



**GALLANT VENTURE LTD.**

**Annual General Meeting**

**30 April 2018**

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# Financial Highlights

## Independent Auditor's Report

The Company's independent auditor, Foo Kon Tan LLP has issued a “**except for**” qualified opinion on the audited financial statements of the Company and its subsidiaries for financial year ended 31 December 2017.

The “**except for**” qualified opinion was related to the **opening balances** and **prior year disclosures** as a result of the disclaimer opinion issued by the auditor in the previous year in relation to consolidation of Market Strength Limited (“MSL”) and the accuracy of the gain on the disposal of MSL

This matter has been considered resolved in 2017 and will not brought forward to 2018.

# Financial Highlights

## Financial Performance

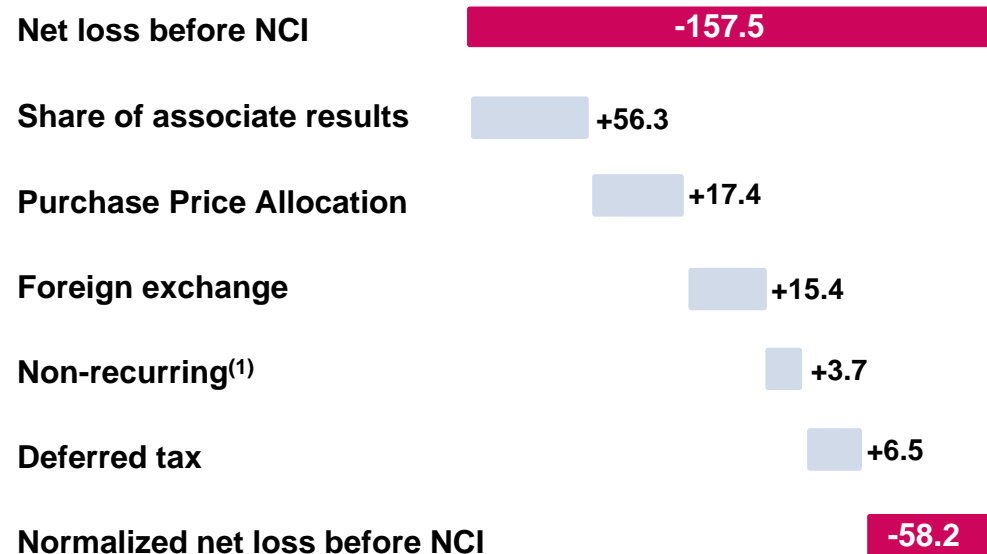
(S\$ million)	FY2016	FY2017	Changes	Comment
Revenue	1,715.8	1,746.7	1.8%	<ul style="list-style-type: none"> <li>Higher revenue from truck and heavy duty equipment, financial services , car rental and after sale servicing</li> </ul>
Gross Profit	307.8	343.3	11.5%	<ul style="list-style-type: none"> <li>Higher margin from financial services, car rental and after sale servicing</li> </ul>
Net Profit/(loss) attributable to shareholder	(148.4) <sup>(1)</sup>	(136.4)	8.1%	<ul style="list-style-type: none"> <li>Lower operating expenses but offset by higher losses from associated companies</li> </ul>
Net Profit/(loss) attributable to shareholder	72.2	(136.4)	N.M	<ul style="list-style-type: none"> <li>One-time gain of S\$220.6 mil from divestment of MSL in the previous period</li> </ul>
EBITDA (excl one-time gain)	79.9 <sup>(1)</sup>	94.7	18.5%	
EBITDA	300.5	94.7	-68.5%	

<sup>(1)</sup> Exclude the one time gain of S\$220.6 mil from divestment of MSL

# Financial Highlights

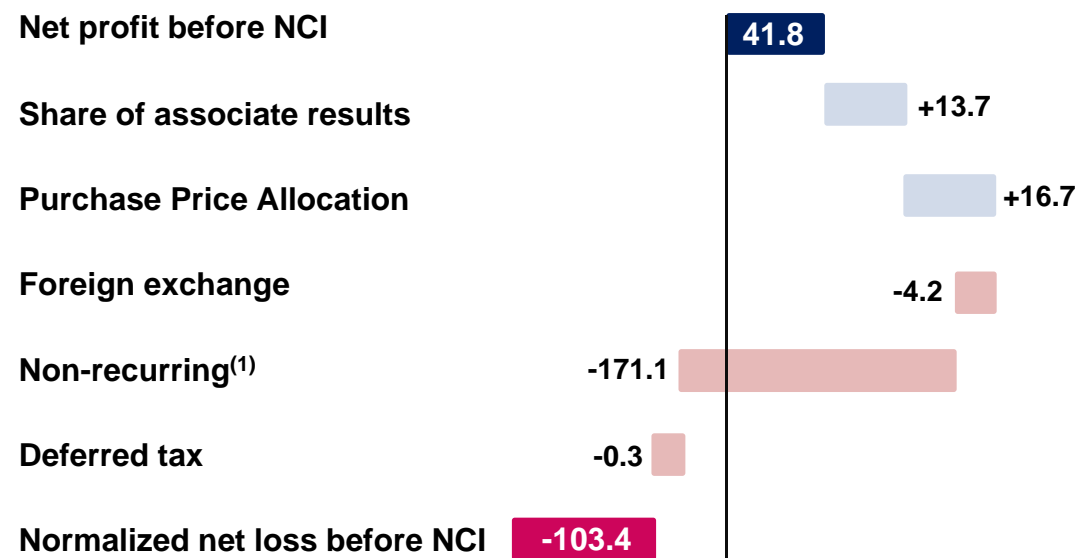
## Normalized Performance

### FY 2017 (in S\$ mil)



<sup>(1)</sup> exclude one-time provision

### FY 2016 (in S\$ mil)



<sup>(1)</sup> exclude one-time gain from divestment of MSL, write off of assets and associates and one-time provision



# Financial Highlights (cont'd)

## Balance Sheet and Ratios

<b>(S\$ million)</b>	<b>31 Dec 2016</b>	<b>31 Dec 2017</b>
<b>Non-current assets</b>	<b>2,466.6</b>	<b>2,401.9</b>
<b>Current assets</b>	<b>2,293.6</b>	<b>2,107.8</b>
<b>Total assets</b>	<b>4,760.2</b>	<b>4,509.7</b>
<b>Non-current liabilities</b>	<b>1,435.0</b>	<b>1,132.5</b>
<b>Current liabilities</b>	<b>1,458.4</b>	<b>1,665.1</b>
<b>Total liabilities</b>	<b>2,893.4</b>	<b>2,797.6</b>
<b>Cash &amp; Cash Equivalents</b>	<b>425.4</b>	<b>258.4</b>
<b>Total Debt</b>	<b>2,437.5</b>	<b>2,276.5</b>
<b>Total Equity</b>	<b>1,866.8</b>	<b>1,712.1</b>
<b>Total Debt/ Total Equity</b>	<b>1.31x</b>	<b>1.33x</b>
<b>Total Net Debt/ Total Equity</b>	<b>1.08x</b>	<b>1.18x</b>
<b>Net Asset value per share (S\$ cents)</b>	<b>32.11</b>	<b>27.05</b>

# Segment Performance

## Automotive

### Automotive

(S\$ million)	FY2016	FY2017	Change
Revenue	1,555.3	1,587.9	2.1%
Gross Profit	275.6	317.1	15.1%
Share of associates' results	(13.9)	(56.5)	-306.5%
EBITDA	48.0	72.9	51.9%
NPAT	(97.0)	(79.9)	17.6%
Total assets	1,660.2	1,793.2	8.0%

### Comments

- Higher revenue from truck and heavy duty equipment, financial services , car rental related income and vehicle servicing
- High margin from the increased revenue of financial services, car rental related income and vehicle servicing
- Higher losses from the associate companies in the automotive segment
- Higher gross profit margin was partially offset by higher loss from associate's companies
- Higher finance and tax expenses

# Segment Performance (cont'd)

## Utilities

### Utilities

(S\$ million)	FY2016	FY2017	Change
Revenue	100.2	101.7	1.5%
Gross Profit	30.6	30.4	-0.7%
EBITDA	45.1	36.5	-19.1%
NPAT	9.3	7.0	-24.7%
Total assets	173.8	172.9	-0.5%

### Comments

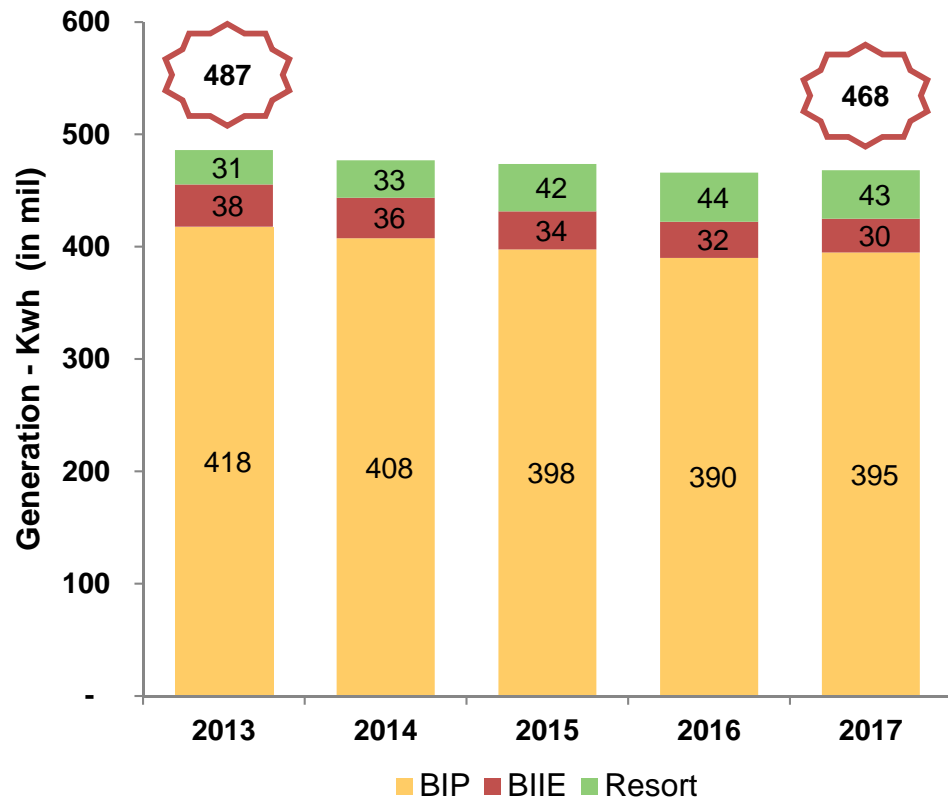
- Higher revenue from power consumption in Batamindo Industrial Park and Bintan Resorts
- Higher fuel cost
- Higher operating expenses and foreign exchange loss as compared to foreign exchange gain in the previous year
- Higher financing expenses



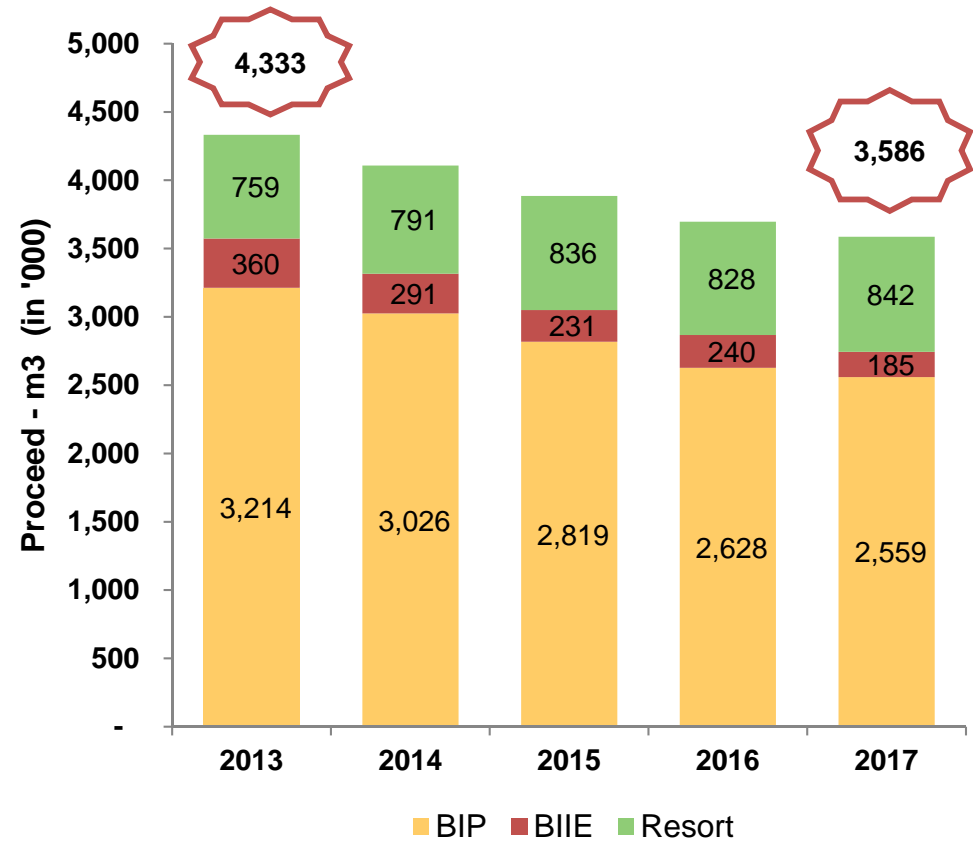
# Segment Performance (cont'd)

## Utilities (cont'd)

### ELECTRICITY



### WATER



# Segment Performance (cont'd)

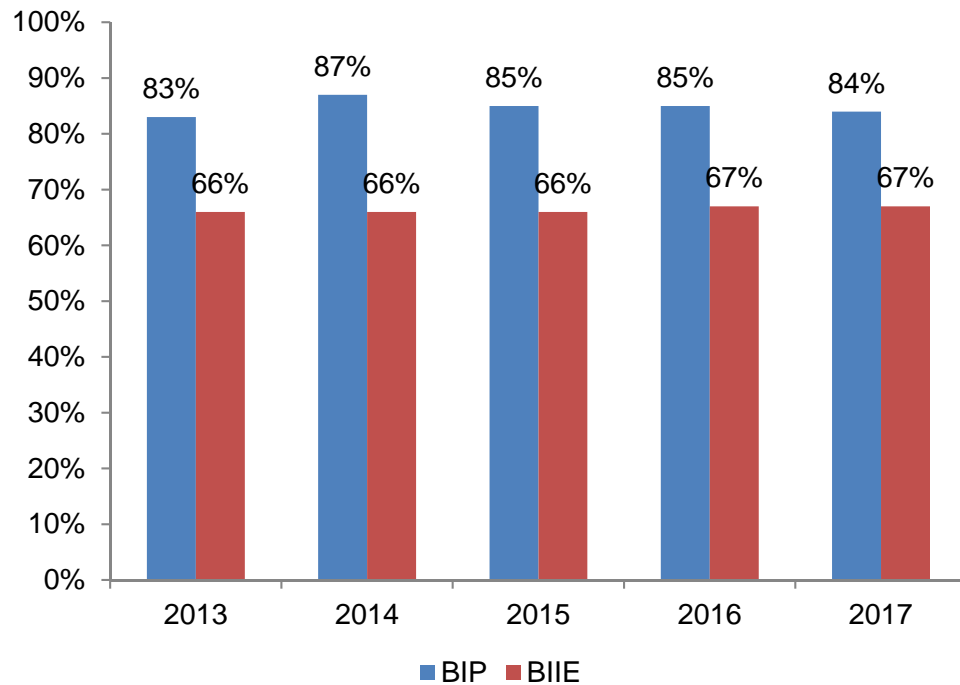
## Industrial Parks

Industrial Parks				Comments
(\$ million)	FY2016	FY2017	Change	
Revenue	40.0	32.7	-18.3%	<ul style="list-style-type: none"> <li>Lower revenue from housing projects and absence of factory sales as compared to S\$4.1 mil in the previous year</li> </ul>
Gross Profit	(0.2)	(5.7)	N.M	<ul style="list-style-type: none"> <li>2016 includes S\$3.2 mil gain on sales of factory</li> </ul>
EBITDA	17.2	15.2	-11.6%	<ul style="list-style-type: none"> <li>Higher operating expenses</li> </ul>
NPAT	(12.5)	(17.7)	-41.6%	<ul style="list-style-type: none"> <li>Higher operating expenses</li> </ul>
Total assets	149.7	109.4	-26.9%	

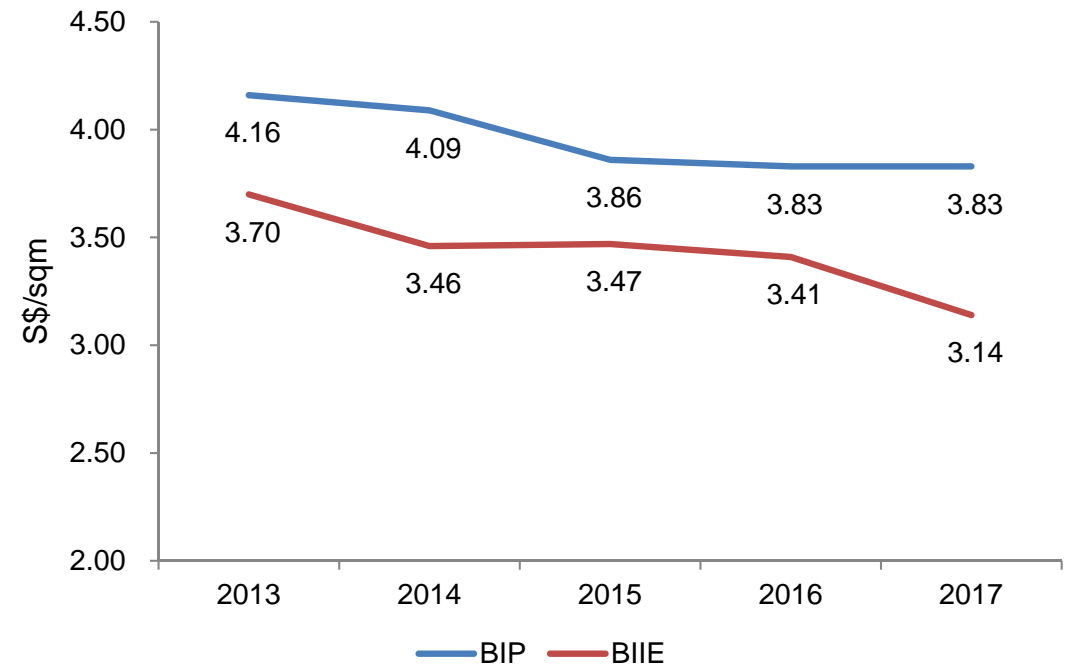
# Segment Performance (cont'd)

## Industrial Parks (cont'd)

**FACTORY  
OCCUPANCY RATE**



**FACTORY  
AVERAGE RENTAL RATE**



# Segment Performance (cont'd)

## Resort Operations

### Resort Operations

(S\$ million)	FY2016	FY2017	Change	Comments
Revenue	20.3	24.5	20.7%	<ul style="list-style-type: none"> <li>Higher revenue from ferry services and contribution from Holiday Villa Pantai Indah</li> </ul>
Gross Profit	2.3	4.1	78.3%	<ul style="list-style-type: none"> <li>Higher revenue but offset by higher diesel costs for ferries</li> </ul>
EBITDA	0.2	0.7	250%	<ul style="list-style-type: none"> <li>In line with higher tourist arrivals</li> </ul>
NPAT	(6.8)	(7.2)	-5.9%	<ul style="list-style-type: none"> <li>Higher financing and tax expenses</li> </ul>
Total assets	37.8	38.1	0.8%	

# Segment Performance (cont'd)

## Resort Operations (cont'd)

### BINTAN RESORTS

Total Room Key:  
1,890 room

Tourist Arrival:  
898,204 pax  
+33% from 2016



#### Events:

- JGTA Bintan Lagoon Junior Championship
- Tour de Bintan
- Reebok Spartan Race
- Bintan Color KasmaRun

#### Activities:

- Lagoi Bay Lantern Park
- Safari Lagoi
- "Odong-dong", Segway
- Kayaks, snorkeling
- Bazaar
- Outdoor food fair



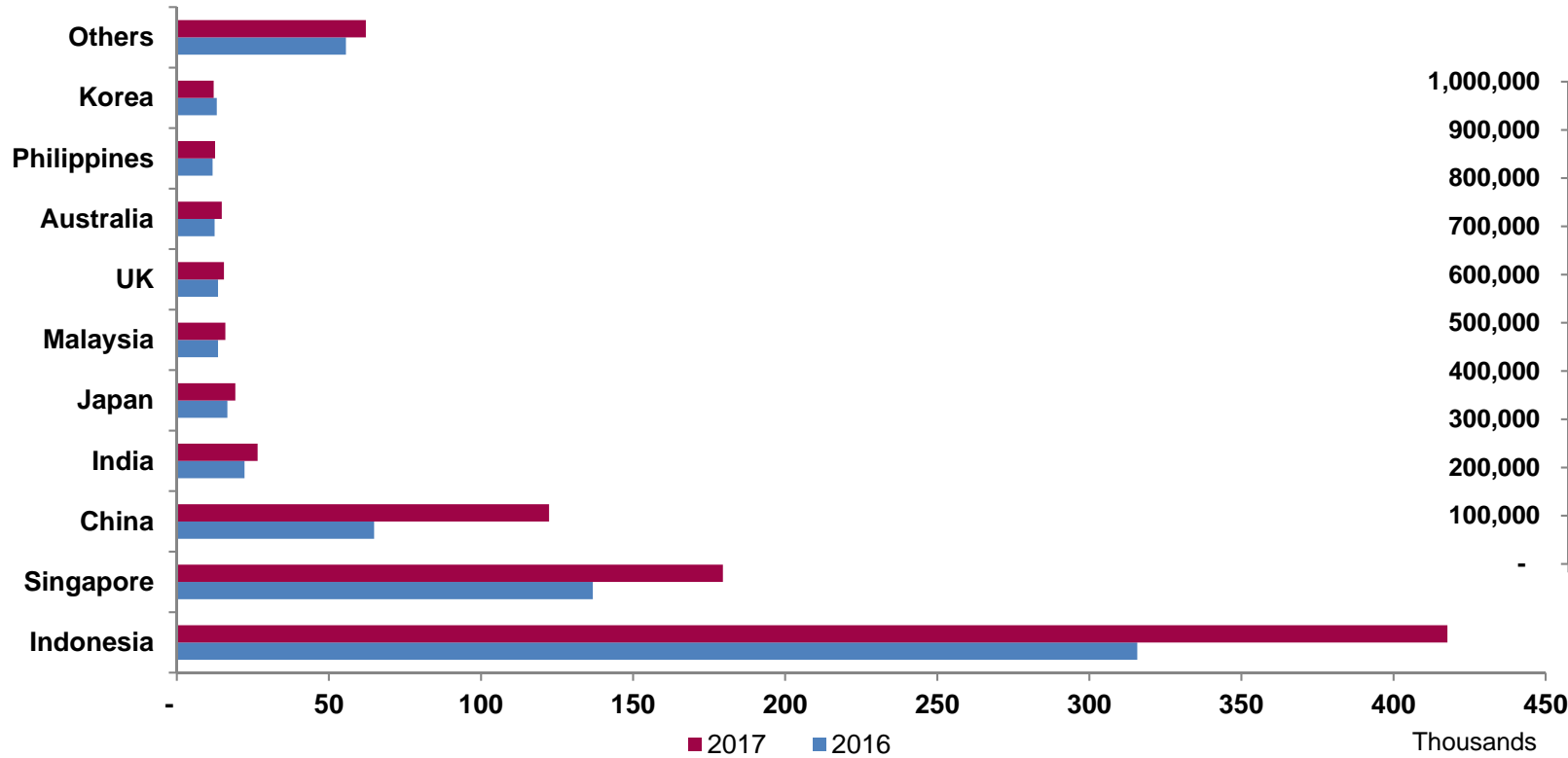


# Segment Performance (cont'd)

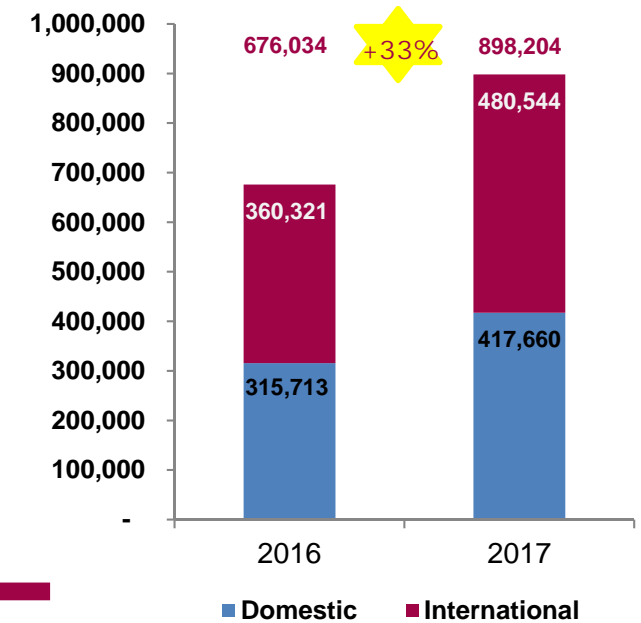
## Resort Operations (cont'd)

### BINTAN RESORTS

#### TOURIST ARRIVAL BY MARKET



#### DOMESTIC vs INTERNATIONAL TOURISTS



	Indonesia	Singapore	China	India	Japan	Malaysia	UK	Australia	Philippines	Korea	Others	Total
<b>2017</b>	417,660	179,509	122,363	26,533	19,220	15,936	15,462	14,767	12,537	12,081	62,136	898,204
<b>2016</b>	315,713	136,751	64,853	22,214	16,626	13,510	13,519	12,409	11,743	13,105	55,591	676,034
<b>%(+/-)</b>	32%	31%	89%	19%	16%	18%	14%	19%	7%	-8%	12%	33%

# Segment Performance (cont'd)

## Property Development

### Property Development

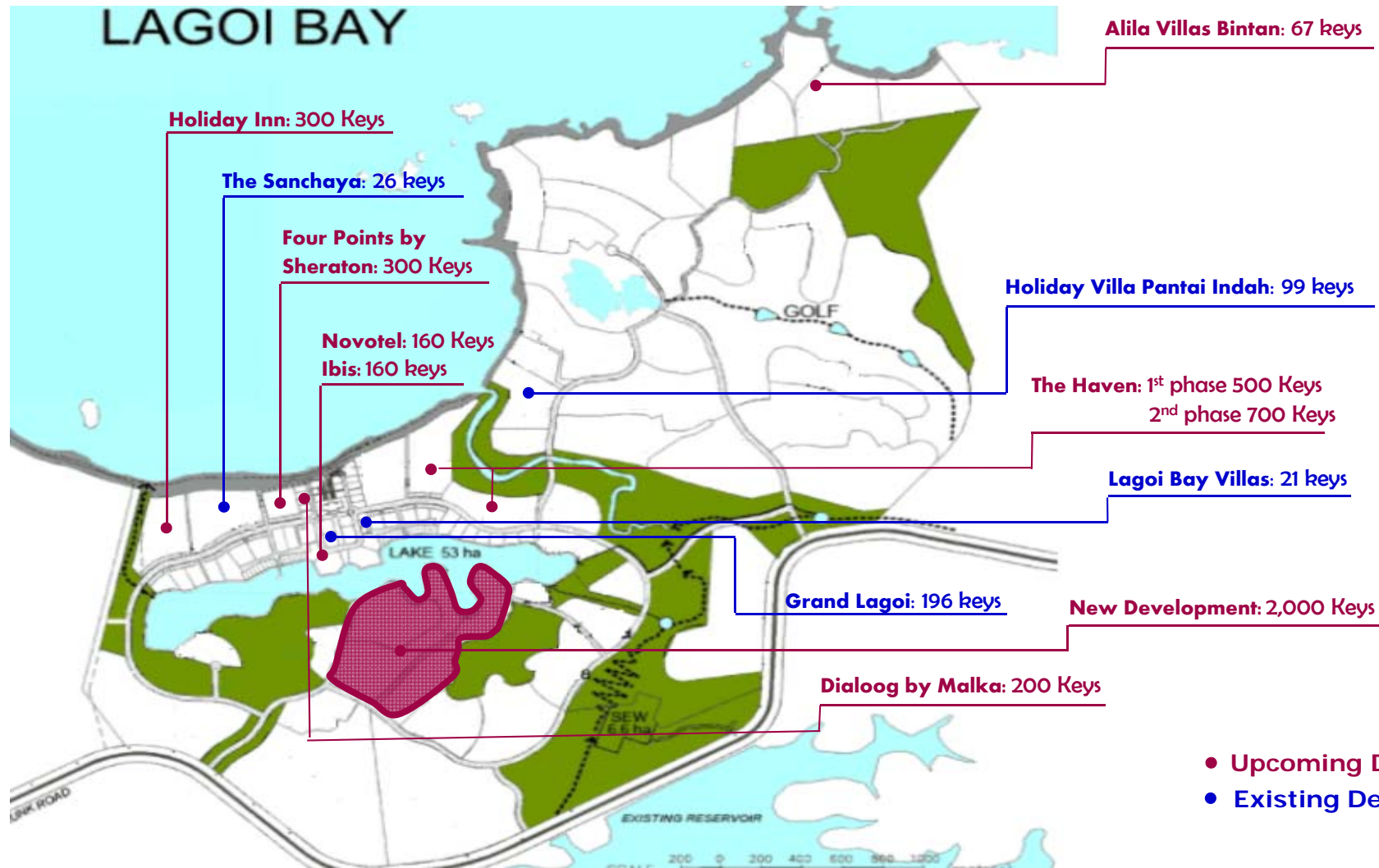
(S\$ million)	FY2016	FY2017	Change
Revenue	-	-	-
Gross Profit	(0.5)	(2.7)	-440%
EBITDA	(9.3)	(8.9)	4.3%
NPAT	(9.6)	(11.9)	-24.0%
Total assets	675.3	674.7	-0.1%

### Comments

- No land sale recognised during the year
- Higher depreciation
- Foreign exchange gain as compared to foreign exchange loss in the previous year but offset by higher operating expenses
- Higher depreciation and operating expenses

# Segment Performance (cont'd)

## Property Development (cont'd)



# Bintan International Airport and Aerospace Park

## Phase 1

- Development of one runway and one terminal, which will be integrated to a regional ferry terminal servicing surrounding islands, including Singapore and Batam.
- Develop MRO Centre as part of the 177-ha Bintan Aerospace Park to be located near to our existing Bintan Inti Industrial Estate.
- Develop dedicated township to cater to the working community in the Bintan Aerospace Park.



## Phase 2

- Develop multi-terminal airport with two runways
- Develop other aviation related supporting businesses.

# Looking forward

- Continue to deleverage and actively manage debts portfolio;
- Drive productivities and operational efficiency across business segments so to contain and reduce costs;
- Drive tourism and investments into Bintan;
- Expand on direct tourist in-bound into Bintan from regional countries;
- Continue to drive BOMC and food industrial cluster in Bintan;
- Accelerate the development of Bintan International Airport and MRO segment;
- Diversification of fuel sources so to improve utilities' margin; and
- To innovate and develop new related automotive businesses.





# Managing Investments Creating Value

Thank You