

GALLANT VENTURE LTD

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DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Gallant Venture Ltd. ("**Company**") refers to the unaudited full year results announcement for the financial year ended 31 December 2019 released via the SGX-NET on 28 February 2020 (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 FY2019 ("**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
14 April 2020

Appendix A

Extract of Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

	Group			Notes
	Audited	Unaudited	Variance	
	FY 2019	FY 2019	FY 2019	
	\$'000	\$'000	\$'000	
Revenue	1,965,687	1,972,553	(6,866)	1
Cost of sales	(1,575,443)	(1,586,760)	11,317	1
Gross profit	390,244	385,793	4,451	
Other income	50,238	60,616	(10,378)	2
General and administrative expenses	(213,134)	(211,580)	(1,554)	3
Other operating expenses	(257,334)	(260,531)	3,197	4
Share of associate company's results	(3,744)	(3,520)	(224)	
Finance costs	(186,240)	(185,703)	(537)	5
Loss before taxation	(219,970)	(214,925)	(5,045)	
Taxation	(35,118)	(29,058)	(6,060)	6
Loss after taxation	(255,088)	(243,983)	(11,105)	
Other Comprehensive income	13,584	29,187	(15,603)	7
Loss attributable to:-				
Equity holders of the Company	(221,976)	(214,581)	(7,395)	
Non-controlling interests	(33,112)	(29,402)	(3,710)	
	(255,088)	(243,983)	(11,105)	
Total comprehensive loss attributable to				
Equity holders of the Company	(212,170)	(193,670)	(18,500)	
Non-controlling interests	(29,334)	(21,126)	(8,208)	
	(241,504)	(214,796)	(26,708)	

Notes:

1. Due to the adjustment of revenue and cost of sales in relation to passenger vehicle sales and trucks and heavy equipment sales.
2. Due to the adjustment of revaluation gain on the investment properties, taxes penalty and commission income related to the sales of vehicles.
3. Due to the reclassification of other operating expenses to general administrative expenses and adjustment to depreciation and salary related expenses.
4. Due to the reclassification of other operating expenses to general and administrative expenses.
5. Due to the adjustment of accrued interest expense for finance costs.
6. Due to the adjustment of deferred tax expenses.
7. Due to the adjustment of fair value on equity instruments at fair value through other comprehensive income.

Extract of Consolidated Statements of Financial Position as at 31 December 2019

	Audited	Group Unaudited	Variance	Notes
	FY 2019	FY 2019	FY 2019	
	\$'000	\$'000	\$'000	
Assets				
Non-Current				
Intangible assets	644,062	644,340	(278)	
Property, plant and equipment	1,153,404	1,101,787	51,617	1,5
Right-of-use assets	44,236	11,395	32,841	1
Investment properties	101,775	177,499	(75,724)	1,2
Associates	149,940	157,189	(7,249)	6
Financing receivables	807,801	806,917	884	3
Deferred tax assets	41,079	46,761	(5,682)	4
Other non-current assets	264,380	230,298	34,082	6
Current				
Other inventories	274,606	267,477	7,129	5
Financing receivables	587,013	587,990	(977)	3
Trade and other receivables	674,981	713,235	(38,254)	6
Cash and cash equivalents	230,524	231,473	(949)	7
Equity and liabilities				
Equity				
Accumulated losses	(547,610)	(539,860)	(7,750)	8
Reserves	(164,388)	(163,945)	(443)	8
Non-controlling interests	272,642	277,466	(4,824)	8
Liabilities				
Non-Current				
Borrowings	1,490,111	1,521,158	(31,047)	9,10
Lease liabilities	6,195	2,489	3,706	10
Deferred tax liabilities	101,790	88,704	13,086	4
Employee benefits liabilities	43,867	42,854	1,013	9
Other non-current liabilities	72,056	87,006	(14,950)	9
Current				
Trade and other payables	495,584	431,165	64,419	9
Borrowings	1,610,633	1,624,159	(13,526)	10
Lease liabilities	13,405	3,104	10,301	10
Current tax payable	12,392	34,268	(21,876)	4

Notes:

1. Due to the reclassification of property, plant and equipment, right-of-use assets and investment properties.
2. Due to the adjustment in fair value revaluation gain on the investment properties.
3. Due to the reclassification between current and non-current.
4. Due to the adjustment of deferred tax assets, deferred tax liabilities and current tax payable.
5. Due to the reclassification of other inventories to property, plant and equipment.
6. Due to the reclassification of associates and other non-current assets to trade and other receivables.
7. Due to the payment of borrowings.

Extract of Consolidated Statements of Financial Position as at 31 December 2019 (Cont'd)

Notes:

8. Due to the adjustment of consolidated statement of comprehensive income, changes in interest in subsidiaries and effect of transactions with non-controlling interests.
9. Due to reclassification of accrued interest payable to trade and other payables, increase in provision of employee benefits and reclassification of non-current liabilities to trade and other payables.
10. Due to reclassification of finance lease that included under the borrowings to lease liabilities to align with the requirements of SFRS(I) 16.

Extract of Consolidated Statement of Cash Flows for the for the year ended 31 December 2019

	Audited	Group Unaudited	Variance	Notes
	FY 2019	FY 2019	FY 2019	
	\$'000	\$'000	\$'000	
Net cash used in operating activities	(32,178)	(129,434)	97,256	1
Net cash used in investing activities	(394,803)	(334,885)	(59,918)	2
Net cash generated from financing activities	425,217	463,506	(38,289)	1

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 reclassification of interest and principal paid on borrowings.
2. Due to the adjustment on the acquisition of subsidiaries.