



ANNOUNCEMENT

PROPOSED DIMINUTION OF AUTHORISED SHARE CAPITAL

1. INTRODUCTION

- 1.1 The board of directors (“**Board**” or the “**Directors**”) of GL Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a diminution of the authorised share capital of the Company by cancelling 2,500,000,000 authorised but unissued shares in the capital of the Company (“**Shares**”) with a par value of US\$0.20 each in the share capital of the Company and diminishing the authorised share capital of the Company by US\$500,000,000 representing the amount of the Shares so cancelled, resulting in an authorised share capital of US\$500,000,000 divided into 2,500,000,000 Shares with a par value of US\$0.20 each in the share capital of the Company (“**Proposed Authorised Capital Diminution**”).
- 1.2 As at the date of this announcement, the authorised share capital of the Company is US\$1,000,000,000 divided into 5,000,000,000 Shares with a par value of US\$0.20 each, of which 1,368,063,633 Shares with a par value of US\$0.20 each have been issued and are fully paid-up.
- 1.3 The Proposed Authorised Capital Diminution is subject to, *inter alia*, the approval of the shareholders of the Company (“**Shareholders**”), which will be sought at a special general meeting of the Company (“**SGM**”) to be convened. A circular to the Shareholders containing further information on the Proposed Authorised Capital Diminution and, together with the notice of the SGM will be despatched to the Shareholders in due course.

2. RATIONALE FOR THE PROPOSED AUTHORISED CAPITAL DIMINUTION

As the existing authorised share capital of the Company exceeds the needs of the Company, the Directors are of the view that the Proposed Authorised Capital Diminution would be in the interest of the Company and the Shareholders as a whole taking into consideration:

- (a) the existing issued share capital of the Company;
- (b) the maximum number of Shares which may be issued and allotted pursuant to the Company’s share issue mandate and the GL Limited Executives’ Share Scheme 2018;
- (c) the Company having no present intention of raising capital via the issue of Shares;



- (d) the escalating scale of the annual fee payable to the Bermuda government calculated on the assessable capital of the Company, being the aggregate of the amount of the authorised share capital of the Company and the amount of the share premium account of the Company; and
- (e) the savings which would be achieved as a result of a lower annual fee payable to the Bermuda government after the Proposed Authorised Capital Diminution.

The Proposed Authorised Capital Diminution will not, of itself, alter the issued share capital of the Company or the interests of the Shareholders. It is a cancellation in respect of authorised but unissued Shares and will not constitute a reduction in share capital within the meaning of the Companies Act 1981 of Bermuda.

3. EFFECTS OF THE PROPOSED AUTHORISED CAPITAL DIMINUTION

The Proposed Authorised Capital Diminution will reduce the authorised share capital of the Company from US\$1,000,000,000 divided into 5,000,000,000 Shares with a par value of US\$0.20 each, to US\$500,000,000 divided into 2,500,000,000 Shares with a par value of US\$0.20 each. There will be no change in the percentage level of the shareholding of each Shareholder solely as a result of the Proposed Authorised Capital Diminution.

Other than the expenses incurred in relation to the Proposed Authorised Capital Diminution, the Proposed Authorised Capital Diminution will not alter the underlying assets, business operations, management or financial position of the Company.

The Proposed Authorised Capital Diminution will not reduce any liability in respect of unpaid capital or involve any payment to any Shareholders of any fully paid-up share capital of the Company. As at 30 June 2020, the net equity position of the Group before and after the Proposed Authorised Capital Diminution is US\$885,411,916 and US\$885,411,916 respectively.

The Proposed Authorised Capital Diminution will not result in a return of capital or cash to Shareholders.

4. FINANCIAL IMPACT OF PROPOSED AUTHORISED CAPITAL DIMINUTION

For illustrative purposes only, the financial position of the Group is set out below.

(a) Share Capital

The effects of the Proposed Authorised Capital Diminution on the authorised, issued and paid-up share capital of the Company as at 30 June 2020 are as follows:

	Before Proposed Authorised Capital Diminution	After Proposed Authorised Capital Diminution
Authorised Share Capital		
Number of Shares	5,000,000,000	2,500,000,000
Par Value (US\$)	0.20	0.20
Total (US\$)	1,000,000,000	500,000,000
Issued and Paid-up Share Capital		
Number of Shares	1,368,063,633	1,368,063,633
Par Value (US\$)	0.20	0.20
Total (US\$)	273,612,727	273,612,727

(b) Shareholders' Funds and Reserves

The Shareholders' funds and reserves of the Group before and after the Proposed Authorised Capital Diminution (based on the latest audited consolidated financial statements of the Group as at 30 June 2020) are as follows:

	Before Proposed Authorised Capital Diminution (US\$)	After Proposed Authorised Capital Diminution (US\$)
Share capital	273,612,727	273,612,727
Contributed surplus ⁽¹⁾	654,181,234	654,181,234
Share premium	0	0
Capital reserve	(4,483,537)	(4,483,537)
Foreign currency translation reserve	(320,861,518)	(320,861,518)
Share-based compensation reserve	2,826,248	2,826,248
Share option reserve	(46,214,824)	(46,214,824)
Retained earnings	326,351,586	326,351,586
Shareholders' Funds	885,411,916	885,411,916

Notes:

- (1) "Contributed surplus" is the amount by which the paid-up share capital exceeds the aggregate par value of the ordinary shares.



(c) Net Tangible Assets, Earnings and Gearing

Save for the costs and expenses relating to the Proposed Authorised Capital Diminution set out in the table below, which are not significant, the implementation of the Proposed Authorised Capital Diminution will not have any effect on the net tangible assets, earnings and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Authorised Capital Diminution.

Description	Costs and Expenses
Lee & Lee – legal costs	S\$15,000
Conyers Dill & Pearman Pte. Ltd. – legal costs	S\$4,072
SGX submission fees	S\$8,561
Cost of designing and printing Circular, notice of SGM and SGM proxy form	S\$4,200
Cost of sending the Circular, notice of SGM and SGM proxy form	S\$1,800
Advertisement of notice of SGM	S\$2,000
SGM scrutineer's fee	S\$1,000
Total	S\$36,633

The proforma analysis above has been prepared solely for illustrative purpose only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Authorised Capital Diminution.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Authorised Capital Diminution (other than through their respective shareholdings in the Company).

6. DIRECTORS' RESPONSIBILITY STATEMENT

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 Authorised Capital Diminution and the Group, 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 this announcement in its proper form and context.

BY ORDER OF THE BOARD

SUSAN LIM
Company Secretary
18 September 2020