



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007

The Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the financial period ended 30 June 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 June			YTD 30 June			Group Actual HY06
	Group Actual 2Q07 S\$'000	Proforma 2Q06 S\$'000	Variance %	Group Actual HY07 S\$'000	Proforma HY06 S\$'000	Variance %	
Revenue	69,097	61,773	11.9	123,633	123,544	0.1	41,229
Cost of sales	(48,988)	(48,119)	(1.8)	(89,111)	(97,167)	8.3	(32,314)
Gross profit	20,109	13,654	47.3	34,522	26,377	30.9	8,915
General and administration expenses	(2,041)	(1,374)	(48.5)	(3,370)	(2,174)	(55.0)	(1,442)
Other operating expenses	(5,919)	(7,701)	23.1	(13,760)	(14,317)	3.9	(5,145)
Other income/(expenses)	291	(240)	N.M.	643	696	(7.6)	13,281
Interest income	830	994	(16.5)	1,756	2,064	(14.9)	(2,740)
Financing costs	(1,717)	(1,536)	(11.8)	(3,588)	(3,400)	(5.5)	993
Exchange differences	(368)	850	N.M.	243	(49)	N.M.	876
Share of associate results	(118)	114	N.M.	(51)	206	N.M.	80
Profit before taxation	11,067	4,761	132.5	16,395	9,403	74.4	14,818
Taxation	(3,924)	(4,470)	12.2	(7,898)	(9,036)	12.6	(2,971)
Profit for the period before minority interests	7,143	291	2,354.6	8,497	367	2,215.3	11,847
Attributable to:							
Shareholders of the Company	6,344	803	690.0	8,101	1,205	572.3	12,147
Minority Interests	799	(512)	N.M.	396	(838)	N.M.	(300)
	7,143	291	2,354.6	8,497	367	2,215.3	11,847

N.M. denotes "Not Meaningful"

For the purpose of this announcement, the Proforma comparative financial information of the Group for the period ended 30 June 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 HY06 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 Jun		Group Actual HY06 S\$'000
	30 Jun		30 Jun		
	Group	Proforma	Group	Proforma	
	Actual	2Qtr06	Actual	HY06	
	2Q07	2Qtr06	HY07	HY06	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amortization of software costs	22	24	38	32	14
Depreciation of property, plant and equipment	8,279	8,460	16,730	15,626	7,211
Depreciation of investment properties	5736	3,819	11,445	8,569	3,465
Provision for impairment loss on trade receivables	-	21	-	21	-
Gain on disposal of property, plant and machinery	(4)	(44)	(4)	(44)	-
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 30.06.07 S\$'000	As at 31.12.06 S\$'000	As at 30.06.07 S\$'000	As at 31.12.06 S\$'000
Non-current assets				
Property, plant and equipment	380,373	388,567	181	194
Investment properties	335,167	336,940	-	-
Subsidiaries	-	-	1,205,212	1,205,212
Associated companies	1,013	1,155	-	-
Deferred tax assets	5,244	5,493	-	-
Intangible assets	133	126	8	14
Other non-current assets	64,265	65,382	23	-
	<u>786,195</u>	<u>797,663</u>	<u>1,205,424</u>	<u>1,205,420</u>
Current assets				
Land inventory	545,102	551,011	-	-
Inventories	10,145	12,732	-	-
Trade and other receivables	68,953	71,940	87,988	88,061
Restricted cash	1,374	908	-	-
Cash and bank balances	77,539	66,934	9,270	2,387
	<u>703,113</u>	<u>703,525</u>	<u>97,258</u>	<u>90,448</u>
Total assets	<u>1,489,308</u>	<u>1,501,188</u>	<u>1,302,682</u>	<u>1,295,868</u>
Non-current liabilities				
Deposits from tenants/golf membership	38,850	40,102	-	-
Employee benefit liabilities	3,945	5,049	-	-
Deferred tax liability	107	106	-	-
Loans and borrowings	76,133	80,020	46,000	66,000
	<u>119,035</u>	<u>125,277</u>	<u>46,000</u>	<u>66,000</u>
Current liabilities				
Trade and other payables	53,489	67,702	34,888	11,776
Taxes payable	3,921	1,585	-	-
Current portion of loans and borrowings	41,023	43,286	32,000	24,000
	<u>98,433</u>	<u>112,573</u>	<u>66,888</u>	<u>35,776</u>
Total liabilities	<u>217,468</u>	<u>237,850</u>	<u>112,888</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	<u>658</u>	<u>653</u>	<u>-</u>	<u>-</u>
Retained profits/(accumulated losses)	<u>32,683</u>	<u>24,582</u>	<u>(15,418)</u>	<u>(11,120)</u>
Equity attributable to equity holders of the Company	<u>1,238,553</u>	<u>1,230,447</u>	<u>1,189,794</u>	<u>1,194,092</u>
Minority interests	<u>33,287</u>	<u>32,891</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,271,840</u>	<u>1,263,338</u>	<u>1,189,794</u>	<u>1,194,092</u>
Total liabilities and equity	<u>1,489,308</u>	<u>1,501,188</u>	<u>1,302,682</u>	<u>1,295,868</u>

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

	Group Actual	
	As at 30.06.07 S\$'000	As at 31.12.06 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	41,023	43,286
Unsecured	-	-
	41,023	43,286
(ii) Amount repayable after one year		
Secured	54,360	60,725
Unsecured	21,773	19,295
	76,133	80,020
TOTAL	117,156	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	
	30.06.07	30.06.06
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	16,395	14,818
Adjustments for:		
Depreciation of property, plant and equipment/investment properties	28,175	10,676
Exchange translation difference	48	304
Interest expense	3,588	2,740
Interest income	(1,756)	(993)
Share of associate profit	51	(80)
Gain on sale of property, plant & equipment	(4)	-
Amortisation of software costs	38	14
Negative goodwill written-off	-	(13,360)
Cash from operations before changes in working capital	46,535	14,119
Changes in working capital		
Trade and others receivables	3,081	22,796
Land Inventories	5,909	(386)
Inventories	2,587	4,010
Owing by related parties	(93)	114,571
Trade and other payables	1,572	(19,289)
Owing to related parties	6,563	(93,918)
Net cash from operations	66,154	41,903
Income tax paid	(7,015)	(1,699)
Interest paid	(3,588)	(2,740)
Interest received	1,756	993
Deposits (refunded to)/received from tenants/golf members	(1,252)	231
Net cash from operating activities	56,055	38,688
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,205)	(8,892)
Acquisition of investment properties	-	(1,307)
Acquisition of subsidiaries (Note A)	-	(192,375)
Acquisition of intangible asset	(45)	-
Dividends from associated companies	90	18
Deposits refunded/(paid)	1,117	(114)
Net cash used in investing activities	(17,043)	(202,670)
Cash flows from financing activities		
Decrease/(increase) in restricted cash	(466)	615
Proceed from issue of shares	-	243,890
Loan from financial institutions	606	1,287
Repayment of loan to financial institutions	(28,547)	(13,586)
Net cash (used in)/generated from financing activities	(28,407)	232,206
Net increase in cash and cash equivalents	10,605	68,224
Cash and cash equivalents at beginning	66,934	252
Cash and cash equivalents at end	77,539	68,476

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

	Group Actual 28-Apr-06 S\$'000
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

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 loss for the first quarter	-	-	(1,323)	-	(1,323)
Balance as at 31 March 2006	*	-	(5,767)	-	(5,767)
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 second quarter	-	-	13,470	(300)	13,170
Balance as at 30 June 2006	1,205,212	160	7,703	31,665	1,224,740
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 first quarter	-	-	1,757	(403)	1,354
Balance as 31 March 2007	1,205,212	215	26,339	32,488	1,264,254
Currency translation difference	-	443	-	-	443
Net profit for the second quarter	-	-	6,344	799	7,143
Balance as at 30 June 2007	1,205,212	658	32,683	33,287	1,271,840

The Company	Share Capital	Accumulated	Total
	S\$'000	Losses S\$'000	S\$'000
Balance at 1 January 2006	*	(4,444)	(4,444)
Net loss for the first quarter	-	(1,323)	(1,323)
Balance as at 31 March 2006	*	(5,767)	(5,767)
Issue of shares for acquisition of subsidiaries	961,322	-	961,322
Issue of shares	243,890	-	243,890
Net loss for the second quarter	-	(1,961)	(1,961)
Balance as at 30 June 2006	1,205,212	(7,728)	(1,197,484)
Balance as at 1 January 2007	1,205,212	(11,120)	1,194,092
Net loss for the first quarter	-	(1,735)	(1,735)
Balance as at 31 March 2007	1,205,212	(12,855)	1,192,357
Net loss for the second quarter	-	(2,563)	(2,561)
Balance at 30 June 2007	1,205,212	(15,418)	1,189,794

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 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.

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

	Group Actual 2Q07	Proforma 2Q06	Group Actual HY07	Proforma HY06	Group Actual HY06
Earnings (S\$'000)	6,344	803	8,101	1,205	12,147
Earnings per Share (cents) (basic and diluted basis)					
Based on the number of shares in issue - 2,410,423,184 shares	0.26	0.03	0.34	0.05	0.50
Based on weighted number of shares in issue – 2007: 2,410,423,184 shares / 2006: 1,406,080,191 shares	0.26	0.06	0.34	0.09	0.86

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	
	30.06.07	31.12.06	30.06.07	31.12.06
Net asset value per ordinary share (cents)	51.38	51.05	49.36	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.*

2Q07 (Actual) vs. 2Q06 (Proforma)

In 2Q07 the Group revenue and gross profit was S\$69.1 million and S\$20.1 million respectively compared to 2Q06's revenue and gross profit of S\$61.7 million and S\$13.7 million respectively. The Gross Margin was 29.1% for 2Q07 and 22.1% for 2Q06. The higher margin was mainly due to land sale in 2Q07. In line with higher gross margin, the Group's net profit attributable to shareholders improved from 2Q06's S\$0.8 million to S\$6.3 million in 2Q07 representing an increase of 690%.

HY07 (Actual) vs. HY06 (Proforma)

For the HY07, the Group's net profit attributable to shareholders was S\$8.1 million as compared to HY06's profit of S\$1.2 million. The higher profit attributable to shareholders was mainly due the followings:

- Land sale of 139 ha in 2Q07 and partially offset by lower factory rental income;
- Lower operating cost from utilities business arising from conversion of HFO power plant to gas fired power plant in Batamindo Industrial Park and conversion of LFO power plants HFO fired in Bintan Industrial Estate; and
- Lower tax expense for utility business.

In line with improved results, cash and cash equivalent in 2Q07 increased to S\$78.9 million from 4Q06's S\$67.8 million representing 16.4% improvement.

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 regional industrial parks. Certain industries, such as textile manufacturers, are consolidating their manufacturing facilities in this region.

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 June 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 June 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		1,281
Reimbursement of staff secondment expense		1,519
Total	-	<u>2,800</u>
Riau Infrastructure Management Services Pte Ltd		
Technical assistance fees	-	100
Island Leisure International Pte Ltd		
Management fee	-	954
PT Tunas Karya Indoswasta		
Management fee	-	113
SALES		
PT Alam Indah Bintan		
Sales	-	(2,059)
PT Straits CM Village		
Sales	-	(1,676)

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY

13th August 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 2nd quarter financial results ended 30 June 2007 to be false or misleading.

For and on behalf of the Board

Eugene Cho Park
CEO / Executive Director

Gianto Gunara
Executive Director

13th August 2007