

**GALLANT VENTURE LTD**

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**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT****UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

The Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the financial period ended 30 September 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 30 Sep			YTD 30 Sep			Group Actual 9 mth 06 S\$'000
	Group Actual		Variance %	Group Actual	Proforma	Variance %	
	3Q07 S\$'000	3Q06 S\$'000		9 mth 07 S\$'000	9 mth 06 S\$'000		
Revenue	55,668	57,570	(3.3)	179,301	181,114	(1.0)	98,798
Cost of sales	(41,780)	(46,025)	9.2	(130,891)	(141,320)	7.4	(78,338)
Gross profit	13,888	11,545	20.3	48,410	39,794	21.7	20,460
General and administration expenses	(1,833)	(1,007)	(82.0)	(5,203)	(3,109)	(67.4)	(2,449)
Other operating expenses	(8,025)	(5,643)	(42.2)	(21,785)	(20,032)	(8.8)	(10,787)
Other income/(expenses)	1,184	1,204	(1.6)	1,827	2,043	(10.6)	14,484
Interest income	337	1,003	(66.4)	2,093	3,189	(34.4)	1,996
Financing costs	(928)	(2,050)	54.7	(4,516)	(5,715)	21.0	(4,789)
Exchange differences	(299)	707	(142.2)	(56)	988	N.M.	1,584
Share of associate results	58	51	13.7	7	257	(97.3)	131
Profit before taxation	4,382	5,810	(24.6)	20,777	17,415	19.3	20,630
Taxation	(4,414)	(4,438)	0.6	(12,312)	(13,475)	8.6	(7,411)
Profit for the period before minority interests	(32)	1,372	N.M.	8,465	3,940	114.8	13,219
Attributable to:							
Shareholders of the Company	250	1,682	(85.1)	8,351	5,035	65.9	13,830
Minority Interests	(282)	(310)	9.3	114	(1,095)	N.M.	(611)
	(32)	1,372	N.M.	8,465	3,940	114.8	13,219

N.M. denotes "Not Meaningful"

For the purpose of this announcement, the Proforma comparative financial information of the Group for the period ended 30 September 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.

The Group Actual 9 months 2006 comprises the performance of the Company since 1 January 2006 and that of the acquired subsidiaries since 28 April 2006.

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

	Quarter ended		YTD 30 Sep		
	30 Sep		Group	Proforma	Group
	Group Actual		Actual		Actual
	3Q07	3Qtr06	9 mth 07	9 mth 06	9 mth 06
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Amortization of software costs	20	13	58	45	27
Depreciation of property, plant and equipment	8,155	9,222	24,885	24,611	16,433
Depreciation of investment properties	5,741	5,982	17,186	13,633	9,447
Provision for impairment loss on trade receivables	-	18	-	39	18
Gain on disposal of property, plant and machinery	(44)	(49)	(48)	(49)	(49)
Excess of share of fair value of assets and liabilities of subsidiaries acquired over purchase consideration written off	-	-	-	-	13,360

(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 Actual		Company	
	As at 30.09.07 S\$'000	As at 31.12.06 S\$'000	As at 30.09.07 S\$'000	As at 31.12.06 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	375,857	388,567	184	194
Investment properties	334,281	336,940	-	-
Subsidiaries	-	-	1,207,642	1,205,212
Associated companies	1,072	1,155	-	-
Deferred tax assets	5,243	5,493	-	-
Intangible assets	1,404	126	7	14
Other non-current assets	64,261	65,382	23	-
	<u>782,118</u>	<u>797,663</u>	<u>1,207,856</u>	<u>1,205,420</u>
<b>Current assets</b>				
Land inventory	545,131	551,011	-	-
Inventories	10,315	12,732	-	-
Trade and other receivables	67,604	71,940	89,113	88,061
Restricted cash	6,430	908	-	-
Cash and bank balances	73,012	66,934	1,423	2,387
	<u>702,492</u>	<u>703,525</u>	<u>90,536</u>	<u>90,448</u>
<b>Total assets</b>	<u>1,484,610</u>	<u>1,501,188</u>	<u>1,298,392</u>	<u>1,295,868</u>
<b>Non-current liabilities</b>				
Deposits from tenants/golf membership	38,391	40,102	-	-
Employee benefit liabilities	3,922	5,049	-	-
Deferred tax liability	103	106	-	-
Loans and borrowings	62,006	80,020	34,000	66,000
	<u>104,422</u>	<u>125,277</u>	<u>34,000</u>	<u>66,000</u>
<b>Current liabilities</b>				
Trade and other payables	60,907	67,702	39,727	11,776
Taxes payable	6,589	1,585	-	-
Current portion of loans and borrowings	40,503	43,286	32,000	24,000
	<u>107,999</u>	<u>112,573</u>	<u>71,727</u>	<u>35,776</u>
<b>Total liabilities</b>	<u>212,421</u>	<u>237,850</u>	<u>105,727</u>	<u>101,776</u>
<b>Share capital</b>	<u>1,207,642</u>	<u>1,205,212</u>	<u>1,207,642</u>	<u>1,205,212</u>
<b>Translation reserve</b>	<u>(32)</u>	<u>653</u>	<u>-</u>	<u>-</u>
<b>Retained profits/(accumulated losses)</b>	<u>32,933</u>	<u>24,582</u>	<u>(14,977)</u>	<u>(11,120)</u>
<b>Equity attributable to equity holders of the Company</b>	<u>1,240,543</u>	<u>1,230,447</u>	<u>1,192,665</u>	<u>1,194,092</u>
<b>Minority interests</b>	<u>31,646</u>	<u>32,891</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>1,272,189</u>	<u>1,263,338</u>	<u>1,192,665</u>	<u>1,194,092</u>
<b>Total liabilities and equity</b>	<u>1,484,610</u>	<u>1,501,188</u>	<u>1,298,392</u>	<u>1,295,868</u>

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

	<b>Group Actual</b>	
	<b>As at 30.09.07 S\$'000</b>	<b>As at 31.12.06 S\$'000</b>
(i) Amount payable in one year or less, or on demand		
Secured	<b>40,503</b>	43,286
Unsecured	-	-
	<b>40,503</b>	43,286
(ii) Amount repayable after one year		
Secured	<b>42,711</b>	60,725
Unsecured	<b>19,295</b>	19,295
	<b>62,006</b>	80,020
TOTAL	<b>102,509</b>	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	
	30.09.07	30.09.06
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	20,777	20,630
Adjustments for:		
Depreciation of property, plant and equipment/investment properties	42,071	25,880
Exchange translation difference	(726)	1,010
Interest expense	4,516	4,789
Interest income	(2,093)	(1,996)
Share of associate profit	(7)	(131)
Gain on sale of property, plant & equipment	(48)	(49)
Amortisation of software costs	58	27
Negative goodwill written-off	-	(13,360)
Cash from operations before changes in working capital	64,548	36,800
Changes in working capital		
Trade and others receivables	3,757	34,566
Land Inventories	5,879	422
Inventories	2,417	3,774
Owing by related parties	580	103,266
Trade and other payables	3,399	(48,005)
Owing to related parties	14,365	(102,780)
Net cash from operations	94,945	28,043
Income tax paid	(10,999)	(2,503)
Interest paid	(4,516)	(4,789)
Interest received	2,093	1,996
Deposits refunded to tenants/golf members	(1,711)	(153)
<b>Net cash from operating activities</b>	<b>79,812</b>	<b>22,594</b>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(23,035)	(19,855)
Acquisition of investment properties	(3,619)	(5,632)
Acquisition of subsidiaries (Note A)	-	(192,375)
Acquisition of intangible asset	(172)	-
Proceeds from disposal of property, plant and equipment	-	1,100
Dividends from associated companies	90	18
Deposits refunded/(paid)	1,121	(471)
<b>Net cash used in investing activities</b>	<b>(25,615)</b>	<b>(217,215)</b>
Cash flows from financing activities		
(Increase)/decrease in restricted cash	(5,521)	27,049
Proceed from issue of shares (Note B)	-	243,890
Loan from financial institutions	606	24,040
Repayment of loan to financial institutions	(43,127)	(47,012)
Dividends paid to minority interests	(77)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(48,119)</b>	<b>247,967</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,078</b>	<b>53,346</b>
Cash and cash equivalents at beginning	66,934	252
<b>Cash and cash equivalents at end</b>	<b>73,012</b>	<b>53,598</b>

Note A:

The Group acquired the following assets and undertakings pursuant to the Restructuring Exercise described in the prospectus of the Company dated 28 April 2006

	<b>Group Actual 28-Apr-06 S\$'000</b>
Property, plant and equipment	389,735
Investment properties	348,409
Land under development	12,917
Investments in unquoted equity shares	1,774
Deferred tax assets	4,794
Other non-current assets	64,871
Land inventory	541,000
Inventories	16,257
Trade receivables	63,173
Other receivables	22,768
Due from related companies	24,917
Restricted cash	4,944
Cash and cash equivalents	51,515
	<hr/> 1,547,074
Deposits from tenants/golf membership	(40,198)
Deferred tax liability	(17)
Employee benefits	(1,148)
Loans and Borrowings	(33,067)
Trade payables	(24,870)
Other payables	(42,862)
Due to related companies	(127,656)
Taxes payable	(1,120)
Current portion of loans and borrowings	(11,865)
Other current liabilities	(13,891)
	<hr/> (296,694)
Net assets	1,250,380
Minority Interests	(31,808)
Net assets	<hr/> 1,218,572
Excess of fair value of assets and liabilities over purchase consideration	(13,360)
	<hr/> 1,205,212
Less:	
Purchase consideration satisfied by issue of shares	(961,322)
Cash and cash equivalents acquired	(51,515)
Net outflow from acquisitions of subsidiaries	<hr/> <hr/> 192,375

Note B:

On 28 August 2007, the Group acquired an additional 20% of the ordinary shares of PT Suakajaya Indawahana, taking its ownership to 100%. The consideration of S\$2,430,059 was satisfied with allotment and issuance of 2,059,372 new ordinary shares. The fair value of assets acquired and liabilities assumed of the additional interest acquired was S\$1,265,844. The difference of S\$1,164,215 between the consideration and the book value of the interest acquired has been recognised as goodwill.

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

	Share capital S\$'000	Translation reserve S\$'000	(Accumulated losses)/retained profits S\$'000	Minority Interest S\$'000	Total S\$'000
<b>The Group Actual</b>					
Balance as at 1 January 2006	*	-	(4,444)	-	(4,444)
On acquisition of subsidiaries	961,322	-	-	31,808	993,130
Issue of shares	243,890	-	-	-	243,890
Currency translation difference	-	160	-	157	317
Net profit for the period	-	-	12,147	-	12,147
Balance as at 30 June 2006	1,205,212	160	7,703	31,665	1,244,740
Currency translation difference	-	1,686	-	163	1,849
Net profit for the period	-	-	1,682	(310)	1,372
Balance as at 30 September 2006	1,205,212	1,846	9,385	31,518	1,247,961
<b>Balance as at 1 January 2007</b>	<b>1,205,212</b>	<b>653</b>	<b>24,582</b>	<b>32,891</b>	<b>1,263,338</b>
Currency translation difference	-	5	-	-	5
Net profit for the period	-	-	8,101	396	8,497
Balance as 30 June 2007	1,205,212	658	32,683	33,287	1,271,840
Issue of shares	2,430	-	-	-	2,430
On acquisition of minority interest	-	-	-	(1,266)	(1,266)
Currency translation difference	-	(690)	-	(93)	(783)
Net profit for the period	-	-	250	(282)	(32)
Balance as at 30 September 2007	1,207,642	(32)	32,933	31,646	1,272,189

The Company	Accumulated		Total S\$'000
	Share capital S\$'000	losses S\$'000	
Balance at 1 January 2006	*	(4,444)	(4,444)
Issue of shares for acquisition of remaining interest of subsidiaries	961,322	-	961,322
Issue of shares	243,890	-	243,890
Net loss for the period	-	(3,284)	(3,284)
Balance as at 30 June 2006	1,205,212	(7,728)	1,197,484
Net loss for the period	-	(1,493)	(1,493)
Balance as at 30 September 2006	1,205,212	(9,221)	(1,195,991)
<b>Balance as at 1 January 2007</b>	<b>1,205,212</b>	<b>(11,120)</b>	<b>1,194,092</b>
<b>Net loss for the period</b>	<b>-</b>	<b>(4,298)</b>	<b>(4,298)</b>
<b>Balance as at 30 June 2007</b>	<b>1,205,212</b>	<b>(15,418)</b>	<b>1,189,794</b>
<b>Issue of shares for acquisition of remaining interest of a subsidiary</b>	<b>2,430</b>	<b>-</b>	<b>2,430</b>
<b>Net profit for the period</b>	<b>-</b>	<b>441</b>	<b>441</b>
<b>Balance at 30 September 2007</b>	<b>1,207,642</b>	<b>(14,977)</b>	<b>1,192,665</b>

Note:

\* The share capital of the Group and the Company as at 1 January 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.

During the financial quarter, the acquisition of remaining 20% shares in PT Suakajaya Indowahana was completed on 28 August 2007 with the allotment and issuance of the following shares:

Name of Vendor	Purpose	Share issued (no of shares)	Consideration (S\$)
Perusahaan Daerah Sarana Pembangunan Riau	Acquisition of 1,000 ordinary shares, representing approximately 12.5% in the issued capital of PT Suakajaya Indowahana	1,287,072	\$1,518,745
PT Jala Bhakti Yasbhum	Acquisition of 600 ordinary shares, representing approximately 7.5% in the issued capital of PT Suakajaya Indowahana	772,300	\$911,314
<b>Total</b>		<b>2,059,372</b>	<b>\$2,430,059</b>



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 FRSs 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.

On 28 August 2007, the Company allotted and issued 2,059,372 new ordinary shares in respect of the acquisition of shares in PT Suakajaya Indowahana. As at 30 September 2007 the Company's total number of shares in issuance was 2,412,482,556.

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

	Group Actual		Group Actual	Proforma	Group Actual
	3Q07	3Q06	9 mth 07	9 mth 06	9 mth 06
Earnings (S\$'000)	250	1,682	8,351	5,035	13,830
<b>Earnings per Share (cents)</b> (basic and diluted basis) Based on the number of shares in issue - 2,412,482,556 shares in 2007 and 2,410,423,184 shares in 2006	0.01	0.07	0.35	0.21	0.57
Based on weighted number of shares in issue – 2007: 2,410,594,798 shares / 2006: 1,406,080,191 shares	0.01	0.12	0.35	0.36	0.98

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		Company	
	30.09.07	31.12.06	30.09.07	31.12.06
Net asset value per ordinary share (cents)	51.42	51.05	49.44	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 2,412,482,556 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.*

### **3Q07 vs. 3Q06 (Actual)**

In 3Q07 the Group revenue and gross profit was S\$55.7 million and S\$13.9 million respectively compared to 3Q06's revenue and gross profit of S\$57.6 million and S\$11.5 million respectively. The Gross Margin was 24.9% for 3Q07 and 20.1% for 3Q06. Improved margin in 3Q07 was mainly due lower electricity generation cost from Gas Fired Power Plants.

The Group reported lower net profit attributable to shareholders in 3Q07 of S\$0.3 million compared to 3Q06's S\$1.7 million. The lower profit was mainly due to higher operating expenses.

### **YTD Sep 07 (Actual) vs. YTD Sep 06 (Proforma)**

For YTD Sep 07, the Group's net profit attributable to shareholders was S\$8.4 million as compared to YTD Sep 06's profit of S\$5.0 million. The higher profit attributable to shareholders was primarily due to recognition of land sale of approximately 139 ha.

With collection from land sale, cash and cash equivalent in 3Q07 increased to S\$79.4 million from 4Q06's S\$67.8 million representing 17.1% improvement.

The Group's borrowings from financial institutions reduced by S\$20.8 million to S\$102.5 million in 3Q07 primarily due to regular repayments of external bank borrowings.

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.*

Business environment continues to be competitive for 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 30 September 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 30 September 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
<b>PURCHASES</b>		
<b>SembCorp Parks Management Pte Ltd</b>		
Marketing remuneration fees		2,500
Offshore marketing services		168
Reimbursement of staff secondment expense	-	<u>1,623</u>
<b>Total</b>		<b>4,291</b>
<b>PT Herwido Rintis</b>		
Management fee	-	304
<b>Riau Infrastructure Management Services Pte Ltd</b>		
Technical assistance fees	-	100
<b>Island Leisure International Pte Ltd</b>		
Management fee	-	1,617
<b>PT Tunas Karya Indoswasta</b>		
Management fee	-	342
<b>SALES</b>		
<b>PT Alam Indah Bintang</b>		
Sales	-	(3,067)
<b>PT Straits CM Village</b>		
Sales	-	(2,514)

**BY THE ORDER OF THE BOARD**

CHOO KOK KIONG  
COMPANY SECRETARY

9<sup>th</sup> November 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.

**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 third quarter financial results ended 30 September 2007 to be false or misleading.

For and on behalf of the Board



Eugene Cho Park  
CEO / Executive Director



Gianto Gunara  
Executive Director

9<sup>th</sup> November 2007