

## GALLANT VENTURE LTD

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### First Quarter 2018 Financial Statements and Dividend Announcement

#### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 March 2018.

**1(a)(i). An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	YTD 31 March		Incr/ (Decr) %
1st Qtr 2018 S\$'000	1st Qtr 2017 S\$'000		
Revenue	453,525	436,874	4
Cost of sales	(365,560)	(355,993)	3
<b>Gross profit</b>	<b>87,965</b>	<b>80,881</b>	<b>9</b>
Other income	14,148	10,279	38
General and administrative expenses	(40,263)	(43,052)	(6)
Other operating expenses	(35,136)	(38,005)	(8)
Share of associated companies' results	3,558	(14,960)	N.M
Finance costs	(29,438)	(32,426)	(9)
<b>Profit/(loss) before taxation</b>	<b>834</b>	<b>(37,283)</b>	<b>N.M</b>
Taxation	(8,095)	(6,474)	25
<b>Loss after taxation for the period</b>	<b>(7,261)</b>	<b>(43,757)</b>	<b>(83)</b>
<b>Attributable to:</b>			
Equity holders of the Company	(9,775)	(39,151)	(75)
Non-controlling interest	2,514	(4,606)	N.M
	<b>(7,261)</b>	<b>(43,757)</b>	<b>(83)</b>

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.**

	<b>Group</b>		
	<b>1st Qtr 2018 S\$'000</b>	<b>YTD 31 March 1st Qtr 2017 S\$'000</b>	<b>Incr/ (Decr) %</b>
<b>Loss after taxation for the period</b>	<b>(7,261)</b>	(43,757)	(83)
<b>Other comprehensive income/(expenses):</b>			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Net changes in available-for sales investment	<b>5,938</b>	(2,081)	N.M
Net changes on fair value changes of hedging investment entered into for cash flow hedge	<b>912</b>	(3,864)	N.M
Foreign currency translation	<b>(29,384)</b>	(15,775)	86
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Actuarial losses arising during the period	<b>(68)</b>	(217)	(69)
<b>Other comprehensive expenses</b>	<b>(22,602)</b>	(21,937)	3
<b>Total comprehensive expenses</b>	<b>(29,863)</b>	(65,694)	(55)
<b>Attributable to:</b>			
Equity holders of the Company	<b>(23,598)</b>	(52,613)	(55)
Non-controlling interest	<b>(6,265)</b>	(13,081)	(52)
	<b>(29,863)</b>	(65,694)	(55)

*N.M. denotes "Not Meaningful"*

**Note:**

The exchange rate of S\$1=IDR 10,487 (31 March 2017: S\$1=IDR 9,532) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 10,234 (31 March 2017: S\$1=IDR 9,399) 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.**

	<b>Group</b>	
	<b>YTD 31 Mar</b>	
	<b>1st Qtr 2018 S\$'000</b>	<b>1st Qtr 2017 S\$'000</b>
Amortisation of intangible assets	<b>4,080</b>	4,079
Depreciation of property, plant and equipment	<b>17,662</b>	18,456
Depreciation of investment properties	<b>7,385</b>	6,277
Gain on sale of property, plant and equipment	<b>(110)</b>	(1,033)
Allowance for impairment loss on trade receivables and foreclosed assets	<b>9,834</b>	7,495
Allowance for inventories obsolescence	<b>-</b>	(108)
Write back of other payables	<b>(1,851)</b>	-
Provision for employee benefits	<b>1,313</b>	1,190
Loss/(gain) on sales of foreclosed assets	<b>6,107</b>	(5,522)
Exchange loss	<b>3,276</b>	8,787
Interest Income	<b>(5,332)</b>	(5,682)
Interest Expense	<b>29,438</b>	32,426

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.18</b>	31.12.17	<b>31.03.18</b>	31.12.17
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
<b>Assets</b>				
<b>Non-current</b>				
Intangible assets	728,407	732,452	95	110
Property, plant and equipment	602,419	578,529	389	415
Investment properties	209,670	232,625	-	-
Subsidiaries	-	-	2,537,407	2,537,407
Associates	141,930	139,854	-	-
Financing receivables	552,055	535,644	-	-
Deferred tax assets	32,262	33,013	-	-
Other non-current assets	153,659	149,800	155	155
	<u>2,420,402</u>	<u>2,401,917</u>	<u>2,538,046</u>	<u>2,538,087</u>
<b>Current</b>				
Land inventories	592,460	591,767	-	-
Other inventories	317,470	260,020	-	-
Financing receivables	475,479	453,284	-	-
Trade and other receivables	602,591	544,303	67,482	78,860
Cash and bank balances	252,351	258,441	13,000	2,394
	<u>2,240,351</u>	<u>2,107,815</u>	<u>80,482</u>	<u>81,254</u>
<b>Total assets</b>	<u><b>4,660,753</b></u>	<u>4,509,732</u>	<u><b>2,618,528</b></u>	<u>2,619,341</u>
<b>Equity and liabilities</b>				
Share capital	1,948,307	1,948,307	1,948,307	1,948,307
Treasury shares	(50)	-	(50)	-
Accumulated losses	(308,973)	(299,198)	(116,535)	(116,085)
Reserves	(218,916)	(204,989)	80,000	80,000
<b>Equity attributable to equity holders of the Company</b>	<u>1,420,368</u>	<u>1,444,120</u>	<u>1,911,722</u>	<u>1,912,222</u>
<b>Non-controlling interest</b>	<u>263,060</u>	<u>267,970</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u><b>1,683,428</b></u>	<u>1,712,090</u>	<u><b>1,911,722</b></u>	<u>1,912,222</u>
<b>Liabilities</b>				
<b>Non-current</b>				
Borrowings	858,523	798,164	340,431	330,181
Debt securities	202,290	170,117	-	-
Deferred tax liabilities	88,623	89,759	-	-
Employee benefits liabilities	41,994	41,999	-	-
Other non-current liabilities	31,216	32,463	88	88
	<u>1,222,646</u>	<u>1,132,502</u>	<u>340,519</u>	<u>330,269</u>
<b>Current</b>				
Trade and other payables	424,668	346,345	38,013	24,220
Borrowings	1,163,896	1,222,591	328,215	350,728
Debt securities	147,882	85,585	-	-
Current tax payable	18,233	10,619	59	1,902
	<u>1,754,679</u>	<u>1,665,140</u>	<u>366,287</u>	<u>376,850</u>
<b>Total liabilities</b>	<u><b>2,977,325</b></u>	<u>2,797,642</u>	<u><b>706,806</b></u>	<u>707,119</u>
<b>Total liabilities and equity</b>	<u><b>4,660,753</b></u>	<u>4,509,732</u>	<u><b>2,618,528</b></u>	<u>2,619,341</u>

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

	<b>Group</b>	
	<b>31.03.18</b>	31.12.17
	<b>S\$'000</b>	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	<b>1,163,896</b>	1,222,591
Unsecured	<b>147,882</b>	85,585
	<b>1,311,778</b>	1,308,176
(ii) Amount repayable after one year		
Secured	<b>858,523</b>	798,164
Unsecured	<b>202,290</b>	170,117
	<b>1,060,813</b>	968,281
<b>TOTAL</b>	<b>2,372,591</b>	<b>2,276,457</b>

(iii) Details of any collaterals

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

1. Mortgage of certain land titles of PT Batamindo Investment Cakrawala ("PT BIC"), PT Bintan Inti Industrial Estate ("PT BIIE"), PT Bintan Resort Cakrawala ("PT BRC"), Pt Buana Megawisata ("PT BMW") and PT Surya Bangun Pertiwi ("PT SBP");
2. Pledge of accounts of PT BIC, PT BIIE, PT BRC, PT SBP, Bintan Resort Ferries Private Limited ("BRF") and the Company;
3. Assignment of insurance proceeds, receivables and movable assets of PT BIC and PT BIIE;
4. Pledge of shares of PT Indomobil Sukes Internasional Tbk ("PT IMAS") and PT BMW; and
5. PT IMAS 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.**

	<b>Group</b>	
	<b>Quarter ended</b>	<b>Quarter ended</b>
	<b>31.03.18</b>	<b>31.03.17</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash flows from operating activities		
Profit/(Loss) before taxation	<b>834</b>	(37,283)
Adjustments for:		
Amortisation of intangible assets	<b>4,080</b>	4,079
Depreciation of property, plant and equipment	<b>17,662</b>	18,456
Depreciation of investment properties	<b>7,385</b>	6,277
Allowance for inventories obsolescence	-	(108)
Provision for employee benefits	<b>1,313</b>	1,190
Impairment loss on trade receivables and foreclosed assets	<b>9,834</b>	7,495
Gain on sale of property, plant & equipment	<b>(110)</b>	(1,033)
Loss/(gain) on sales of foreclosed assets	<b>6,107</b>	(5,522)
Write back of other payables	<b>(1,851)</b>	-
Share of associates' results	<b>(3,558)</b>	14,960
Interest expense	<b>29,438</b>	32,426
Interest income	<b>(5,332)</b>	(5,682)
Cash from operations before changes in working capital	<b>65,802</b>	35,255
Changes in working capital		
Increase in land inventories	<b>(693)</b>	(2,420)
Increase in other inventories	<b>(62,471)</b>	(27,776)
Increase in operating receivables	<b>(158,000)</b>	(128,306)
Increase in operating payables	<b>147,988</b>	116,013
Cash used in operating activities	<b>(7,374)</b>	(7,234)
Income tax paid	<b>(18,742)</b>	(24,287)
Employee benefits paid	<b>(189)</b>	(216)
Interest paid	<b>(54,999)</b>	(61,828)
Interest received	<b>1,117</b>	7,573
<b>Net cash used in operating activities</b>	<b>(80,187)</b>	(85,992)
Cash flows from investing activities		
Acquisition of property, plant and equipment	<b>(46,469)</b>	(33,784)
Acquisition of intangible assets	<b>(32)</b>	(1)
Acquisition of investment properties	<b>(1,808)</b>	(5,609)
Addition in investment in shares stock	<b>11</b>	8,135
Interest received on and proceeds from of restricted cash in banks and time deposits	<b>357</b>	518
Proceeds from sale of property, plant and equipment	<b>523</b>	1,929
<b>Net cash used in investing activities</b>	<b>(47,418)</b>	(28,812)
Cash flows from financing activities		
Repayment to other financing activities	<b>(37)</b>	(105,380)
Proceeds from bank borrowings	<b>729,874</b>	732,098
Repayment of bank borrowings	<b>(711,220)</b>	(635,421)
Purchase of treasury shares	<b>(50)</b>	-
Proceeds from issuance of bonds	<b>104,596</b>	43,013
Proceeds from additional capital stock contribution of non-controlling interest	<b>1,426</b>	1,459
<b>Net cash generated from financing activities</b>	<b>124,589</b>	35,769
<b>Net decrease in cash and cash equivalents</b>	<b>(3,016)</b>	(79,035)
Cash and cash equivalents at beginning of period	<b>258,441</b>	425,413
Effect of currency translation on cash and cash equivalent	<b>(3,074)</b>	(4,064)
<b>Cash and cash equivalents at end of period</b>	<b>252,351</b>	342,314

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 31 March 2018:

	Share Capital \$'000	Treasury Shares \$'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 2017	1,880,154	-	(105,771)	(52,319)	4,371	(19,698)	5,136	(162,767)	1,549,106	317,711	1,866,817
Loss for the period, as reported	-	-	-	-	-	-	-	(39,151)	(39,151)	(4,606)	(43,757)
Other comprehensive (expenses)/income	-	-	-	(9,443)	(2,767)	(1,481)	229	-	(13,462)	(8,475)	(21,937)
Total comprehensive (expenses)/income for the period	-	-	-	(9,443)	(2,767)	(1,481)	229	(39,151)	(52,613)	(13,081)	(65,694)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	-	576	-	576	965	1,541
Balance as at 31 March 2017	1,880,154	-	(105,771)	(61,762)	1,604	(21,179)	5,941	(201,918)	1,497,069	305,595	1,802,664
<b>Balance as at 1 January 2018</b>	<b>1,948,307</b>	<b>-</b>	<b>(105,771)</b>	<b>(84,851)</b>	<b>(474)</b>	<b>(18,838)</b>	<b>4,945</b>	<b>(299,198)</b>	<b>1,444,120</b>	<b>267,970</b>	<b>1,712,090</b>
<b>(Loss)/Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,775)</b>	<b>(9,775)</b>	<b>2,514</b>	<b>(7,261)</b>
<b>Other comprehensive (expenses)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,662)</b>	<b>573</b>	<b>4,240</b>	<b>26</b>	<b>-</b>	<b>(13,823)</b>	<b>(8,779)</b>	<b>(22,602)</b>
<b>Total comprehensive (expenses)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,662)</b>	<b>573</b>	<b>4,240</b>	<b>26</b>	<b>(9,775)</b>	<b>(23,598)</b>	<b>(6,265)</b>	<b>(29,863)</b>
<b>Purchase of treasury shares</b>	<b>-</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50)</b>	<b>-</b>	<b>(50)</b>
<b>Changes in interest in subsidiaries and effect of transaction with non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104)</b>	<b>-</b>	<b>(104)</b>	<b>1,355</b>	<b>1,251</b>
<b>Balance as at 31 March 2018</b>	<b>1,948,307</b>	<b>(50)</b>	<b>(105,771)</b>	<b>(103,513)</b>	<b>99</b>	<b>(14,598)</b>	<b>4,867</b>	<b>(308,973)</b>	<b>1,420,368</b>	<b>263,060</b>	<b>1,683,428</b>

- 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 31 March 2018:**

	Share Capital S\$'000	Treasury Shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2017	1,880,154	-	80,000	(91,476)	1,868,678
Total comprehensive expense for the Period	-	-	-	(12,118)	(12,118)
Balance as at 31 March 2017	<u>1,880,154</u>	<u>-</u>	<u>80,000</u>	<u>(103,594)</u>	<u>1,856,560</u>
<b>Balance as at 1 January 2018</b>	<b>1,948,307</b>	<b>-</b>	<b>80,000</b>	<b>(116,085)</b>	<b>1,912,222</b>
Total comprehensive expense for the Period	-	-	-	(450)	(450)
Purchase of treasury shares	-	(50)	-	-	(50)
<b>Balance as at 31 March 2018</b>	<b><u>1,948,307</u></b>	<b><u>(50)</u></b>	<b><u>80,000</u></b>	<b><u>(116,535)</u></b>	<b><u>1,911,722</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:

	As at 31 Mar 2018	As at 31 Dec 2017
Conversion right of convertible bond	250,000,000	250,000,000

**Movement in the Company's treasury shares for the financial period 31 March 2018 as follows:**

	No. of Shares
As at 31 December 2017	-
Purchase of treasury shares	450,000
As at 31 March 2018	<u>450,000</u>

- 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.**

Number of issued shares excluding treasury shares:-

	31 Mar 2018	31 Dec 2017
Total number of issued shares	5,338,010,225	5,338,010,225
Less: Treasury shares	(450,000)	-
Total number of issued shares excluding treasury shares	<u>5,337,560,225</u>	<u>5,338,010,225</u>

- 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 accounting policy and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 5.

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.***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”) on 1 January 2018. The adoption of the new standards that are effective on 1 January 2018 and SFRS(I) have no material impact on the financial statements.

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 loss attributable to equity holders of the company:

	<b>Group</b>	
	<b>1st Qtr 2018</b>	<b>1st Qtr 2017</b>
Net loss attributable to equity owners of the Company (S\$'000)	<b>(9,775)</b>	(39,151)
(i) Based on the weighted average number of ordinary shares on issue (cents)	<b>(0.183)</b>	(0.811)
(ii) On a fully diluted basis (cents) <sup>(1)</sup>	<b>(0.183)</b>	(0.811)

<sup>(1)</sup> The conversion right of convertible bond has not been included in the calculation of diluted loss per shares 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>31.03.18</b>	<b>31.12.17</b>	<b>31.03.18</b>	<b>31.12.17</b>
Net asset value per ordinary share	<b>26.61 cents</b>	27.05 cents	<b>35.82 cents</b>	35.82 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 5,337,560,225 ordinary shares as at 31 March 2018 and 5,338,010,225 as at 31 December 2017.

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.***

## **1st Quarter 2018 (1Q 2018) vs. 1st Quarter 2017 (1Q 2017)**

### **Profit & Loss Statement**

GV Group's 1Q 2018 revenue relating to IMAS was S\$412.9 million as compared to S\$398.1 million in 1Q 2017. Higher revenue was mainly due to higher trucks and heavy duty equipment sales and car rental related income. The Group (excluding IMAS) registered higher revenue of S\$40.6 million as compared to S\$38.8 million in the previous period and was mainly due to higher revenue from the resort segment. The Consolidated Group revenue was S\$453.5 million, 4% higher than 1Q 2017's S\$436.9 million.

IMAS's 1Q 2018 cost of sales IMAS was S\$334.0 million as compared to S\$323.2 million in 1Q 2017. The Group's (excluding IMAS) cost of sales was S\$31.6 million as compared to S\$32.8 million in 1Q 2017. In line with the revenue, the Consolidated Group's cost of sales increased from S\$356.0 million in 1Q 2017 to 1Q 2018's S\$365.6 million. The Consolidated Group's cost of sales to revenue ratio was 0.81 in 1Q 2018 as compared to 0.82 in 1Q 2017. The Consolidated Group's gross profit was S\$87.9 million in 1Q 2018 as compared to S\$80.9 million in 1Q 2017 and was in line with higher revenue.

IMAS's 1Q 2018 "other income" was S\$16.3 million as compared to S\$15.5 million in 1Q 2017 and was mainly due to higher commission income and sales incentive from the car manufacturer. The Group's (excluding IMAS) "other income" was S\$2.2 million expenses as compared to S\$5.2 million expenses in 1Q 2017 and was mainly due to lower unrealised foreign exchange losses as compared to the previous period. The Consolidated Group's "other income" was S\$14.1 million in 1Q 2018 as compared to 1Q 2017's S\$10.3 million.

IMAS's 1Q 2018 "general and administrative expenses" was S\$30.9 million as compared to S\$33.1 million in 1Q 2017. Lower expenses were mainly due to lower manpower costs, provision for doubtful debts, depreciation and licensing expenses. The Group's (excluding IMAS) "general and administrative expenses" was S\$3.6 million as compared to 1Q 2017's S\$4.7 million and was mainly due to lower professional fee expense. The Consolidated Group's "general and administrative expenses" was S\$40.3 million as compared to 1Q 2017's S\$43.1 million.

IMAS's 1Q 2018 "other operating expenses" was S\$31.0 million as compared to 1Q 2017's S\$31.9 million. The Group's (excluding IMAS) "other operating expenses" was S\$4.1 million as compared to 1Q 2017's S\$6.1 million and was mainly due to write back of accrued expenses previously recorded, now no longer required. The Consolidated Group's "other operating expenses" was S\$35.1 million as compared to 1Q 2017's S\$38.0 million.

The Consolidated Group's 1Q 2018 "share of associated companies' result" was S\$3.5 million profit as compared to 1Q 2017's S\$15.0 million loss. IMAS has ceased equity accounting on one of its loss making associate as the accumulated losses have fully eliminated its investment cost.

IMAS's 1Q 2018 "finance costs" was S\$23.3 million as compared to 1Q 2017's S\$21.5 million and the Group's (excluding IMAS) "finance costs" was S\$6.1 million as compared to 1Q 2017's S\$10.9 million. The Consolidated Group's "finance costs" was S\$29.4 million as compared to S\$32.4 million in 1Q 2017 and was mainly due to repayment of external bank borrowings.

IMAS registered net profit of S\$5.8 million in 1Q 2018 as compared to S\$17.6 million net loss in 1Q 2017 and was mainly due to higher revenue and non-equity accounting of loss making associate company. The Group's (excluding IMAS) net loss was S\$10.6 million as compared to 1Q 2017's S\$23.6 million loss and was mainly due to lower foreign exchange loss, financing costs and operating expenses. The Consolidated Group's net loss attributable to equity holders of the Company was S\$9.8 million for 1Q 2018 as compared to 1Q 2017's S\$39.2 million.

### **Balance Sheet**

The Group's total assets of S\$4,660.8 million, as at 31 March 2018, were S\$151.0 million higher than as at the previous year end. Other non-current assets increased by S\$3.9 million mainly due to the increased in the value of the Group's quoted equity investments. Current assets increased by S\$132.5 million to S\$2,240.4 million and was mainly due to the increased in inventories, trade receivables and other receivables.

The Group' total liabilities of S\$2,977.3 million, as at 31 March 2018, were S\$179.7 million higher than the previous year-end and was mainly due to the increased in borrowing for capital expenditure and for the financial services business. The Group's borrowings and debt securities as at 31 March 2018 were S\$2.4 billion of which S\$1.1 billion relates to IMAS' car rental and financial services business.

### **Cash Flow Statement**

Net cash used in operating activities was S\$80.2 million as compared to S\$86.0 million in the previous period.

Net cash used in investing activities was S\$47.4 million and was mainly due to capital expenditure.

Net cash generated from financing activities was S\$124.6 million mainly from the proceeds from issue of debt securities and borrowings.

**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 IMAS's truck and heavy duty equipment, car rental, and spare parts and servicing businesses have all registered good growth, higher contributions from passenger vehicle segment, with launch of new vehicle models, is expected towards 2nd half of 2018 and into Year 2019.

We started 2018 with strong tourist arrival into Bintan and registered growth in Resorts and Ferry segments. Continue with this momentum and development of key industrial clusters in Bintan, we are hopeful that these core business segments will contribute positively to the Group.

**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 31 March 2018.

**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 31 March 2018 was as follows:

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
<b>PURCHASES</b>	
PT Inti Ganda Perdana Purchases	1,240
PT Indomarco Primatama Purchases	564
<b>SALES</b>	
PT Alam Indah Bintang Sales	476
PT Hamfred Technology Indonesia Interest Income	453
PT Indomobil Manajemen Corpora Interest Income	439
PT Wahana Inti Sela Interest Income	250
PT Nissan Motor Distributor Indonesia Sales	125
PT Indofood CBP Sukses Makmur Tbk Sales	124
PT Shinhan Indo Finance Sales	120
PT Wolfsburg Auto Indonesia Sales	106

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers.**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
EXECUTIVE DIRECTOR AND COMPANY SECRETARY  
10 MAY 2018

**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 First Quarter Financial Statements for the period ended 31 March 2018 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: 10 MAY 2018