

**GALLANT VENTURE LTD**

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**Second Quarter 2014 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 30 June 2014.

**1(a)(i). An income statement (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 2014 S\$'000</b>	<b>2nd Qtr 2013 S\$'000</b>	<b>Incr/ (Decr) %</b>	<b>Half year 2014 S\$'000</b>	<b>Half year 2013 S\$'000</b>	<b>Incr/ (Decr) %</b>
Revenue	<b>554,260</b>	559,197	(1)	<b>1,080,454</b>	600,655	80
Cost of sales	<b>(471,315)</b>	(490,477)	(4)	<b>(929,170)</b>	(525,908)	77
<b>Gross profit</b>	<b>82,945</b>	68,720	21	<b>151,284</b>	74,747	102
General and administrative expenses	<b>(30,529)</b>	(24,117)	27	<b>(63,233)</b>	(26,791)	136
Other operating expenses	<b>(37,921)</b>	(29,408)	29	<b>(73,612)</b>	(34,938)	111
Other income net of other expenses	<b>9,833</b>	20,826	(53)	<b>32,023</b>	21,240	51
Interest income	<b>6,850</b>	7,001	(2)	<b>13,597</b>	12,356	10
Finance costs	<b>(36,805)</b>	(15,304)	140	<b>(62,891)</b>	(19,703)	N.M
Exchange gain / (loss)	<b>2,787</b>	(1,918)	N.M	<b>4,931</b>	(1,893)	N.M
Share of associated company's result	<b>(4,892)</b>	3,800	N.M	<b>(6,713)</b>	3,827	N.M
<b>(Loss) / profit before tax</b>	<b>(7,732)</b>	29,600	N.M	<b>(4,614)</b>	28,845	N.M
Taxation	<b>(4,787)</b>	(7,028)	(32)	<b>(8,928)</b>	(9,892)	(10)
<b>(Loss) / profit after tax for the period</b>	<b>(12,519)</b>	22,572	N.M	<b>(13,542)</b>	18,953	N.M
<b>(Loss) / profit attributable to:</b>						
Equity holders of the Company	<b>(12,127)</b>	8,509	N.M	<b>(15,029)</b>	5,217	N.M
Non-controlling interest	<b>(392)</b>	14,063	N.M	<b>1,487</b>	13,736	(89)
	<b>(12,519)</b>	22,572	N.M	<b>(13,542)</b>	18,953	N.M

1(a)(ii). A statement of comprehensive income (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 2014 S\$'000	2nd Qtr 2013 S\$'000	Incr/ (Decr) %	Half year 2014 S\$'000	Half year 2013 S\$'000	Incr/ (Decr) %
<b>(Loss) / profit after tax for the period</b>	<b>(12,519)</b>	22,572	N.M	<b>(13,542)</b>	18,953	N.M
<b>Other comprehensive (expenses)/income:</b>						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Net changes in available-for sales investment	<b>(778)</b>	(4,451)	(83)	<b>(14,813)</b>	(4,451)	N.M
Net changes in derivative instrument – net of tax	<b>334</b>	(1,548)	N.M	<b>(2,956)</b>	(1,548)	91
Foreign currency translation	<b>(31,353)</b>	5,945	N.M	<b>1,156</b>	6,016	(81)
<b>Other comprehensive (expenses)/income</b>	<b>(31,797)</b>	(54)	N.M	<b>(16,613)</b>	17	N.M
<b>Total comprehensive (expenses)/income</b>	<b>(44,316)</b>	22,518	N.M	<b>(30,155)</b>	18,970	N.M
Total comprehensive (expenses)/income attributable to:						
Equity holders of the Company	<b>(32,940)</b>	8,122	N.M	<b>(26,588)</b>	4,897	N.M
Non-controlling interest	<b>(11,376)</b>	14,396	N.M	<b>(3,567)</b>	14,073	N.M
	<b>(44,316)</b>	22,518	N.M	<b>(30,155)</b>	18,970	N.M

N.M. denotes "Not Meaningful"

The exchange rate of S\$1=IDR9,583 (31 December 2013: S\$1=IDR9,628) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR9,251 (30 June 2013: S\$1=IDR7,832) was used for translating the results for the period.

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

	Group			
	Quarter ended 30 Jun		YTD 30 Jun	
	2nd Qtr 2014 S\$'000	2nd Qtr 2013 S\$'000	Half year 2014 S\$'000	Half year 2013 S\$'000
Amortisation of intangible assets	42	13	84	27
Depreciation of property, plant and equipment	61,157	14,512	84,022	21,998
Depreciation of investment properties	5,644	5,621	11,286	11,229
Gain on sale of property, plant and equipment	(2,697)	(11,719)	(10,354)	(11,719)
Allowance for impairment loss on trade receivables	3,726	-	7,692	-

1(b)(i). **A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30.06.14 S\$'000	31.12.13 S\$'000	30.06.14 S\$'000	31.12.13 S\$'000
<b>Non-current assets</b>				
Intangible assets	1,269,078	1,269,162	315	379
Property, plant and equipment	633,430	603,671	75	48
Investment properties	175,598	186,491	-	-
Financing receivable	335,987	346,477	-	-
Subsidiaries	-	-	2,557,260	2,557,260
Associated companies	194,912	193,436	-	-
Deferred tax assets	38,610	34,780	1,344	1,344
Loan receivables	47,500	47,500	-	-
Notes receivables	260,590	260,683	6,250	6,343
Other non-current assets	247,280	297,843	3,051	2,797
	<b>3,202,985</b>	3,240,043	<b>2,568,295</b>	2,568,171
<b>Current assets</b>				
Land inventories	607,772	597,092	-	-
Other inventories	428,690	478,534	-	-
Financing receivables	341,610	306,259	-	-
Trade and other receivables	500,504	426,871	122,316	121,295
Cash and bank balances	229,599	168,363	8,179	3,062
	<b>2,108,175</b>	1,977,119	<b>130,495</b>	124,357
<b>Total assets</b>	<b>5,311,160</b>	5,217,162	<b>2,698,790</b>	2,692,528
<b>Non-current liabilities</b>				
Deposits from tenants/golf membership	29,324	27,819	90	90
Employee benefits liabilities	23,102	21,647	-	-
Deferred tax liabilities	5,203	4,575	-	-
Other non-current liabilities	1,423	52,312	-	-
Loans and borrowings	595,685	923,783	102,579	494,888
Debt securities	680,331	342,817	405,394	84,124
	<b>1,335,068</b>	1,372,953	<b>508,063</b>	579,102
<b>Current liabilities</b>				
Trade and other payables	352,513	345,002	23,926	18,428
Current tax payable	23,798	16,689	21	595
Current portion of loans and borrowings	970,762	799,744	233,363	134,867
Debt securities	36,003	57,857	-	-
	<b>1,383,076</b>	1,219,292	<b>257,310</b>	153,890
<b>Total liabilities</b>	<b>2,718,144</b>	2,592,245	<b>765,373</b>	732,992
<b>Equity</b>				
Share capital	1,880,154	1,880,154	1,880,154	1,880,154
Other reserves	4,012	16,610	80,000	80,000
Retained profits/(accumulated losses)	90,582	105,611	(26,737)	(618)
<b>Equity attributable to equity holders of the Company</b>	<b>1,974,748</b>	2,002,375	<b>1,933,417</b>	1,959,536
<b>Non-controlling interest</b>	<b>618,268</b>	622,542	-	-
<b>Total equity</b>	<b>2,593,016</b>	2,624,917	<b>1,933,417</b>	1,959,536
<b>Total liabilities and equity</b>	<b>5,311,160</b>	5,217,162	<b>2,698,790</b>	2,692,528

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

	<b>Group</b>	
	<b>30.06.14</b>	<b>31.12.13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(i) Amount payable in one year or less, or on demand		
Secured	<b>966,035</b>	850,579
Unsecured	<b>40,730</b>	7,022
	<b>1,006,765</b>	857,601
(ii) Amount repayable after one year		
Secured	<b>594,781</b>	1,180,567
Unsecured	<b>681,235</b>	86,033
	<b>1,276,016</b>	1,266,600
<b>TOTAL</b>	<b>2,282,781</b>	2,124,201

(iii) Details of any collaterals

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

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, property, plant and equipment, marketable equities of available-for-sales assets, trade and other receivables, financing 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			
	Quarter ended		Half year ended	
	2Q 2014 S\$'000	2Q 2013 S\$'000	30.06.14 S\$'000	30.06.13 S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	<b>(7,732)</b>	29,600	<b>(4,614)</b>	28,845
Adjustments for:				
Amortisation of intangible assets	<b>42</b>	13	<b>84</b>	27
Depreciation of property, plant and equipment	<b>61,157</b>	14,512	<b>84,022</b>	21,998
Depreciation of investment properties	<b>5,644</b>	5,621	<b>11,286</b>	11,229
Net fair value loss on available for sales assets and derivatives	<b>(9,782)</b>	(6,000)	<b>(14,772)</b>	(6,000)
Currency translation difference	<b>(27,347)</b>	10,033	<b>76,086</b>	10,226
Provision for employee benefits	<b>599</b>	868	<b>(910)</b>	1,037
Provision for impairment loss on trade receivables	<b>3,726</b>	-	<b>7,692</b>	-
Gain on sale of property, plant & equipment	<b>(2,697)</b>	(11,719)	<b>(10,354)</b>	(11,719)
Share of associated companies' result	<b>3,032</b>	(3,795)	<b>4,831</b>	(3,822)
Interest expense	<b>36,805</b>	15,304	<b>62,891</b>	19,703
Interest income	<b>(6,850)</b>	(7,001)	<b>(13,597)</b>	(12,356)
Cash from operations before changes in working capital	<b>56,597</b>	47,436	<b>202,645</b>	59,168
Changes in working capital				
Increase in land inventories	<b>(7,141)</b>	(5,507)	<b>(10,680)</b>	(12,458)
Decrease in other inventories	<b>67,064</b>	53,335	<b>49,844</b>	53,126
Decrease / (increase) in operating receivables	<b>19,193</b>	(45,881)	<b>(1,692)</b>	(45,438)
(Decrease) / increase in operating payables	<b>(27,711)</b>	84,196	<b>(8,904)</b>	86,932
Cash generated from operating activities	<b>108,002</b>	133,579	<b>231,213</b>	141,330
Income tax paid	<b>(15,579)</b>	(6,804)	<b>(36,155)</b>	(7,638)
Employee benefits paid	<b>(322)</b>	(142)	<b>(506)</b>	(168)
Interest paid	<b>(28,471)</b>	(24,676)	<b>(77,878)</b>	(29,075)
Interest received	<b>1,713</b>	232	<b>3,355</b>	453
Deposits collected from/(refunded to) tenants/golf members	<b>44</b>	(502)	<b>1,505</b>	(1,454)
<b>Net cash generated from operating activities</b>	<b>65,387</b>	101,687	<b>121,534</b>	103,448
Cash flows from investing activities				
Acquisition of property, plant and equipment	<b>(181,470)</b>	(30,227)	<b>(237,685)</b>	(32,515)
Acquisition of subsidiaries, net of cash acquired (Note A)	-	(919,281)	-	(919,281)
Acquisition of other assets	<b>34,942</b>	(46,194)	<b>(28,980)</b>	(46,194)
Dividend from associated companies	-	3,738	-	3,738
Proceeds from sale of property, plant and equipment	<b>26,714</b>	16,197	<b>42,613</b>	16,197
Proceeds from issuance of right issue	-	675,495	-	675,495
<b>Net cash used in investing activities</b>	<b>(119,814)</b>	(300,272)	<b>(224,052)</b>	(302,560)

1(c). **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	<b>Group</b>			
	<b>Quarter ended</b>		<b>Half year ended</b>	
	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>30.06.14</b>	<b>30.06.13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Subscription of convertible bond	-	80,000	-	80,000
Proceeds from other financing activities	<b>336,796</b>	168,925	<b>336,888</b>	168,925
Repayment to other financing activities	<b>(22,231)</b>	(62,505)	<b>(23,341)</b>	(62,505)
Acquisition of non-controlling interest	-	129	-	129
Loan from financial institute	<b>137,866</b>	234,158	<b>702,292</b>	239,197
Repayment of bank loan	<b>(347,185)</b>	(21,659)	<b>(850,495)</b>	(25,143)
Dividends paid to non-controlling interest	<b>(1,590)</b>	(4,873)	<b>(1,590)</b>	(4,873)
<b>Net cash generated from financing activities</b>	<b>103,656</b>	394,175	<b>163,754</b>	395,730
<b>Net increase in cash and cash equivalents</b>	<b>49,229</b>	195,590	<b>61,236</b>	196,618
Cash and cash equivalents at beginning of period	<b>180,370</b>	67,797	<b>168,363</b>	66,769
<b>Cash and cash equivalents at end of period</b>	<b>229,599</b>	263,387	<b>229,599</b>	263,387

**Note A: Acquisition of subsidiaries**

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

	<b>Group</b>			
	<b>Quarter ended</b>		<b>Half year ended</b>	
	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>30.06.14</b>	<b>30.06.13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net assets acquired</b>				
Total assets	-	2,320,844	-	2,320,844
Total liabilities	-	(1,580,550)	-	(1,580,550)
Non-controlling interest	-	(68,027)	-	(68,027)
Total identifiable net assets	-	672,267	-	672,267
Fair value adjustment	-	1,215,386	-	1,215,386
Total revised identifiable net assets	-	1,887,653	-	1,887,653
Less : Non-controlling interest at fair value	-	(899,467)	-	(899,467)
Consideration transferred for the business	-	988,186	-	988,186
<b>Effect of the acquisition on cashflow:</b>				
Cash consideration	-	988,186	-	988,186
Less: Cash balance in subsidiaries acquired	-	(68,905)	-	(68,905)
Cash outflow on acquisition	-	(919,281)	-	(919,281)

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 2014:**

	Share Capital \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance as at 1 January 2013, as restated	1,207,642	-	(2,242)	-	-	(2,838)	58,149	1,260,711	23,440	1,284,151
Loss for the period	-	-	-	-	-	-	(3,292)	(3,292)	(327)	(3,619)
Other comprehensive income	-	-	67	-	-	-	-	67	4	71
Total comprehensive income/(expenses) for the period	-	-	67	-	-	-	(3,292)	(3,225)	(323)	(3,548)
Balance as at 31 March 2013	1,207,642	-	(2,175)	-	-	(2,838)	54,857	1,257,486	23,117	1,280,603
Profit/(Loss) for the period	-	-	-	-	-	-	8,509	8,509	14,063	22,572
Other comprehensive income	-	-	2,660	(2,397)	(650)	-	-	(387)	333	(54)
Total comprehensive income/ (expense) for the period	-	-	2,660	(2,397)	(650)	-	8,509	8,122	14,396	22,518
Convertible bond - equity component	-	80,000	-	-	-	-	-	80,000	-	80,000
Issue of new shares	675,495	-	-	-	-	-	-	675,495	-	675,495
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)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	-	-	129	129
Balance as at 30 June 2013	1,883,137	80,000	485	(2,397)	(650)	(2,844)	63,366	2,021,097	995,182	3,016,279

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 (cont'd)

Consolidated statement of changes in equity for the period ended 30 June 2014:

	Share Capital \$'000	Capital Reserve \$'000	Translation Reserve \$'000	Hedging Reserve \$'000	Fair Value Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance as at 1 January 2014	1,880,154	81,711	(72,641)	5,145	(4,267)	6,662	105,611	2,002,375	622,542	2,624,917
Profit/(loss) for the period	-	-	-	-	-	-	(2,902)	(2,902)	1,879	(1,023)
Other comprehensive income/(expenses)	-	-	21,589	(2,352)	(9,983)	-	-	9,254	5,930	15,184
Total comprehensive income/(expenses) for the period	-	-	21,589	(2,352)	(9,983)	-	(2,902)	6,352	7,809	14,161
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(1,034)	-	(1,034)	1,240	206
Balance as at 31 March 2014	1,880,154	81,711	(51,052)	2,793	(14,250)	5,628	102,709	2,007,693	631,591	2,639,284
Profit/(loss) for the period	-	-	-	-	-	-	(12,127)	(12,127)	(392)	(12,519)
Other comprehensive income/(expenses)	-	-	(20,497)	239	(554)	-	-	(20,812)	(10,984)	(31,796)
Total comprehensive income/(expenses) for the period	-	-	(20,497)	239	(554)	-	(12,127)	(32,939)	(11,376)	(44,315)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,590)	(1,590)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(6)	-	(6)	(357)	(363)
Balance as at 30 June 2014	1,880,154	81,711	(71,549)	3,032	(14,804)	5,622	90,582	1,974,748	618,268	2,593,016



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.*

**Statement of changes in equity of the Company for the period ended 30 June 2014:**

	<b>Share Capital S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total S\$'000</b>
Balance as at 1 January 2013	1,207,642	-	(14,433)	1,193,209
Total comprehensive expense for the period	-	-	(1,864)	(1,864)
Balance as at 31 March 2013	1,207,642	-	(16,297)	1,191,345
Convertible bond - equity component	-	80,000	-	80,000
Issue of new shares	675,495	-	-	675,495
Total comprehensive expense for the period	-	-	(3,089)	(3,089)
Balance as at 30 June 2013	<u>1,883,137</u>	<u>80,000</u>	<u>(19,386)</u>	<u>1,943,751</u>
<b>Balance as at 1 January 2014</b>	<b>1,880,154</b>	<b>80,000</b>	<b>(618)</b>	<b>1,959,536</b>
<b>Total comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>(20,666)</b>	<b>(20,666)</b>
<b>Balance as at 31 March 2014</b>	<b>1,880,154</b>	<b>80,000</b>	<b>(21,284)</b>	<b>1,938,870</b>
<b>Total comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>(5,453)</b>	<b>(5,453)</b>
<b>Balance as at 30 June 2014</b>	<b><u>1,880,154</u></b>	<b><u>80,000</u></b>	<b><u>(26,737)</u></b>	<b><u>1,933,417</u></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.**

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

The details are as follows:

	<b>As at 30 Jun 2014</b>	<b>As at 30 Jun 2013</b>
Conversion right of convertible bond	250,000,000	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 2014 and 30 June 2013 were 4,824,965,112. The company does not hold any treasury shares as at 30 June 2014 and 30 June 2013.

**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 2013.

**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 equity holders of the company:

	<b>Group</b>			
	<b>2nd Qtr 2014</b>	<b>2nd Qtr 2013</b>	<b>Half year 2014</b>	<b>Half year 2013</b>
Net (loss) / income attributable to equity owners of the Company (S\$'000)	<b>(12,127)</b>	8,509	<b>(15,029)</b>	5,217
(i) Based on the weighted average number of ordinary shares on issue (cents)	<b>(0.25)</b>	0.21	<b>(0.31)</b>	0.16
(ii) On a fully diluted basis (cents) <sup>(1)</sup>	<b>(0.25)</b>	0.20	<b>(0.31)</b>	0.16

<sup>(1)</sup> The conversion right of convertible bond has not been included in the calculation of diluted profit/(loss) per share as these will have an anti-dilutive effect (i.e. resulting in a reduction in loss 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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.14</b>	<b>31.12.13</b>	<b>30.06.14</b>	<b>31.12.13</b>
Net asset value per ordinary share	<b>40.93 cents</b>	41.50 cents	<b>40.07 cents</b>	40.61 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 2014 and 31 December 2013

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 2014 (2Q 2014) vs. 2nd Quarter 2013 (2Q 2013)**

**Inclusion of results of company acquired by the Group:** The 2Q 2014 results included consolidation of PT Indomobil Sukses Internasional Tbk's ("IMAS") 3 months results. As the corresponding 2Q 2013 results only contain the consolidation impact of IMAS's 2 months results from May to June 2013 as 52.35% of IMAS was acquired on 2 May 2013, the consolidated results for 2Q 2014 were not strictly comparable to the 2Q 2013.

**Profit & Loss Statement**

The Group's 2Q 2014 revenue was S\$554.3 million which was marginally lower than 2Q 2013's S\$559.2 million. IMAS contributed S\$507.4 million to the Group's revenue, lower than 2Q 2013's S\$516.8 million. Lower revenue in IMAS was mainly due to weakened rupiah exchange rate (average

17.0% weaker than 2Q2013) and slower than expected passenger car sales. This was partially mitigated by launch of new Datsun Low Cost Green Car in end of May 2014. Marginally lower revenue from utilities business was partially offset by recognition of resorts land sales of S\$5.2 million.

In line with lower sales, the Group's cost of sales decreased from S\$490.5 million in 2Q 2013 to 2Q 2014's S\$471.3 million which included IMAS' cost of sales of approximately S\$434.6 million. Consequentially, the Group reported higher gross profit of S\$82.9 million in 2Q 2014 as compared with S\$68.7 million in 2Q 2013.

The Group's 2Q 2014 "general and administrative expenses" was S\$30.5 million as compared to 2Q 2013's S\$24.1 million, which included IMAS's S\$27.2 million. Higher expenses was mainly due to increase in manpower, depreciation charges and rental expenses in relation to the Nissan dealership.

The Group's 2Q 2014 "other operating expenses" was S\$37.9 million as compared to 2Q 2013's S\$29.4 million which included IMAS's S\$32.8 million. The increase was mainly due to higher passenger car marketing and promotion expenses.

"Other income net of other expenses" of S\$9.8 million in 2Q 2014 which included IMAS's S\$9.6 million was lower than 2Q 2013's S\$20.9 million. The decrease was mainly due to lower gain on disposal of property, plant and equipment in 2Q 2014 as compared to previous period.

The Group's 2Q 2014 "finance costs" including IMAS's S\$20.8 million was S\$36.8 million as compared to 2Q 2013's S\$15.3 million. Higher interest expense was due to IMAS acquisition and higher interest rate as compared to corresponding period.

The Group's 2Q 2014 "share of associate's result" was S\$4.9 million loss as compared to 2Q 2013's S\$3.8 million profit and was mainly due to consolidation of share of IMAS associates' losses.

Excluding IMAS's results and interest cost relating to the IMAS acquisition, the Group registered net profit of S\$1.8 million as compared to 2Q 2013's S\$4.8 million loss. With the consolidation of interest expense of S\$10.3 million and IMAS's S\$3.6 million loss, the enlarged Group's net loss for the 2Q 2014 was S\$12.1 million net loss as compared to 2Q 2013's S\$8.5 million net profit.

### **Half Year 2014 (1H 2014) vs. Half Year 2013 (1H 2013)**

**Inclusion of results of company acquired by the Group:** The 1H 2014 results included consolidation of PT Indomobil Sukses Internasional Tbk's ("IMAS") 6 month results. As the corresponding 1H 2013 results only contain the consolidation impact of IMAS's 2 months results from May to June 2013 as it was acquired on 2 May 2013, the consolidated results for 1H 2014 were not strictly comparable to the 1H 2013.

### **Profit & Loss Statement**

The Group's 1H 2014 revenue was S\$1,080.5 million, significantly higher than 1H 2013's S\$600.7 million. IMAS contributed S\$992.8 million in 1H 2014 as compared to the 1H 2013's S\$516.8 million due to consolidation of 4 additional months of results. Lower IMAS' revenue was mainly due to effect of the rupiah exchange rate which was on average 18.1% weaker than in 1H 2013 and weaker passenger car sales. However, this was mitigated by launch of Datsun Low Cost Green Car in end of May 2014 of which 2,042 units were sold contributing approximately S\$18.8 million of revenue. The Group's utilities revenue reduced marginally by 2.5% and was mitigated by higher rental related revenue and resorts land sales of S\$5.2 million in 1H 2014 (1H2013's resorts land sales was S\$0.7 million).

The Group's cost of sales increased from S\$525.9 million in 1H 2013 to 1H 2014's S\$929.2 million which included IMAS' cost of sales of S\$857.1 million as compared to S\$452.8 million in 1H 2013. IMAS' gross profit margin increased from approximately 12.4% in 1H 2013 to 13.7% in 1H 2014. Cost of utilities reduced in line with the revenue while maintaining a margin of 22.9%. Resorts land sales of S\$5.2 million contributed 76.5% profit margin. Accordingly, the Group reported higher gross profit of S\$151.3 million in 1H 2014 as compared with S\$74.7 million in 1H 2013.

The Group's 1H 2014 "general and administrative expenses" was S\$63.2 million as compared to 1H 2013's S\$26.8 million which included IMAS's S\$57.1 million in 1H 2014 as compared to \$19.6 million in 1H 2013. Higher expenses were mainly due to increase in manpower, depreciation charges and rental expenses in relation to the Nissan dealership.

The Group's 1H 2014 "other operating expenses" was S\$73.6 million as compared to 1H 2013's S\$34.9 million which included IMAS's S\$63.4 million in 1H 2014 as compared to S\$24.5 million in 1H 2013. Higher expenses were mainly due to higher passenger car marketing and promotion expenses.

"Other income net of other expenses" of S\$32.0 million in 1H 2014 was higher than 1H 2013's S\$21.2 million which included IMAS's contribution of S\$30.7 million as compared to S\$19.6 million in 1H 2013. The increase was mainly due to higher subsidy income and incentive in relation to the sales of passenger cars.

The Group's 1H 2014 "finance costs" was S\$62.9 million as compared to 1H 2013's S\$19.7 million which included IMAS's S\$37.0 million in 1H 2014 as compared to S\$10.9 million in 1H 2013. The increase in finance cost was mainly due to IMAS acquisition and higher interest rate as compared to corresponding period.

The Group's 1H 2014 "share of associate's result" was S\$6.7 million loss as compared to 1H 2013's S\$3.8 million profit and was mainly due to consolidation of share of IMAS associates' losses.

Excluding IMAS's results and interest cost relating to the IMAS acquisition, the Group registered net profit of S\$1.0 million as compared to 1H 2013's S\$8.0 million net loss. With the consolidation of interest expense of S\$15.1 million and IMAS's profit contributions of S\$1.1 million, the enlarged Group's net loss was S\$15.0 million for 1H 2014 as compared to 1H 2013's S\$5.2 million net profits.

### **Balance Sheet**

The Group's property, plant and equipment was higher than FY2013's and was mainly due to cost relating to deployment of passenger car showrooms and service centers in Indonesia.

The Group's cash and bank balances as at 30 Jun 2014 were S\$229.6 million, representing S\$61.2 million increase from FY2013's S\$168.4 million. The increase was mainly due to refinancing of its existing borrowings and proceeds from bond issued. The Group's borrowings and debt securities as at 30 Jun 2014 were S\$2.3 billion. Of the total debt of S\$2.3 billion, S\$702.2 million relates to IMAS' financial services business.

**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.***

While the launch of Low Cost Green Car (LCGC) is encouraging, the Group remains cautious of weakening Indonesian Rupiah and potentially higher interest rate that may negatively impact motor vehicles sales.

The Industrial Park and Utilities business are recovering from last global crisis while businesses remain challenging and electricity consumption maintain at historical low. With increasing labour cost, foreign currency volatilities and potential surcharge on natural gas purchases, the Industrial Parks' and Utilities' margin will be impacted. The Group is hopeful of more land sales with completion of Phase 1 of the Lagoi Bay Development.

**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 2014.

**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 2014 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>SALES</b>		
PT Alam Indah Bintang Sales		(1,423)
PT Straits CM Village Sales		(1,479)
PT Wolfsburg Auto Indonesia Sales		(470)
PT Indofood Sukses Makmur Sales		(637)
PT Indomarco Prismaatama Sales		(304)
<b>CONVERTIBLE BOND</b>		
PT Alam Indah Bintang Interest income	(1,178)	

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
EXECUTIVE DIRECTOR AND COMPANY SECRETARY  
7 AUGUST 2014

**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 2014 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: 7 August 2014