

**First Quarter 2015 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 March 2015.

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		
	1st Qtr 2015 S\$'000	1st Qtr 2014 S\$'000 Restated	Incr/ (Decr) %
Revenue	577,311	526,194	10
Cost of sales	(500,672)	(457,855)	9
Gross profit	76,639	68,339	12
General and administrative expenses	(39,015)	(36,760)	6
Other operating expenses	(41,452)	(35,691)	16
Other income net of other expenses	26,193	22,190	18
Interest income	7,160	6,747	6
Finance costs	(31,359)	(26,086)	20
Exchange (loss) / gain	(2,857)	2,144	N.M
Share of associates' results	(1,613)	(1,821)	(11)
Loss before tax	(6,304)	(938)	N.M
Taxation	(2,913)	(3,127)	(7)
Loss after tax for the period	(9,217)	(4,065)	127
Other comprehensive (expenses)/income:			
<u>Items that are/may be reclassified subsequently to profit or loss</u>			
Net changes in available-for sales investment	(15,504)	(14,035)	10
Net changes in derivative instrument – net of tax	5,212	(3,290)	N.M
Foreign currency translation	1,191	32,509	N.M
Share of associates' other comprehensive income	1,390	-	N.M
Other comprehensive (expenses)/income	(7,711)	15,184	N.M
Total comprehensive (expenses)/income	(16,928)	11,119	N.M

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.**

	GROUP		
	1st Qtr 2015 S\$'000	YTD 31 March 1st Qtr 2014 S\$'000 Restated	Incr/ (Decr) %
(Loss) / profit attributable to:			
Equity holders of the Company	(10,410)	(5,076)	N.M
Non-controlling interest	1,193	1,011	18
	(9,217)	(4,065)	N.M
Total comprehensive (expenses)/income attributable to:			
Equity holders of the Company	(17,088)	4,178	N.M
Non-controlling interest	160	6,941	N.M
	(16,928)	11,119	N.M

Note:

The results for 1Q 2014 have been restated to include the amortisation charge and the corresponding tax adjustment arising from recording of intangible assets from the finalisation of the Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of PT Indomobil Sukses Internasional Tbk ("IMAS") in FY 2013.

The exchange rate of S\$1=IDR 9,508 (31 March 2014: S\$1=IDR 9,050) was used for translating IMAS's assets and liabilities at the balance sheet date and S\$1=IDR 9,414 (31 March 2014: S\$1=IDR 9,467) 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.

	Group	
	1st Qtr 2015	1st Qtr 2014
	S\$'000	S\$'000
		Restated
Amortisation of intangible assets	4,103	4,098
Depreciation of property, plant and equipment	21,062	22,865
Depreciation of investment properties	5,640	5,642
Gain on sale of property, plant and equipment	(9,389)	(7,657)
Allowances for impairment loss on trade receivables	5,726	3,966

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.

	Group		Company	
	31.03.15	31.12.14	31.03.15	31.12.14
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Intangible assets	800,919	805,013	228	261
Property, plant and equipment	674,021	676,393	50	59
Investment properties	159,080	164,675	-	-
Financing receivable	384,175	357,510	-	-
Subsidiaries	-	-	2,557,260	2,557,260
Associates	225,794	239,393	-	-
Deferred tax assets	49,438	44,087	6,211	6,211
Loan receivables	47,500	47,500	-	-
Notes receivables	261,211	260,957	6,870	6,617
Other non-current assets	309,294	337,617	3,826	3,542
	2,911,432	2,933,145	2,574,445	2,573,950
Current assets				
Land inventories	616,419	609,798	-	-
Other inventories	432,087	366,510	-	-
Financing receivables	417,002	408,575	-	-
Trade and other receivables	620,829	546,454	116,273	119,985
Cash and bank balances	165,299	161,292	657	525
	2,251,636	2,092,629	116,930	120,510
Total assets	5,163,068	5,025,774	2,691,375	2,694,460
Non-current liabilities				
Deposits from tenants/golf membership	28,729	27,664	90	90
Employee benefits liabilities	24,988	25,672	-	-
Deferred tax liabilities	97,092	97,882	-	-
Other non-current liabilities	2,284	46,253	-	2,683
Loans and borrowings	660,186	700,532	146,851	209,925
Debt securities	663,425	586,311	487,634	414,274
	1,476,704	1,484,314	634,575	626,972
Current liabilities				
Trade and other payables	550,217	386,462	21,405	19,037
Current tax payable	24,486	16,534	48	566
Current portion of loans and borrowings	808,651	811,804	135,930	137,503
Debt securities	135,015	141,594	-	-
	1,518,369	1,356,394	157,383	157,106
Total liabilities	2,995,073	2,840,708	791,958	784,078
Equity				
Share capital	1,880,154	1,880,154	1,880,154	1,880,154
Other reserves	21,103	28,373	80,000	80,000
Retained profits/(accumulated losses)	91,604	102,014	(60,737)	(49,772)
Equity attributable to equity holders of the Company	1,992,861	2,010,541	1,899,417	1,910,382
Non-controlling interest	175,134	174,525	-	-
Total equity	2,167,995	2,185,066	1,899,417	1,910,382
Total liabilities and equity	5,163,068	5,025,774	2,691,375	2,694,460

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

	Group	
	31.03.15	31.12.14
	S\$'000	S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	801,033	946,595
Unsecured	142,633	6,803
	943,666	953,398
(ii) Amount repayable after one year		
Secured	655,914	872,476
Unsecured	667,697	414,367
	1,323,611	1,286,843
TOTAL	2,267,277	2,240,241

(iii) Details of any collaterals

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

1. Mortgage of land titles over Batamindo Industrial Park;
2. Pledge of shares and accounts of PT Batamindo Investment Cakrawala ("PT BIC"); and
3. Assignment of insurance proceeds, receivables and equipment of PT BIC.
4. Pledge of shares of PT Indomobil Sukses Internasional Tbk ("IMAS").
5. PT Indomobil Sukses Internasional Tbk's 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.**

	Group	
	Quarter ended	
	31.03.15	31.03.14
	S\$'000	S\$'000
		Restated
Cash flows from operating activities		
Loss before taxation	(6,304)	(938)
Adjustments for:		
Amortisation of intangible assets	4,103	4,098
Depreciation of property, plant and equipment	21,062	22,865
Depreciation of investment properties	5,640	5,642
Currency translation differences	(18,667)	99,317
Provision for employee benefits	(1,957)	(1,509)
Impairment loss on trade receivables	5,726	3,966
Gain on sale of property, plant & equipment	(9,389)	(7,657)
Gain on disposal of associates	(9,223)	-
Fair value loss on derivative instruments	-	51,437
Share of associates' results	1,613	1,799
Interest expense	31,359	26,086
Interest income	(7,160)	(6,747)
Cash from operations before changes in working capital	16,803	198,359
Changes in working capital		
Increase in land inventories	(6,621)	(3,539)
Increase in other inventories	(65,577)	(17,221)
Increase in operating receivables	(54,464)	(174,854)
Increase in operating payables	110,052	24,190
Cash generated from operating activities	193	26,935
Income tax paid	(24,609)	(4,099)
Employee benefits paid	(102)	(184)
Interest paid	(26,803)	(49,407)
Interest received	2,032	12,177
Deposits received from tenants/golf members	1,065	1,461
Net cash used in operating activities	(48,224)	(13,117)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(22,179)	(56,215)
Acquisition of intangible assets	(8)	-
Acquisition of investment properties	(45)	-
Acquisition of other assets	-	(32)
Acquisition of associates	(1,413)	(2,538)
Proceeds from disposal of associates	21,060	-
Proceeds from sale of property, plant and equipment	10,418	15,899
Net cash used in investing activities	7,833	(42,886)
Cash flows from financing activities		
Proceeds from other financing activities	79,470	122
Repayment to other financing activities	(5,680)	(1,143)
Proceeds from bank borrowings	56,329	576,348
Repayment of bank borrowings	(85,811)	(514,516)
Net cash generated from financing activities	44,308	60,811
Net increase in cash and cash equivalents	3,917	4,808
Cash and cash equivalents at beginning of period	161,292	168,363
Effect of currency translation on cash and cash equivalent	90	7,199
Cash and cash equivalents at end of period	165,299	180,370

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 2015:

	Share Capital \$'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 2014	1,880,154	81,711	(72,641)	5,145	(4,267)	6,662	94,497	1,991,261	157,590	2,148,851
Loss for the period, as reported	-	-	-	-	-	-	(2,902)	(2,902)	1,879	(1,023)
Prior year adjustment	-	-	-	-	-	-	(2,174)	(2,174)	(868)	(3,042)
Loss for the period, as restated	-	-	-	-	-	-	(5,076)	(5,076)	1,011	(4,065)
Other comprehensive income/(expenses)	-	-	21,589	(2,352)	(9,983)	-	-	9,254	5,930	15,184
Total comprehensive income/(expenses) for the period	-	-	21,589	(2,352)	(9,983)	-	(5,076)	4,178	6,941	11,119
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(1,034)	-	(1,034)	1,240	206
Balance as at 31 March 2014, as restated	1,880,154	81,711	(51,052)	2,793	(14,250)	5,628	89,421	1,994,405	165,771	2,160,176
Balance as at 1 January 2015	1,880,154	81,711	(62,341)	3,446	(315)	5,872	102,014	2,010,541	174,525	2,185,066
Loss for the period	-	-	-	-	-	-	(10,410)	(10,410)	1,193	(9,217)
Other comprehensive (expenses)/income	-	-	(68)	3,726	(11,028)	692	-	(6,678)	(1,033)	(7,711)
Total comprehensive (expenses)/income for the period	-	-	(68)	3,726	(11,028)	692	(10,410)	(17,088)	160	(16,928)
Changes in interest in subsidiaries and effect of transaction with non-controlling interest	-	-	-	-	-	(592)	-	(592)	449	(143)
Balance as at 31 March 2015	1,880,154	81,711	(62,409)	7,172	(11,343)	5,972	91,604	1,992,861	175,134	2,167,995

Note:

The prior year adjustment arose from the completion of Purchase Price Allocation ("PPA") during the prior financial period pertaining to the acquisition of PT Indomobil Sukses Internasional Tbk in FY 2013.

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 2015:

	Share Capital S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2014	1,880,154	80,000	(618)	1,959,536
Total comprehensive expense for the period	-	-	(20,666)	(20,666)
Balance as at 31 March 2014	<u>1,880,154</u>	<u>80,000</u>	<u>(21,284)</u>	<u>1,938,870</u>
Balance as at 1 January 2015	1,880,154	80,000	(49,772)	1,910,382
Total comprehensive expense for the period	-	-	(10,965)	(10,965)
Balance as at 31 March 2015	<u>1,880,154</u>	<u>80,000</u>	<u>(60,737)</u>	<u>1,899,417</u>

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 2015	As at 31 Mar 2014
Conversion right of convertible bond	250,000,000	250,000,000

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.

The total number of issued shares excluding treasury shares as at 31 March 2015 and 31 March 2014 were 4,824,965,112. The company does not hold any treasury shares as at 31 March 2015 and 31 March 2014.

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 Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements as at 31 December 2014.

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 that in the current financial year, the Group has adopted the new and revised standards and interpretations of FRS (INT FRS that are effective for annual periods beginning on or after 1 January 2015). The adoption of these standards and interpretations does not have any effect on the financial performance or position of the Group and the Company.

Prior year adjustment in accordance with FRS 103 Business Combinations

The comparative figures for 1Q 2014 have been restated to reflect the effects of the retrospective adjustment arising from the finalisation of the provisional Purchase Price Allocation (PPA), relating to the acquisition of 52.35% of PT Indomobil Sukses Internasional Tbk ("PT IMAS") which was acquired during the financial year ended 31 December 2013.

In accordance with FRS 103 Business Combinations, the provisional goodwill previously recognised has been retrospectively adjusted to reflect the recognition of dealership, distributorship, inventory and associates.

Accordingly, the results for 1Q 2014 have been restated to include amortisation and the corresponding reduction in income tax from the finalisation of the PPA exercise. The amortisation charged, income tax and non-controlling interests have been restated by S\$4,056,000, S\$1,014,000 and S\$868,000 respectively.

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 profit attributable to equity holders of the company:

	Group	
	1st Qtr 2015	1st Qtr 2014 Restated
Net profit attributable to equity owners of the Company (S\$'000)	(10,410)	(5,076)
(i) Based on the weighted average number of ordinary shares on issue (cents)	(0.216)	(0.105)
(ii) On a fully diluted basis (cents) ⁽¹⁾	(0.216)	(0.105)

⁽¹⁾ 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.**

	Group		Company	
	31.03.15	31.03.14 Restated	31.03.15	31.03.14
Net asset value per ordinary share	41.30 cents	41.34 cents	39.37 cents	40.18 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 4,824,965,112 ordinary shares as at 31 March 2015 and 31 March 2014.

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 2015 (1Q 2015) vs. 1st Quarter 2014 (1Q 2014) (Restated)

Profit & Loss Statement

IMAS's 1Q 2015 revenue was approximately S\$536.4 million as compared to S\$485.4 million in a weaker 1Q 2014. The Group (excluding IMAS) registered marginally higher revenue of S\$40.9 million as compared to S\$40.8 million in 1Q 2014. Consolidated Group revenue was S\$577.3 million, representing 9.7% higher than 1Q 2014's S\$526.2 million. Higher Group revenue was mainly due to higher passenger car sales and spare parts sales in IMAS.

IMAS's 1Q 2015 cost of sales was approximately S\$467.0 million as compared to previous period's S\$422.5 million. Group's (excluding IMAS) cost of sales was S\$33.7 million as compared to S\$35.4 million in 1Q 2014. Consolidated Group's cost of sales was S\$500.7 million, higher than 1Q 2014's S\$457.9 million and was in line with higher revenue from the automotive segment. Accordingly, the Group registered higher gross profit of S\$76.6 million in 1Q 2015 as compared to S\$68.3 million in 1Q 2014.

IMAS's 1Q 2015 "general and administrative expenses" was S\$31.0 million as compared to S\$29.9 million in 1Q 2014. The Group's (excluding IMAS) "general and administrative expenses" was S\$4.0 million as compared to 1Q2014's S\$2.9 million. The Consolidated Group's "general and administrative expenses" was S\$39.0 million as compared to 1Q 2014's S\$36.8 million. Higher expenses were mainly due to higher manpower costs and provision for doubtful debts in the automotive segment.

IMAS's 1Q 2015 "other operating expenses" was S\$36.3 million as compared to 1Q2014's S\$30.6 million. The Group's (excluding IMAS) "other operating expenses" was S\$5.1 million as compared to S\$5.1 million in 1Q 2014. The Consolidated Group's "other operating expenses" was S\$41.4 million as compared to 1Q 2014's S\$35.7 million. Higher expenses were mainly due higher rental expenses and vehicle packing and delivery expenses.

IMAS's 1Q 2015 "other income net of other expenses" was S\$23.1 million as compared to S\$21.2 million in 1Q 2014. The Group's (excluding IMAS) "other income net of other expenses" was S\$3.1 million as compared to S\$1.0 million in 1Q 2014. The Consolidated Group's "other income net of other expenses" was S\$26.2 million in 1Q 2015 which was higher than 1Q 2014's S\$22.2 million. This was mainly due to gain on disposal of investments.

IMAS's 1Q 2015 "finance costs" was S\$18.0 million as compared to S\$16.2 million in 1Q 2014. The Group's (excluding IMAS) "finance costs" was S\$13.4 million as compared to S\$9.9 million in 1Q 2014. The Consolidated Group's "finance costs" was S\$31.4 million as compared to S\$26.1 million in 1Q 2014. Higher Group's "finance costs" was mainly due to higher IMAS Acquisition related interest cost and higher interest rates on the bank borrowings.

The Group's 1Q 2015 "share of associates' results" was S\$1.6 million loss as compared to 1Q 2014's S\$1.8 million loss and was mainly due price competition in the vehicle assembly business which has impacted IMAS associates' margin.

IMAS's 1Q 2015 net profit was S\$2.2 million as compared to S\$6.9 million in 1Q 2014. Excluding IMAS, the net loss attributable to the equity holders of the Company was S\$10.9 million as compared to S\$9.8 million loss in 1Q 2014. Higher loss was mainly due to higher interest cost on IMAS Acquisition related loans.

Balance Sheet

The Group's property, plant and equipment was higher than FY2014's and was mainly due addition of new car showrooms and service centers in Indonesia.

The Group's cash and bank balances as at 31 March 2015 were S\$165.3 million, representing S\$4.0 million increase from FY2014's S\$161.3 million. The increase was mainly due to proceeds raised from bond issue for partial refinancing of the existing syndicated term loans. The Group's borrowings and debt securities as at 31 March 2015 were S\$2.3 billion. Of the total debt of S\$2.3 billion, S\$824.9 million relates to IMAS' financial services business.

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 the Group continues to expand its vehicle dealership and service center network in Indonesia, it remains mindful of weakening Indonesian Rupiah and high interest cost.

The Industrial Park and Utilities business are recovering from last global crisis while businesses remain challenging and electricity consumption is expected to remain low. With increasing labour cost, foreign currency volatilities and potential surcharge on natural gas purchase, the Industrial Parks' and Utilities' margin will be impacted.

The Group will continue to deliver resorts land sales and is hopeful of continued contributions from Phase 1 of the Lagoi Bay Development and incremental utility and support service revenue from new hotel openings in Bintan.

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 2015.

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 2015 was as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
PURCHASES		
PT Indomarco Prismaatama Purchases		458
PT Nikko Securities Purchases		194
SALES		
PT Alam Indah Bintan Sales		(559)
PT Straits CM Village Sales		(639)
PT Indomarco Prismaatama Sales		(117)
PT Swadharna Indotama Finance Sales		(106)
CONVERTIBLE BOND		
PT Alam Indah Bintan Interest income	(610)	

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
11 MAY 2015

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 2015 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: 11 MAY 2015