



RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON ANNUAL REPORT 2014

The Board of Directors of Gallant Venture Ltd. ("Company") refers to the queries received from Singapore Exchange Securities Trading Limited ("SGX-ST") on 22 April 2015 in relation to the Company's Annual Report 2014 and appended below are the Company's responses:-

SGX-ST Query 1:

Guideline 2.4 of the Code of Corporate Governance 2012, the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

As required under Listing Rule 710, an issuer must describe its corporate governance practices with specific reference to the principles of the Code in its annual report. It must disclose any deviation from any guideline of the Code together with an appropriate explanation for such deviation in the annual report.

Company's response to Query 1:

Notwithstanding that the Independent Directors, namely, Mr. Lim Hock San, Mr. Foo Ko Hing and Mr. Rivaie Rachman who each has served more than nine years in the Company, the Board is of the firm view that they have exercised independent judgment in the best interests of the Company in the discharge of their directors' duties. The Independent Directors engaged the Board in constructive discussion; their contributions are relevant and reasoned. In addition, these directors have institutional memory and continue to contribute positively towards Board's discussion as independent directors and assist the Board to make informed strategic decision in the Company's businesses.

SGX-ST Query 2:

Guideline 11.3 of 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 Board's commentary should include

information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) regarding the effectiveness of the company's risk management and internal control systems.

As required under Listing Rule 710, please make disclosure as recommended in the Code; in particular, the effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, or otherwise explain the reason(s) for the deviation.

Company's response to Query 2:

It is disclosed in the Statement of Corporate Governance, page 38 of the 2014 Annual Report, *"For the financial year ended 31 December 2014, 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 Board is of the opinion that current internal controls and risk management system are adequate and effective in addressing the financial, operational, compliance and IT risks while noting that no system of internal control could provide absolute assurance against the occurrence of errors, fraud or other irregularities. The Company has supplemented its internal control review function with engagement of 3rd party professional firm to regularly audit the Company's and its subsidiaries' operational, IT and financial functions. The professional firm reports directly to the Company's Audit Committee on its findings and recommendations.

SGX-ST Query 3:

As required under Listing Rule 704(6), an issuer must immediately announce if it has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors. Please clarify whether (i) the Company's Annual Report contains any material adjustments from the unaudited Full Year Financial Statements released on 27 February 2015; and (ii) the Company has announced the discrepancies.

Company's response to Query 3:

There are no adjustments to the unaudited Full Year Financial Statements as compared to the Company's Annual Report except for the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. The main differences in the Consolidated Statement of Financial Position are due to the reclassification of current and non-current

assets and liabilities. For the Consolidated Statement of Cash Flows, the differences in the cash flows from operating and investing activities are due to allocation of foreign currency translation differences, subsequent to finalization of financial audit, to respective line item.

The Board is of the view that the post financial audit adjustments are due to foreign currency translation related reclassifications between line items which does not affect the true and fair view of the financial statements. Accordingly, the Company did not make separate announcement on the reclassifications.

BY ORDER OF THE BOARD

CHOO KOK KIONG
EXECUTIVE DIRECTOR AND COMPANY SECRETARY
23 APRIL 2015