



RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON ANNUAL REPORT 2015

The Board of Directors of Gallant Venture Ltd. ("Company") refers to the queries received from Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2016 in relation to the Company's Annual Report 2015 and appended below are the Company's responses:-

SGX-ST Query 1:

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report.

The Exchange noted that the Annual Report did not disclose the Board's comments on the effectiveness of the aforementioned internal controls nor the adequacy and effectiveness of the information technology controls and risk management systems. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please disclose the Board's comment on the adequacy and effectiveness of the Company's internal controls addressing financial, operational, compliance and information technology controls, and risk management systems. Otherwise explain the reason(s) for the deviation from the Code.

Company's response to Query 1:

It was stated in the Statement of Corporate Governance, page 40 of the Annual Report 2015, "For the financial year ended 31 December 2015, the Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and regarding the effectiveness of the company's risk management and internal controls system."

The Audit Committee has reviewed the Company's internal control assessment and based on the internal and external auditors' reports, it is satisfied that there are adequate and effective internal controls in the Company. The Board of Directors, with the concurrence of the Audit Committee, is of the opinion that the current internal controls and risk management systems (including the information technology systems) are adequate and effective in addressing the financial, operational, compliance, information technology controls.



SGX-ST Query 2:

Guideline 9.3 of the Code states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentive and awards, and other long term incentives.

In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

The Exchange noted that the Annual Report did not disclose the upper limit for the highest remuneration band and the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO). As recommended in paragraph 9.3 of the Code and pursuant to Rule 710 of the Listing Manual, please provide the required disclosures or otherwise explain the reason(s) for the deviation from the Code.

Company's response to Query 2:

It was stated in the Statement of Corporate Governance on page 39 of the Annual Report 2015, *"The remuneration of each of the Company's top 4 key management personnel is above S\$250,000 and the aggregate total remuneration paid to the top 4 key management personnel is S\$3,093,000."*

The Company viewed that the disclosure of the upper limit for the highest remuneration band and the details of the remuneration for the top key management personnel ("key personnel") is not in the best interests of the Company given the highly competitive industry conditions for talented key personnel.

BY ORDER OF THE BOARD
Gallant Venture Ltd.

Choo Kok Kiong
Executive Director and Company Secretary

29 April 2016