholder (or even a substantial shareholder) of the Company and the Salim Group will continue to maintain its controlling stake in the Company; and</p> <p>(c) there is no agreement or arrangement between the Salim Group and the Vendor that the Vendor will be given Board control of the Company.</p> <p>Taking into account the above, there will be no change in control of the Company as a result of the Proposed Acquisition and the Proposed Acquisition is therefore not classified as a Reverse Takeover under Rule 1015 of the Listing Manual.</p>
9	Section 3.1(b)	Please disclose all the undertakings which the Salim Group has furnished to the Company.	<p>The Salim Group has undertaken:</p> <p>(a) to vote in favour of the Proposed Transactions in respect of all its shareholdings in the Company at the EGM (please see Section 2.5 of the Announcement);</p> <p>(b) (i) not to sell or transfer its shares in the Company on or before the Books Closure Date and (ii) to subscribe in full for its <i>pro rata</i> entitlement of Rights Shares and to make excess application(s) for all the Rights Shares (if any) which are not taken up by the other Shareholders of the Company or their renounees (as disclosed in Section 3.1(b) of the Announcement); and</p>

No.	Section in Announcement	Query	Response
			(c) (i) not to sell its 18.05% shareholding interest in IMAS before the expiry of the Proposed IMAS Tender Offer and (ii) not to accept the Proposed IMAS Tender Offer in respect of its said 18.05% shareholding interest in IMAS and any other IMAS Shares it may acquire prior to the close of the Proposed IMAS Tender Offer (as disclosed in Section 4 of the Announcement).
10	Section 3.1(c)	Please disclose that the Company will make announcement(s) on the utilisation of the Net Proceeds and provide a status report on the use of the Net Proceeds in the Company's annual report.	The Company will make announcement(s) on the utilisation of the Net Proceeds of the Proposed Rights Issue as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's annual report (and subsequent annual reports, if applicable).
11	Section 7	Please clarify if there are any other members of the Salim Group which have an interest in IMAS.	Save as disclosed in the Announcement, the Salim Group does not have any shareholding in IMAS.
12	Section 7	Please confirm that none of the controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.	Further to Section 7 of the Announcement, none of the Directors or the controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.
13	Appendix C	Please provide the unaudited proforma combined financial information of the Proforma Group for the last 3 financial years.	Please see Annex B to this announcement.

BY ORDER OF THE BOARD OF DIRECTORS OF
GALLANT VENTURE LTD.

Choo Kok Kiong
Company Secretary

18 December 2012

Annex A

Computation of Additional Figures under Rule 1006(c)

Rule 1006(c) - Aggregate value of the Purchase Consideration plus the estimated aggregate Proposed Tender Offer Price for IMAS Shares representing 29.60% of the issued share capital of IMAS, as compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
Aggregate value of the Purchase Consideration plus the estimated aggregate Proposed Tender Offer Price for IMAS Shares representing 29.60% of the issued share capital of IMAS of approximately S\$563.1 million ⁽¹⁾	S\$1,551.3 million
Market capitalisation of the Company as at 12 December 2012, being the market day immediately preceding the date of the SPA ⁽²⁾	S\$1,424.0 million
Relative figure	108.9%

Notes:

- (1) Based on the assumption that the Proposed Tender Offer Price per IMAS Share is equal to the IMAS Average Share Price. The estimated aggregate Proposed Tender Offer Price does not include the 18.05% shareholding interest held by PT TI, a member of the Salim Group, in the issued share capital of IMAS. PT TI has, *inter alia*, undertaken to the Company (a) not to sell its 18.05% shareholding interest in IMAS before the expiry of the Proposed IMAS Tender Offer and (b) not to accept the Proposed IMAS Tender Offer in respect of its said 18.05% shareholding interest.
- (2) The market capitalisation of the Company is determined by multiplying 5,074,965,112 Shares (being the total number of Shares in issue after the Proposed Rights Issue and assuming the full conversion of the Convertible Bonds) by S\$0.2806 (being the volume weighted average traded price of the Shares on 12 December 2012, being the market day immediately preceding the date of the SPA) (Source: Bloomberg L.P.).

Annex B

Summary of Unaudited Proforma Combined Financial Information of the Proforma Group for FY2009, FY2010, FY2011 and FP2012

1. BASES AND ASSUMPTIONS

1.1 The summary unaudited proforma financial information of the Proposed Acquisition on the Proforma Group² are set out below³. The objective is to illustrate what the historical information might have been had the Proposed Acquisition been completed at an earlier date. However, such information is not necessarily indicative that the results of operations or the financial position as illustrated would have been attained had the Proposed Acquisition been completed at an earlier date. In addition, such information is not necessarily indicative or a projection of the financial performance or financial position of the Proforma Group after the completion of the Proposed Acquisition.

1.2 The summary unaudited proforma financial information in this section have been prepared based on the audited financial statements of the Group and the IMAS Group for the last three financial years ended 31 December 2009 (“**FY2009**”), 2010 (“**FY2010**”) and 2011 (“**FY2011**”) and unaudited financial statements of the Group and the IMAS Group for the nine-month financial period ended 30 September 2012 (“**FP2012**”) The unaudited proforma financial information as set out below are prepared based on *inter alia*, the following assumptions:

- (i) in the preparation of the unaudited proforma combined statement of comprehensive income for FY2009, FY2010, FY2011 and FP2012, the Proposed Acquisition were assumed to have been completed on 1 January 2009;
- (ii) in the preparation of the unaudited proforma combined balance sheet as at 31 December 2011 and 30 September 2012, the Proposed Acquisition were assumed to have been completed on 31 December 2011; and
- (iii) in the preparation of the unaudited proforma combined statement of cash flows for FY2011 and FP2012, the Proposed Acquisition were assumed to have been completed on 1 January 2011.

Proforma combined income statements

(S\$'000)	FY2009	FY2010	FY2011	FP2012
Revenue	1,149,522	1,864,003	2,459,986	2,122,149
Gross profit	160,175	263,297	326,718	256,579
Profit before taxation	16,906	100,159	175,081	109,879
(Loss) / Profit after taxation	(3,005)	71,393	133,048	80,963

2 “**Proforma Group**” means the Company, IMAS and their subsidiaries immediately following the completion of the Proposed Acquisition, treated for the purpose of this Announcement as if such group structure has been in existence since 1 January 2009.

3 The Unaudited Proforma Combined Financial Information of the Proforma Group for FY2009, FY2010, FY2011 and FP2012 including the notes thereto, will be included in the Circular to be issued by the Company in due course to its Shareholders.

Proforma combined balance sheets

(S\$'000)	As at 31 December 2011	As at 30 September 2012
Total current assets	1,782,462	1,814,942
Total non-current assets	2,927,823	3,196,329
Total current liabilities	924,343	1,024,072
Total non-current liabilities	844,603	1,082,479
Total equity	2,941,339	2,904,720

Proforma combined statement of cash flows

(S\$'000)	FY2011	FP2012
Net cash used in operating activities	(55,702)	(231,697)
Net cash used in investing activities	(210,940)	(166,266)
Net cash generated from financing activities	361,940	326,647
Net increase / (decrease) in cash and cash equivalents	95,298	(71,316)
Cash and cash equivalents at beginning of year / period	230,532	325,830
Cash and cash equivalents at end of year / period	325,830	254,514