

GALLANT VENTURE LTD

Registration Number: 200303179Z

371 Beach Road, #13-08/09 KeyPoint,
Singapore 199597

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



26 March 2007

ANNOUNCEMENT BY GALLANT VENTURE LTD. (“GALLANT” OR “COMPANY”) IN RESPECT OF ARTICLE PUBLISHED IN THE BUSINESS TIMES, 26 MARCH 2007

Reference is made to the article “Bintan Lagoon Resort, Gallant units face lawsuit over land” published in The Business Times on 26 March 2007.

The Gallant group (“Group”) is of the view that the law suit (“Suit”) has no material impact on its business. Gallant also wishes to make the following clarifications and corrections in respect of the article:

1. The injunction obtained by PT Raflesia (“PTR”) is an interim, and not a final, injunction pending the outcome of the Indonesian’s court decision on the ownership of the lands in question. The Group intends to vigorously defend the Suit.
2. The Group does not currently possess any ownership interest in PT Bintan Lagoon Resort. Approximately 863,353 square metres of the lands which are the subject of the Suit is owned by the Group, whilst the balance approximately 100,000 square metres is the subject of dispute between PTR and PT Bintan Lagoon Resort.
3. The Group currently possesses more than 99 certificates of ownership for a total of 20,413 hectares (or approximately 204,130,000 square metres) of land in Bintan island. Insofar as it relates to the Group’s land, the total land which is the subject of the Suit involves only a small part of 8 certificates and represents less than 0.5% of the Group’s land portfolio.
4. The Group’s subsidiary, PT Buana Megawisatama (BMW), is the holder of the principal license (*Pencadangan Lahan*) and site license (*Izin Lokasi*) for the lands in question from the Indonesian authorities, which is the pre-requisite for all land clearance. BMW has legal ownership of the relevant lands through the possession of all the land title certificates (*Hak Guna Bangunan*). These certificates are issued by the Indonesian national land office.
5. A portion of the lands which is the subject of the Suit was sold and legally transferred by BMW to the developer of the Bintan Lagoon Resort in 1997. BMW had been granted validly-issued land certificates for such land. The developer of the hotel in 1997 was a consortium led by Singapore GLCs (“Consortium”).

The land concerned was developed by the Consortium with villas and facilities, including a swimming pool, commencing approximately more than 10 years ago. The Group considers it surprising that PTR has only now taken legal action to claim its alleged ownership of the lands.

GALLANT VENTURE LTD

Registration Number: 200303179Z

371 Beach Road, #13-08/09 KeyPoint,
Singapore 199597

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



6. The article states that “Sources said that advertisements had been taken out in the Asian Wall Street Journal in early 2005 for the sale of Bintan Lagoon Resort”. The Group did not take out any such advertisements and believes that this was done by the liquidator of the holding company of PT Bintan Lagoon Resort.

Choo Kok Kiong
Company Secretary
By order of the Board
Gallant Venture Ltd.