

**First Quarter 2009 Financial Statements and Dividend Announcement****UNAUDITED RESULTS FOR FIRST QUARTER 2009 ENDED 31 MARCH 2009**

The Board of Directors of Gallant Venture Ltd announces the following unaudited results of the Group for the period ended 31 March 2009.

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		
	1st Qtr 2009	1st Qtr 2008	Incr/(Decr)
	S\$'000	S\$'000	%
Revenue	45,996	55,692	(17.4)
Cost of sales	(36,778)	(40,598)	(9.4)
Gross profit	9,218	15,094	(38.9)
General and administrative expenses	(1,931)	(1,856)	4.0
Other operating expenses	(6,441)	(6,004)	7.3
Other income net of other expenses	357	575	(37.9)
Interest income	609	909	(33.0)
Finance costs	(722)	(884)	(18.3)
Exchange gain	64	188	(66.0)
Share of associated company's profit	5	58	(91.4)
Profit before tax	1,159	8,080	(85.7)
Taxation	(3,332)	(7,304)	(54.4)
(Loss)/Profit after tax for the period	(2,173)	776	(380.0)
Other comprehensive income:			
Exchange differences on translating foreign operations	64	679	(90.6)
Other comprehensive income for the period	64	679	(90.6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(2,109)	1,455	(244.9)
Profit attributable to:			
Equity holders of the Company	(1,917)	1,104	(273.6)
Minority Interests	(256)	(328)	(22.0)
	(2,173)	776	(380.0)
The comprehensive income attributable to:			
Equity holders of the Company	(1,853)	1,784	(203.9)
Minority Interests	(256)	(329)	(22.2)
	(2,109)	1,455	(244.9)

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

	Group	
	1st Qtr 2009 S\$'000	1st Qtr 2008 S\$'000
Amortization of intangible assets	74	23
Depreciation of property, plant and equipment	8,143	9,813
Depreciation of investment properties	5,617	4,159
Loss on disposal of property, plant and equipment	0	4



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		Company	
	31.03.09 S\$'000	31.12.08 S\$'000	31.03.09 S\$'000	31.12.08 S\$'000
Non-current assets				
Intangible assets	1,445	1,483	5	7
Property, plant and equipment	381,948	368,879	323	343
Investment properties	292,921	295,209	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	807	802	-	-
Deferred tax assets	6,497	6,507	-	-
Loan receivables	62,046	62,046	-	-
Other non-current assets	2,848	2,944	-	-
	<u>748,512</u>	<u>737,870</u>	<u>1,207,970</u>	<u>1,207,992</u>
Current assets				
Land inventories	550,422	549,918	-	-
Other inventories	13,140	15,588	-	-
Trade and other receivables	69,633	70,593	123,554	102,285
Cash and bank balances	104,051	89,867	1,541	1,124
	<u>737,246</u>	<u>725,966</u>	<u>125,095</u>	<u>103,409</u>
Total assets	<u>1,485,758</u>	<u>1,463,836</u>	<u>1,333,065</u>	<u>1,311,401</u>
Non-current liabilities				
Deposits from tenants/golf membership	34,716	36,100	-	-
Employee benefits liabilities	5,697	5,527	-	-
Deferred tax liabilities	567	583	-	-
Loans and borrowings	54,827	34,420	51,827	34,420
	<u>95,807</u>	<u>76,630</u>	<u>51,827</u>	<u>34,420</u>
Current liabilities				
Trade and other payables	54,148	50,617	4,314	3,573
Current tax payable	8,945	7,637	-	-
Current portion of loans and borrowings	51,456	51,441	73,333	67,746
	<u>114,549</u>	<u>109,695</u>	<u>77,647</u>	<u>71,319</u>
Total liabilities	<u>210,356</u>	<u>186,325</u>	<u>129,474</u>	<u>105,739</u>
Equity				
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(916)	(980)	-	-
Retained profits/(accumulated losses)	37,942	39,859	(4,051)	(1,980)
Equity attributable to equity holders of the Company	<u>1,244,668</u>	<u>1,246,521</u>	<u>1,203,591</u>	<u>1,205,662</u>
Minority Interest	<u>30,734</u>	<u>30,990</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,275,402</u>	<u>1,277,511</u>	<u>1,203,591</u>	<u>1,205,662</u>
Total liabilities and equity	<u>1,485,758</u>	<u>1,463,836</u>	<u>1,333,065</u>	<u>1,311,401</u>

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

	Group	
	31.03.09 S\$'000	31.12.08 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	36,320	32,900
Unsecured	15,136	18,541
	51,456	51,441
(ii) Amount repayable after one year		
Secured	54,827	34,420
Unsecured	-	-
	54,827	34,420
TOTAL	106,283	85,861

(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 refundment guarantees of the vessels during the construction;
- b. Assignment of hull and machinery and protection and indemnity insurances with respect to the vessels;
- c. All-monies first preferred mortgage on the vessels upon completion;
- d. Pledge of shares in the capital of PT Batamindo Investment Cakrawala ("PT BIC");
- e. Deed of assignment and charge, whereby the companies have assigned and charged to the bank all its rights, title and interest in dividends arising from; inter alia, the shares pledged as mentioned in (d) above;
- f. Assignment of accounts receivable of PT BIC and the related bank account with United Overseas Bank Limited ("UOBL") which is maintained for the collections of such accounts receivables;
- g. Deed of debenture creating a fixed and floating charge over Bintan Resorts Ferries Pte Ltd ("BRF")'s assets both present and future including goodwill and uncalled capital;
- h. First legal mortgage on BRF's vessels;
- i. Corporate Guarantee from PT Bintan Resort Cakrawala ("PT BRC");
- j. A "hull and machinery and war" insurance on BRF's vessels; and
- k. Credit agreement between the Group and its banker.



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	
	31.03.09 S\$'000	31.03.08 S\$'000
Cash flows from operating activities		
Profit before taxation	1,159	8,080
Adjustments for:		
Amortisation of intangible assets	74	23
Depreciation of property, plant and equipment	8,143	9,813
Depreciation of investment properties	5,617	4,159
Currency translation difference	64	584
Provision for employee benefits	186	-
Loss on disposal of property, plant & equipment	-	4
Share of associated companies' profits	(5)	(58)
Interest expense	722	884
Interest income	(609)	(909)
Cash from operations before changes in working capital	15,351	22,580
Changes in working capital		
Increase in land inventories	(504)	(212)
Decrease in other inventories	2,448	136
Decrease/(Increase) in operating receivables	960	(5,034)
Increase/(decrease) in operating payables	2,983	(842)
Cash generated from operating activities	21,238	16,628
Income tax paid	(1,309)	(9,838)
Employee benefits paid	(17)	(781)
Interest paid	(894)	(2,070)
Interest received	609	909
Deposits refunded to tenants/golf members	(1,384)	(296)
Net cash generated from operating activities	18,243	4,552
Cash flows from investing activities		
Acquisition of intangible assets	(36)	(6)
Acquisition of property, plant and equipment	(24,541)	(2,122)
Proceeds from disposal of property, plant and equipment	-	579
Deposits received/(paid)	96	(1,299)
Net cash used in investing activities	(24,481)	(2,848)
Cash flows from financing activities		
Increase in fixed deposits pledged with a bank	127	594
Loan from financial institutions	25,929	-
Repayment of bank loan	(5,507)	(18,102)
Net cash generated from/(used in) financing activities	20,549	(17,508)
Net increase/(decrease) in cash and cash equivalents	14,311	(15,804)
Cash and cash equivalents at beginning of period	78,454	81,639
Cash and cash equivalents at end of period	92,765	65,835
The Group		
Cash and bank balances	104,051	68,517
Less: Bank deposits pledged	(11,286)	(2,682)
Cash and cash equivalents	92,765	65,835



- 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 2009:

	Share capital S\$'000	Translation reserves S\$'000	Retained profits S\$'000	Attributable to equity holders of the Company S\$'000	Minority Interest S\$'000	Total S\$'000
Balance as at 1 January 2008	1,207,642	(730)	39,302	1,246,214	32,606	1,278,820
Currency translation difference	-	680	-	680	(1)	679
Net profit for the period	-	-	1,104	1,104	(328)	776
Total recognised income for the period	-	680	1,104	1,784	(329)	1,455
Balance as at 31 March 2008	1,207,642	(50)	40,406	1,247,998	32,277	1,280,275
Balance as at 1 January 2009	1,207,642	(980)	39,859	1,246,521	30,990	1,277,511
Currency translation difference	-	64	-	64	-	64
Net loss for the period	-	-	(1,917)	(1,917)	(256)	(2,173)
Total recognised income and (expense) for the period	-	64	(1,917)	(1,853)	(256)	(2,109)
Balance as 31 March 2009	1,207,642	(916)	37,942	1,244,668	30,734	1,275,402

Statement of changes in equity of the Company for the period ended 31 March 2009:

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2008	1,207,642	(16,635)	1,191,007
Net profit for the period	-	20,586	20,586
Total recognised income for the period	-	20,586	20,586
Balance as at 31 March 2008	1,207,642	3,951	1,121,593
Balance as at 1 January 2009	1,207,642	(1,980)	1,205,662
Net loss for the period	-	(2,071)	(2,071)
Total recognised expense for the period	-	(2,071)	(2,071)
Balance as at 31 March 2009	1,207,642	(4,051)	1,203,591



- 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.**

None

- 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 2009 and 31 March 2008 were 2,412,482,556.

- 1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasure 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 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.**

Except as disclosed in paragraph 5 below, 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 2008.

- 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 Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS.



The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of 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)/earnings per ordinary share for the period based on profit attributable to shareholders:

	Group	
	1st Quarter 2009 S\$'000	1st Quarter 2008 S\$'000
(Loss)/earnings	(1,917)	1,104
Based on weighted number of ordinary shares in issue – 2,412,482,556 in 2008 and 2007 respectively	(0.08 cents)	0.05 cents

There was no dilutive effect on Earnings 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	
	31.03.09	31.12.08	31.03.09	31.12.08
Net asset value per ordinary share	51.59 cents	51.67 cents	49.89 cents	49.98 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 2,412,482,556 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.

1st Quarter 2009 (1Q2009) vs. 1st Quarter 2008 (1Q2008)

The Group's revenue for 1Q2009 was S\$46.0 million, which was 17.4% lower than 1Q2008's S\$55.7 million. The lower revenue in 1Q2009 was mainly due to:

- Lower utility revenue as a result of decreased demand from tenants in the Industrial Parks;
- Withdrawal of several tenants in late FY2008 caused lower factory and dormitory rental revenue; and
- No recognition of factory / land sale in 1Q2009 as compared to 1Q2008's S\$2.5 million.



In line with the lower revenue, the Group's cost of sales decreased from S\$40.6 million in 1Q2008 to S\$36.8 million in 1Q2009. As a result of the decreased sales, the Group's gross profit was reduced to S\$9.2 million.

The Group's 1Q2009 other operating expenses increased to S\$6.4 million from 1Q2008's S\$6.0 million. This was mainly due to higher repair and maintenance cost for our vessels.

The Group recognised lower other income of S\$0.4 million in 1Q2009 as compared to 1Q2008's S\$0.6 million and this was mainly due to lower contribution of fee income from the telecommunication and resort operations businesses. With lower bank deposit rates, the Group's 1Q2009 interest income of S\$0.6 million was 33.0% lower than 1Q2008's S\$0.9 million.

With regular repayment of external bank borrowings, the Group's interest expenses reduced from 1Q2008's S\$0.9 million to S\$0.7 million in 1Q2009.

The Group's tax expense in 1Q2009 was S\$3.3 million as compared to 1Q2008's S\$7.3 million, representing a 54.4% reduction. This was mainly due to one-time S\$2 million withholding tax payment in 1Q2008 and lower revenue in 1Q2009. Significant portion of the Group's Indonesia-sourced income is taxed on a 10% final tax basis (i.e. corporate taxation is computed on 10% of gross rental and service revenue). In addition, tax losses in loss-making subsidiaries are not available for offset against taxable profit in profitable subsidiaries. Consequently, the Group's tax expense was S\$3.3 million.

Accordingly, the Group recognised a net loss attributable to shareholders of S\$1.9 million in 1Q2009 as compared 1Q2008's profit of S\$1.1 million.

Balance Sheet

As at 31 March 2009, the Group's Property, Plant & Equipment increased from FY2008's S\$368.9 million to S\$381.9 million and was mainly due to acquisition of ferries for our resorts operation business.

With improved collections from trade receivables and lower other inventories level the Group's total cash and bank balances increased from FY2008's S\$89.9 million to S\$104.1 million as at 31 March 2009.

The Group's loans and borrowings increased by S\$20.4 million to S\$106.3 million, as compared to FY2008, and was mainly due to additional borrowings for purchase of ferries.

Cash Flow

In 1Q2009, the Group's net cash flow from operations was S\$18.2 million and was mainly due to improved collections from trade receivables and lower other inventory level. In this Quarter, the Group made progressive payment, amounted to S\$20.4 million, for purchase of ferries and resulted in increased cash used for investing activities. Correspondingly, net increase in bank borrowings increased by S\$20.4 million.

The Group's total cash and bank balances were S\$104.1 million, representing a S\$14.2 million increase from FY2008's S\$89.9 million.

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.

The slower global demand has affected the manufacturing activities in our industrial parks. Tenants have scaled down their operations and this has impacted our industrial park businesses. The investment sentiment in Bintan has also been sluggish. Investors in property development in Bintan are deferring their decisions on investment.

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 2009.

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 2009 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 Herwido Rintis Management fee	-	142
PT Tunas Karya Management fee	-	124
SALES		
PT Alam Indah Bintan Sales	-	(898)
PT Straits CM Village Sales	-	(842)

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BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY
11 May 2009

CONFIRMATION 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 first quarter 2008 financial results to be false or misleading.

For and on behalf of the Board

Eugene Cho Park
CEO / Executive Director

Gianto Gunara
Executive Director

11 May 2009