

GALLANT VENTURE LTD.
(Incorporated in the Republic of Singapore)
Co. Registration No. 200303179Z

ISSUE OF CONVERTIBLE BONDS – ADJUSTMENTS TO CONVERSION PRICE AND REDEMPTION OF CONVERTIBLE BONDS

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them as in the circular dated 13 March 2013 (“Circular”) issued by Gallant Venture Ltd. (the “Company”) to its shareholders (the “Shareholders”) in relation to the Proposed Transactions.

The Board of Directors of the Company refers to the announcements dated 14 December 2012, 18 December 2012, 4 March 2013 and 13 March 2013 (the “Announcements”) in relation to the Proposed Transactions.

As stated in the Announcements, in connection with the Proposed Acquisition, the Company has agreed to issue to the Vendor the Convertible Bonds in the principal amount of S\$80.0 million and the Non-Convertible Bonds in the principal amount of approximately S\$104.7 million. The Convertible Bonds will be unlisted, unsecured and have a five (5) year tenor. Subject to their terms, the Convertible Bonds shall be convertible on and after the first anniversary of their date of issue at the option of the Convertible Bond holder into a total of 250,000,000 new Conversion Shares at the Conversion Price of S\$0.320 per new Conversion Share, which price may be subject to adjustment under certain circumstances to be provided for under the terms and conditions of the Convertible Bonds.

Further to the Announcements and as a condition of the approval in-principle granted by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the listing of and quotation of the Rights Shares and Conversion Shares on the Main Board of the SGX-ST (“AIP”), a summary of (i) the circumstances under which the Conversion Price shall be adjusted based on the adjustment formulae set out in the terms and conditions of the Convertible Bonds; and (ii) the conditions under which the Convertible Bonds may be redeemed (in each case, subject to the terms and conditions of the Convertible Bonds) is set out below. The AIP granted by the SGX-ST to the Company is not to be taken as an indication of the merits of the Proposed Rights Issue, the Proposed Acquisition, the Company and/or its subsidiaries.

Adjustments to Conversion Price

1. Consolidation, Subdivision or Reclassification : In the event that there is any alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification.

2. Capitalisation of Profits or Reserves : (i) If and whenever the Company shall issue any Shares credited as fully paid to the holders of Shares (“Shareholders”) by way of capitalisation of profits or reserves, including Shares paid out of distributable profits or reserves (except any scrip dividend) and which would not have constituted a capital distribution.

(ii) In the case of an issue of Shares by way of a scrip dividend

where the Current Market Price of such Shares on the last trading day preceding the date of the announcement of the terms of such issue exceeds 115% of the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution.

“**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily volume weighted average price for one Share (being a Share carrying a full entitlement to dividends) for the 30 consecutive trading days ending on the trading day immediately preceding such date;

3. Capital Distribution : If and whenever the Company shall pay or make any capital distribution to the Shareholders (except where the Conversion Price falls to be adjusted under item 2 above).
4. Rights Issues of Shares or Options over Shares : If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 80% of the Current Market Price per Share on the last trading day preceding the date of the announcement of the terms of the issue or grant.
5. Issues at less than Current Market Price : If and whenever the Company shall issue (otherwise than as mentioned in item 4 above) wholly for cash any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in item 4 above) options, warrants or other rights to subscribe for or purchase Shares, in each case at a price per Share which is less than 90% of the Current Market Price on the last trading day preceding the date of announcement of the terms of such issue.

Redemption of Convertible Bonds

1. Redemption at Maturity : Unless previously redeemed or converted, the Company shall redeem the Convertible Bonds at the principal amount or the relevant outstanding part thereof on the date falling on the fifth anniversary of the completion date of the Proposed Acquisition or such other date as the Company may decide (“**Maturity Date**”).
2. Redemption at the Option of the Company : The Company may at its option at any time prior to the Maturity Date redeem the Convertible Bonds in whole or in part by giving a redemption notice to the Convertible Bond holder in accordance with the terms and conditions of the Convertible Bonds.
3. Events of Default : Upon the occurrence of any event of default specified in the terms

and conditions of the Convertible Bonds (including where a resolution is passed or an order is made for the winding-up or dissolution of the Company) and if such event of default is continuing, the Bondholder may give notice to the Company in accordance with the terms and conditions of the Convertible Bonds that the Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable at the Redemption Amount as defined in the Convertible Bond Deed.

Details on the adjustments of the Conversion Price (including the adjustment formulae) and the redemption of the Convertible Bonds are more particularly set out in the terms and conditions of the Convertible Bonds.

BY ORDER OF THE BOARD OF DIRECTORS OF
GALLANT VENTURE LTD.

Choo Kok Kiong
Company Secretary

28 March 2013