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**RESPONSE TO SGX-ST'S QUERY REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**


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The Board of Directors of Gallant Venture Ltd. (the "**Company**") refers to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email dated 28 April 2021 regarding the Company's annual report for the financial year ended 31 December 2020 and wishes to respond to the query as follows:-

**SGX-ST's Query**

- a) Listing Rule 907 requires issuers to disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the following format: 1) Name of interested person; 2) Nature of relationship; 3) Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920); and 4) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000). Please disclose the interested party transactions of FY2020 in the prescribed presentation format.

**Company's Response**

The interested party transactions of FY2020 in the prescribed presentation format are as follow:-

<b>Name of interested Person</b>	<b>Nature of Relationship</b>	<b>Aggregate value of all interested person transactions entered into during financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)</b>	<b>Aggregate value of all interested person transactions conducted under Shareholder's Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Sales of Goods and services</b>			
Salim Group	See Note (1)	N.A	5,278
IMAS Group	See Note (2)	N.A	231

Name of interested Person	Nature of Relationship	Aggregate value of all interested person transactions entered into during financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholder's Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Purchase of Goods and Services</b>			
Salim Group	See Note (1)	N.A	26,631
IMAS Group	See Note (2)	N.A	1,452
<b>Interest Income</b>			
Salim Group	See Note (1)	N.A	6,195
<b>Dividend Income</b>			
IMAS Group	See Note (2)	N.A	3,085

**Notes:**

- (1) Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim.
- (2) IMAS Group refers to PT Indomobil Sukses Internasional Tbk, its subsidiaries and associated companies.

**SGX-ST's Query**

- b) Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. Practice Guidance 2 requires an issuer to state the Company's board diversity policy and progress made towards implementing the board diversity policy, including objectives. Please confirm if the Company's practices are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

**Company's Response**

The Company believes that whilst it has not adopted a formal board diversity policy, the Board and NC will continue to embrace all aspects of diversity in the current Board composition and appointment of new Directors, including gender and age diversity, and this is consistent with the intent of Principle 2 of the Code.

**SGX-ST's Query**

- c) Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. Practice Guidance 8 of the Code states that appropriate remuneration disclosures for individual directors, CEO and KMP should be made to provide sufficient transparency and information to shareholders regarding

remuneration matters. The remuneration disclosures for individual directors and the CEO should specify the names, amounts and breakdown of remuneration. We note that the Company declined to disclose each individual director and CEO's exact remuneration. Instead, the Company disclosed the remunerations in bands of S\$250,000. Please clarify and explain if this disclosure provides sufficient transparency and information to shareholders and it is consistent with the intent of Principle 8 of the Code.

### **Company's Response**

On page 75 of the Annual Report, the Company has explained the deviation from Provision 8.1 of the Code as follows:

"Given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantageous to the Group to disclose the exact remuneration of the Executive Directors and has decided to disclose the remuneration of its Executive Directors in bands of S\$500,000, along with the mix of the fixed and variable components."

While the exact remuneration of the Executive Directors is not given, the level and composition of the Executive Directors' remuneration packages expressed in percentage terms are provided. The Company believes that such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Executive Directors' remuneration packages and is consistent with the intent of Principle 8 of the Code.

### **SGX-ST's Query**

d) Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. Practice Guidance 8 of the Code states that remuneration disclosures of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000, in aggregate the total remuneration paid to these key management personnel, as well as disclose remuneration on named basis. We note the Company had declined to disclose the remuneration of its top five (5) KMP on a named basis, and the upper limit of the highest remuneration band is not disclosed. Please clarify and explain if this disclosure provides sufficient transparency and information to shareholders and is consistent with the intent of Principle 8 of the Code.

### **Company's Response**

The Company wishes to update the update the disclosure in Provision 8.1 of the Code relating to KMP on page 76 of its Annual Report as set out below.

	<b>Salary</b>	<b>Bonus</b>	<b>Other Benefits</b>	<b>Total</b>
	%	%	%	%
<b>S\$250,000 to S\$500,000</b>				
Executive 1	71	26	3	100
Executive 2	67	25	8	100
Executive 3	64	31	5	100
Executive 4	63	31	6	100
Executive 5	67	25	8	100

The Company has explained in depth the departure from Provision 8.1 of the Code as follows:

“The Company has not disclosed the names of the key management personnel individually. The Company has many competitors in the same industry which are private companies. By disclosing the top five key management personnel individually in bands of S\$250,000, the Company is susceptible to poaching of its personnel in a highly competitive market place vying for talents. The competitors have publicly available profile of the Company’s key personnel and remuneration benchmark. The Company does not have similar information and is seriously disadvantaged as compared to its competitors in retaining and recruitment of key personnel. Loss of its key personnel involves considerable loss of operational know-how and cost in recruitment of similar talent and gestation period for new key personnel to be fully inducted into the Company’s work practices. All this would impact its business competitive edge vis-à-vis its competitors. Disclosure of the names of the key management personnel will be not in the interest of the Company from a business perspective.”

We refer to the disclosure of the level and mix of remuneration in percentage terms by bands of S\$250,000 for the KMP as disclosed above as well as their total remuneration. The Company believes that the disclosure provides a balance between the interest of the Company and provision of information to shareholders on the range of remuneration to each of the key management personnel and the percentage of fixed and variable component of their remuneration and is consistent with the intent of Principle 8 of the Code.

On SGX-ST’s comments regarding the Listing Rule 1207(19), the Company wishes to inform that on page 84 of the Annual Report the Company reported as follows:

“The Company has procedures in place prohibiting dealings in the Company’s securities by the Company, its directors and employees within certain trading periods. The directors and employees are prohibited from dealing in the Company’s Securities one month prior to the release of the half year and full year financial statements of the Company. Directors and employees are also reminded to observe insider trading laws at all times, and not to deal in the Company’s securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in listed securities of the Group as set out above, in compliance with Rule 1207(19) of the SGX-ST Listing Manual.”

The Company will seek to codify its procedures on securities dealings as part of an internal compliance code for reporting moving forward.

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

Choo Kok Kiong  
Executive Director and Company Secretary  
29 April 2021