

GALLANT VENTURE LTD

Registration Number: 200303179Z

371 Beach Road, #13-08/09 KeyPoint,
Singapore 199597

Tel +65 63893535

Fax +65 63967758

www.gallantventure.com

**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT****UNAUDITED FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

The Directors of Gallant Venture Ltd advise the following unaudited results of the Group for the financial year ended 31 December 2006.

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 31 Dec			YTD 31 Dec			Group Actual 31.12.06 S\$'000
	Group Actual 4Q06 S\$'000	Proforma 4Q05 S\$'000	Variance	Proforma 12 mth 06 S\$'000	Proforma 12 mth 05 S\$'000	Variance	
			%			%	
Revenue	77,841	63,915	21.8	258,955	227,056	14.0	176,639
Cost of sales	<u>(36,587)</u>	<u>(47,596)</u>	23.1	<u>(176,786)</u>	<u>(169,645)</u>	(4.2)	<u>(114,925)</u>
Gross profit	41,254	16,319	152.8	82,169	57,411	43.1	61,714
General and administration expenses	(2,007)	(1,627)	(23.4)	(5,164)	(4,276)	(20.8)	(4,456)
Other operating expenses	(17,402)	(10,287)	(69.2)	(37,386)	(34,324)	(8.9)	(28,189)
Other income/(expenses)	(1,452)	2,939	N.M.	382	5,811	(93.4)	13,032
Interest income	1,935	1,141	69.6	5,333	3,299	61.7	3,931
Financing costs	(1,545)	(2,484)	37.8	(7,260)	(6,531)	(11.2)	(6,334)
Exchange differences	154	1,502	(89.7)	813	458	77.5	1,738
Share of associate results	(698)	139	N.M.	(441)	325	N.M.	(567)
Profit before taxation	20,239	7,642	164.8	38,446	22,173	73.4	40,869
Taxation	<u>(3,615)</u>	<u>(4,434)</u>	18.5	<u>(17,099)</u>	<u>(16,923)</u>	(1.0)	<u>(11,026)</u>
Profit/(loss) for the period before minority interests	<u>16,624</u>	<u>3,208</u>	418.2	<u>21,347</u>	<u>5,250</u>	306.6	<u>29,843</u>
		0					
Attributable to:		0					
Shareholders of the Company	15,196	3,246	368.1	21,135	6,105	246.2	29,026
Minority Interests	<u>1,428</u>	<u>(38)</u>	N.M.	<u>212</u>	<u>(855)</u>	N.M.	<u>817</u>
	<u>16,624</u>	<u>3,208</u>	418.2	<u>21,347</u>	<u>5,250</u>	306.6	<u>29,843</u>

N.M. denotes "Not Meaningful"

For the purpose of this announcement, the Proforma comparative financial information of the Group for the financial year ended 31 December 2005 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 2005.

The Group Actual 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 31 Dec		YTD 31 Dec		Group Actual 31.12.06 S\$'000
	Group Actual 4Q06 S\$'000	Proforma 4Qtr05 S\$'000	Proforma 12 Mth 06 S\$'000	Proforma 12 Mth 05 S\$'000	
	Amortization of software costs	35	13	80	
Depreciation of property, plant and equipment	7,680	7,087	32,291	29,942	24,113
Depreciation of investment properties	1,964	5,768	21,704	19,401	11,411
Provision for impairment loss on trade receivables	54	(394)	93	53	72
Provision for impairment loss on trade receivables written back	-	-	-	(1,208)	-
Allowance for diminution in value of unquoted equity shares	-	-	-	300	-
Gain on disposal of property, plant and machinery	97	485	(46)	265	-
Gain on disposal of investment properties	(105)	(1,254)	(149)	(2,944)	(105)
Excess of share of fair value of assets and liabilities of subsidiaries acquired over purchase consideration written off	-	-	-	-	13,360

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 Actual	Group Proforma	Company Actual	
	As at 31.12.06 S\$'000	As at 31.12.05 S\$'000	As at 31.12.06 S\$'000	As at 31.12.05 S\$'000
Non-current assets				
Property, plant and equipment	388,567	367,569	194	142
Land under development	-	12,917	-	-
Investment properties	336,940	340,344	-	-
Subsidiaries	-	-	1,205,212	-
Associated companies	1,155	988	-	-
Deferred tax assets	5,493	4,981	-	-
Intangible assets	126	97	14	12
Other non-current assets	65,382	69,078	-	-
	<u>797,663</u>	<u>795,974</u>	<u>1,205,420</u>	<u>154</u>
Current assets				
Land inventory	551,011	541,422	-	-
Inventories	12,732	15,267	-	-
Trade and other receivables	71,940	60,321	88,061	90,157
Restricted cash	908	27,340	-	25,000
Cash and bank balances	66,934	56,283	2,387	252
	<u>703,525</u>	<u>700,633</u>	<u>90,448</u>	<u>115,409</u>
Total assets	<u>1,501,188</u>	<u>1,496,607</u>	<u>1,295,868</u>	<u>115,563</u>
Non-current liabilities				
Deposits from tenants/golf membership	40,102	39,451	-	-
Employee benefit liabilities	5,049	3,965	-	-
Deferred tax liability	107	376	-	-
Loans and borrowings	110,055	105,179	66,000	90,000
	<u>155,313</u>	<u>148,971</u>	<u>66,000</u>	<u>90,000</u>
Current liabilities				
Trade and other payables	48,407	67,741	11,595	15,007
Taxes payable	1,585	2,503	-	-
Current portion of loans and borrowings	32,546	50,024	24,000	15,000
	<u>82,538</u>	<u>120,268</u>	<u>35,595</u>	<u>30,007</u>
Total liabilities	<u>237,851</u>	<u>269,239</u>	<u>101,595</u>	<u>120,007</u>
Equity attributable to equity holders of the Company	<u>1,230,446</u>	<u>1,194,952</u>	<u>1,194,091</u>	<u>(4,444)</u>
Minority interests	<u>32,891</u>	<u>32,416</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,263,337</u>	<u>1,227,368</u>	<u>1,194,091</u>	<u>(4,444)</u>
Total liabilities and equity	<u>1,501,188</u>	<u>1,496,607</u>	<u>1,295,868</u>	<u>115,563</u>

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

	Group Actual As at 31.12.06 S\$'000	Group Proforma As at 31.12.05 S\$'000
(i) Amount payable in one year or less, or on demand		
Secured	32,546	30,410
Unsecured	8,534	36,164
	41,080	66,574
(ii) Amount repayable after one year		
Secured	90,760	101,840
Unsecured	19,295	3,339
	110,055	105,179
TOTAL	151,135	171,753

(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 pledges by certain associate of Parallax Venture Partners XXX of shares in the capital of Avonian Pte Ltd, PT Citra Karimun Perkasa, PT Alam Indah Bintan and Great Contribution Investments Limited;
- (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 31.12.06 S\$'000	Group Proforma 31.12.05 S\$'000
Cash flows from operating activities		
Profit before taxation	40,869	22,173
Adjustments for:		
Allowance for diminution in value of investments	-	300
Depreciation of property, plant and equipment/investment properties	35,524	49,343
Exchange translation difference	955	(408)
Loss on disposal of property, plant and equipment	-	265
Gain on disposal of investment properties	(105)	(2,944)
Employee benefits	-	941
Interest expense	6,334	6,531
Interest income	(3,931)	(3,299)
Provision for employee benefit	3,901	-
Share of associate profit	568	(325)
Amortisation of software costs	62	38
Negative goodwill written-off	(13,360)	-
Cash from operations before changes in working capital	70,817	72,615
Changes in working capital		
Trade and others receivables	24,083	(7,808)
Inventories	3,525	(7,145)
Land inventories	2,906	
Owing by related parties	105,099	(1,419)
Trade and other payables	(58,567)	3,641
Owing to related parties	(117,311)	(6,299)
Net cash from operations	30,552	53,585
Income tax paid	(11,343)	(16,121)
Interest paid	(6,334)	(3,863)
Interest received	3,931	1,178
Payment of employee benefits	-	(72)
Net cash from operating activities	16,806	34,707
Cash flows from investing activities		
Acquisition of property, plant and equipment	(22,800)	(30,696)
Acquisition of investment properties	-	(3,360)
Acquisition of subsidiaries (Note A)	(192,375)	(300)
Dividends from associated companies	78	288
Proceeds from disposal of property, plant and equipment	-	303
Proceeds from disposal of investment properties	163	4,535
Acquisition of golf membership	-	(41)
Acquisition of software	(175)	(72)
Deposits paid	(511)	(1,927)
Net cash used in investing activities	(215,620)	(31,270)
Cash flows from financing activities		
Decrease/(Increase) in restricted cash	29,035	(39)
Proceed from issue of shares	243,890	-
Deposits refunded to tenants/golf members	(97)	(401)
Loan from financial institutions	22,466	2,000
Repayment of loan to financial institutions	(29,798)	(14,282)
Net cash generated from/(used in) financing activities	265,496	(12,722)
Net increase/(decrease) in cash and cash equivalents	66,682	(9,285)
Cash and cash equivalents at beginning	252	65,568
Cash and cash equivalents at end	66,934	56,283

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
	28.04.06
	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)
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	(296,694)
Net assets	1,250,380
Minority Interests	(31,808)
	<hr/>
Net assets	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)
	<hr/>
Net outflow from acquisitions of subsidiaries	<u>192,375</u>

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

The Group Actual	Share Capital S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Minority Interest S\$'000	Total S\$'000
Balance as at 1 January 2006	*	-	(4,444)	-	(4,444)
Net profit for the period	-	-	13,829	(610)	13,219
On acquisition of subsidiaries	961,322	-	-	31,808	993,130
Issue of shares	243,890	-	-	-	243,890
Currency translation difference	-	1,846	-	320	2,166
Balance as at 30 September 2006	1,205,212	1,846	9,385	31,518	1,247,961
Currency translation difference	-	(1,193)	-	(55)	(1,248)
Net profit for the period	-	-	15,196	1,428	16,624
Balance as at 31 December 2006	1,205,212	653	24,581	32,891	1,263,337

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 January 2005	*	(79)	(79)
Net loss for the period	-	(3,140)	(3,140)
Balance at 30 September 2005	*	(3,219)	(3,219)
Net loss for the period	-	(1,225)	(1,225)
Balance as at 31 December 2005	*	(4,444)	(4,444)
Net loss for the period	-	(4,777)	(4,777)
Issue of shares for acquisition of subsidiaries	961,322	-	961,322
Issue of shares	243,890	-	243,890
Balance as at 30 September 2006	1,205,212	(9,221)	1,195,991
Net loss for the period	-	(1,900)	(1,900)
Balance at 31 December 2006	1,205,212	(11,121)	1,194,091

Note:

* The share capital of the Company as at 31 December 2005 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 Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the Proforma financial year ended 31 December 2005.

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.*

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)*

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 2005.

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

	Actual 4Q2006	Proforma 4Q2005	Proforma 31.12.06	Proforma 31.12.05	Actual 31.12.06
Earnings (S\$'000)	15,196	3,246	21,135	6,105	29,026
Earnings per Share (cents)					
(basic and diluted basis)					
Based on the number of shares in issue -					
2,410,423,184 shares	0.63	0.13	0.88	0.25	1.20
Based on weighted number of shares in issue					
—					
1,406,080,191 shares	1.08	-	1.50	-	2.06

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 31.12.2006	Group Proforma 31.12.2005	Company 31.12.2006	31.12.2005
Net asset value per ordinary share (cents)	51.05	49.57	49.54	(0.18)

The net asset value per ordinary share is calculated using the Group's net assets value as at end of each year divided by the share capital of 2,410,423,184 ordinary shares as at 31 December 2006.

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.*

For the financial year ended 2006, the Group Actual's revenue and gross profit for the period 28 April 2006 to 31 December 2006 were S\$176.6 million and S\$61.7 million respectively. Gross Profit margins was 35.0%. The Group recorded profit before tax of S\$40.9 million and profit attributable to shareholders of S\$29.0 million for the financial year ended 31 December 2006.

The Group recognized one-time negative goodwill and writing off of goodwill arising from acquisition of companies as described in the prospectus dated 28 April 2006. Negative goodwill recognized was S\$22.2 million and goodwill written off was S\$8.8 million representing a net contribution of S\$13.4 million to the FY2006 results.

In the Fourth Quarter of 2006, the Group recognized sale of 199.1ha of resorts land representing a net profit contribution of S\$16.2 million.

4Q06 (Actual) vs 4Q05 (Proforma)

The Group's net profit attributable to shareholders was S\$15.2 million as compared to last year Fourth Quarter's S\$3.2 million. The higher profit for the quarter was mainly due to land sale by Property Development Business and lower operating cost in Utilities business offset by the following:

- Higher other operating and administrative expenses.
Higher other operating and administrative expenses were S\$19.4, respectively, representing an increase of 62.9%, was mainly due to higher depreciation charge and write back of provisions in the previous period.
- Higher other expenses of S\$1.5 million as compared to last year fourth quarter's net other income of S\$2.9 million which was due to one time recognition of debt waiver amounting to S\$5.6 million in 4Q2005.
- Higher share of losses in associated company of S\$0.7 million.

Compared to the corresponding period last year, the Group Revenue for FY2006 rose by 14.0% or S\$31.9 million to S\$259.0 million. The increase was mainly due to resorts land sale in 4Q2006 and higher utility revenue.

As at 31 December 2006, total shareholders' funds' for the Group increased by 3.0% or S\$35.5 million to S\$1.23 billion.

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 in which the Group operates continues to remain competitive. The Group results will be affected, among other things, by volatility in the fuel and gas price.

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 December 2006.

13. *Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year.*

Financial year ended 31 December 2006

Proforma Group	Industrial park S\$'000	Property developer S\$'000	Resort Operations S\$'000	Utilities S\$'000	Corporate S\$'000	Total S\$'000
OPERATING REVENUE						
Total sales	61,236	19,910	23,277	154,532	-	<u>258,955</u>
SEGMENT RESULTS						
Segment results	13,876	12,692	(6,674)	24,475	1,337	45,706
Finance costs						<u>(7,260)</u>
Profit before taxation						38,446
Taxation						<u>(17,099)</u>
Profit for the year before minority interest						<u>21,347</u>
Attributable to:						
Shareholders						21,135
Minority Interests						<u>212</u>
						<u>21,347</u>

Financial year ended 31 December 2006

Group Actual	Industrial park S\$'000	Property developer S\$'000	Resort operations S\$'000	Utilities S\$'000	Corporate S\$'000	Total S\$'000
OPERATING REVENUE						
Total sales	40,891	19,910	16,187	99,651	-	<u>176,639</u>
SEGMENT RESULTS						
Segment results	8,653	17,541	(6,665)	16,766	10,908	47,203
Finance costs						<u>(6,334)</u>
Profit before taxation						40,869
Taxation						<u>(11,026)</u>
Profit for the year before minority interest						<u>29,843</u>
Attributable to:						
Shareholders						29,026
Minority Interests						<u>817</u>
						<u>29,843</u>

Financial year ended 31 December 2005

Proforma Group	Industrial park S\$'000	Property developer S\$'000	Resort operations S\$'000	Utilities S\$'000	Corporate S\$'000	Total S\$'000
OPERATING REVENUE						
Total sales	67,237	-	19,697	140,122	-	227,056
SEGMENT RESULTS						
Segment results	13,343	(3,450)	(935)	18,786	960	28,704
Finance costs						(6,531)
Profit before taxation						22,173
Taxation						(16,923)
Profit for the year before minority interest						5,250
Attributable to:						
Shareholders						6,105
Minority Interests						(855)
						5,250

14. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.*

Please refer to paragraph 8 and 10 above.

15. *A breakdown of sales as follows:*

The breakdown of sales of the Group is as follows:

	Proforma Group			Group Actual
	FY2006 S\$'000	FY2005 S\$'000	+ / (-) %	31.12.06 S\$'000
(a) Revenue reported for the first half year	123,544	103,755	19.1	41,229
(b) Profit after tax before minority interest reported for the first half year	367	3,326	(89.0)	11,847
(c) Revenue reported for second half year	135,411	123,301	9.8	135,410
(d) Profit after tax before minority interest reported for second half year	20,980	1,924	990.4	17,996

16. *A breakdown of the total annual dividends (in dollar value) for the issuer's latest full year and its previous full year as follows:- (a) Ordinary, (b) Preference, and (c) Total*

Not Applicable.

17. *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 year ended 31 December 2006, 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
SembCorp Parks Management Pte Ltd		
Marketing services		3,800
Marketing remuneration fees	-	162
Offshore marketing services		2,035
Reimbursement of staff secondment expense		
Total		<u>2,829</u> 8,781
PT Herwido Rintis		
Management fee	-	309
Riau Infrastructure Management Services Pte Ltd		
Technical assistance fees	-	245
PT Tunas Karya Indoswasta		
Management fee	-	850
Island Leisure International Pte Ltd		
Management fee	-	2,390
Bintan Resort Development Corporation Pte Ltd		
Management fee	-	735
PT Asuransi Central Asia		
Insurance premiums	-	508
Claim received	-	162
PT Alam Indah Bintan		
Sales	-	5,309
Land Return	-	1,929
PT Ria Bintan		
Sales	-	1,534
PT Straits CM Village		
Sales	-	5,218
Temasek Group		
Fees and rentals	-	1,758
Sembawang Kimtrans Ltd		
Port management fees	-	204

BY THE ORDER OF THE BOARD

CHOO KOK KIONG
COMPANY SECRETARY

15 FEBRUARY 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.