



Announcement

Gallant refers to its announcement of 10 February 2009 on the land dispute between its subsidiaries and PT Raflesia Matrawista (“PT Raflesia”).

As announced by Gallant previously, the suit by PT Raflesia is against five defendants, namely, two of Gallant’s subsidiaries, PT Buana Megawisata (“BMW”) and PT Bintan Resort Cakrawala (“BRC”); two Indonesian authorities (collectively, the “Indonesian Land Authorities”), namely, Badan Pertanahan Nasional (the Indonesian National Land Office) and Badan Pertanahan Nasional Cq Kantor Pertanahan Kabupaten Kepulauan Riau (the Bintan Land Office); and PT Bintan Lagoon Resort (“BLR”).

PT Raflesia had filed an appeal (*kasasi*) to the Supreme Court of Indonesia against the decisions of the Riau High Court and Tanjung Pinang District Court which were both in favour of the defendants. BMW and BRC have been served with the decision of the Supreme Court of Indonesia (“Judgment”).

Under the Judgment, the court has, inter alia, ruled that the land certificates issued by the Indonesian Land Authorities to BMW have no legal force and that the sale of land between BRC and BLR is not valid; that BMW, BRC and BLR release the ownership of the land and transfer it to PT Raflesia within a prescribed timeframe and that BMW, BRC and BLR are to jointly and severally pay damages to PT Raflesia for the land measuring cost of Rp33,250,000 and loss of rental fee during 1996 to 2005 related to the land on which BLR is located, amounting to Rp57,540,000,000. The Indonesian Land Authorities are required to comply with the Judgment.

BMW and BRC will be filing a special appeal (*permohonan peninjauan kembali*) against the Judgment.

Approximately 863,353 square metres of the land which is the subject of the suit is owned by the Gallant subsidiaries and the balance 100,000 square metres is owned by BLR. Insofar as it relates to the Gallant Group’s land, the land which is the subject of the suit represents less than 0.5% of the Gallant Group’s land portfolio. The total amount of damages awarded against BMW, BRC and BLR under the Judgment is approximately S\$7,381,186, which is less than 0.6% of the Gallant Group’s NTA of approximately S\$1.279 billion. In any event, as Gallant has announced previously, the Gallant Group would not have any adverse financial exposure to the suit with PT Raflesia. Gallant’s substantial shareholder, Parallax Venture Partners XXX Limited (“Parallax”) has confirmed that it will indemnify Gallant in full for losses or damage suffered as a result of the suit and all costs incurred by the Gallant subsidiaries in this respect will be borne by Parallax.

By Order of the Board

Choo Kok Kiong
Company Secretary
23 February 2009