

GALLANT VENTURE LTD

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**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT****UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

The Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the financial period ended 31 March 2007.

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

	Quarter ended 31 Mar		Variance %
	Group Actual 1Q07 S\$'000	Proforma 1Q06 S\$'000	
Revenue	54,536	61,771	(11.7)
Cost of sales	<u>(40,123)</u>	<u>(49,047)</u>	18.2
Gross profit	14,413	12,724	13.3
General and administration expenses	(1,329)	(800)	(66.1)
Other operating expenses	(7,841)	(6,616)	(18.5)
Other income	352	935	(62.4)
Interest income	926	1,070	(13.5)
Financing costs	(1,871)	(1,864)	(0.4)
Exchange differences	611	(899)	N.M.
Share of associate results	67	92	(27.2)
Profit before taxation	5,328	4,642	14.8
Taxation	<u>(3,974)</u>	<u>(4,566)</u>	13.0
Profit for the period before minority interests	<u>1,354</u>	<u>76</u>	1,681.6
Attributable to:			
Shareholders of the Company	1,757	402	337.7
Minority Interests	<u>(403)</u>	<u>(326)</u>	(23.6)
	<u>1,354</u>	<u>76</u>	1,681.6

N.M. denotes "Not Meaningful"

For the purpose of this announcement, the Proforma comparative financial information of the Group for the period ended 31 March 2006 has been prepared based on the assumption that the Group structure arising from the restructuring exercise as described in the Prospectus dated 28 April 2006 has been in place since 1 January 2006.

1(a)(ii). Profit before income tax is arrived at after charging/(crediting) the following significant items.

	Quarter ended 31 Mar	
	Group Actual 1Q07 S\$'000	Proforma 1Qtr06 S\$'000
Amortization of software costs	16	8
Depreciation of property, plant and equipment	8,451	7,166
Depreciation of investment properties	5,709	4,750

1(b)(i). A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group	Group	Company	
	Actual	Actual	Actual	
	As at	As at	As at	As at
	31.03.07	31.12.06	31.03.07	31.12.06
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	384,451	388,567	180	194
Land under development	-	-	-	-
Investment properties	336,054	336,940	-	-
Subsidiaries	-	-	1,205,212	1,205,212
Associated companies	1,232	1,155	-	-
Deferred tax assets	5,244	5,493	-	-
Intangible assets	110	126	11	14
Other non-current assets	64,353	65,382	23	-
	<u>791,444</u>	<u>797,663</u>	<u>1,205,426</u>	<u>1,205,420</u>
Current assets				
Land inventory	551,011	551,011	-	-
Inventories	12,459	12,732	-	-
Trade and other receivables	84,454	71,940	88,024	88,061
Restricted cash	1,085	908	-	-
Cash and bank balances	53,112	66,934	2,596	2,387
	<u>702,121</u>	<u>703,525</u>	<u>90,620</u>	<u>90,448</u>
Total assets	<u>1,493,565</u>	<u>1,501,188</u>	<u>1,296,046</u>	<u>1,295,868</u>
Non-current liabilities				
Deposits from tenants/golf membership	37,563	40,102	-	-
Employee benefit liabilities	3,815	5,049	-	-
Deferred tax liability	105	106	-	-
Loans and borrowings	77,877	80,020	46,000	66,000
	<u>119,360</u>	<u>125,277</u>	<u>46,000</u>	<u>66,000</u>
Current liabilities				
Trade and other payables	60,770	67,702	25,689	11,776
Taxes payable	907	1,585	-	-
Current portion of loans and borrowings	48,274	43,286	32,000	24,000
	<u>109,951</u>	<u>112,573</u>	<u>57,689</u>	<u>35,776</u>
Total liabilities	<u>229,311</u>	<u>237,850</u>	<u>103,689</u>	<u>101,776</u>
Share capital	<u>1,205,212</u>	<u>1,205,212</u>	<u>1,205,212</u>	<u>1,205,212</u>
Translation reserve	215	653	-	-
Retained profits/(accumulated losses)	26,339	24,582	(12,855)	(11,120)
Equity attributable to equity holders				
of the Company	1,231,766	1,230,447	1,192,357	1,194,092
Minority interests	32,488	32,891	-	-
Total equity	<u>1,264,254</u>	<u>1,263,338</u>	<u>1,192,357</u>	<u>1,194,092</u>
Total liabilities and equity	<u>1,493,565</u>	<u>1,501,188</u>	<u>1,296,046</u>	<u>1,295,868</u>

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

	Group Actual As at 31.03.07 S\$'000	Group Actual As at 31.12.06 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	48,274	43,286
Unsecured	-	-
	48,274	43,286
(ii) Amount repayable after one year		
Secured	56,440	60,725
Unsecured	21,437	19,295
	77,877	80,020
TOTAL	126,151	123,306

(iii) Details of any collaterals

The following assets of the Group were mortgaged to lenders to secure credit facilities for the Company and the Group:

- (a) Assignment of accounts receivables of PT Batamindo Investment Cakrawala and the related bank account maintained for collections of such accounts receivables;
- (b) Deed of debenture creating a fixed and floating charge over Bintan Resorts Ferry's assets both present and future including goodwill and uncalled capital and first legal mortgage on the vessels;
- (c) Pledge of shares in the capital of PT Batamindo Investment Cakrawala and PT Suakajaya Indawahana;
- (d) Deed of assignment and charge, whereby the Group has assigned and charged to United Overseas Bank Ltd all its rights, title and interest in dividends arising from, *inter alia*, the shares pledged as mentioned in (c) above.

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 Actual 31.03.07 S\$'000	Group Proforma 31.03.06 S\$'000
Cash flows from operating activities		
Profit before taxation	5,328	4,642
Adjustments for:		
Depreciation of property, plant and equipment/investment properties	14,160	11,916
Exchange translation difference	(237)	(4,637)
Interest expense	1,871	1,864
Interest income	(926)	(1,070)
Share of associate profit	(67)	(92)
Amortisation of software costs	16	8
Cash from operations before changes in working capital	20,145	12,631
Changes in working capital		
Trade and others receivables	(13,287)	(16,021)
Inventories	274	(1,024)
Owing by related parties	772	5,006
Trade and other payables	(1,821)	7,943
Owing to related parties	13,956	6,332
Net cash from operations	20,039	14,867
Income tax paid	(3,494)	(5,698)
Interest paid	(1,871)	(700)
Interest received	926	1,650
Deposits (refunded to)/received from tenants/golf members	(2,538)	521
Net cash from operating activities	13,062	10,640
Cash flows from investing activities		
Acquisition of property, plant and equipment	(9,158)	(14,985)
Deposits refunded	1,028	-
Net cash used in investing activities	(8,130)	(14,985)
Cash flows from financing activities		
Increase in restricted cash	(177)	(4,470)
Loan from financial institutions	-	23,501
Repayment of loan to financial institutions	(18,577)	(13,125)
Net cash (used in)/generated from financing activities	(18,754)	5,906
Net (decrease)/increase in cash and cash equivalents	(13,822)	1,561
Cash and cash equivalents at beginning	66,934	56,283
Cash and cash equivalents at end	53,112	57,844

1(d). 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

	Share capital S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Minority Interest S\$'000	Total S\$'000
The Group Actual					
Balance as at 1 January 2006	*	-	(4,444)	-	(4,444)
Net profit for the period	-	-	(1,323)	-	(1,323)
Balance as at 31 March 2006	*	-	(5,767)	-	(5,767)
Balance as at 1 January 2007	1,205,212	653	24,582	32,891	1,263,338
Currency translation difference	-	(438)	-	-	(438)
Net profit for the period	-	-	1,757	(403)	1,354
Balance as at 31 March 2007	1,205,212	215	26,339	32,488	1,264,254

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 January 2006	*	(4,444)	(4,444)
Net loss for the period	-	(1,323)	(1,323)
Balance as at 31 March 2006	*	(5,767)	(5,767)
Balance as at 1 January 2007	1,205,212	(11,120)	1,194,092
Net loss for the period	-	(1,735)	(1,735)
Balance at 31 March 2007	1,205,212	(12,855)	1,192,357

Note:

* The share capital of the Group and the Company as at 31 March 2006 was S\$2

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 at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

No change since the end of the last quarter reported on.

2. *Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.*

The Group financial results have not been audited nor 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 policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2006.

5. *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reason for, and the effect of, the change.*

The Group has adopted new/revised FRS that have become effective for the financial year beginning 1 January 2007. The Group does not expect the adoption of the new/revised FRS to have any 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)*

Prior to the restructuring exercise as described in the Prospectus dated 28 April 2006, the Company had 20 shares in issuance. After the restructuring exercise and the subsequent listing of the Company on 6 June 2006, the Company has 2,410,423,184 shares in issuance. For the purpose of this earning per share calculation, the Group has assumed that the 2,410,423,184 shares had been in issuance since 1 January 2006.

The earning per share of the Group for the financial period based on net profit attributable to shareholders:

	Actual	Proforma
	1Q2007	1Q2006
Earnings (S\$'000)	1,757	402
Earnings per Share (cents)		
(basic and diluted basis)		
Based on the number of shares in issue		
2,410,423,184 shares	0.07	0.02

7. *Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.*

	Group Actual 31.03.2007	Group Actual 31.12.2006	Company	
			31.03.2007	31.12.2006
Net asset value per ordinary share (cents)	51.10	51.05	49.47	49.54

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each quarter divided by the share capital of 2,410,423,184 ordinary shares.

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.*

1Q07 (Actual) vs. 1Q06 (Proforma)

In 1Q07 the Group revenue and gross profit was S\$54.5 million and S\$14.4 million respectively compared to 1Q06's revenue and gross profit of S\$61.8 million and S\$12.7 million respectively. The Gross Margin was 26.4% for 1Q07 and 20.6% for 1Q06. The higher margin was mainly due to lower operating cost arising from conversion of power plants in Batamindo Industrial Park to gas-fired. Accordingly, the Group's net profit attributable to shareholders improved from 1Q06's S\$0.4 million to S\$1.8 million in 1Q07.

As at 31 March 2007, total shareholders' funds' for the Group increased by 0.1% or S\$1.3 million to S\$1.23 billion.

Cash and cash equivalent in 1Q07 was S\$53.1 million or 20.7% lower than in 4Q06 mainly due to repayment of loans and borrowings to financial institutions.

9. *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

The Group and the Company did not disclose to its shareholders on forecast for the current financial period.

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.*

Our Industrial Park business environment continues to be competitive as we face pressure on our rental rates from other industrial parks.

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 2007.

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 2007, were 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		
SembCorp Parks Management Pte Ltd		
Marketing remuneration fees	-	432
Reimbursement of staff secondment expense	-	656
Total		<u>1,088</u>
Island Leisure International Pte Ltd		
Management fee	-	459
SALES		
PT Alam Indah Bintang		
Sales	-	(1,023)
PT Straits CM Village		
Sales	-	(832)

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY

4th May 2007

Asian Corporate Advisors Pte Ltd ("ACA") and Genesis Capital Pte Ltd ("Genesis") were the Issue Managers of Gallant Venture Ltd.'s listing exercise. ACA and Genesis assume no responsibility for the contents of this announcement.


STATEMENT BY DIRECTORS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

To the best of our knowledge, nothing has come to the attention of the Board of Directors of Gallant Venture Ltd. which may render the 1st quarter financial results ended 31 March 2007 to be false or misleading.

For and on behalf of the Board



Eugene Cho Park
CEO / Executive Director



Gianto Gunara
Executive Director

4th May 2007