

**First Quarter 2013 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 March 2013.

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 2013	1st Qtr 2012	Incr/(Decr)
	S\$'000	S\$'000	%
Revenue	41,458	43,606	(4.9)
Cost of sales	(35,431)	(38,995)	(9.1)
Gross profit	6,027	4,611	30.7
General and administrative expenses	(2,674)	(2,912)	(8.2)
Other operating expenses	(5,530)	(5,704)	(3.1)
Other income net of other expenses	414	439	(5.7)
Interest income	5,355	6,695	(20.0)
Finance costs	(4,399)	(4,480)	(1.8)
Exchange gain	25	85	(70.6)
Share of associate company's profit	27	1,452	(98.1)
(Loss)/Profit before tax	(755)	186	N.M.
Taxation	(2,864)	(2,467)	16.1
Loss after tax for the period	(3,619)	(2,281)	58.7
Other comprehensive income:			
Exchange differences on translating foreign operations	71	(227)	N.M.
Other comprehensive income for the period	71	(227)	N.M.
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(3,548)	(2,508)	41.5
Loss attributable to:			
Equity holders of the Company	(3,292)	(1,850)	77.9
Non-controlling interests	(327)	(431)	(24.1)
	(3,619)	(2,281)	58.7
Total comprehensive loss attributable to:			
Equity holders of the Company	(3,225)	(2,113)	52.6
Non-controlling interests	(323)	(395)	(18.2)
	(3,548)	(2,508)	41.5

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	
	1st Qtr 2013 S\$'000	1st Qtr 2012 S\$'000
Amortisation of intangible assets	14	94
Depreciation of property, plant and equipment	7,486	7,721
Depreciation of investment properties	5,608	5,736
Gain on sale of property, plant and equipment	-	(26)



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	
	31.03.13 S\$'000	31.12.12 S\$'000	31.03.13 S\$'000	31.12.12 S\$'000
Non-current assets				
Intangible assets	3,262	3,275	-	-
Property, plant and equipment	278,312	283,794	72	95
Investment properties	201,767	207,280	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	17,222	17,196	-	-
Deferred tax assets	3,302	3,309	-	-
Loan receivables	47,500	47,500	-	-
Notes receivables	260,542	260,459	6,202	6,119
Other non-current assets	85,803	80,986	2,099	1,943
	897,710	903,799	1,216,015	1,215,799
Current assets				
Land inventories	592,748	585,796	-	-
Other inventories	11,529	11,320	-	-
Trade and other receivables	58,123	58,332	128,642	124,485
Cash and bank balances	67,797	66,769	1,097	4,494
	730,197	722,217	129,739	128,979
Total assets	1,627,907	1,626,016	1,345,754	1,344,778
Non-current liabilities				
Deposits from tenants/golf membership	29,061	30,013	-	-
Employee benefits liabilities	8,435	8,359	-	-
Deferred tax liabilities	2,003	1,953	127	127
Loans and borrowings	206,458	211,933	-	-
	245,957	252,258	127	127
Current liabilities				
Trade and other payables	59,793	56,312	5,662	7,270
Current tax payable	4,628	3,399	22	24
Current portion of loans and borrowings	34,123	27,093	148,598	144,148
	98,544	86,804	154,282	151,442
Total liabilities	344,501	339,062	154,409	151,569
Equity				
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(2,175)	(2,242)	-	-
Retained profits/(accumulated losses)	54,750	58,042	(16,297)	(14,433)
Equity attributable to equity holders of the Company	1,260,217	1,263,442	1,191,345	1,193,209
Non-controlling interest	23,189	23,512	-	-
Total equity	1,283,406	1,286,954	1,191,345	1,193,209
Total liabilities and equity	1,627,907	1,626,016	1,345,754	1,344,778

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

	Group	
	31.03.13 S\$'000	31.12.12 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	33,926	25,061
Unsecured	197	2,032
	34,123	27,093
(ii) Amount repayable after one year		
Secured	206,431	203,756
Unsecured	27	8,177
	206,458	211,933
TOTAL	240,581	239,026

(iii) Details of any collaterals

In relation to loan from CIMB Niaga, securities provided for the secured loan are as follows:

1. Mortgage of land titles over Batamindo Industrial Park;
2. Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC"); and
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	
	31.03.13	31.03.12
	S\$'000	S\$'000
(Loss)/profit before taxation	(755)	186
Adjustments for:		
Amortisation of intangible assets	14	94
Depreciation of property, plant and equipment	7,486	7,721
Depreciation of investment properties	5,608	5,736
Currency translation difference	193	(538)
Provision for employee benefits	169	165
Gain on sale of property, plant & equipment	-	(26)
Share of associated companies' profits	(27)	(1,452)
Interest expense	4,399	4,496
Interest income	(5,355)	(6,695)
Cash from operations before changes in working capital	11,732	9,687
Changes in working capital		
Increase in land inventories	(6,951)	(4,497)
Increase in other inventories	(209)	(945)
Decrease in operating receivables	443	2,485
Increase/(decrease) in operating payables	2,736	(24,548)
Cash generated from/(used in) operating activities	7,751	(17,818)
Income tax paid	(834)	(744)
Employee benefits paid	(26)	(43)
Interest paid	(4,399)	(5,529)
Interest received	221	254
Deposits refunded to tenants/golf members	(952)	(57)
Net cash generated from/(used in) operating activities	1,761	(23,937)
Cash flows from investing activities		
Acquisition of intangible assets	-	(52)
Acquisition of property, plant and equipment	(2,288)	(2,384)
Proceeds from sale of property, plant and equipment	-	80
Proceeds from sale of investment properties	-	690
Deposits received	-	11
Net cash used in investing activities	(2,288)	(1,655)
Cash flows from financing activities		
Loan from financial institutions	5,039	251,459
Repayment of bank loan	(3,484)	(257,418)
Net cash generated from/(used in) financing activities	1,555	(5,959)
Net increase/(decrease) in cash and cash equivalents	1,028	(31,551)
Cash and cash equivalents at beginning of period	66,769	95,084
Cash and cash equivalents at end of period	67,797	63,533



- 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 2013:

	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 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
Balance as at 1 January 2013	1,207,642	(2,242)	58,042	1,263,442	23,512	1,286,954
Total comprehensive loss for the period	-	67	(3,292)	(3,225)	(323)	(3,548)
Balance as 31 March 2013	1,207,642	(2,175)	54,750	1,260,217	23,189	1,283,406

Statement of changes in equity of the Company for the period ended 31 March 2013:

	Share Capital S\$'000	Accumulated losses S\$'000	Total S\$'000
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
Balance as at 1 January 2013	1,207,642	(14,433)	1,193,209
Total comprehensive loss for the period	-	(1,864)	(1,864)
Balance as at 31 March 2013	1,207,642	(16,297)	1,191,345

- 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 2013 and 31 March 2012 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 2012.

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 per ordinary share for the period based on profit attributable to shareholders:

	Group	
	1st Quarter 2013 S\$'000	1st Quarter 2012 S\$'000
Loss	(3,292)	(1,850)
Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2013 and 2012 respectively	(0.14 cents)	(0.08 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	
	31.03.13	31.03.12	31.03.13	31.03.12
Net asset value per ordinary share	52.24 cents	51.86 cents	49.38 cents	49.57 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.**

1st Quarter 2013 (1Q 2013) vs 1st Quarter 2012 (1Q 2012)

Profit & Loss Statement

The Group's 1Q 2013 revenue was S\$41.5 million which was 4.9% lower than 1Q 2012's S\$43.6 million, primarily due to:

- Lower utilities revenue of S\$25.8 million in 1Q 2013 as compared to S\$26.4 million in 1Q 2012 as a result of decreased demand from industrial parks' tenants and lower factory occupancy rate;
- Lower rental revenue of S\$9.6 million in 1Q 2013 as compared to S\$9.9 million in 1Q 2012. This was mainly due to lower rental rates and factory occupancy as compared to the previous period;
- Lower property development sales with recognition of S\$0.7 million resorts land sales as compared to S\$1.0 million factory building sales in 1Q 2012; and



- Lower resorts revenue of S\$5.3 million in 1Q 2013 as compared to S\$5.9 million in 1Q 2012 and was mainly due to lower tourist arrivals in the period under review.

In line with lower turnover, the Group's cost of sales decreased by S\$3.6 million from S\$39.0 million in 1Q 2012 to S\$35.4 million in 1Q 2013 and this was mainly due to much lower gas and fuel costs as a result of reduced consumption from the Industrial parks' tenants and no recognition of cost for the factory sale. Consequently, the Group reported higher gross profit of S\$6.0 million in 1Q 2013 as compared with S\$4.6 million in 1Q 2012.

The Group's 1Q 2013 "general and administrative expenses" decreased from 1Q 2012's S\$2.9 million to S\$2.7 million in 1Q 2013 mainly due to lower salary related expenses.

The Group's 1Q 2013 "interest income" decreased from 1Q 2012's S\$6.7 million to S\$5.4 million in 1Q 2013 and was mainly due to one-time reversal of fair value adjustment of interest income in 1Q 2012.

The Group's 1Q 2013 "other income net of other expenses" decreased marginally from 1Q 2012's S\$439k to S\$414k in 1Q 2013 and was mainly due to lower telecommunication facility rental income.

The Group did not equity account PT SILO's contribution in 1Q 2013 and accordingly the Group's "Share of associate's profit" of S\$27k was lower than 1Q 2012's S\$1.5 million.

The Group's 1Q 2013 "taxation" increased from 1Q 2012's S\$2.5 million to S\$2.9 million in 1Q 2013 and was mainly due to the income tax relating interest income from the Notes from Market Strength Limited.

With above, the Group's net loss attributable to shareholders was S\$3.3 million which was 78% higher than 1Q 2012's net loss of S\$1.8 million.

Balance Sheet

The Group's "property, plant and equipment" and "investment properties" were lower than FY 2012's and was mainly due to depreciation in 1Q 2013.

The Group's "other non-current assets" was higher than FY 2012's and was mainly due to the interest income accrued from the Note receivables.

The Group's "Land Inventories" increased from FY 2012's S\$585.8 million to S\$592.7 million in 1Q 2013 and was solely due to capitalization of construction expenses relating to Lagoi Bay Development.

The Group's cash and bank balances as at 31 March 2013 were S\$67.8 million, representing S\$1.0 million increase from FY 2012's S\$66.8 million. This was mainly due to improvement in working capital.



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 and electricity consumption remains depressed. With increasing labour cost and high fuel cost, it has impacted the Industrial Parks' and Utilities' margin. The Group continues to pursue land sales.

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 2013.

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 2013 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	-	472
SALES		
PT Alam Indah Bintang Sales	-	(756)
PT Straits CM Village Sales	-	(685)
CONVERTIBLE BOND		
PT Alam Indah Bintang Interest income	(583)	

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BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY
15 May 2013

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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 2013 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: 15 May 2013