

GALLANT VENTURE LTD

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DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors of Gallant Venture Ltd. ("**Company**") refers to the unaudited full year results announcement for the financial year ended 31 December 2018 released via the SGX-NET on 28 February 2019 (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain material differences between the audited financial statements of the Company for FY2018 ("**Audited Financial Statements**") and the Unaudited Financial Statements following the finalisation of the Company's subsidiary, PT Indomobil Sukses Internasional Tbk ("**IMAS**") group's audits and reclassification made to the Audited Financial Statements. The details of the differences are set out in the Appendix A of this announcement.

BY ORDER OF THE BOARD
GALLANT VENTURE LTD.

Choo Kok Kiong
Executive Director and Company Secretary
11 April 2019

Appendix A

Extract of Consolidated Statement of Comprehensive Income for the year ended 31 December 2018

	Group			Notes
	Audited	Unaudited	Variance	
	FY 2018	FY 2018	FY 2018	
	\$'000	\$'000	\$'000	
Revenue	1,832,713	1,830,428	2,285	1
Cost of sales	(1,470,278)	(1,468,477)	(1,801)	1
Gross profit	362,435	361,951	484	
Other income	76,400	90,821	(14,421)	2
General and administrative expenses	(189,031)	(192,582)	3,551	3
Other operating expenses	(147,235)	(149,070)	1,835	4
Share of associate company's results	(14,473)	(14,641)	168	
Finance costs	(136,690)	(136,118)	(572)	5
Loss before taxation	(48,594)	(39,639)	(8,955)	
Taxation	(27,274)	(27,846)	572	6
Loss after taxation	(75,868)	(67,485)	(8,383)	
Other comprehensive income for the year after taxation	42,784	43,008	(224)	
Loss attributable to:-				
Equity holders of the company	(73,748)	(66,803)	(6,945)	
Non-controlling interest	(2,120)	(682)	(1,438)	
	(75,868)	(67,485)	(8,383)	
Total comprehensive expense attributable to:				
Equity holders of the company	(40,257)	(33,129)	(7,128)	
Non-controlling interest	7,173	8,652	(1,479)	
	(33,084)	(24,477)	(8,607)	

Notes:

- Due to the adjustment of revenue and cost of sales in relation to passenger car sales and after sales services.
- Due to the adjustment of gain on dilution from associate to unquoted equity investments and fair value revaluation gain on the investment properties.
- Due to the reclassification of other operating expenses to general administrative expenses and adjustment of provision for doubtful debts.
- Due to the reclassification of other operating expenses to general and administrative expenses.
- Due to the reclassification of other income to net off against the finance costs.
- Due to the adjustment of tax expenses.

Extract of Consolidated Statements of Financial Position as at 31 December 2018

	Audited	Group Unaudited	Variance	Notes
	FY 2018	FY 2018	FY 2018	
	\$'000	\$'000	\$'000	
Assets				
Non-Current				
Property, plant and equipment	769,129	765,818	3,311	1
Investment properties	182,203	184,050	(1,847)	2
Associates	116,269	115,002	1,267	7
Financing receivables	680,318	684,153	(3,835)	3
Other non-current assets	345,388	349,258	(3,870)	7
Current				
Other inventories	359,552	362,012	(2,460)	1
Financing receivables	519,405	522,219	(2,814)	3
Trade and other receivables	703,775	764,930	(61,155)	7
Cash and cash equivalents	228,879	229,758	(879)	4
Equity and liabilities				
Equity				
Accumulated losses	(373,273)	(366,328)	(6,945)	8
Reserves	(136,594)	(129,082)	(7,512)	8
Non-controlling interests	293,995	298,425	(4,430)	8
Liabilities				
Non-Current				
Borrowings	1,030,198	1,040,621	(10,423)	3
Debt securities	163,237	166,340	(3,103)	5
Employee benefits liabilities	36,709	37,840	(1,131)	7
Contract liabilities	11,621	-	11,621	6
Other non-current liabilities	32,780	30,508	2,272	6
Current				
Trade and other payables	505,260	560,588	(55,328)	7
Contract liabilities	15,195	-	15,195	6
Borrowings	1,410,338	1,407,397	2,941	3
Debt securities	195,560	192,457	3,103	5
Current tax payable	14,856	33,308	(18,452)	7

Notes:

- Due to the reclassification of other inventories to property, plant and equipment.
- Due to the adjustment in fair value revaluation gain on the investment properties.
- Due to the reclassification of financing receivables to borrowings.
- Due to the payment of borrowings.
- Due to the reclassification between current and non-current.
- Due to reclassification of other non-current liabilities and trade and other payables to contract liabilities to align with the various requirements of SFRS(I) 15.
- Due to the reclassification of associates to other receivables, prepaid tax from other receivables to current tax payable, and adjustment of employee benefits liabilities.
- Due to the adjustment of consolidated statement of comprehensive income and the changes in interest in subsidiaries and effect of transactions with non-controlling interests.

Extract of Consolidated Statement of Cash Flows for the year ended 31 December 2018

	Group			Notes
	Audited	Unaudited	Variance	
	FY 2018	FY 2018	FY 2018	
	\$'000	\$'000	\$'000	
Net cash used in operating activities	(277,593)	(238,234)	(39,359)	1
Net cash used in investing activities	(230,060)	(260,005)	29,945	2
Net cash generated from financing activities	483,662	475,129	8,533	3
Effect of exchange difference	(5,571)	(5,573)	2	
	<u>(29,562)</u>	<u>(28,683)</u>	<u>(879)</u>	

Notes:

As a result of the changes to the Consolidated Statements of Financial Position and Consolidated Statement of Comprehensive Income, correspondence changes have been made to the Consolidated Statement of Cash Flows.

1. Due to the adjustment of dilution from associates to unquoted equity investments and the reclassification of financing receivables to borrowings.
2. Due to the adjustment of dilution from associates to unquoted equity investments.
3. Due to the reclassification of financing receivables to borrowings and the changes in interest in subsidiaries and effect of transactions with non-controlling interests.