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SGX-ST Release

29 September 2023

PROPOSED BONUS ISSUE

1. Introduction

- 1.1 The Board of Directors (the “**Board**”) of Global Investments Limited (the “**Company**”) wishes to announce that the Company is proposing a distribution of treasury shares of the Company (“**Bonus Shares**”) to the shareholders of the Company (“**Shareholders**”) on the basis of one (1) Bonus Share for every twenty five (25) existing issued shares in the share capital of the Company (“**Shares**”) as at a date and time to be determined by the Directors for the purposes of determining Shareholders’ entitlements to the Bonus Shares (“**Record Date**”), fractional entitlements to be disregarded (the “**Proposed Bonus Issue**”).

2. Terms of the Proposed Bonus Issue

- 2.1 Based on the issued and paid-up share capital of the Company comprising 1,723,842,446 Shares (including 134,993,655 treasury shares) as at the date of this announcement, approximately 63,553,952 Bonus Shares will be transferred pursuant to the Proposed Bonus Issue (assuming there is no change in the number of treasury shares from the date of this announcement up to the Record Date). Fractional entitlements will be disregarded and disposed of in such manner as the Directors may in their absolute discretion deem fit in the best interests of the Company.
- 2.2 The Bonus Shares will be issued to shareholders of the Company whose names appear in the Register of Members or who have shares entered against their names in the Depository Register as at the Record Date. Notice of the Record Date of the Register of Members and the Share Transfer Books of the Company will be given at a later date, after necessary approval has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- 2.3 The new Bonus Shares will be transferred at nil consideration to entitled shareholders of the Company without capitalisation of the Company’s revaluation reserves. The Bonus Shares, when transferred to the entitled shareholders of the Company, will rank *pari passu* in all respects with the existing issued ordinary shares in the capital of the Company and with each other, except that the Bonus Shares shall not be entitled to any dividends, rights, allotments or

other distributions attached to the Bonus Shares prior to the date of transfer of such Bonus Shares to the entitled shareholders.

- 2.4 The Bonus Shares represent approximately 3.69% of the existing issued and paid-up share capital of the Company as at the date of this announcement. As treasury shares are used in lieu of new shares, there will be no change to the share capital of the Company following the completion of the Proposed Bonus Issue.
- 2.5 The Bonus Shares will involve the distribution of treasury shares to the shareholders of the Company in lieu of issuing new shares. As at the date of this announcement, the Company has 134,993,655 treasury shares available to transfer to the entitled shareholders, and the proposed transfer of 63,553,952 Bonus Shares pursuant to the Proposed Bonus Issue will fall within the maximum number of treasury shares that the Company is permitted to transfer.
- 2.6 Where the Board is of the view that the distribution of Bonus Shares to any Overseas Shareholders may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, Bonus Shares which such Overseas Shareholders would have been entitled to pursuant to the Proposed Bonus Issue (the “**Overseas Shareholders’ Bonus Shares**”) will not be distributed to such Overseas Shareholders. Instead, the Overseas Shareholders’ Bonus Shares shall be transferred to such person(s) as the Board may appoint, to sell the relevant Bonus Shares and thereafter to distribute the net proceeds, after deducting for all dealings and other expenses in connection therewith, proportionately among such Overseas Shareholders according to their respective entitlements to the Bonus Shares as at the Record Date in full satisfaction of their rights to the Bonus Shares which they would otherwise have become entitled to under the Proposed Bonus Issue.

3. Rationale

- 3.1 The Company is undertaking the Proposed Bonus Issue in conjunction with an off market share buy-back by way of equal access scheme announced on the same date as this announcement (the “**Equal Access Offer**”, and together with the Proposed Bonus Issue, the “**Proposed Transaction**”) as a means to continue rewarding the Company’s shareholders from the cash generated from its operations in the form of shares. As the Bonus Issue (using treasury shares) is not expected to dilute the shareholding of individual shareholders or otherwise prejudice the rights of shareholders, we are of the view that shareholders would benefit from the bonus issue.
- 3.2 Based on the closing share price of the Company as at 28 September 2023 of \$0.116 per share, the Bonus Shares received by each shareholder is equivalent to 0.46 cents per share. This is also consistent with the interim dividends that the Company has declared since 2018, in the range of 0.4 to 0.5 cents.

4. Approvals

- 4.1 The Proposed Transaction is subject to, inter alia, (a) the Company obtaining any applicable waivers and/or approvals that may be required for the Proposed Transaction including approval in-principle of the SGX-ST; and/or (b) no other regulatory requirements being imposed on the terms of the Proposed Transaction. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

5. Application for Waiver from Compliance with Rule 838 of the Listing Manual

- 5.1 Pursuant to Rule 838 of the Listing Manual, an issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the bonus issue, will not be less than S\$0.50 (“**Minimum Price**”). In compliance with Rule 838, the issuer should compute the adjusted price based on the proposed bonus issue ratio and the issuer’s lowest daily weighted share price of the shares for a month preceding the issuer’s proposed bonus issue application. Based on the Company’s share price for the past 10 years, the share price has been below the Minimum Price before the Proposed Bonus Issue. However, the Company is inclined to proceed with the Proposed Bonus Issue for the reasons as set out above in paragraph 3. Accordingly, the Company submitted an application to the SGX-ST to seek waiver on the requirement under Rule 838 of the Listing Manual (the “**Waiver**”) on 10 August 2023.

6. Conditional approval of the Waiver Application

- 6.1 As announced by the Company on 8 September 2023, the Company has obtained the Waiver.

- 6.2 The Waiver took into consideration, amongst others, the following:

- 6.2.1 The Company, being a mutual fund company, has a key investment objective of paying regular dividends to shareholders;
- 6.2.2 Since redomiciliation, the Company is limited by the Companies Act, which strictly requires that the Company has profit and/or retained earnings before it could declare a dividend. Hence, the Company wishes to reward shareholders using a combination of methods;
- 6.2.3 The Company’s track record of paying dividends every year consecutively since its listing on the Mainboard on 20 December 2006;
- 6.2.4 The Company has obtained a legal opinion from Shook Lin & Bok LLP, a reputable law firm that the proposed bonus issue does not contravene Section 403 of the Companies Act;
- 6.2.5 The Company will institute off-market share buy-back by way of the Equal Access Offer to allow shareholders to receive cash in lieu of bonus shares, should they elect to do so. The timeline of both corporate actions will be aligned such that the bonus share crediting date is on the same day as the payment date for the Equal Access Offer;
- 6.2.6 The pro-rata bonus issue using treasury shares cum the Buy-back is a means to continue rewarding the Company’s shareholders from the cash generated from its operations in the form of scrips, in line with its stated key investment objective of paying regular dividends to shareholders. The present waiver is sought for the limited circumstances where the Company has insufficient profit or retained earnings to declare the usual dividend and has sufficient treasury shares for the whole bonus issue and would not be issuing any new shares for the bonus issue;
- 6.2.7 The proposed bonus issue will be conducted by way of allotting and transferring treasury shares to existing shareholders of the Company as fully paid bonus shares, instead of a new issue of shares to the shareholders. The Company would be solvent within the meaning of Section 76F(4) of the Companies Act upon the exercise of the

Buy-back, and is not expected to prejudice any creditors of the Company. The Buy-back will be conducted within the limits of the solvency safeguards prescribed under the existing share buy-back mandate and Section 76C of the Companies Act;

6.2.8 The Company's track record of compliance with Listing Rules, and that it has been obtaining an unqualified audit opinion for its financial statements since listing.

6.3 The Waiver is subject to the following (the "**Conditions**"):

6.3.1 the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met (if any);

6.3.2 The Company disclosing in the Waiver announcement of all above reasons stated in the Waiver Email and that its ability to declare cash dividends is limited by the profit requirements under the relevant provisions of the Companies Act and hence, the Company intends to reward shareholders using a combination of methods, being bonus issue using treasury shares cum equal access buy-back. The equal access buy-back will allow shareholders who prefer cash to receive the equivalent cash value of the bonus shares;

6.3.3 No material adverse change in the reasons listed in paragraph 6.2 above;

6.3.4 The Waiver is/will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation).

6.4 To the best of the Company's knowledge, as at the date of this announcement, the Conditions of the Waiver have been satisfied.

7. Interests of Directors and Substantial Shareholders

7.1 None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

8. Responsibility Statement

8.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

9. Cautionary Statement

- 9.1 Shareholders are advised to read this announcement, the Equal Access Offer announcement and any further announcements by the Company carefully.
- 9.2 Shareholders and potential investors should note that the Proposed Transaction is subject to, inter alia, (a) the Company obtaining any applicable waivers and/or approvals that may be required, and/or (b) no other regulatory requirements being imposed on the terms of the Proposed Transaction
- 9.3 Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, or other professional advisers if they have any doubt about the actions they should take.

By order of the Board

Boon Swan Foo
Chairman

About Global Investments Limited

Global Investments Limited (**GIL**) is a company registered in Singapore that provides investors access to a diversified portfolio of assets and economic exposures. GIL is managed by Singapore Consortium Investment Management Limited.