



**GLOBAL INVACOM GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200202428H)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES  
TRADING LIMITED (“SGX-ST”) ON THE ANNUAL REPORT FY2020**

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The Board of Directors (the “**Board**”) of GLOBAL INVACOM GROUP LIMITED (the “**Company**”) refers to the following queries raised by the SGX-ST on 27 April 2021 and would like to provide additional information in relation to the Company’s annual report (“**Annual Report**”) for the financial year ended 31 December 2020 (“**FY2020**”), as follows:

**SGX-ST’s Query (1):**

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. We note that the Company had not complied with Provision 2.2 of the Code as Independent directors do not make up a majority of the Board where your Chairman is not independent and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

**Company’s response to Query (1):**

The Company’s Board of Directors is made up of six members, out of which three are Independent Directors and one is a Non-Independent Non-Executive Director.

Despite the variation from Provision 2.2 of the Code which Independent Directors do not make up a majority of the Board where the Chairman is not independent, the Company considers the current Board size of six members is appropriate having regard to the nature and scope of the Group’s operations. As a whole, there are four Non-Executive Directors which make up a majority of the Board, of whom three are Independent Directors which make up half of the Board, which had continued to make up a strong and independent element of the Board whereby the views of the Management and Executive Chairman and his team were constructively challenged, from time to time, at Board meetings.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management’s performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group’s business. When challenging Management’s proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflict of interests and other complexities.

Besides, the Company had appointed Lead Independent Director (“**LID**”), Mr John Lim Yew Kong, who would address the concerns, if any, of the Company’s shareholders on issues that cannot be appropriately dealt with by the Chairman and CEO. The Independent Directors, led by LID, is able to meet for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary without the presence of the other Directors. LID would provide any feedback to the Chairman as necessary.

In view of the above, the Company is of the view that the intent of Principle 2 of the Code is met with an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

**SGX-ST's Query (2):**

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

**Company's response to Query (2):**

The Company has on page 32 of the Annual Report FY2020 disclosed the names, amounts and breakdown of remuneration of Executive Directors, the CEO and key management personnel of the Company in bands of S\$250,000. The variation from Provision 8.1 of the Code of not disclosing the exact remuneration amount of the Executive Directors is in view of the niche market of the Group's business. The Group believes that the exact disclosure of remuneration of Executive Directors who hold knowledge particular to this market and to the Group would significantly increase the risk of poaching by other competitors of this market and may seriously affect the competitive edge as well as the proprietary knowledge within the Group.

The Company has on page 31 of the Annual Report FY2020, under the header "Level and Mix of Remuneration", disclosed the remuneration policy for Executive Directors and key management personnel which comprises of a fixed and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a cash bonus scheme that is results-based with a trigger set around three key targets, two of which were financial based on revenue and profit before tax and one was a soft target based on new product introduction.

The Company has also disclosed on page 31 of the Annual Report FY2020 that the Group's long term incentive schemes to be granted are based on participants achieving pre-set operating unit financial goals, individual performance, as well as achieving corporate financial goals. The important terms of the Group's long term incentive schemes, Global Invacom Share Option Scheme 2013 and Global Invacom Performance Share Plan 2013 are disclosed in Notes 4 and 5 of the Directors' Statement as set out in the Annual Report FY2020.

The Company is of the view that the information disclosed provides investors with insights as to the remuneration policies, procedure of setting remuneration and the relationships between remuneration, performance and value creation, and is of the view that the intent of Principle 8 of the Code is met as the remuneration policy, relationships between remuneration, performance and value creation and procedure for setting remuneration applicable to the executive directors are described above and the level and mix of remuneration is disclosed on pages 31 and 32 of the Annual Report FY2020.

BY ORDER OF THE BOARD

Anthony Brian Taylor  
Executive Chairman

27 April 2021