



THIRD QUARTER 2008 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

The Board of Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the third quarter ended 30 September 2008.

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					
	Quarter ended 30 Sep			YTD 30 Sep		
	3rd Qtr 2008 S\$'000	3rd Qtr 2007 S\$'000	Incr/ (Decr) %	YTD Sep 2008 S\$'000	YTD Sep 2007 S\$'000	Incr/ (Decr) %
Revenue	56,837	55,668	2.1	168,900	179,301	(5.8)
Cost of sales	(43,111)	(41,780)	3.2	(125,090)	(130,891)	(4.4)
Gross profit	13,726	13,888	(1.2)	43,810	48,410	(9.5)
General and administrative expenses	(2,800)	(1,833)	52.8	(7,734)	(5,203)	48.6
Other operating expenses	(7,278)	(8,025)	(9.3)	(19,712)	(21,785)	(9.5)
Other income net of expenses	395	698	(43.5)	1,365	1,827	(25.3)
Interest income	655	337	94.4	2,214	2,093	5.8
Finance costs	(733)	(928)	(21.0)	(2,272)	(4,516)	(49.7)
Exchange loss	(535)	187	(386.1)	(180)	(56)	221.4
Share of associated company's profit	40	58	(31.0)	137	7	1,857.1
Profit before taxation	3,470	4,382	(20.8)	17,628	20,777	(15.2)
Taxation	(3,738)	(4,414)	(15.3)	(16,285)	(12,312)	32.3
Profit after taxation	(268)	(32)	737.5	1,343	8,465	(84.1)
Attributable to:						
Equity holders of the Company	171	250	(31.6)	2,520	8,351	(69.8)
Minority Interests	(439)	(282)	55.7	(1,177)	114	(1,132.5)
	(268)	(32)	737.5	1,343	8,465	(84.1)

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

	GROUP			
	Quarter ended 30 Sep		YTD 30 Sep	
	3rd Qtr 2008 S\$'000	3rd Qtr 2007 S\$'000	YTD Sep 2008 S\$'000	YTD Sep 2007 S\$'000
Amortization of intangible assets	49	20	103	58
Depreciation of property, plant and equipment	8,101	8,155	24,390	24,885
Depreciation of investment properties	5,624	5,741	16,967	17,186
(Gain)/loss on disposal of property, plant and equipment	-	(44)	70	(48)



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	
	30.09.08 S\$'000	31.12.07 S\$'000	30.09.08 S\$'000	31.12.07 S\$'000
Non-current assets				
Intangible assets	1,405	1,448	9	6
Property, plant and equipment	371,231	380,714	291	171
Investment properties	300,796	317,577	-	-
Subsidiaries	-	-	1,207,642	1,207,642
Associated companies	999	953	-	-
Deferred tax assets	7,411	7,669	-	-
Loan receivables	62,046	62,046	-	-
Other non-current assets	5,222	3,366	-	-
	<u>749,110</u>	<u>773,773</u>	<u>1,207,942</u>	<u>1,207,819</u>
Current assets				
Land inventories	548,427	546,481	-	-
Other inventories	16,773	10,503	-	-
Trade and other receivables	75,284	62,067	101,336	88,211
Restricted cash	13,415	3,276	-	-
Cash and cash equivalents	72,968	81,639	1,552	1,747
	<u>726,867</u>	<u>703,966</u>	<u>102,888</u>	<u>89,958</u>
Total assets	<u>1,475,977</u>	<u>1,477,739</u>	<u>1,310,830</u>	<u>1,297,777</u>
Non-current liabilities				
Deposits from tenants/golf membership	36,124	36,045	-	-
Employee benefits liabilities	5,837	5,928	-	-
Deferred tax liabilities	557	557	-	-
Loans and borrowings	52,870	38,200	52,870	34,000
	<u>95,388</u>	<u>80,730</u>	<u>52,870</u>	<u>34,000</u>
Current liabilities				
Trade and other payables	50,186	48,192	3,332	3,224
Current tax payable	11,369	8,923	-	-
Current portion of loans and borrowings	38,267	61,074	47,052	69,546
	<u>99,822</u>	<u>118,189</u>	<u>50,384</u>	<u>72,770</u>
Total liabilities	<u>195,210</u>	<u>198,919</u>	<u>103,254</u>	<u>106,770</u>
Share capital	1,207,642	1,207,642	1,207,642	1,207,642
Translation reserves	(59)	(730)	-	-
Retained profits/(accumulated losses)	41,822	39,302	(66)	(16,635)
Equity attributable to equity holders of the Company	<u>1,249,405</u>	<u>1,246,214</u>	<u>1,207,576</u>	<u>1,191,007</u>
Minority Interest	<u>31,362</u>	<u>32,606</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,280,767</u>	<u>1,278,820</u>	<u>1,207,576</u>	<u>1,191,007</u>
Total liabilities and equity	<u>1,475,977</u>	<u>1,477,739</u>	<u>1,310,830</u>	<u>1,297,777</u>

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

	Group	
	30.09.08 S\$'000	31.12.07 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	19,780	41,620
Unsecured	18,488	19,454
	38,268	61,074
(ii) Amount repayable after one year		
Secured	52,870	38,200
Unsecured	-	-
	52,870	38,200
TOTAL	91,138	99,274

(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. Pledge of 100% shares in the capital of PT Batamindo Investment Cakrawala ("PT BIC");
- b. Assignment of the dividends of the pledged shares as mentioned in (a) above in the bank favour;
- c. Assignment of accounts receivable of PT BIC and the related bank account maintained with UOBL which is maintained for the collections of such accounts receivables;
- d. 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; and
- e. First legal mortgage on BRF's vessels;
- f. Assignment of refundment guarantees of the vessels during the constructions;
- g. Assignment of hull and machinery and protection and indemnity insurances with respect to the vessels; and
- h. All-monies first preferred mortgage on the vessels upon their completion.



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	
	30.09.08 S\$'000	30.09.07 S\$'000
Cash flows from operating activities		
Profit before taxation	17,628	20,777
Adjustments for:		
Amortisation of intangible assets	103	58
Depreciation of property, plant and equipment	24,390	24,885
Depreciation of investment properties	16,967	17,186
Currency translation difference	681	(726)
Provision for employee benefits	712	-
Loss/(gain) on disposal of property, plant & equipment	70	(48)
Share of associated companies' profits	(137)	(7)
Interest expense	2,272	4,516
Interest income	(2,214)	(2,093)
Cash from operations before changes in working capital	60,472	64,548
Changes in working capital		
(Increase)/decrease in land inventories	(1,946)	5,879
(Increase)/decrease in other inventories	(6,270)	2,417
(Increase)/decrease in operating receivables	(13,217)	4,337
Increase in operating payables	3,488	17,764
Cash generated from operating activities	42,527	94,945
Income tax paid	(13,600)	(10,999)
Employee benefits paid	(803)	-
Interest paid	(3,734)	(4,516)
Interest received	2,214	2,093
Deposits received/(refunded) to tenants/golf members	79	(1,711)
Net cash generated from operating activities	26,683	79,812
Cash flows from investing activities		
Acquisition of intangible assets	(60)	(172)
Acquisition of property, plant and equipment	(15,748)	(23,035)
Acquisition of investment properties		(3,619)
Proceeds from disposal of property, plant and equipment	585	-
Dividends from associated companies	90	90
Deposits (paid)/received	(1,855)	1,121
Net cash used in investing activities	(16,988)	(25,615)
Cash flows from financing activities		
Increase in fixed deposits pledged with a bank	(10,139)	(5,521)
Loan from financial institutions	15,570	606
Repayment of bank loan	(23,730)	(43,127)
Dividends paid	(67)	(77)
Net cash (used in)/generated from financing activities	(18,366)	(48,119)
Net increase in cash and cash equivalents	(8,671)	6,078
Cash and cash equivalents at beginning	81,639	66,934
Cash and cash equivalents at end	72,968	73,012



- 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 30 September 2008:

	Share capital	Translation reserve	(Accumulated losses) /retained profits	Attributable to equity holders of the Company	Minority Interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2007	1,205,212	653	24,582	1,230,447	32,891	1,263,338
Currency translation difference	-	5	-	5	-	5
Net profit for the first half	-	-	8,101	8,101	396	8,497
Total recognised income and expense for the period	-	5	8,101	8,106	396	8,502
Balance as at 30 June 2007	1,205,212	658	32,683	1,238,553	33,287	1,271,840
Issue of shares	2,430	-	-	2,430	-	2,430
On acquisition of minority interest	-	-	-	-	(1,266)	(1,266)
Currency translation difference	-	(690)	-	(690)	(93)	(783)
Net profit for the third quarter	-	-	250	250	(282)	(32)
Total recognised income and expense for the period	-	(690)	250	(440)	(375)	(815)
Balance as at 30 September 2007	1,207,642	(32)	32,933	1,240,543	31,646	1,272,189
Balance as at 1 January 2008	1,207,642	(730)	39,302	1,246,214	32,606	1,278,820
Currency translation difference	-	(388)	-	(388)	(1)	(389)
Net profit for the first half	-	-	2,349	2,349	(738)	1,611
Total recognised income and expense for the period	-	(388)	2,349	1,961	(739)	1,222
Balance as 30 June 2008	1,207,642	(1,118)	41,651	1,248,175	31,867	1,280,042
Currency translation difference	-	1,059	-	1,059	-	1,059
Net profit for the third quarter	-	-	171	171	(439)	(268)
Total recognised income and expense for the period	-	1,059	1,71	1,230	(439)	791
Dividend received by minority interest	-	-	-	-	(66)	(66)
Balance as 30 September 2008	1,207,642	(59)	41,822	1,249,405	31,362	1,280,767



Statement of changes in equity of the Company for the period ended 30 September 2008:

	Share Capital S\$'000	(Accumulated losses)/retained profits S\$'000	Total S\$'000
Balance as at 1 January 2007	1,205,212	(11,120)	1,194,092
Net loss for the first half	-	(4,298)	(4,298)
Total recognised income and expense for the period	-	(4,298)	(4,298)
Balance as at 30 June 2007	1,205,212	(15,418)	1,189,794
Issue of shares for acquisition of remaining interest of a subsidiary	2,430	-	2,430
Net loss for the third quarter	-	441	441
Total recognised income and expense for the period	-	441	2,871
Balance as at 30 September 2007	1,207,642	(14,977)	1,192,665
Balance as at 1 January 2008	1,207,642	(16,635)	1,191,007
Net profit for the first half	-	18,723	18,723
Total recognised income and expense for the period	-	18,723	18,723
Balance as at 30 June 2008	1,207,642	2,088	1,209,730
Net loss for the third quarter	-	(2,154)	(2,154)
Total recognised income and expense for the period	-	(2,154)	(2,154)
Balance as at 30 September 2008	1,207,642	(66)	1,207,576

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 30 September 2008 and 31 December 2007 was 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.

Not applicable.

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.

The Group and the Company have 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 2007.

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.

Not applicable.

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)

Earnings per ordinary share for the period based on profit attributable to shareholders:

	Group			
	3rd Quarter 2008 S\$'000	3rd Quarter 2007 S\$'000	YTD Sep 2008 S\$'000	YTD Sep 2007 S\$'000
Earnings (S\$'000)	171	250	2,520	8,351
Based on weighted number of ordinary shares in issue – 2,412,482,556 and 2,410,423,184 in 2008 and 2007 respectively	0.01 cents	0.01 cents	0.10 cents	0.35 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	
	30.09.08	31.12.07	30.09.08	31.12.07
Net asset value per ordinary share	51.79 cents	51.66 cents	50.06 cents	49.37 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.**

3rd Quarter 2008 (3Q 2008) vs. 3rd Quarter 2007 (3Q 2007)

Net profit attributable to equity holders of the Company for 3Q 2008 was S\$0.2 million which was 31.6% lower than the corresponding period last year of S\$0.3 million. The Group's revenue for 3Q 2008 was S\$56.8 million which was moderately higher than 3Q 2007's S\$55.7 million representing a 2.1% increase. However, the Group's overall cost of sales, operating and general expenses increased from S\$51.6 million in 3Q 2007 to S\$53.2 million in 3Q 2008 representing a 3.0% increase.

The Group recognised lower other income net of other expenses. In 3Q 2008 the other income recognised was S\$0.4 million as compared to 3Q 2007's of S\$0.7 million. This was due lower recognition of service income from the telecommunication business.

With lower rental related revenue which attracts 10% final tax payment on gross revenue, the Group registered lower tax expense of S\$3.7 million in 3Q 2008 as compared to 3Q 2007's S\$4.4 million.

YTD Sep 2008 vs. YTD Sep 2007

For YTD Sep 2008, the Group's revenue was S\$168.9 million which was 5.8% lower than YTD Sep 2007's S\$179.3 million. The lower revenue was mainly due to lower land sale in YTD Sep 08 of S\$0.5 million as compared to YTD Sep 2007's S\$13.9 million and lower rental revenue from the industrial park business. Accordingly, the Group's gross profit of S\$43.8 million was 9.5% lower than YTD Sep 2007's S\$48.4 million.

The Group's YTD Sep 2008's general and administrative expenses of S\$7.7 million was 48.6% higher than the YTD Sep 2007's S\$5.2 million. Prior to FY2008, most of the Group's management and marketing staff were employed through related companies and the cost was classified under "Other operating expenses". To provide more transparent information, the Group has terminated these arrangements and transferred the staff directly under management of the Group. These expenses are recorded under the classification of "General and Administrative expenses" which contribute to the increase in cost as compared to previous corresponding period. Accordingly, the Group's other operating expenses for YTD Sep 2008 reduced to S\$19.7 million, from YTD Sep 2007's S\$21.8 million.



The net profit attributable to equity holders of the Company for YTD Sep 08 was S\$2.5 million, which was 69.8% lower than the corresponding period's S\$8.3 million. Other factors contributing to the lower profit other than lower land sale and higher operating cost was because of a one-time payment of Indonesian withholding tax of S\$2.0 million.

Cash and cash equivalents for the Group as at 30 Sep 2008 were S\$86.4 million (including restricted cash of S\$13.4 million). This represents S\$1.5 million increase from 31 Dec 2007's S\$84.9 million. Cash generated from operations was lower compared to last year but this was offset by lower cash used for investing and financing activities.

Trade and other receivables for the Group have increased by 21.29% from S\$62.07 million as at 30 Dec 2007 to S\$75.2 million as at 30 Sep 2008. This was contributed by increased in trade receivables arising from financial reporting cut-off where cash received immediately after 30 Sep 2008 was recorded in YTD Sep 2008's results. Other receivables have also increased due to higher amount of accumulated prepaid corporate tax.

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.*

Recent economic turmoil and financial crisis is affecting the world globally. This has direct impact to the investment sentiment in Bintan. Investors are seemingly holding back its decision to invest in Bintan and have contributed to slowing land sales in our property development business.

With the tightening of credit market, it has limited the Group's ability to raise additional funds for infrastructure development in Lagoi Bay, Bintan. Accordingly, funding for the Group's infrastructure development projects shall be limited to existing banking facilities and internally generated cash flow.

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 2008.

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 2008 was as follows:

GALLANT VENTURE LTD

Registration Number: 200303179Z

991A Alexandra Road #02-06/07
Singapore 119969

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



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 and management fees	-	4,656
Riau Infrastructure Management Services Pte Ltd Technical assistance fees	-	175
PT Herwido Rintis Management fee	-	276
PT Tunas Karya Management fee	-	227
Island Leisure International Pte Ltd Management fee	-	248
Ascendas Investment Pte Ltd Shareholder loan interest	-	253
Singapore Technologies Industrial Corporation Pte Ltd Shareholder loan interest	-	150
SALES		
PT Alam Indah Bintan Sales	-	(2,955)
PT Straits CM Village Sales	-	(2,378)
PT Tunas Karya Sales	-	(388)

BY THE ORDER OF THE BOARDCHOO KOK KIONG
COMPANY SECRETARY
7 November 2008

GALLANT VENTURE LTD

Registration Number: 200303179Z

991A Alexandra Road #02-06/07
Singapore 119969

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com



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

7 November 2008