



## Second Quarter 2013 Financial Statements and Dividend Announcement

### UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 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					
	Quarter ended 30 Jun			YTD 30 Jun		
	2nd Qtr 2013 S\$'000	2nd Qtr 2012 S\$'000	Incr/ (Decr) %	Half year 2013 S\$'000	Half year 2012 S\$'000	Incr/ (Decr) %
Revenue	559,197	51,405	987.8	600,655	95,011	532.2
Cost of sales	(490,477)	(44,167)	1,010.5	(525,908)	(83,162)	532.4
<b>Gross profit</b>	<b>68,720</b>	<b>7,238</b>	<b>849.4</b>	<b>74,747</b>	<b>11,849</b>	<b>530.8</b>
General and administrative expenses	(24,117)	(3,491)	590.8	(26,791)	(6,403)	318.4
Other operating expenses	(29,408)	(6,468)	354.7	(34,938)	(12,172)	187.0
Other income net of other expenses	20,826	623	N.M	21,240	1,062	1,900.0
Interest income	7,001	4,998	40.1	12,356	11,693	5.7
Finance costs	(15,304)	(4,797)	219.0	(19,703)	(9,277)	112.4
Exchange loss	(1,918)	(1,118)	71.6	(1,893)	(1,033)	83.3
Share of associated company's profit	3,800	1,857	104.6	3,827	3,309	15.7
<b>Profit/(loss) before tax</b>	<b>29,600</b>	<b>(1,158)</b>	<b>N.M</b>	<b>28,845</b>	<b>(972)</b>	<b>N.M</b>
Taxation	(7,028)	(2,620)	168.2	(9,892)	(5,087)	94.5
<b>Profit/(loss) after tax for the period</b>	<b>22,572</b>	<b>(3,778)</b>	<b>N.M</b>	<b>18,953</b>	<b>(6,059)</b>	<b>N.M</b>
<b>Other comprehensive income:</b>						
Net changes in available-for-sales financial asset	(4,451)	-	N.M	(4,451)	-	N.M
Net changes in derivative instrument – net of tax	(1,548)	-	N.M	(1,548)	-	N.M
Foreign currency translation	5,945	(105)	N.M	6,016	(332)	N.M
<b>Other comprehensive loss for the period</b>	<b>(54)</b>	<b>(105)</b>	<b>(48.8)</b>	<b>17</b>	<b>(332)</b>	<b>N.M</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>	<b>22,518</b>	<b>(3,883)</b>	<b>N.M</b>	<b>18,970</b>	<b>(6,391)</b>	<b>N.M</b>
Profit/(loss) attributable to:						
Equity holders of the Company	8,509	(3,466)	N.M	5,217	(5,361)	N.M
Non-controlling interest	14,063	(312)	N.M	13,736	(743)	N.M
	<u>22,572</u>	<u>(3,778)</u>	<u>N.M</u>	<u>18,953</u>	<u>(6,104)</u>	<u>N.M</u>
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	8,122	(3,565)	N.M	4,897	(5,678)	N.M
Non-controlling Interests	14,396	(318)	N.M	14,073	(713)	N.M
	<u>22,518</u>	<u>(3,883)</u>	<u>N.M</u>	<u>18,970</u>	<u>(6,391)</u>	<u>N.M</u>

N.M. denotes "Not Meaningful"

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

	Group			
	Quarter ended 30 Jun		YTD 30 Jun	
	2nd Qtr	2nd Qtr	Half year	Half year
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	13	30	27	124
Depreciation of property, plant and equipment	14,512	8,037	21,998	15,758
Depreciation of investment properties	5,621	5,516	11,229	11,252
Gain on sale of property, plant and equipment	(11,719)	(267)	(11,719)	(293)

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	
	30.06.13 S\$'000	31.12.12 S\$'000	30.06.13 S\$'000	31.12.12 S\$'000
<b>Non-current assets</b>				
Intangible assets	1,268,779	3,275	-	-
Property, plant and equipment	648,055	283,794	61	95
Investment properties	197,581	207,280	-	-
Financing receivable	461,161	-	-	-
Subsidiaries	-	-	2,195,828	1,207,642
Associated companies	315,531	17,196	-	-
Deferred tax assets	26,940	3,309	-	-
Loan receivables	47,500	47,500	-	-
Notes receivables	260,679	260,459	6,339	6,119
Other non-current assets	141,402	80,986	2,357	1,943
	<u>3,367,628</u>	<u>903,799</u>	<u>2,204,585</u>	<u>1,215,799</u>
<b>Current assets</b>				
Land inventories	598,314	585,796	-	-
Other inventories	460,591	11,320	-	-
Financing receivables	181,249	-	-	-
Trade and other receivables	482,579	58,332	143,024	124,485
Cash and bank balances	263,387	66,769	9,929	4,494
	<u>1,986,120</u>	<u>722,217</u>	<u>152,953</u>	<u>128,979</u>
<b>Total assets</b>	<u>5,353,748</u>	<u>1,626,016</u>	<u>2,357,538</u>	<u>1,344,778</u>
<b>Non-current liabilities</b>				
Deposits from tenants/golf membership	28,558	30,013	-	-
Employee benefits liabilities	21,952	8,359	-	-
Deferred tax liabilities	4,472	1,953	127	127
Other non-current liabilities	1,446	-	-	-
Loans and borrowings	633,398	211,933	154,000	-
Bond payables	452,931	-	104,703	-
	<u>1,142,757</u>	<u>252,258</u>	<u>258,830</u>	<u>127</u>
<b>Current liabilities</b>				
Trade and other payables	450,813	56,312	6,337	7,270
Current tax payable	18,474	3,399	22	24
Current portion of loans and borrowings	709,089	27,093	148,598	144,148
Bond payables	13,533	-	-	-
	<u>1,191,909</u>	<u>86,804</u>	<u>154,957</u>	<u>151,442</u>
<b>Total liabilities</b>	<u>2,334,666</u>	<u>339,062</u>	<u>413,787</u>	<u>151,569</u>
<b>Equity</b>				
Share capital	1,883,137	1,207,642	1,883,137	1,207,642
Other reserves	77,432	(2,242)	80,000	-
Retained profits/(accumulated losses)	63,260	58,042	(19,386)	(14,433)
<b>Equity attributable to equity holders of the Company</b>	<u>2,023,829</u>	<u>1,263,442</u>	<u>1,943,751</u>	<u>1,193,209</u>
<b>Non-controlling interest</b>	<u>995,254</u>	<u>23,512</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>3,019,083</u>	<u>1,286,954</u>	<u>1,943,751</u>	<u>1,193,209</u>
<b>Total liabilities and equity</b>	<u>5,353,749</u>	<u>1,626,016</u>	<u>2,357,538</u>	<u>1,344,778</u>

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

	Group	
	30.06.13 S\$'000	31.12.12 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	708,585	25,061
Unsecured	14,037	2,032
	<u>722,622</u>	<u>27,093</u>
(ii) Amount repayable after one year		
Secured	1,079,084	203,756
Unsecured	7,245	8,177
	<u>1,086,329</u>	<u>211,933</u>
TOTAL	<u>1,808,951</u>	<u>239,026</u>

(iii) Details of any collaterals

The Group's borrowing and debt securities are secured with the followings:-

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.
4. Pledge of shares of PT Indomobil Sukses Internasional Tbk ("IMAS").
5. PT Indomobil Sukses Internasional Tbk's borrowings and debt securities are secured by mortgage over land, inventories, accounts receivables, and bank accounts of its various subsidiaries in Indonesia.

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	
	30.06.13 S\$'000	30.06.12 S\$'000
Cash flows from operating activities		
Profit/(loss) before taxation	28,845	(972)
Adjustments for:		
Amortisation of intangible assets	27	124
Depreciation of property, plant and equipment	21,998	15,758
Depreciation of investment properties	11,229	11,252
Net fair value loss on available for sales assets and derivatives	(6,000)	-
Currency translation difference	2,659	(768)
Provision for employee benefits	1,037	688
Gain on sale of property, plant & equipment	(11,719)	(293)
Share of associated companies' profits	(3,822)	(3,309)
Interest expense	19,703	9,277
Interest income	(12,356)	(11,693)
Cash from operations before changes in working capital	51,601	20,064
Changes in working capital		
Increase in land inventories	(12,458)	(10,461)
Decrease/(increase) in other inventories	53,126	(1,109)
Increase in operating receivables	(45,438)	(1,582)
Decrease/(increased) in operating payables	86,932	(20,703)
Cash generated from/(used in) operating activities	133,763	(13,791)
Income tax paid	(7,638)	(1,849)
Employee benefits paid	(168)	(226)
Interest paid	(29,075)	(10,325)
Interest received	453	479
Deposits (refunded to)/received from tenants/golf members	(1,454)	14
<b>Net cash generated from/(used in) operating activities</b>	<b>95,881</b>	<b>(25,698)</b>
Cash flows from investing activities		
Acquisition of intangible assets	-	(311)
Acquisition of property, plant and equipment	(32,515)	(4,145)
Acquisition of investment properties	-	(35)
Acquisition of subsidiaries, net of cash acquired (Note A)	(919,281)	55
Acquisition of other assets	(46,194)	-
Addition/reduction of minority interests	129	-
Dividends from associated companies	3,738	-
Proceeds from sale of property, plant and equipment	16,197	1,857
Proceeds from sale of investment properties	-	4,187
Proceeds from issuance of right issue	675,495	-
Deposits received	-	47
<b>Net cash (used in)/generated from investing activities</b>	<b>(302,431)</b>	<b>1,655</b>
Cash flows from financing activities		
Subscription of convertible bond	80,000	-
Proceeds from other financing activities	108,215	-
Loan from financial institutions	219,826	251,787
Dividend paid to non-controlling interest	(4,873)	-
Repayment of bank loan	-	(258,973)
<b>Net cash generated from/(used in) financing activities</b>	<b>403,168</b>	<b>(7,186)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>196,618</b>	<b>(31,229)</b>
Cash and cash equivalents at beginning of period	66,769	95,084
<b>Cash and cash equivalents at end of period</b>	<b>263,387</b>	<b>63,855</b>

**Note A: Acquisition of subsidiaries**

During the period under review, the Group acquired IMAS and the carrying value of assets and liabilities acquired were as follows:

	<b>30.06.2013</b>	<b>30.06.2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net assets acquired</b>		
Total assets	2,320,844	3,632
Total liabilities	(1,580,551)	(3,632)
Non-controlling interest	(68,027)	-
Total identifiable net assets	<u>672,267</u>	<u>-</u>
Fair value adjustment	1,215,386	-
Total revised identifiable net assets	<u>1,887,653</u>	<u>-</u>
Less : Non-controlling interest at fair value	(899,467)	-
Consideration transferred for the business	<u>988,186</u>	<u>-</u>
<b>Effect of the acquisition on cashflow:</b>		
Cash consideration	988,186	230
Less: Cash balance in subsidiaries acquired	(68,905)	(285)
Cash outflow on acquisition	<u>(919,281)</u>	<u>(55)</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 2013:

	Share capital	Premium on share capital	Differences arising from changes in equity of subsidiaries and effect of transactions with non-controlling interest	Translation reserves	Net changes in Fair value of available-for-sales investment	Net changes in Fair value of derivative Instruments – net of tax	Equity component of convertible bond	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 2012	1,207,642	-	-	(1,461)	-	-	-	49,690	1,253,141	24,975	1,278,116
Total comprehensive loss for the period	-	-	-	(263)	-	-	-	(1,850)	(2,113)	(395)	(2,508)
Balance as at 31 March 2012	1,207,642	-	-	(1,724)	-	-	-	45,110	1,251,028	24,580	1,275,608
Total comprehensive loss for the period	-	-	-	(99)	-	-	-	(3,466)	(3,565)	(318)	(3,883)
Balance as 30 June 2012	1,207,642	-	-	(1,823)	-	-	-	41,644	1,247,463	24,262	1,271,725
<b>Balance as at 1 January 2013</b>	<b>1,207,642</b>	<b>-</b>	<b>-</b>	<b>(2,242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,042</b>	<b>1,263,442</b>	<b>23,512</b>	<b>1,286,954</b>
<b>Total comprehensive income /(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,292)</b>	<b>(3,225)</b>	<b>(323)</b>	<b>(3,548)</b>
<b>Balance as at 31 March 2013</b>	<b>1,207,642</b>	<b>-</b>	<b>-</b>	<b>(2,175)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,750</b>	<b>1,260,217</b>	<b>23,189</b>	<b>1,283,406</b>
Convertible bond – equity component	-	-	-	-	-	-	80,000	-	80,000	-	34,606
Issue of new shares	675,495	-	-	-	-	-	-	-	675,495	-	675,495
Share issuance expense	-	-	-	-	-	-	-	-	-	-	-
Premium on share capital	-	26	-	-	-	-	-	-	26	-	26
Differences arising from changes in equity and effects of transaction with non-controlling interest	-	-	(32)	-	-	-	-	-	(32)	-	(32)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	962,413	962,413
Dividend paid	-	-	-	-	-	-	-	-	-	(4,873)	(4,873)
Addition /(deduction) to company non-controlling interest	-	-	-	-	-	-	-	-	-	129	129
<b>Total comprehensive income /(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,660</b>	<b>(2,397)</b>	<b>(650)</b>	<b>-</b>	<b>8,509</b>	<b>8,122</b>	<b>14,396</b>	<b>22,517</b>
<b>Balance as 30 June 2013</b>	<b>1,883,137</b>	<b>26</b>	<b>(32)</b>	<b>485</b>	<b>(2,397)</b>	<b>(650)</b>	<b>80,000</b>	<b>63,259</b>	<b>2,023,828</b>	<b>995,254</b>	<b>3,019,082</b>

**Statement of changes in equity of the Company for the period ended 30 June 2013:**

	Share Capital S\$'000	Equity component of convertible bond S\$'000	(Accumulated losses)/retained profits 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	-	-	(2,053)	(2,721)
Balance as at 31 March 2012	1,207,642	-	(11,755)	1,195,887
Total comprehensive loss for the period	-	-	(2,053)	(2,053)
Balance as at 30 June 2012	1,207,642	-	(13,808)	1,193,834
<b>Balance as at 1 January 2013</b>	<b>1,207,642</b>	<b>-</b>	<b>(14,433)</b>	<b>1,193,209</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,864)</b>	<b>(1,864)</b>
<b>Balance as at 31 March 2013</b>	<b>1,207,642</b>	<b>-</b>	<b>(16,297)</b>	<b>1,191,345</b>
<b>Convertible bond – equity component</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>80,000</b>
<b>Issue of new shares</b>	<b>675,495</b>	<b>-</b>	<b>-</b>	<b>675,495</b>
<b>Share issuance expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(3,089)</b>	<b>(3,089)</b>
<b>Balance as at 30 June 2013</b>	<b>1,883,137</b>	<b>80,000</b>	<b>(19,386)</b>	<b>1,943,751</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.**

**Right issue**

The details are as follows:

	Number of Shares	Share capital S\$'000
As at 31 March 2013	2,412,482,556	1,207,642
1-for-1 Rights Issue <sup>(1)</sup>	2,412,482,556	675,495
Share issuance expenses	-	-
As at 30 June 2013	4,824,965,112	1,883,137

<sup>(1)</sup>The Company undertook a renounceable non-underwritten rights issue on the basis of 1 right share for every existing ordinary share. Pursuant to the rights issue exercise, approved by shareholders at the Extraordinary General Meeting ("EGM") held on 28 March 2013, 2,412,482,556 new ordinary shares were allotted and issued at S\$0.28 each. As a result, the total number of issued shares increased from 2,412,482,556 to 4,824,965,112.

**Shares to be issued upon exercise of conversion right of convertible bond:-**

The details are as follows:

	As at 30 Jun 2013	As at 30 Jun 2012
Conversion right of convertible bond	250,000,000	-

**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 2013 and 30 June 2012 were 4,824,965,112 and 2,412,482,556 respectively. The company does not hold any treasury shares as at 30 June 2013 and 30 June 2012.

**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 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)**

	Group			
	2nd Quarter 2013	2nd Quarter 2012	Half year 2013	Half year 2012
Net profit (loss) attributable to equity owners of the Company (S\$'000)	8,509	(3,466)	5,217	(5,316)
(i) Based on the weighted average number of ordinary shares on issue (cents)	0.211	(0.144)	0.162	(0.220)
(ii) On a fully diluted basis (cents)	0.203	(0.144)	0.158	(0.220)

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	
	30.06.13	31.12.12	30.06.13	31.12.12
Net asset value per ordinary share	<b>62.57 cents</b>	52.37 cents	<b>40.29 cents</b>	49.46 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 4,824,965,112 ordinary shares as at 30 June 2013 ( 30 June 2012 : 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 2013 (2Q 2013) vs. 2nd Quarter 2012 (2Q 2012)**

**Inclusion of results of company acquired by the Group:** The 2Q 2013 results included consolidation of PT Indomobil Sukses Internasional Tbk's ("IMAS") from 2 May 2013. IMAS is the second largest integrated vehicle assembly, distribution, sales and finance company in Indonesia, carrying brands such as Nissan, Volvo, Suzuki, Hino, Audi and Volkswagon. As the 2Q 2012 results did not contain the consolidation impact of the acquisition, the consolidated results for 2Q 2013 are not strictly comparable to the 2Q 2012's.

### **Profit & Loss Statement**

As a result of the IMAS acquisition, the Group's 2Q 2013 revenue was S\$559.2 million, significantly higher than 2Q 2012's S\$51.4 million. Higher revenue was mainly due to consolidation of IMAS's revenue of approximately S\$516.8 million in revenue while other business segments registered weaker sales:

- Lower property development sales with no recognition of land and building sales in 2Q 2013 as compared to S\$7.4 million land and building sales and in 2Q 2012;
- Lower rental revenue of S\$9.5 million in 2Q 2013 as compared to S\$9.7 million in 2Q 2012. This was mainly due to lower rental rates and 2% drop in occupancy as compared to the previous period;
- Lower utilities revenue of S\$27.9 million in 2Q 2013 as compared to S\$28.4 million in 2Q 2012 was mainly due to lower power consumptions in the industrial parks; and
- Lower resorts revenue of S\$4.9 million in 2Q 2013 as compared to S\$5.8 million in 2Q 2012 and was mainly due to lower tourist arrivals into Bintan and increased competition for the Singapore-Bintan route.

The Group's cost of sales increased from S\$44.2 million in 2Q 2012 to 2Q 2013's S\$490.5 million which included IMAS' cost of sales of approximately S\$452.8 million. Excluding IMAS, industrial parks and utilities cost of sales reduced by S\$6.5 million and was mainly due to lower gas and fuel costs in tandem with lower electricity productions and one-time gas purchase surcharge paid in previous period. Accordingly, the Group reported higher gross profit of S\$68.7 million in 2Q 2013 as compared with S\$7.2 million in 2Q 2012.

The Group's 2Q 2013 "general and administrative expenses" was S\$24.1 million as compared to 2Q 2012's S\$3.5 million which included IMAS's S\$19.6 million.

"Other income net of other expenses" of S\$20.8 million in 2Q 2013 was higher than 2Q 2012's S\$0.6 million and this was mainly due to IMAS's contribution of approximately S\$19.6 million.

The Group's "Share of associate's profit" of S\$3.8 million was higher than 2Q 2012's S\$1.9 million. This was mainly due to share of IMAS associates' results of approximately S\$3.8 million in 2Q 2013.

With above, the Group's net profit attributable to shareholders was S\$8.5 million as compared to 2Q 2012's S\$3.5 million loss.

## **Half Year 2013 (1H 2013) vs. Half Year 2012 (1H 2012)**

**Inclusion of results of company acquired by the Group:** The 1H 2013 results included consolidation of IMAS from 2 May 2013. As the corresponding 1H 2012 results did not contain the consolidation impact of the acquisition, the consolidated results for 1H 2013 are not strictly comparable to 1H 2012's.

### **Profit & Loss Statement**

As a result of the IMAS acquisition, the Group's 1H 2013 revenue was S\$600.7 million, significantly higher than 1H 2012's S\$95.0 million. Higher revenue was mainly due consolidation of IMAS's S\$516.8 million while other business segments registered lower revenue:

- Lower recognition of land and building sales of S\$0.7 million in 1H2013 as compared to 1H2012's S\$8.8 million;
- Lower rental revenue of S\$19.1 million in 1H 2103 as compared to S\$19.6 million in 1H 2012 as a result of lower rental rates (7% reduction) and 2% reduction in occupancy rate;
- Lower utilities revenue of S\$53.7 million in 1H 2013 as compared to S\$54.9 million in 1H 2012 and was mainly due to decreased power demand from the industrial parks' tenants and resort operators;
- Lower resorts revenue of S\$10.3 million in 1H 2013 as compared to S\$11.7 million in 1H 2012 and was mainly due to lower tourist arrivals into Bintan and increased competitive for the Singapore-Bintan route.

Including IMAS's cost of sales of S\$452.8 million, the Group's cost of sales increased from S\$83.2 million in 1H 2012 to 1H 2013's S\$525.9 million. The utilities' cost of sales reduced by S\$3.1 million as a result from lower power generations. Consequentially, the Group reported higher gross profit of S\$74.7 million in 1H 2013 as compared to 1H 2012's S\$11.9 million.

The Group's 1H 2013's "general and administrative expenses" was S\$26.8 million as compared to 1H 2012's S\$6.4 million and the increase was mainly due to consolidation of IMAS's expenses of approximately of S\$19.6 million.

"Other income net of other expenses" of S\$21.2 million in 1H 2013 was higher than 1H 2012's S\$1.1 million and was mainly due to IMAS's contribution of approximately S\$19.6 million.

The Group's "Share of associate's profit" of S\$3.8 million was higher than 1H 2012's S\$3.3 million. This was mainly due contributions from IMAS's associates and the group did not equity account PT SILO's contribution in 1H 2013.

With above, the Group's net profit attributable to shareholders was S\$5.2 million as compared to 1H 2012's S\$5.4 million loss.

### **Balance Sheet**

The Group's property, plant and equipment and investment properties were higher than FY2012's and was mainly due to consolidation of IMAS's assets.

The Group's cash and bank balances as at 30 June 2013 were S\$263.4 million, representing S\$196.6 million increase from FY2012's S\$66.8 million. The increase was mainly due to the consolidation of IMAS. The Group's borrowing and debts as at 30 June 2013 were S\$1.8 billion. Excluding IMAS, the Group's borrowing and debts were \$490.5 million as compared 30 June 2012's S\$250.5 million and the increase was mainly due to additional borrowings to finance the acquisition of IMAS.

**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, high fuel cost and potential surcharge on gas purchases, the Industrial Parks' and Utilities' margin will be impacted. The Group continues to pursue land sales and expects positive contributions from IMAS.

**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 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 30 June 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
<b>PURCHASES</b>		
<b>PT Adhya Tirta Batam</b> Purchases of treated water	-	823
<b>PT Asuransi Central Asia</b> Purchase of insurance		663
<b>SALES</b>		
<b>PT Alam Indah Bintan</b> Sales	-	(1,502)
<b>PT Straits CM Village</b> Sales	-	(1,411)
<b>PT. Wolfsburg Auto Indonesia</b> Sales		(133)
<b>PT Indofood Sukses Makmur</b> Sales		(496)
<b>CONVERTIBLE BOND</b>		
<b>PT Alam Indah Bintan</b> Interest income	(1,172)	-

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
COMPANY SECRETARY  
31 July 2013

**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 2013 to be false or misleading in any material aspect.

Eugene Cho Park  
CEO / Executive Director

Gianto Gunara  
Executive Director

31 July 2013