GLOBAL INVESTMENTS LIMITED

DELIVERING RETURNS CONSISTENTLY

Annual Report 2014

CORPORATE INFORMATION

BOARD OF DIRECTORS
Boon Swan Foo (Chairman)
Adrian Chan Pengee
Ronald Seah Lim Siang
Tan Kok Wee
Jason See Yong Kiat

NOMINATION AND GOVERNANCE COMMITTEE
Adrian Chan Pengee (Chairman)
Boon Swan Foo
Ronald Seah Lim Siang

AUDIT AND RISK MANAGEMENT COMMITTEE
Tan Kok Wee (Chairman)
Adrian Chan Pengee
Ronald Seah Lim Siang

REMUNERATION COMMITTEE
Ronald Seah Lim Siang (Chairman)
Adrian Chan Pengee
Tan Kok Wee

COMPANY SECRETARY
Janice Loraine Haskins

ASSISTANT SECRETARY
IKONIC Fund Services Ltd.
Rohana Saharom
Kamaliah Mohamed Kamari

FUND ADMINISTRATOR
IKONIC Fund Services Ltd.

REGISTERED OFFICE
Penboss Building, 2nd Floor
50 Parliament Street
Hamilton, HM12, Bermuda

Telephone:+1 441 295 8282
Facsimile: +1 441 279 2090

BERMUDA COMPANY REGISTRATION NUMBER
EC 38267

SHARE TRANSFER AGENT
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Republic of Singapore

Telephone:+65 6536 5355
Facsimile: +65 6536 1360

AUDITORS
PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
8 Cross Street #17-00
PWC Building
Singapore 048424
Republic of Singapore

Telephone:+65 6236 3388
Facsimile: +65 6236 3300

Audit Partner: Paul Pak
Date of Appointment: 21 April 2011

THE MANAGER
ST Asset Management Ltd.
60B Orchard Road #06-18 Tower 2
The Atrium@Orchard
Singapore 238891
Republic of Singapore

Telephone:+65 6828 8133
Facsimile: +65 6720 2990
Email: contact@stassetmgt.com
Website: www.stassetmgt.com

THE MANAGER'S CONSULTANT/ADMINISTRATOR
Allgrace Investment Management Private Limited
51 Cuppage Road, #10-04
Singapore 229469

Telephone: +65 6908 4860
Facsimile: +65 6908 4865
Email: contact@allgraceinvestment.com
Website: www.allgraceinvestment.com

INVESTOR RELATIONS
Telephone: +65 6828 8105 / +65 6828 8178
Facsimile: +65 6720 2882
Email: ir@globalinvestmentslimited.com
Website: www.globalinvestmentslimited.com

DISCLAIMER
Investments in Global Investments Limited ("GIL" or the "Company") are not deposits with or other liabilities of ST Asset Management Ltd. ("STAM" or the "Manager"), or any of STAM's related corporations[1] and are subject to investment risk, including the possible loss of income and capital invested. Neither STAM, nor STAM's related corporations guarantee the performance of GIL or the payment of a particular rate of return on the shares of GIL.

This financial report is not an offer or invitation for subscription or purchase or recommendation of GIL shares. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in GIL, an investor or prospective investor should consider whether such an investment is appropriate to their particular investments needs, objectives and financial circumstances and consult an investment adviser, if necessary.

STAM, as manager of GIL, is entitled to fees for so acting. STAM and its related corporations, together with their respective officers and directors, may hold shares in GIL from time to time.

This financial report has been prepared to enable the directors to comply with their obligations under the listing manual of Singapore Exchange Securities Trading Limited (the "SGX-ST") and where relevant, to satisfy the requirements of the International Financial Reporting Standards. The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

[1] As defined under Section 6 of the Singapore Companies Act (Chapter 50).

CORPORATE PROFILE

GIL is a mutual fund company incorporated in Bermuda on 24 April 2006 and listed on the Main Board of SGX-ST.

GIL is managed by STAM, a Singapore incorporated wholly-owned subsidiary of Temasek Holdings (Private) Limited which holds a capital markets services licence for fund management issued by the Monetary Authority of Singapore ("MAS"). Most of the administrative services including finance, accounting, risk management, compliance and corporate secretarial services have been delegated to Allgrace Investment Management Private Limited ("Allgrace") by STAM.

GIL's investment policy is to make investments in a portfolio of assets in different sectors through different means which include but not limited to direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements provided that it will not make any direct investments in real estate and commodities.

GIL's strategy is to actively manage and grow its assets. It aims to seek investment in assets that will generate steady income and potential appreciation in capital to deliver regular dividends and achieve capital growth.

The board of directors ("Board") is responsible for GIL's strategic objectives and corporate governance and determines the financial policies of GIL. The Board defines the key investment parameters including the discretionary limits of the Manager and approves substantial investment and divestment decisions of GIL based on the Manager's recommendation. The majority of the Board comprises independent directors.

GIL is not subject to the regulatory regime applicable to collective investment schemes under Division 2 of Part XIII of the Securities and Futures Act (Cap. 289) of Singapore ("SFA") as closed-end funds constituted before 1 July 2013 are grandfathered.

CONTENTS

CHAIRMAN'S STATEMENT

Boon Swan Foo
Chairman
Global Investments Limited

Dear Shareholders,

2014 proved to be another eventful year for the global economy and financial markets. In spite of market volatility, GIL was able to deliver yet another profitable year.

The Year in Review

The year began with investors intensely focused on the impending end to the five-year quantitative easing programme by the US Federal Reserve ("the Fed"). The flood of easy liquidity had helped financial markets recover strongly, contributing to robust performance by many asset classes. With this tide of liquidity receding, investors had to grapple with managing the impact of expected increases in market volatility on the performance of investment portfolios. This took place against a backdrop of diverging economic performance between the US and the rest of the world. Economic reports showed the US recovery from last year gathering strength, even as Europe, China, Japan and major emerging economies continued to face slow or slowing growth in their regions. As the year progressed, the markets witnessed several major events that added to this wall of worry – geopolitical tensions between Europe and Russia over Ukraine in March and Iraq and Syria in July, the outbreak of the Ebola viral epidemic in West Africa and the occasional cases popping up in Europe and the US, and the collapse of oil prices since the middle of the year and the concomitant damage to oil-producers and their supply chain. With each event, the markets reacted negatively with spikes in volatility but every such occasion also proved to be opportunities for investors to re-enter and push the markets up higher.

Despite this challenging environment, I am pleased that the Company was able to continue generating steady income, enabling regular dividends to be paid, and grow its net asset value ("NAV").

CHAIRMAN'S STATEMENT

Financial Performance

GIL's net profit after tax for FY2014 remained strong at S$24.3 million, compared to S$28.8 million in FY2013. Excluding the redelivery and sale of the two aircraft in the previous year, the net profit after tax would have increased by 11.5%. The Company registered a total comprehensive income of S$24.0 million during the year, which was S$9.5 million lower than the S$33.4 million recorded in the previous year. The Company achieved a respectable return on equity ("ROE")[1] of 8.8% on the back of a higher average total equity as compared to last year and notwithstanding the volatility of the financial markets and currencies last year. The earnings per share ("EPS")[2] recorded for FY2014 was 1.92 Singapore cents compared to 2.82 Singapore cents for FY2013. The reported NAV[3] per share was 21.3 Singapore cents for FY2014 and it represented an 8.7% increase from FY2013, on an adjusted basis.

During the year, the Company responded to feedback received from Shareholders and reverted its dividend distribution frequency from annual to semi-annual basis after the SGX-ST had granted certain waivers to its revised listing fees. On 8 August 2014, the Company announced that the scrip dividend scheme will be applied to the interim dividend of 0.75 Singapore cents per share for the financial year ended 31 December 2014 (the "Interim Dividend"). The proportion of the total Interim Dividend amount issued as new shares pursuant to the scrip dividend scheme was approximately 70.54% as compared to 65.66% in the previous year. We would like to thank our Shareholders for their strong support of the Company.

Despite the increase in shareholder equity due to shares issued pursuant to the scrip dividend scheme during the year, the Board was pleased to maintain the dividend distribution per share of 1.5 Singapore cents, in respect of the financial year ended 31 December 2014. The full year distribution was 9.5% higher than in FY2013 and represented an annual dividend yield of 10.4% based on the closing share price of 14.4 cents on 31 December 2014.

During the year, an incentive fee of S$1,062,324 was paid to the Manager in respect of 1H2014 while a deficit[4] of S$3,237,219 was recorded for 2H2014. This deficit will be carried forward to and recovered from future periods.

Ranking in the Governance and Transparency Index

GIL participated in the Governance and Transparency Index ("GTI") 2014, jointly launched by the Business Times and the National University of Singapore's Centre for Governance, Institutions and Organisations, sponsored by CPA Australia and supported by the Investment Management Association of Singapore. The GTI assesses the financial transparency of companies based on their annual announcements. In 2014, our GTI score was 73 points and our ranking was 34 out of 644 listed companies which participated in the GTI 2014. Our high ranking was made possible by the commitment of the Board in maintaining high standards of corporate governance.

1 ROE is computed based on net profit after tax over the average total equity for the relevant year. The average total equity for FY2014 is S$277.23 million compared to S$229.91 million for FY2013.

2 2014 EPS was based on the weighted average number of shares of 1,267,747,007 after taking into account the additional shares issued pursuant to the scrip dividend scheme, and 2013 EPS was based on the weighted average number of shares of 1,020,153,378.

3 If the 2013 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2013, the NAV per share as at 31 December 2013 would have been 20.6 Singapore cents instead of 22.6 Singapore cents per share. After adjusting for the 1H 2014 interim dividend and shares relating to the scrip dividend scheme, the NAV per share as at 31 December 2014 would have been 22.4 Singapore cents and the increase in NAV per share would be 8.7%.

4 For a Half Year, an amount determined at the end of that Half Year as the Total Benchmark Return less Total Share Return for the Relevant Half Years for that Half Year. If this amount is a positive number, then it is the deficit. If it is a negative number, the deficit is zero.

CHAIRMAN'S STATEMENT

Minimum Trading Price Requirement

The Company will comply with the minimum trading price requirement ("MTP Requirement") implemented by the SGX-ST as a continuous listing requirement in due course and remains committed to be listed on the Mainboard of the SGX-ST. The Company does not intend, however, to conduct a share consolidation exercise at the time of its annual general meeting in April 2015. It will make a further announcement of its plans to meet the MTP Requirement as and when appropriate.

Looking ahead

With high private and public debt continuing to weigh on the recovery in advanced economies, global economic growth in 2015 is expected to remain below long-term potential as estimated by financial institutions like the International Monetary Fund and the World Bank. Despite largely favourable liquidity conditions continuing to provide support for the financial markets, especially in view of recent easing moves by central banks across Europe and Asia, investors may remain plagued by increased volatility in the markets as they worry about a correction in markets at multi-year highs.

In the US, the Fed's stance on interest rates will continue to be a key focus for investors for the year as the nation prepares to exit the easy monetary conditions that are expected to finally enable the economy to strengthen to a point of being self-sustaining. As the benefits of the economic recovery gradually spread to even the US labour market, the Fed anticipates beginning rate hikes in 2015, albeit at a pace that will depend very much on economic data, particularly those from the job market. Subdued inflation in the US and the weak ex-US economic growth outlook could be potential factors that may delay the Fed's decision to raise rates.

Across the ocean, the deterioration of the economic situation in the Eurozone prompted the European Central Bank ("ECB") to take stronger action in its quantitative easing policies in 2015. With the additional monetary easing, the weakening Euro currency can provide a boost to growth momentum in the Eurozone, although this is likely to be modest as it will be restrained by the lack of meaningful reforms to boost productivity and investments. Ongoing tension between Europe and Russia along with general elections due in several European countries could have significant economic and political implications for Europe during the year.

As for China, the government is expected to continue with its efforts to rebalance its economy away from an investment and export-led model. The transition may see the Chinese economy decelerating further in 2015 although low inflationary pressures have allowed the Chinese government to begin easing its monetary policy. To further support domestic growth, the government may embark on more fiscal measures as well as enhance land and social security reforms and financial liberalisation.

CHAIRMAN'S STATEMENT

Going Forward

While lower oil and commodity prices are tipping major central bankers towards more accommodative policies that lend support to the markets, investments in equities and credit remain challenging as prices may be more volatile and fear of rating downgrades and bond defaults has generally increased, especially in sectors which face the headwinds from low oil prices and currency volatility.

While the monetary policies of major economies outside the US remain favorable for financial markets in general, the Company is mindful of the increased volatility in the market and will be selective in its investment assets.

The Company continues to see opportunities in the following areas:

- Operating lease assets or equity or debt in companies with exposures to operating leases, which are able to generate stable cash flows and have potential for capital growth, especially in the oil and gas sector.

- High-yield bonds, hybrid investments and public equity investments where emphasis will be on securities selection and/or market timing.

- Collateralised loan obligation ("CLO") notes, residential mortgage-backed securities ("RMBS"), loans, receivables or asset-backed securities which are paying regular cash flows and offer attractive yields in the current interest rate environment globally.

Acknowledgement

On behalf of the Board, I would like to express my appreciation to all Shareholders for your continued confidence and support of GIL through the years. The Board also commends STAM for putting up a consistent performance in challenging times. Lastly, I would like to express my sincere gratitude to my fellow directors for their counsel and advice over the last year.

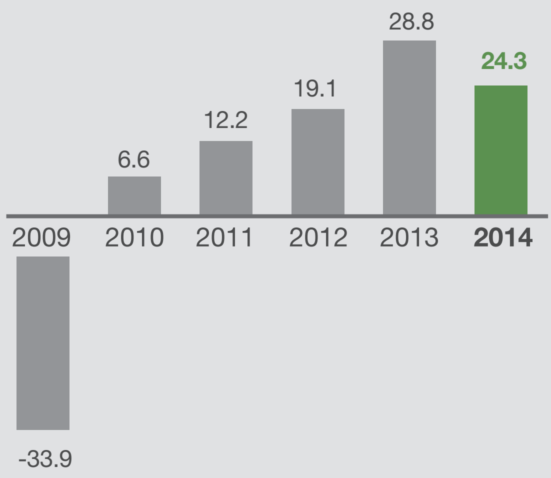
Boon Swan Foo
Chairman
Global Investments Limited

FINANCIAL HIGHLIGHTS

NET PROFIT AFTER TAX

Net profit after tax dropped by 15.6% on a year-on-year ("y-o-y") basis to S$24.3 million from S$28.8 million. Excluding the S$7.0 million gain from the redelivery and sale of the two aircraft in the previous year, the net profit after tax would have increased by 11.5%.

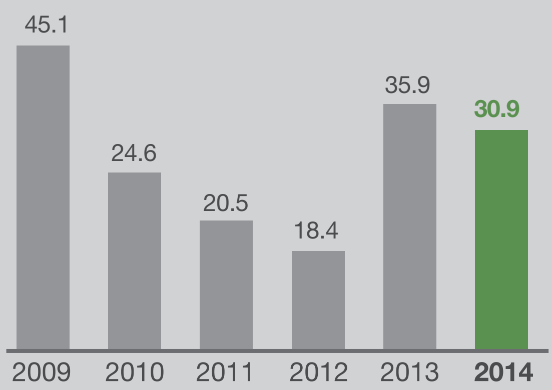
NET PROFIT AFTER TAX
(S$ million)



TOTAL REVENUE

Revenue dropped by 13.9% to S$30.9 million for FY2014. Excluding the gain from the redelivery and sale of the two aircraft, the revenue would have increased by 6.9%.

TOTAL REVENUE
(S$ million)



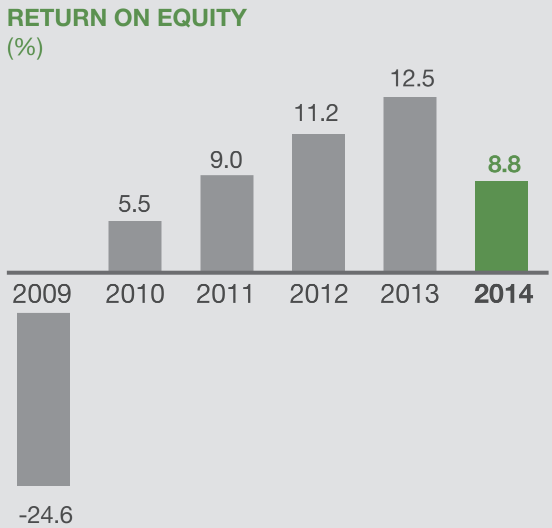
FINANCIAL HIGHLIGHTS

EARNINGS PER SHARE

EPS decreased by 31.9% to 1.92 Singapore cents in FY2014 (based on the weighted average number of shares of 1,267,747,007 after taking into account the additional shares issued pursuant to the scrip dividend scheme) from 2.82 Singapore cents (based on the weighted average number of shares of 1,020,153,378) in FY2013.

RETURN ON EQUITY

ROE[1] decreased to 8.8% in FY2014 (based on average total equity of S$277.23 million) from 12.5% in FY2013 (based on average total equity of S$229.91 million).



[1] ROE is computed based on net profit after tax over the average total equity for the relevant years.

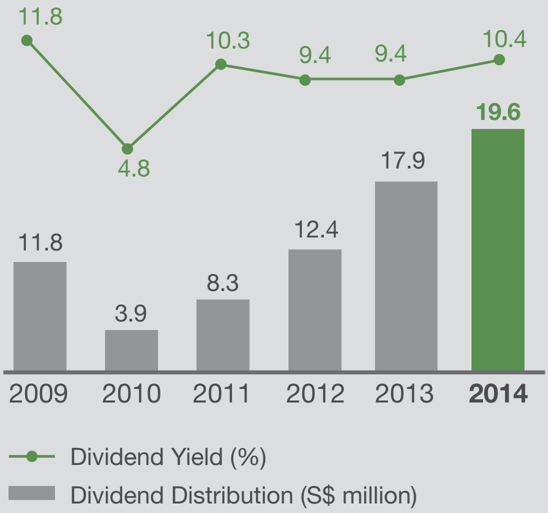
FINANCIAL HIGHLIGHTS

DIVIDEND DISTRIBUTION

Dividend distribution per share totalled 1.5 Singapore cents (based on the enlarged share capital after taking into account the shares issued during the year pursuant to the scrip dividend scheme) in FY2014. The total amount of dividend to be paid increased by 9.5% to S$19.6 million in FY2014 from S$17.9 million in FY2013.

The dividend of 1.5 Singapore cents per share for the financial year ended 31 December 2014 represented an annual dividend yield[1] of 10.4%, based on the closing share price of 14.4 Singapore cents as of 31 December 2014 on the expanded issued capital of 1,334,472,601 shares.

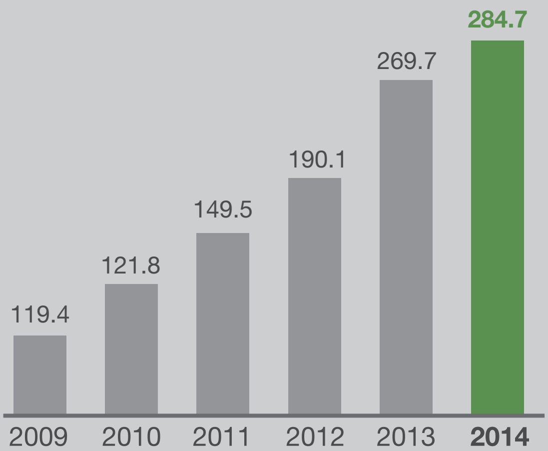
DIVIDEND DISTRIBUTION
(S$ million)



NET ASSET VALUE

NAV increased by 5.6% to S$284.7 million in FY2014. If the 2013 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2013, the NAV per share as at 31 December 2013 would have been 20.6 Singapore cents instead of 22.6 Singapore cents per share. After adjusting for the 1H2014 interim dividend and shares relating to the scrip dividend scheme, the NAV per share as at 31 December 2014 would have been 22.4 Singapore cents and the increase in NAV per share would be 8.7% for the year ended 31 December 2014.

NET ASSET VALUE
(S$ million)



[1] The dividend yield is calculated by dividing the dividend per share declared for the relevant financial year over the closing share price on the last day of the same financial year.

2014 AT A GLANCE

Portfolio Overview

- Exited its equity position in the Japanese market, reduced exposure in the European market and established positions in the South Korea and China 'A' Shares market.
- Net increase in USD bonds exposure and positions were established in CNH bonds.
- Divestment of two USD-denominated CLO/CLN and one Euro-denominated CLO, reinvesting the sale proceeds in an existing Australian RMBS and a USD-denominated CLO.

Dividend Distribution Frequency

- Change of frequency of dividend distribution from annual to semi-annual basis.

Declaration and Payment of Dividends

- Interim dividend of 0.75 Singapore cents per share was paid on 10 October 2014.
- Final dividend of 0.75 Singapore cents per share was declared on 17 February 2015.
- Declared and paid a total dividend of 1.5 Singapore cents per share on the enlarged share capital after taking into account the shares issued during the year pursuant to the scrip dividend scheme.
- Overall annual dividend yield based on closing share price of 14.4 Singapore cents on 31 December 2014 was 10.4%.

Scrip Dividend Scheme

- The scrip dividend scheme was applied to the interim dividend of 0.75 Singapore cents per share for 1H2014. The proportion of the total interim dividend amount issued as new shares pursuant to the scrip dividend scheme was approximately 70.54%. New shares were listed on 13 October 2014.
- The scrip dividend scheme will be applied to the final dividend of 0.75 Singapore cents per share for FY2014.

Corporate Governance

- In 2014, GIL's GTI score was 73 points and its ranking was 34 out of 644 listed companies which participated in the GTI 2014.

Change of Name of Fund Administrator and Assistant Company Secretary

- GIL's fund administrator and assistant company secretary has changed its name from ISIS Fund Services Ltd. to IKONIC Fund Services Ltd. with effect from 16 October 2014.

Change of Company Secretary

- On 28 March 2014, the Company announced the appointment of Ms Janice Loraine Haskins as its Company Secretary in place of Ms Anne Bennett-Smith.

2014
AT A GLANCE

Cessation of Alternate Director

- Mr Ng Kuan Chow ("Mr Ng") was appointed on 5 November 2013 as the alternate director to Mr Jason See Yong Kiat for a period of one year to perform all the functions of Mr Jason See Yong Kiat including attending board meetings and speaking and voting at such meetings, where necessary such as in the event of an emergency.
- Mr Ng's term ended on 4 November 2014.

Tax Resident of Singapore for 2014

- Dividends paid by the Company in 2014 are exempt from tax when received by Shareholders.

2014 Annual General Meeting

- All resolutions set out in the Notice of Annual General Meeting dated 27 March 2014, were duly approved and passed by way of poll voting by the Company's Shareholders on 29 April 2014.

BOARD OF DIRECTORS

Mr Boon Swan Foo
Chairman, Non-Executive Director

Mr Adrian Chan Pengee
Independent Director

Mr Ronald Seah Lim Siang
Independent Director

Mr Tan Kok Wee
Independent Director

Mr Jason See Yong Kiat
Manager Nominated Director

BOARD OF DIRECTORS

The Board consists of five directors[1] , comprising Mr Boon Swan Foo, the non-executive and non-independent Chairman, Mr Jason See Yong Kiat, the Manager Nominated Director, and three independent[2] directors, namely Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee. GIL has no employees or executive officers. In FY2014, the Board met 8 times.

Mr Boon Swan Foo
Chairman, Non-Executive Director

Mr Boon Swan Foo was appointed as Manager Nominated Director and Chairman on 25 November 2009 and subsequently became Non-Executive Director and Chairman of Global Investments Limited on 20 December 2011.

Mr Boon is the Chairman and CEO of Allgrace Investment Management Private Limited ("Allgrace"). He is a Senior Advisor to Temasek International Advisors Pte Ltd and a board member of the following Temasek-related corporations – Singbridge Holdings Pte Ltd and Singbridge International Singapore Pte Ltd.

Mr Boon serves on the board of InTouch Plc (formerly known as Shin Corporation Plc), a telecommunications and satellite company listed on the Stock Exchange of Thailand. He also holds directorships in Dongfeng Motor Corporation (China) and China National Offshore Oil Corporation.

Mr Boon is a member of the Institute of Singapore Chartered Accountants ("ISCA") and a Fellow of the Chartered Association of Certified Accountant (UK)-ACCA. He holds an MBA from the National University of Singapore and has completed Harvard's Advanced Management Program. Presently, he holds an Adjunct Professorship at the Nanyang Technological University. Mr Boon was awarded the Singapore Business Award for Outstanding CEO in 2000, one of Singapore's prestigious business awards.

Mr Boon's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments[3] as at 10 March 2015 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

Mr Adrian Chan Pengee
Independent Director

Mr Adrian Chan Pengee was appointed to the Board on 5 May 2009.

Mr Chan is Head of the Corporate Department and a Senior Partner at Lee & Lee. He is the First Vice-Chairman of the Singapore Institute of Directors and serves on the Board of the Accounting and Corporate Regulatory Authority (ACRA), the Executive Council of the Association of Small and Medium Enterprises as its Honorary Secretary and the Corporate Governance and Regulations Committee of the Singapore International Chamber of Commerce.

Mr Chan is a director of Hogan Lovells Lee & Lee, the joint law venture between Lee & Lee and the international law firm, Hogan Lovells, and is an independent director on the Boards of Biosensors International Group, Ltd; Nobel Design Holdings Ltd; Yoma Strategic Holdings Ltd; Ascendas Funds Management (S) Limited and Hong Fok Corporation Limited, all of which are listed on the SGX-ST. He is retiring from the Boards of Isetan (Singapore) Limited and AEM Holdings Ltd at their upcoming AGMs in April 2015. He also serves on the board of Shared Services for Charities Limited, a registered charity.

1 Mr Ng Kuan Chow's one year term of appointment as the alternate director to the Manager Nominated Director, Mr Jason See Yong Kiat, ended on 4 November 2014.

2 An "independent" director is one who has no relationship with GIL, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of GIL. GIL applies a stricter 5% shareholder test for director independence as compared to the 10% shareholder test under the Singapore Code of Corporate Governance 2012 ("Singapore Code").

3 The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Mr Chan serves on the Corporate Practice Committee and the Finance Committee of the Law Society of Singapore and was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX-ST.

Mr Chan graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 1989.

Mr Chan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 10 March 2015 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

Mr Ronald Seah Lim Siang
Independent Director

Mr Ronald Seah Lim Siang was appointed to the Board of Directors on 30 April 2010.

Mr Seah serves on the board of Yanlord Land Group Ltd; Telechoice International Ltd and PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange. He is also a director of M&C REIT Management Limited and M&C Business Trust Management Limited.

Over a 25 year period between 1980 and 2005, he had held various senior positions within the AIG Group in Singapore, initially as AIA Singapore's Vice-President and Chief Investment Officer where he was responsible for managing the investment portfolio of AIA Singapore and later as AIG Global Investment Corporation (Singapore) Ltd's Vice President of Direct Investments. Between 2001 and 2005, Mr Seah was also the Chairman of the Board of AIG Global Investment Corporation (Singapore) Ltd.

From 1978 to 1980, Mr Seah managed the investment portfolio of Post Office Savings Bank as Deputy Head of the Investment and Credit Department. Prior to that, he worked at Singapore Nomura Merchant Bank as an Assistant Manager where he was responsible for the sale of bonds and securities and offshore (ACU) loan administration for the bank. Between 2002 and 2003, Mr Seah served on the panel of experts of the Commercial Affairs Department of Singapore.

Mr Seah graduated with a Bachelor of Arts and Social Sciences (Second Class Honours (Upper)) in Economics from the then University of Singapore in 1975.

Mr Seah's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 10 March 2015 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

Mr Tan Kok Wee
Independent Director

Mr Tan Kok Wee was appointed to the Board on 30 April 2010.

Mr Tan has served in senior executive positions for more than 30 years in fixed income, foreign exchange and derivative markets and last held the position of Managing Director and Head of Fixed Income and Currency (FIC) sales for Asia at Commerzbank AG. Prior to that, between 1994 and 2008, Mr Tan was Senior Managing Director and a member of the board of directors of Bear Stearns Singapore Pte Ltd, a global investment bank and securities trading and brokerage, where he was responsible for its Singapore's operation. He was also a member of Bear Stearns Asia Management Committee which dealt with major business initiatives and administrative matters in Asia. From 1994 to 1998, Mr Tan headed the Securities Business Development Sub-Committee of the Singapore Foreign Exchange Market Committee. Prior to that, Mr Tan was with CS First Boston from 1982 to 1994 working in both the Singapore and Hong Kong offices.

Mr Tan graduated with a Bachelor of Business Administration from the University of Singapore in 1979.

Mr Tan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 10 March 2015 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

BOARD OF DIRECTORS

Mr Jason See Yong Kiat
Manager Nominated Director

Mr Jason See Yong Kiat was appointed as Manager Nominated Director on 5 November 2013. He is the Managing Director (Fund Management) and a member of the Investment Committee of STAM, the Manager of GIL. He is concurrently a director of several other STAM affiliated companies. He also sits on the board of AF Trustees Pte Ltd, a trust company incorporated in Singapore, and on the board of some Indian companies.

Mr See heads a team of fund managers and research analysts responsible for identifying, evaluating and overseeing investments in public and private equities, convertible bonds and credits in Asia and other emerging markets. He has extensive investment management experience in a broad range of asset classes and financial instruments, including investment grade and high yield credits, structured finance and asset backed securities.

From November 2010 to May 2013, Mr See held the position of Chief Operating Officer ("COO") of STAM and was responsible for the middle and back office operations, supervising and monitoring the day-to-day operations and ensuring that activities comply with the organisational requirements of the firm. Prior to his appointment as COO, he held the position of Chief Investment Officer, overseeing the investment portfolios managed by STAM and supervising a team of fund managers and research analysts.

Prior to joining STAM in 2002, Mr See spent 13 years in asset management with Overseas Union Bank Limited ("OUB") group. He began his career with Kankaku Merchant Bank where he was responsible for equity sales of Japanese securities to local and regional clients.

Mr See holds a Bachelor of Business Administration (2nd Class Upper Honours) degree from the National University of Singapore.

Mr See's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 10 March 2015 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

Mr Ng Kuan Chow
Alternate Director to Manager Nominated Director (ceased on 4 November 2014)

Mr Ng Kuan Chow was appointed to the Board as Alternate Director to Mr Jason See Yong Kiat on 5 November 2013 for a period of one year. Mr Ng Kuan Chow's term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

Mr Ng last served as a Non-executive Director of Allgrace. Prior to joining Allgrace, he was Managing Director and Head of the Risk Management & Operational Compliance Unit of STAM. He was also a member of STAM's Investment Committee.

Mr Ng was previously with the banking industry for 24 years from 1979 to 2003. His last banking appointment was as Senior Director with United Overseas Bank group ("UOB"), where he headed its Asset-Liability Management Division in the Global Treasury Sector. He was responsible for the management of UOB's banking book and bank-wide cash flows/liquidity. Prior to that, he was Vice President in the Treasury Division of OUB. At OUB, he pioneered the setting up of the infrastructure and framework that paved the way for OUB's active involvement as a primary dealer in the Singapore Government Securities ("SGS") market from 1987. For the period from 1991 to 1996, he headed the Treasury Marketing Unit and Liabilities Management Unit (covering money and capital market operations and SGS dealing) of OUB's Treasury Division. Subsequently, he was in charge of treasury risk monitoring and evaluation, market analysis, business planning and budgeting as well as treasury information technology and systems support. He spearheaded the development of OUB's Treasury Division's market analysis and risk evaluation/management framework covering market, credit and liquidity risks.

Mr Ng received his Bachelor of Social Sciences (First Class Honours) degree in Statistics from the former University of Singapore.

Mr Ng's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 4 November 2014 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

INVESTMENT POLICY AND STRATEGIES

INVESTMENT POLICY

The investment policy of the Company is to make investments in a portfolio of assets in different sectors through different means which include but not limited to direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements provided that the Company will not make any direct investments in real estate and commodities.

STRATEGY

The Company seeks to achieve its investments objectives through adopting the following strategies:

- Active Portfolio Management Strategy;
- Financing and Risk Management Strategy; and
- Acquisition Growth Strategy.

ACTIVE PORTFOLIO MANAGEMENT STRATEGY

Active portfolio management strategy includes but is not limited to acquiring new assets, selling assets – whether by trade sale or to a newly formed fund – and considering the financial resources available to the Company, the capital structure of the Company’s assets and looking into alternative methods of financing those assets to deliver Shareholder value. The Company expects to dispose of assets where it assesses that Shareholder value has been optimised or where the economic cycle or market conditions may no longer justify a continued investment in the asset, asset class or industry.

FINANCING AND RISK MANAGEMENT STRATEGY

The Company aims to create value for Shareholders by establishing the optimal capital structures for assets and economic exposures on an individual asset basis and in terms of the financial resources available to and the overall capital structure of the Company. The Company seeks to create a portfolio with diversity across asset class, geography, industry, currency and investment maturity, both to manage risk in economic cycles and to manage reinvestment risk.

ACQUISITION GROWTH STRATEGY

Depending on market outlook and the financial resources available to the Company, if opportunities arise, the Company may prudently acquire new assets across the target asset sectors. In evaluating investment opportunities, it seeks assets that provide attractive returns adjusted for the risk associated with the investment and which enhance the overall portfolio owned by the Company.

MANAGEMENT

GIL is managed by STAM, an Asia investment house headquartered in Singapore. STAM was incorporated in April 2002, and holds a capital markets services licence for fund management issued by the Monetary Authority of Singapore. Most of the administrative services including finance, accounting, risk management, compliance and corporate secretarial services have been delegated to Allgrace by STAM.

MANAGEMENT AGREEMENT

In accordance with the Management Agreement, the base fee and the fixed fee are payable in arrears on a quarterly basis. The incentive fee (if any) is payable half yearly ending on 30 June and 31 December.

Any changes to the fee structure under the Management Agreement will be subject to the approval of Shareholders by resolution in general meeting, and for the purposes of such approval, STAM and STAM Associates will abstain from voting on the relevant resolution.

The fee structure of STAM is summarised below.

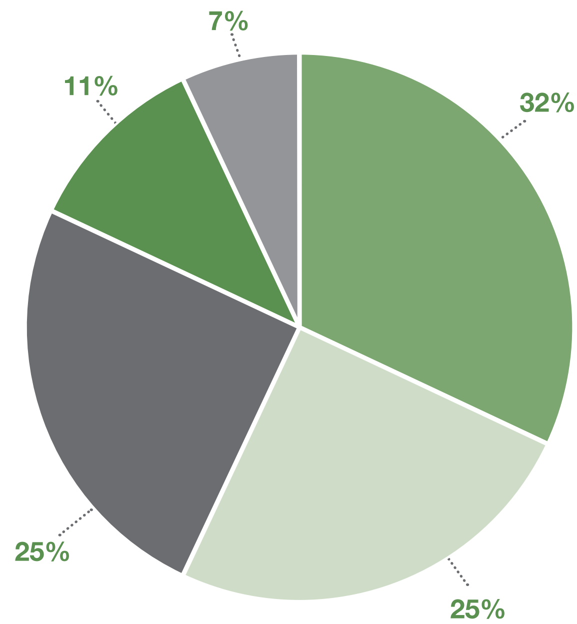
Fee Structure	
Base fee	• 1.0% of Net Investment Value up to S$1.5 billion and 1.5% of Net Investment Value in excess of S$1.5 billion.
Incentive fee[1]	• 20.0% of excess Share Return over Benchmark Return after recovering any Deficit carried forward from previous periods. • Share Return is an amount computed based on AMCIF multiplied by the movement in the Share Accumulation Index which measures the accumulated SGX-ST traded value of Shares. Any dividend payment will have an impact on the calculation of the Share Accumulation Index. • Benchmark Return is computed based on AMCIF multiplied by an annualised return of 8%.
Fixed fee	• Fixed fee of S$0.65 million per annum is payable which covers overheads and day-to-day expenses incidental to providing the Services under the Management Agreement. • Third party expenses reimbursed by GIL.
Acquisition fee	• 1.0% of: - Total risk capital invested by GIL in the investment; and - Percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by STAM in relation to the acquisition (but excluding debt provided by GIL).
Divestment fee	• Only for assets acquired after 25 November 2009. • 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero. Note: If the divestment fee payable is greater than GIL's profit after divestment, the divestment fee shall equal GIL's profit after divestment.
Debt raising fee	• 0.5% of senior debt raised. • 0.7% of subordinated or mezzanine debt raised. Note: the fee payable is only applicable to debt raised at GIL level and/or at any investee entities' level for which the relevant creditor has recourse to GIL, including debt raised from any STAM Associate.
Payment of fees	• The Board has the sole discretion to pay up to 100% of STAM's fees in the form of shares rather than cash.

[1] Under the Management Agreement, the incentive fee shall first become payable when the Share Value exceeds the Threshold Amount calculated as an amount equal to 20% of the amount by which the Share Value exceeds the Threshold Amount, and multiplied by the ANIF. The incentive fee became first payable to the Manager as at 31 December 2013. Thereafter, the incentive fee shall be calculated as mentioned above.

Fees that are paid and payable to the Manager and STAM Associates are disclosed in Note 26 of the financial statements included within this report. The details of the incentive fees are found on page 115.

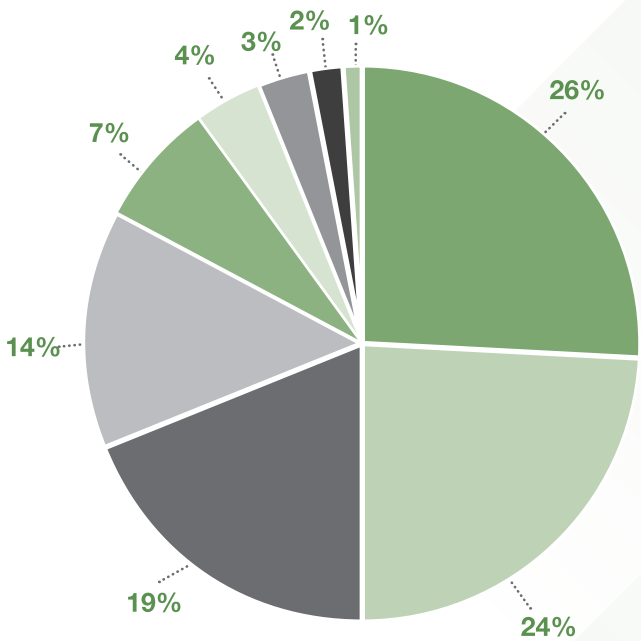
PORTFOLIO COMPOSITION

BREAKDOWN BY ASSET CLASS[1]



- LISTED EQUITIES (32%)
- LOAN PORTFOLIO AND SECURITISATION ASSETS (25%)
- BONDS (25%)
- CASH AND OTHER NET ASSETS (11%)
- OPERATING LEASE ASSETS (7%)

BREAKDOWN BY CURRENCY[1]



- United States Dollar (US$) (26%)
- Euro (€) (24%)
- Hong Kong Dollar (HK$) (19%)
- Singapore Dollar (S$) (14%)
- Australian Dollar (A$) (7%)
- Chinese Renminbi (CNY/CNH) (4%)
- South Korea Won (₩) (3%)
- British Pound (£) (2%)
- Others (1%)

[1] As at 31 December 2014 by carrying value.

BUSINESS OUTLOOK[1]

Macroeconomic Outlook

The International Monetary Fund reduced its outlook for global economic growth in 2015 to 3.8% from the earlier forecast of 4.0% after a 3.3% expansion in 2014, citing that high private and public debt still cast a shadow on the recovery in advanced economies. It also cautioned about the risks of rising geopolitical tensions and a substantial correction of capital markets as a result of the financial excesses caused by easy monetary policies.

In the US, growth momentum continues albeit at an uneven pace. The economy expanded by 2.4% y-o-y in 2014, higher than 2.2% in 2013. The ISM Manufacturing Purchasing Manager Index ("PMI") deteriorated to 55.1 in December 2014 from 56.1 in December 2013. There was a steady improvement in the job market with the unemployment rate declining from 7.4% in 2013 to 6.2% in 2014. The asset purchase programme was terminated in October 2014, and the Fed has expressed readiness to envisage rate hikes in 2015, emphasising that the timing of rate hikes will be data dependent. The recent sharp drop in oil prices has added to deflationary pressures and it may delay the Fed's action on rate hikes.

Macroeconomic data in the Eurozone area was generally weak in 2014, indicating that growth remained subdued and the recovery was slow and uneven. In addition, deflationary pressures have increased as a result of the sharp decline in oil prices and lower commodity prices. Amid stagnating demand and decline in business activity, the Markit Eurozone Composite PMI dropped to 51.4 in December 2014 from 52.1 in December 2013. The inflation rate fell from 0.8% y-o-y in 2013 to a negative 0.2% in 2014, aided by the sharp decline in oil prices towards the end of the year. The deterioration of the economic situation in the Eurozone has prompted the ECB to take stronger action in its quantitative easing policies. The ECB has recently unveiled a quantitative easing programme to buy 60 billion euros a month of public and private Euro-area bonds till September 2016. With additional easing and the resulting weak Euro currency, the growth momentum in the Eurozone is expected to resume but will be modest as it will be restrained by the lack of meaningful reforms to boost productivity and investments in some major European countries as well as the ongoing tension with Russia. The general elections in several European countries may have important economic and political implications for the Euro-area in 2015.

In China, recent economic data continued to show that the economy is struggling to maintain its pace of expansion and may face downward pressures in 2015 as the HSBC Manufacturing PMI reading fell below the 50-threshold in December 2014 at 49.6 from 50.5 in December 2013. PMI below the 50-threshold indicates that growth is decelerating. The industrial production indicator dipped from 9.7% y-o-y in December 2013 to a low of 6.9% y-o-y in August 2014 before it rebounded to 7.9% y-o-y in December 2014 due to the rate cut by the People's Bank of China as well as the government's fiscal stimulus efforts. China continued to record a large trade surplus in 4Q 2014 as export growth outpaced import growth. A resilient export growth brings some relief as the external sector's pickup may partially offset the weak domestic sector's drag on the economy. The country's trade surplus rose to USD49.61 billion in December 2014 from USD25.25 billion in December 2013. Inflation continued to be muted and slowed to a 5 year low as consumer prices rose only 1.5% y-o-y in December, down from 2.5% y-o-y in December 2013. The government's efforts in rebalancing its economy from an investment and export-led model to a consumption-led growth model will continue. The Chinese economy may decelerate in 2015 but no hard landing is expected. Faced with downward pressures on its economy, the Chinese government has begun to ease its monetary policy and further fiscal policy easing may occur. To shore up domestic growth, the government is expected to introduce more measures on land and social security reforms and further liberalise the financial sector.

1 Sources include research publications by brokerage house, banks, information service providers, associations and media.

LISTED EQUITIES

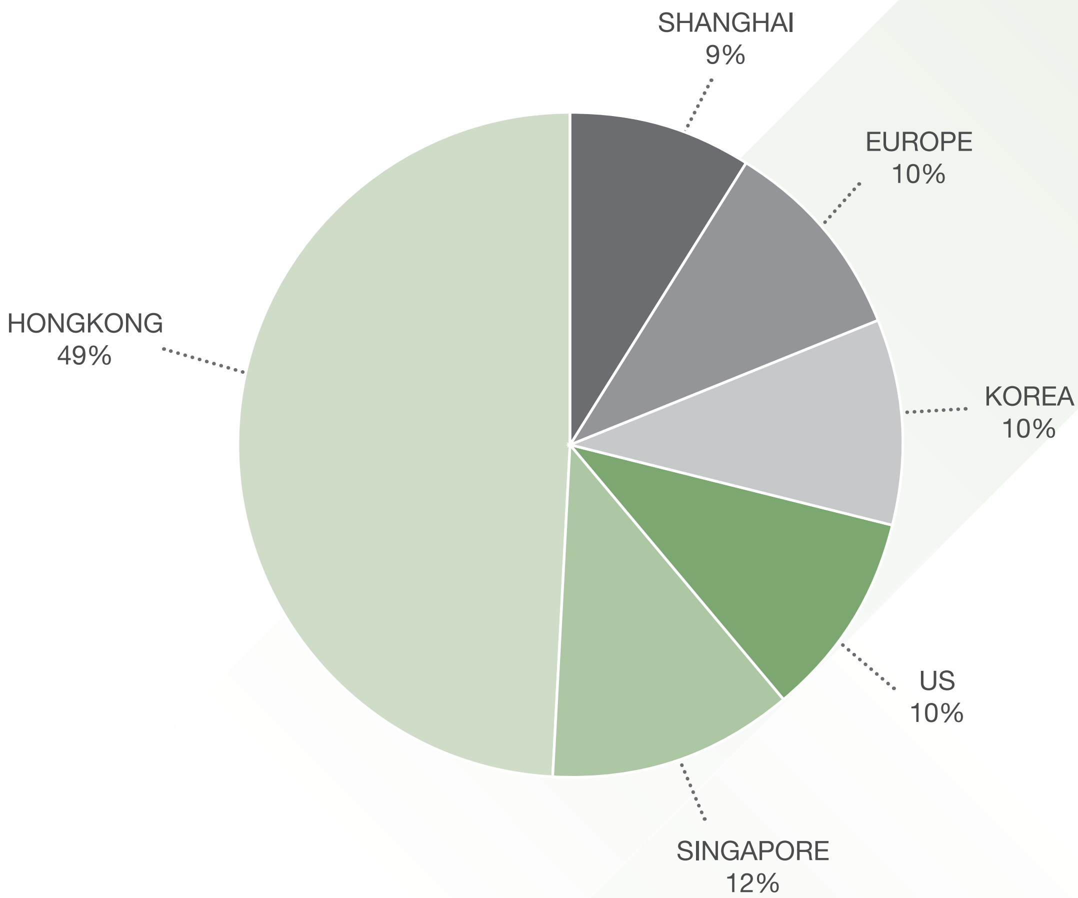
Investment Description

GIL has invested in a portfolio of listed equities with a carrying value of S$92.43 million as at 31 December 2014. During the year, GIL generated net realised profit and dividend income of approximately S$8.75 million.

Asset Overview

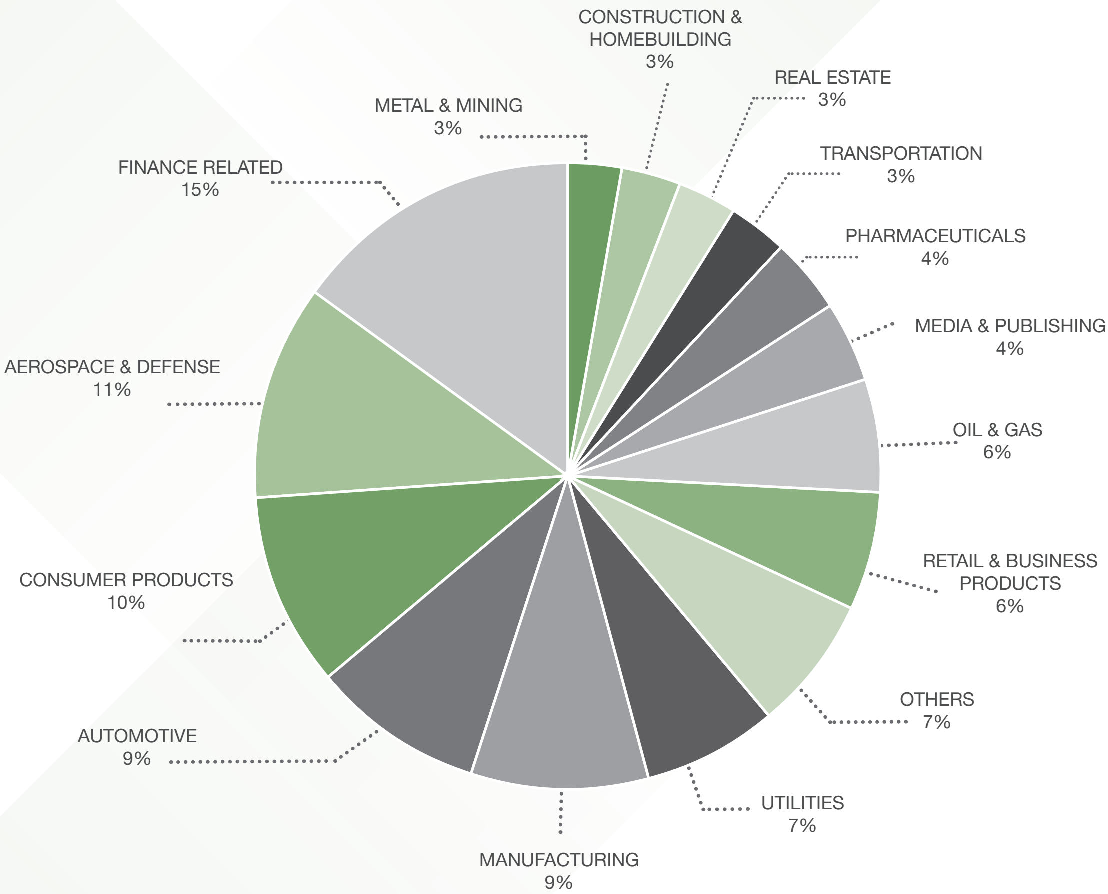
As at 31 December 2014, the listed equity portfolio was invested in 83 securities on various exchanges. The listed equity portfolio was 48.5% weighted in Hong Kong equities, followed by 12.1% in Singapore, 10.2% in US, 10.1% in South Korea, 10.0% in Europe and 9.2% in Shanghai. In terms of sector distribution, the highest weighting was in finance related (14.7%), followed by aerospace & defense (10.7%) and consumer products (10.3%).

Portfolio Distribution by Stock Exchange (as at 31 December 2014)



LISTED EQUITIES

Portfolio Distribution by Sector (as at 31 December 2014)



Outlook

While lower oil and commodity prices are tipping major central bankers towards more accommodative policies that lend support to the markets, investments in equities remain challenging as prices may be more volatile, especially in sectors which face the headwinds from low oil prices and currency volatility. Sudden policy changes by the Swiss National Bank in removing a cap on its currency against the Euro have caused turmoil in the market with some banks and hedge funds suffering huge losses. After such events, investors will be more watchful of policy changes by major central banks and higher market volatility is expected. Other key risks which may cause volatility in the markets in the near term include the escalation of political risk in Europe, a pronounced slowdown in China's economy and increased violence in the Middle East.

LOAN PORTFOLIO & SECURITISATION ASSETS

RESIDENTIAL MORTGAGE-BACKED SECURITIES

Investment Description

GIL has invested in a portfolio of Australian RMBS, which are securitisation vehicles that hold Australian residential mortgage loans.

Portfolio Overview

GIL purchased additional securities in one Australian RMBS in 2014. The total additional investment in this security amounted to A$0.51 million.

During the year, additional impairment adjustments were made to Seiza Series 2006-1 Trust Class G note.

As at 31 December 2014, the Company's carrying value for the RMBS portfolio was A$19.16 million.

Outlook

The Australian housing market continued to strengthen in 2014, albeit at a slower rate than 2013. House prices increased 7.9% year over year in 2014 versus 9.8% in 2013 according to the Corelogic RP Data home value index for capital cities. Unemployment edged upwards to 6.1% from 6.0% at the beginning of the year, as the Australian economy transitioned away from a mining and commodity focus. With the Reserve Bank of Australia maintaining its benchmark cash rate at 2.5% in 2014, housing loan costs in Australia were kept affordable. Going forward, the recent rate cut by the Reserve Bank of Australia in early 2015 is likely to continue lending support to the housing market.

COLLATERALISED LOAN OBLIGATION SECURITIES

Investment Description

GIL has invested US$11.30 million and €31.60 million in a portfolio of USD and Euro denominated CLO notes respectively. The CLO notes are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt.

Portfolio Overview

During the year, two USD-denominated CLO/CLN securities and one Euro-denominated CLO note were divested for gross proceeds amounting to US$14.1 million and €3.8 million respectively, while one USD-denominated CLO note was added to the portfolio for US$4.6 million.

During the year, reversals of impairments were made on the Avoca CLO VI PLC Class M note, and the Avoca CLO VII PLC Class F and Class G notes.

As at 31 December 2014, the Company's carrying value was US$11.52 million for the USD-denominated CLO portfolio and €21.51 million for the Euro-denominated CLO portfolio.

Outlook

Loan prices decreased overall in 2014, amidst weaker economic indicators and market volatility towards the end of the year.

US loans, as benchmarked by the S&P/LSTA Leveraged Loans Index, returned 1.60% in 2014, while European loans returned 4.47% during the year, according to the S&P ELLI.

Moody's speculative-grade corporate default rate ended 2014 at 2.1%, down from 2.9% at the end of 2013. Looking ahead, Moody's expects global corporate default rates to increase to 2.7% in 2015 on geopolitical concerns and poor economic growth outside the US.

BOND PORTFOLIO

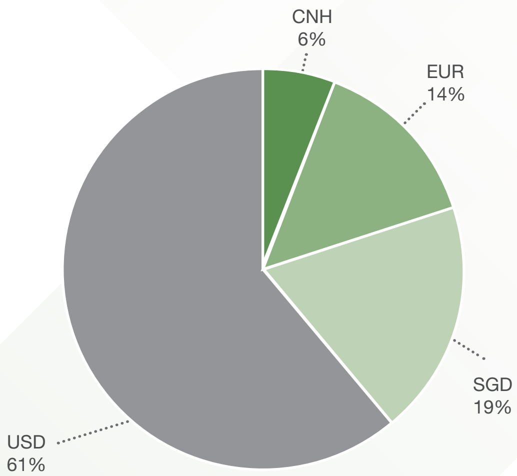
Investment Description

GIL has invested in a portfolio of bonds denominated in USD, SGD, EUR and CNH with a carrying value[1] of S$69.86 million as at 31 December 2014.

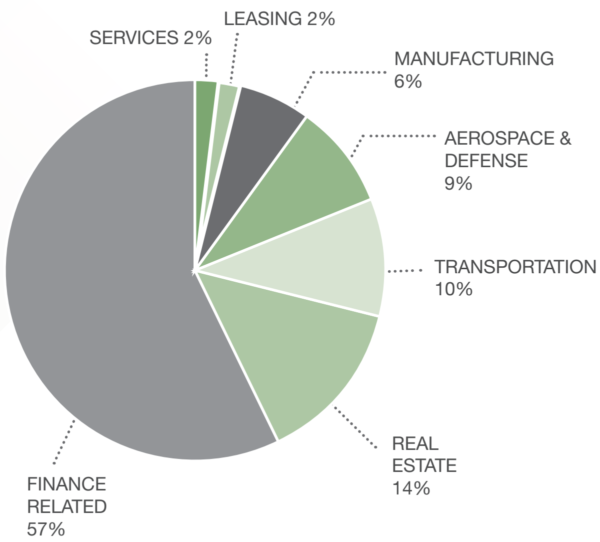
Asset Overview

As at 31 December 2014, the bond portfolio was invested in 15 different bond issues. 60.3% of the portfolio was in USD, 19.3% in SGD, 14.4% in EUR with the balance of 5.9% in CNH. In terms of sector distribution, it was 56.5% in finance-related, 14.4% in real estate, 10.2% in transportation, 9.1% in aerospace & defense, 5.9% in manufacturing, 2.0% in leasing and 1.8% in services. Approximately 27% of the portfolio was unrated while the rated issues have a weighted average rating of Ba2/Ba3. As at 31 December 2014, the approximate weighted average coupon was 7.2%. The approximate weighted average maturity of the bond portfolio was 5.36 years[2].

Portfolio Distribution by Currency (as at 31 December 2014)



Portfolio Distribution by Sector (as at 31 December 2014)



Outlook

Weak global growth together with deflationary pressures due to the recent fall in oil prices may continue to keep global interest rates low and liquidity conditions favorable. However, the likelihood of higher financial market volatility is rising as monetary policies may diverge across the major economies. The US Fed is expected to hike interest rates in the latter part of the year while the central bankers in the Eurozone, Japan and China will continue to ease interest rates to support growth in their economies. Fear of rating downgrades and default risk has generally increased due to concerns that the recent sharp fall in oil and commodity prices could have an adverse impact on related sectors and oil-dependent countries, which have resulted in some drop in bond prices.

[1] The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.
[2] Calculation of weighted average maturity assumes maturity at the first call date, if available.

OPERATING LEASE ASSETS

ASCENDOS INVESTMENTS LIMITED (“Ascendos”)

Investment Description

GIL owns 40.56% of Ascendos. Ascendos, through Ascendos Rail Leasing S.à.r.l., is an operating lessor with a portfolio of 237 rail equipment consisting of 3 passenger train fleets, over 30 locomotives and 100 freight wagons operating in mainland Europe.

Asset Overview

As at 31 December 2014, the carrying value of Ascendos was €12.81 million.

In June 2014, Ascendos announced the forward sale of its fleet of 67 Bombardier Double Deck Coaches to the Danish State Railways (“DSB”). DSB will acquire the Double Deck Coaches at the end of their lease term in October 2017.

As at 31 December 2014, Ascendos owned a portfolio of railcars on lease in Europe with over 10 lessees. The broad characteristics of the railcar portfolio were as follows:

Total number of railcars	237
Main rail equipment types (by value)	
- Passenger DMU	13.5%
- Passenger EMU	20.5%
- Passenger coach	34.5%
- Freight locomotive	28.5%
- Freight wagon	3.0%

Outlook

The European rail industry experienced muted growth in 2014. Data collected by the International Union of Railways indicated that European rail traffic grew approximately 0.89% y-o-y at the end of September. Passenger traffic and freight traffic increased 0.48% and 2.12% respectively y-o-y over the corresponding period in 2013. Extended strikes by German train drivers lasting more than one week in 4Q 2014 will negatively impact industry growth during the quarter.

SCI Verkehr's Global Rail Index increased from 28 to 40 in 1H 2014, compared to a pre-crisis base level of 50 in 1Q 2007, indicating rising levels of business confidence during the first half of the year. This was attributed to increasing economic growth and increased passenger and freight transport services. The index declined to 17 by year end, as a result of conflicts in the Middle East, sanctions against Russia due to the Ukraine crisis and flagging economic activity in Europe. Equipment orders increased in the first half of the year but declined during the second half of 2014, evidenced by only 25% of companies surveyed evaluating their order balances as relatively large in 4Q 2014, down from nearly 50% in 2Q 2014.

SCI Verkehr reports that prospects for the next six months are predominantly positive, but the number of pessimistic expectations for the future have risen sharply in 4Q 2014. Stricter EU Stage IIIB emission guidelines will apply for all new build diesel locomotives beginning in 2015, increasing their build cost. As the new rules do not apply retrospectively to diesel engines built before 2015, this will likely support demand for existing diesel engines.

CORPORATE GOVERNANCE

This Corporate Governance Statement refers to the corporate governance principles and practices of GIL.

The Board is responsible for GIL's strategic objectives and corporate governance and is required to perform its duties diligently and in the best interests of GIL. The Board defines the key investment parameters, including the discretionary limits of the Manager, and approves substantial investment and divestment decisions of GIL based on recommendations of the Manager. The Board determines the financial policies of GIL and is responsible for ensuring that the Manager is performing its duties under the Management Agreement, including ensuring that the Manager has the necessary financial and human resources in place.

GIL has adhered to the guidelines and principles as outlined in the Singapore Code of Corporate Governance 2012 (the "Singapore Code") and explained deviations from the Code, where appropriate. GIL also seeks to comply with the essential practices and laws of Bermuda.

BOARD MATTERS

As part of the Corporate Governance Framework, the following principles apply on Board Matters:

Principle 1: Board of Directors' Conduct of Affairs

Responsibility for corporate governance and oversight of the business and internal affairs of GIL rests with the Board. The Board has adopted formal charters of directors' functions, and pursuant to the Management Agreement has appointed the Manager to manage GIL's day-to-day business and internal affairs. The Board meets at least four times per year, or more frequently if required. GIL's Bye-laws also provide for directors to participate in Board meetings by means of teleconference and videoconference.

Board and Board Committees

In discharging its oversight functions, the Board delegates the authority to make certain decisions to three Board Committees without abdicating its responsibilities. Each Board Committee makes decisions on matters within its terms of reference and reports back to the Board. The terms of reference and the structure of each Board Committee are reviewed as and when required.

The Board comprises the following Committees:

(i) the Audit and Risk Management Committee ("ARMC");

(ii) the Nomination and Governance Committee ("NGC"); and

(iii) the Remuneration Committee ("RC").

CORPORATE GOVERNANCE

The members of the Board and its committees as well as the date of their appointment and date of last re-election to the Board are tabulated below.

Directors	Date of Appointment	Date of last re-election	ARMC	NGC	RC
Mr Adrian Chan Pengee (Independent Director)	5 May 2009	19 April 2012	Member	Chairman	Member
Mr Boon Swan Foo (Chairman, Non-executive Director)	20 December 2011[1]	29 April 2014	n/a	Member	n/a
Mr Ronald Seah Lim Siang (Independent Director)	30 April 2010	29 April 2013	Member	Member	Chairman
Mr Tan Kok Wee (Independent Director)	30 April 2010	29 April 2014	Chairman	n/a	Member
Mr Jason See Yong Kiat[2] (Manager Nominated Director)	5 November 2013	n/a[3]	n/a	n/a	n/a

1 Mr Boon Swan Foo was appointed as Manager Nominated Director and Chairman of the Board on 25 November 2009. On 20 December 2011, Mr Boon ceased to act as Manager Nominated Director and Chairman of the Board and became a non-executive Director and Chairman of the Board.

2 Mr Ng Kuan Chow was appointed on 5 November 2013 as the alternate director to Mr Jason See Yong Kiat for a period of one year to perform all the functions of Mr Jason See Yong Kiat, including attending board meetings and speaking and voting at such meetings, where necessary such as in the event of an emergency. Mr Ng Kuan Chow's term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

3 Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

For FY2014, a total of eight Board meetings, five ARMC meetings, two NGC meetings and two RC meetings were held. The attendance of the directors of the Board and Board Committee meetings held during FY2014 is tabulated below:

	Board Meetings		ARMC Meetings		NGC Meetings		RC Meetings	
Total Number of Meetings	8		5		2		2	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings	
Directors	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Adrian Chan Pengee	8	8	5	5	2	2	2	2
Mr Boon Swan Foo	8	8	n/a[1]	n/a[1]	2	2	n/a[1]	n/a[1]
Mr Ronald Seah Lim Siang	8	8	5	5	2	2	2	2
Mr Tan Kok Wee	8	7	5	5	n/a[1]	n/a[1]	2	2
Mr Jason See Yong Kiat	8	8	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]

1 "n/a" denotes where a director is not a Committee Member and is not required to attend.

CORPORATE GOVERNANCE

Matters for Board Approval

The Board's approval is required for certain decisions including, alterations of any provisions of the Bye-laws or the Management Agreement, changes in the nature of the business of GIL and changes to the accounting policies of GIL and its subsidiaries (collectively, the "Group") or any change of the auditors of GIL. The end of this corporate governance section contains a list of the material transactions requiring the Board's approval.

Induction, Orientation and Training

Dedicated training sessions (approximately 8 hours in total) were conducted for Directors in FY2014 internally as well as by external advisors covering the following:-

(i) Compliance and financial reporting in relation to the Foreign Account Tax Compliance Act.

(ii) Risk management, internal controls and corporate governance, including the Guidebook for Audit Committees in Singapore (Second Edition).

(iii) Tax updates in relation to, among others, withholding tax and tax matters affecting the fund management industry.

(iv) Industry-related matters, including the macroeconomic outlook and market forecast.

In addition to the above, in FY2014, directors were also provided with quarterly regulatory updates covering, among others, the changes to be introduced by the SGX-ST and the requirements under the Personal Data Protection Act as well as quarterly updates on global events and risks, including geopolitical risks such as the Russia-Ukraine conflict. A comprehensive strategy review and planning session was held together with the training session on the macroeconomic outlook and market forecast referred to above for a full-day in FY2014.

In addition to the above, directors also individually attended external seminars and talks in FY2014 to update and enhance their skills and knowledge.

In line with best practices in corporate governance and the Singapore Code, in-coming directors receive a letter of appointment, which provides details on the key terms of their appointment, including their duties and obligations, as appropriate. For example, in-coming directors are briefed on their duties in relation to conflicts of interests and disclosure of interests.

Principle 2: Composition and Guidance of the Board of Directors

GIL has a NGC that, in summary, oversees the size and composition of the Board and its Committees and advises the Board on good governance standards and appropriate corporate governance policies. The NGC annually reviews the independent status of directors in accordance with the definitions and guidelines set out in the Singapore Code to ensure an effective and independent Board. The NGC ensures that the Board has a strong and independent element which is able to exercise objective judgment on corporate affairs independently, in particular, from the Manager and its 5% shareholders[1]. The NGC has applied a stricter 5% shareholder test as compared to the Singapore Code's 10% shareholder test for director independence.

[1] The term "5% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.

CORPORATE GOVERNANCE

The Board has re-examined its size and considered the appropriate size for the Board to facilitate effective decision making is five[1]. The NGC conducts evaluations to maintain an appropriate balance of expertise and skills sets amongst the Board and the Board Committees and is satisfied that they currently provide the core competencies such as legal, accounting or finance, investment, risk management, business or management, strategy planning and customer-based experience or knowledge.

Currently, the Board comprises five members, three of whom (the majority) are independent directors. All independent directors have some business or other experience in the industry, in which GIL operates.

The non-executive directors are encouraged to meet regularly without the presence of the Manager, to review the Manager's and GIL's performance.

Mr Boon Swan Foo is considered non-independent because he holds 10.95% of the shares in GIL as at 10 March 2015. Furthermore, in relation to STAM's management of GIL, Allgrace, which is wholly owned by Mr Boon Swan Foo, is a consultant to STAM and Mr Boon Swan Foo is also the Chairman and Chief Executive Officer of Allgrace. STAM has delegated to Allgrace most of the administrative services as well as other non-regulated services, including corporate secretarial services, to be performed under the Management Agreement entered into between itself and GIL. Allgrace's fees are paid by STAM.

Assessment of Independence of Individual Directors

Directors	Date of last re-election	Independence status under the Code	Less than 5% interest (direct/ deemed)	Independent relationship[1] – including independence from 5% shareholders	Served on the Board for less than 9 years	Immediate family relationship[2]
Mr Adrian Chan Pengee	19 April 2012	Yes	Yes	Yes	Yes	No
Mr Boon Swan Foo	29 April 2014	No	No	No	Yes	No
Mr Ronald Seah Lim Siang	29 April 2013	Yes	N/A	Yes	Yes	No
Mr Tan Kok Wee	29 April 2014	Yes	N/A	Yes	Yes	No
Mr Jason See Yong Kiat	N/A[3]	No	N/A	No	Yes	No
Mr Ng Kuan Chow (Alternate Director to Mr Jason See Yong Kiat)	N/A[4]	No	N/A	No	Yes	No

1 An independent director should have no relationship with GIL, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of GIL (See Guideline 2.3 of the Singapore Code).

2 An independent director should not have an immediate family relationship with any director or GIL or its 5% shareholders (See Guideline 4.7 of the Singapore Code). The term "immediate family" refers to a person's spouse, child, adopted child, step-child, brother, sister and parent.

3 Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

4 Mr Ng Kuan Chow was appointed on 5 November 2013 as the alternate director to Mr Jason See Yong Kiat for a period of one year to perform all the functions of Mr Jason See Yong Kiat, including attending board meetings and speaking and voting at such meetings, where necessary such as in the event of an emergency. Mr Ng Kuan Chow's term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

---

1 Not including Mr Ng Kuan Chow whose one year term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

CORPORATE GOVERNANCE

Principle 3: Chairman and Chief Executive Officer

GIL has a non-executive, non-independent Chairman of the Board. However, three out of the five[1] directors on the Board are independent. There are no immediate family member relationships among the Board members, and specifically between the Chairman and Manager Nominated Director[2]. The Manager Nominated Director would abstain from voting in respect of any transaction where an entity within the Temasek Group[3] is a party. In addition, there are no special or additional voting powers conveyed to the Chairman of the Board. The role of the Chairman is to, among others, promote high standards of corporate governance and to lead the Board to ensure its effectiveness on all aspects of its role.

There is no Chief Executive Officer given that GIL has appointed the Manager. The Chairman is unrelated to the Chief Executive Officer of the Manager.

Principle 4: Board Membership

The NGC's responsibilities include overseeing a continual renewal and membership assessment process of the Board for good corporate governance purposes. The key terms of reference of the NGC are:

1. to review and advise the Board on the composition of the Board and its committees;
2. to review the performance of the Board, the Chairman, the Deputy Chairman (if any) and other directors of the Board;
3. to review training and professional development programs for the Board;
4. to ensure that proper succession plans are in place for consideration by the Board;
5. to advise the Board on appropriate governance standards and appropriate corporate governance policies for GIL; and
6. to critically review GIL's performance against its corporate governance policies on an annual basis or as otherwise deemed appropriate.

For FY2014, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee Charter and concluded that the NGC had been adequately fulfilling its duties.

The NGC comprises the three directors below, of which two are independent directors. The Chairman of the Committee is independent.

Directors	Appointment
Mr Adrian Chan Pengee	Chairman
Mr Boon Swan Foo	Member
Mr Ronald Seah Lim Siang	Member

[1] Not including Mr Ng Kuan Chow whose one year term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

[2] References to the Manager Nominated Director include references to Mr Ng Kuan Chow, whose one year term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

[3] Temasek Group refers to Temasek Holdings (Private) Limited and its related corporations as defined under Section 6 of the Singapore Companies Act (Chapter 50).

The NGC coordinates the assessment of the performance of the Board as a whole, the Board Committees, the Chairman of the Board and the Board's individual directors and determines annually if a director should be considered independent. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be rigorously reviewed. The NGC shall provide its views to the Board when the NGC considers that a director:

1. can still be deemed as independent despite the existence of relationships and circumstances enumerated in guidelines 2.3 and 2.4 of the Singapore Code; or

2. is not independent even in the absence of relationships and circumstances enumerated in guidelines 2.3 and 2.4 of the Singapore Code.

For FY2014, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in the Singapore Code in addition to the stricter 5% shareholder test for director independence.

Mr Ng Kuan Chow was appointed on 5 November 2013 as the alternate director to Mr Jason See Yong Kiat, the Manager Nominated Director, for a period of one year to perform all the functions of Mr Jason See Yong Kiat, including attending board meetings and speaking and voting at such meetings, where necessary such as in the event of an emergency. Mr Ng Kuan Chow's term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

Process for Selection, Appointment and Re-Election of Directors

The NGC reviews and recommends the size and composition of the Board and, with the assistance of the Manager, identifies and recommends to the Board the relevant directors who are due for retirement, election or re-election at each Annual General Meeting ("AGM"), and for any appointment that is expected or has arisen between AGMs.

Under the Company's Bye-laws, the directors (other than a Manager Nominated Director) to retire by rotation in each subsequent AGM shall be those who have been longest in office since their last re-election or appointment, and a retiring director (other than a Manager Nominated Director) is eligible for re-election. The Manager Nominated Director will remain in office for a fixed term of three years after appointment, and their term of office is renewable for a further term of three years at the option of the Board. Subject to the provisions of the Bye-laws, GIL ensures that each director (excluding the Manager Nominated Director) submits themselves for re-election at least once every three years.

During the process for the selection, appointment and re-appointment of directors, the NGC reviews the range of expertise, skills, attributes, composition and the need for progressive renewal of the Board as well as each director's competencies, commitment, contribution and performance. The NGC specifically looks out for directors who possess the core competencies such as legal, accounting or finance, investment, risk management, business or management, strategy planning and customer-based experience or knowledge. When the need for a new director arises (excluding the Manager Nominated Director), the NGC carries out the following process: it identifies GIL's needs, conducts an external search and then prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the Committee may seek advice from external consultants. In FY2014, no new directors were appointed. The Manager has its own succession planning for its senior management and its performance in managing GIL is reviewed annually by the Board.

When a director has multiple board representations, he or she must ensure that sufficient time and attention is given to the affairs of GIL. Policy, guidelines and procedures have been implemented to review and ensure performance/commitment for directors holding multiple appointments, taking into consideration the director's number of listed company board representations and other principal commitments. While the Board acknowledges that the effectiveness of each director is best addressed by a qualitative assessment of the directors' contributions, the Board has determined the maximum number of listed company board representations to which any director may hold concurrently to be six[1]. Having taken into consideration, among others, the good attendance of all directors for Board and Board Committee meetings in FY2014, the NGC is satisfied that all directors have devoted sufficient time and attention to the matters under their remit for FY2014.

The key information regarding the directors, such as academic and professional background, shareholdings, chairmanships, directorships and other principal commitments can be found under the "Board of Directors" section and the "Additional SGX-ST Listing Manual Disclosures" section in the Annual Report.

The information on the independence of the directors is stated under Principle 2: Composition and Guidance of the Board of Directors.

Principle 5: Board Performance

The Board has implemented a process through which the NGC coordinates a formal assessment of the effectiveness and performance of individual directors, including the Chairman of the Board, the Board and the Board Committees on an annual basis. The individual directors', the Board's and the Board Committees' performance are evaluated by each individual director through an assessment survey (questionnaire) covering performance criteria and competencies agreed by the NGC.

Board and Board Committee Performance Evaluation

Each Board member is invited to complete a Board and Board Committee Performance Questionnaire and to submit it directly to the NGC for evaluation. The questionnaire assesses in particular how effective the Board and the Board Committees have been in carrying out their specific roles and functions (*e.g.* for the NGC, whether it effectively determines the independence of independent directors) as well as areas such as the Board's size and composition, corporate integrity, strategic review, the appropriateness of knowledge and skills sets within the Board and Board Committees to maximise performance, the working relationship between the Board and its Committees as well as the working relationship between the Board Members.

Individual Director and Chairman Evaluation

Each director is invited to complete an Individual Director Questionnaire to appraise the performance and contribution of each individual director, including the Chairman of the Board. The questionnaire allows each director to assess his fellow directors in the areas of their respective performance, contribution, knowledge on key drivers, risks and opportunities and special expertise beneficial to the Board and to also give suggestions on what the respective directors should improve on or do differently. The Chairman is also assessed via such questionnaire and specific questions that are only applicable to the Chairman are included in the questionnaire (*e.g.* whether the Chairman ensures that adequate time is available for discussion of all agenda items, in particular strategic issues).

[1] This would include analogous positions such as the board of a manager of a listed fund.

Compilation of Questionnaires and Evaluation of Performance

The completed questionnaires are submitted to the Manager for compilation. The names of directors are omitted from the summary report to encourage more open and frank discussion. Upon completion of the abovementioned process by the Manager, the NGC will assess the results of the questionnaire and report on key findings and recommendations to the Board. The NGC will supplement the evaluation of the Board Committees' performance with self-reviews conducted by each of the Board Committees against the responsibilities set out in their respective charters, and report any key findings and recommendations to the Board. For individual director evaluations, the NGC will identify areas for improvement and suggest them to the Board and the directors for consideration. The open discussion between the NGC and the Board Members will allow each individual director to discharge his duties more effectively.

For FY2014, the Board, taking into consideration the key findings of the NGC, is satisfied that the Board and its Committees, the Chairman and each individual director have adequately fulfilled their responsibilities.

Principle 6: Access to Information

The Manager provides Board Members with complete, adequate and timely information in advance of Board meetings and on an on-going basis, so as to enable the Board to make informed decisions to discharge their duties and responsibilities. For example, the Board has access to monthly management accounts and is provided with such explanation and information as the Board may require from time to time (see Principle 10: Accountability of the Board of Directors and Management below). Directors are also provided with quarterly regulatory updates as well as quarterly updates on global events and risks (see Principle 1: Induction, Orientation and Training above).

For further enquiries, the directors have independent access to the Manager and Company Secretary at all times. The Company Secretary has defined responsibilities, including advising on good corporate governance practices and compliance with general statutory requirements, as set out in the administration agreement entered into between IKONIC Fund Services Ltd. and GIL. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. In the absence of the Company Secretary, an Assistant Company Secretary attends the board meetings.

Each director is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at GIL's expense on any matter concerned with the proper discharge of his or her responsibilities as a director.

Having considered the adequacy and timeliness of the information made available by the Manager, the directors are satisfied with the access to the information provided by the Manager during FY2014.

REMUNERATION

As part of the Corporate Governance Framework, the following principles apply on remuneration matters:

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee

GIL has a RC comprising entirely of three independent directors. The responsibilities of the RC include overseeing a framework for remuneration, recommending policies and guidelines for directors' remuneration, and reviewing the fees payable to the Manager.

The key terms of reference of the RC are:

1. to recommend specific remuneration packages for each director as well as for the key management personnel (if any);

2. to cover all aspects of the remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

3. to review the fees payable to the Manager, as and when necessary;

4. to recommend any long-term incentive schemes;

5. to recommend the incentive scheme framework and policies together with the amounts awarded; and

6. to review GIL's obligations arising in the event of termination of the executive directors' and key management personnel's (if any) contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

For FY2014, the RC conducted a self-review against the responsibilities set out in the Remuneration Committee Charter and concluded that the RC had been adequately fulfilling its duties.

The RC comprises the following three directors, all of whom are independent directors:

Directors	Appointment
Mr Ronald Seah Lim Siang	Chairman
Mr Adrian Chan Pengee	Member
Mr Tan Kok Wee	Member

Currently, GIL does not engage any remuneration consultants as the fees payable to its non-Manager Nominated Directors are stipulated in its Bye-laws. The Manager Nominated Director does not receive any director fees.

Principle 8: Level and Mix of Remuneration

The Board comprises five[1] directors, with a non-executive, non-independent Chairman, one Manager Nominated Director and three independent directors. The remuneration of these directors is disclosed under Principle 9 below. The remuneration of non-executive directors will be reviewed and recommended by the RC, taking into account factors such as effort and time spent and responsibilities of the directors.

GIL has no employees or executive officers and has appointed the Manager to manage GIL. GIL compensates the Manager for its services in accordance with the terms of the Management Agreement. Any changes in the fee structure will be subject to the approval of Shareholders by Ordinary Resolution in general meeting, and for the purposes of such approval, the Manager and its Associates, if they hold any shares at the time of such meeting, will abstain from voting the relevant resolution. The Manager has its own remuneration committee which separately assesses the performance of the Manager's Chief Executive Officer independently from the Company. The Manager is entitled to a Base fee calculated upon 1.0% of Net Investment Value up to S$1.5 billion and 1.5% of Net Investment Value in excess of S$1.5 billion.

[1] Not including Mr Ng Kuan Chow whose one year term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014.

CORPORATE GOVERNANCE

The Manager is also entitled to the incentive fee, fixed fee, acquisition fee, divestment fee and debt raising fee and is reimbursed by GIL for third party expenses. The incentive fee is a performance-related fee designed to be aligned with the interests of the Shareholders and to promote the long-term success of GIL. For more details on the Manager's Fee structure, kindly refer to page 16.

The Board has the sole discretion to pay up to 100% of the Manager's fees in the form of shares in GIL rather than cash.

Principle 9: Disclosure on Remuneration

The Manager Nominated Director does not receive any director's fees or other compensation from GIL for serving as a director or a member of a Board Committee of GIL or any of its subsidiaries.

Directors (including the Manager Nominated Director) are reimbursed for reasonable out-of-pocket expenses incurred in the course of attending meetings of the Board or Board Committees and for any expenses reasonably incurred in their capacity as directors of GIL or any of its subsidiaries. There are no termination, retirement and post-employment benefits which may be granted to the directors and the Manager Nominated Director. There are no variable or performance-related bonuses, benefit-in-kind, stock options grants, share-based incentives and awards, and other long-term incentives received by the directors.

GIL has adopted the following fee structure for non–Manager Nominated Directors for FY2014:

			Remuneration Per Annum
1.	Base remuneration fee		US$50,000 per director
2.	Fees for chairmanship of the Board and various Board Committees as well as membership in various Board Committees		
	a)	Chairman of the Board	US$18,000
	b)	Deputy Chairman of the Board (if applicable)	US$5,000
	c)	Base fee for membership of ARMC	US$10,000 per Member
	d)	Chairman of ARMC	US$5,000
	e)	Base fee for membership of NGC	US$2,000 per Member
	f)	Chairman of NGC	US$1,000
	g)	Base fee for membership of RC	US$2,000 per Member
	h)	Chairman of RC	US$1,000
3.	Fees for directorship of all subsidiary companies		US$5,000 per director[1]

[1] For the avoidance of doubt, this fee only applies to non-Manager Nominated Directors of the Company. A separate fee is paid for other nominee directors who sit on the boards of the Company's subsidiaries.

Subject to the right of the Board to review the amount of fees payable to the directors should circumstances justify an increase, these fees can be altered without Shareholders' approval provided that the aggregate paid to all directors does not exceed the maximum set by the GIL's Bye-laws. Pursuant to the Bye-laws, the maximum aggregate amount of fees payable to the directors in respect of one year is the number of directors appointed at the relevant time multiplied by US$70,000. All fees are paid quarterly in arrears, and pro-rated if an appointment was made during the financial year.

CORPORATE GOVERNANCE

For FY2014, Mr Jason See Yong Kiat, being the Manager Nominated Director, and Mr Ng Kuan Chow whose one year term as alternate director to Mr Jason See Yong Kiat ended on 4 November 2014 did not receive any director's fees. Mr Boon Swan Foo, Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee were paid the full amount of annual fees. The remuneration of non-Manager Nominated Directors for FY2014 is as follows:

Remuneration of non-Manager Nominated Directors

Directors	Base Remuneration Fees (US$)	Fees for Chairmanship of the Board and Various Board Committees and Membership of Various Board Committees (US$)	Total Directors' Fees[1] (US$)
Mr Boon Swan Foo	50,000	20,000	70,000
Mr Adrian Chan Pengee	50,000	15,000	65,000
Mr Tan Kok Wee	50,000	17,000	67,000
Mr Ronald Seah Lim Siang	50,000	15,000	65,000

1 Directors' fees are paid quarterly in arrears and are pro-rated if appointment is during the financial year.

Remuneration of top 5 Key Management Personnel / top 5 Key Employees / Employees Immediately Related to a Director or CEO

GIL has no employees of its own and relies on the appointed fund manager to manage GIL and its investments and to provide certain functions such as finance, fund administration, risk management and compliance. Hence, there is no employee share scheme in place.

GIL will compensate the Manager for providing the above services set out in the terms of the Management Agreement through the Manager Fee structure as disclosed under Principle 8.

No immediate family members of the directors of the Board are employed by GIL or the Manager.

ACCOUNTABILITY AND AUDIT

As part of the Corporate Governance Framework, the following principles apply on accountability and audit:

Principle 10: Accountability of the Board of Directors and Management

The Board seeks to provide the Shareholders with a balanced and understandable assessment of GIL's performance, position and prospects on a quarterly basis or as required. The Manager provides the Board with balanced and comprehensible information for this purpose.

The Board has formal policies and procedures on reporting and review of financial information. There are also policies and procedures established to ensure compliance with legislative and regulatory requirements such as GIL's Risk Management Policy, Whistleblowing Policy and Code of Conduct. The Board has access to monthly management accounts and is provided with such explanation and information as the Board may require from time to time.

CORPORATE GOVERNANCE

Principles 11 and 12: Audit and Risk Management Committee and Internal Controls

While GIL does not have a CEO/CFO, for FY2014, the Manager has provided written assurance to the Board confirming that GIL's financial records have been properly maintained and the financial statements give a true and fair view of GIL's operations. This certification also confirms the adequacy of GIL's risk management, compliance and internal control systems.

Audit & Risk Management Committee

GIL has established an ARMC and has adopted a formal charter setting out its key responsibilities. All three members of the ARMC, including the Chairman of the ARMC, possess relevant accounting or related financial management expertise or experience.

The ARMC comprises the following three independent directors:

Directors	Appointment
Mr Tan Kok Wee	Chairman
Mr Adrian Chan Pengee	Member
Mr Ronald Seah Lim Siang	Member

The ARMC has the explicit authority to investigate matters within its terms of reference. It has full access to and cooperation of the Manager, full discretion to invite any director of GIL or any executive officer of the Manager to its meetings and reasonable resources to discharge its functions properly. It is empowered to:

1. retain external counsel, accountants, or others to advise the ARMC or to assist in the conduct of an investigation;

2. seek any information it requires from external parties; and

3. meet with the officers of the Group, external auditors, or external counsel, as necessary.

The ARMC assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process, the compliance monitoring process and risk management.

Specific Responsibilities

The following is a non-exhaustive list of the specific responsibilities of the ARMC:

1. Financial Statements: The ARMC reviews the significant financial reporting issues and judgments to ensure the integrity of the financial statements of GIL and any announcements relating to GIL's financial performance. The Manager makes representations to the Board in connection with GIL's financial statements on the proper accounting record and transaction.

2. Internal Controls: The ARMC reviews and reports to the Board at least annually the adequacy and effectiveness of GIL's internal control systems, including financial, operational, compliance and information technology controls and risk management systems. It reviews the scope of the external auditors' review of internal controls and reviews reports on significant findings and recommendations.

3. Internal Audit: The ARMC reviews the effectiveness of the Manager's internal auditor's work on GIL.

4. External Audit: The ARMC reviews and advises the Board on the external auditors' annual plan for GIL, the external auditors' proposed fees and their independence as well as the scope and results of the external audit. It establishes policies as appropriate with regards to, and reviews, the independence and objectivity of the external auditors.

5. Compliance: The ARMC considers the work plan for compliance activities and reviews the updates and effectiveness of the system for monitoring compliance with laws and regulations.

6. Risk Management: The ARMC considers the overall Risk Management Framework and reviews its effectiveness in meeting sound corporate governance principles. It keeps the Board informed of all significant business risks and reviews the status report from the Manager.

The ARMC meets as required and normally at least four times a year. It reviews its effectiveness and performance against its charter, and reports its findings to the Board at least annually. The ARMC meets with the external auditors at least semi-annually or more frequently if required. The ARMC has the opportunity to discuss any matters in a private session with GIL's external auditors at least annually.

During the year under review, the ARMC, among others:

- reviewed and recommended to the Board the release of the quarterly and full year financial statements;
- reviewed and recommended to the Board the Compliance Plan 2014; and
- reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2014.

The ARMC conducted a self-review against the responsibilities set out in the Audit and Risk Management Committee Charter and concluded that the ARMC had been adequately fulfilling its duties.

To ensure ARMC members keep abreast of changes to accounting standards and important accounting issues, continuing education is provided to update and enhance their skills and knowledge. Information on training and updates can be found in the Induction, Orientation and Training section under Principle 1.

External Audit

The ARMC recommends to the Board the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors and recommends to the Board the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is subject to approval of the Shareholders at GIL's AGM.

During the financial year, the ARMC held a meeting with the external auditors without the presence of the Manager.

CORPORATE GOVERNANCE

Independence of the External Auditors

For the purposes of the FY2014 audit, the ARMC reviewed the independence of the external auditors and determined that there were no circumstances that would impair the independence of the external auditors. The ARMC noted the declaration of independence in the external auditor's report and noted that for FY2014, the fees paid to the external auditor for audit services and non-audit services were as follows:

	Fees (S$)
Audit Services	150,000
Non-audit Services	8,000
Total	158,000

None of the members nor the Chairman of the ARMC are former partners or directors of the external auditors.

Risk Management

GIL has a formal Risk Management Framework for the identification of key risks within the business. This Framework defines five major classifications of risks - Strategic, Investment, Regulatory, Financial/ Economic and Operational. Operational risks include possible lapses in internal controls and risks from external events such as legal risks as well as environmental risks. Financial/Economic risks are influenced by a variety of general economic and business conditions in the places where GIL has investments or where GIL's underlying assets and economic exposures are located. Such factors may affect the share price of GIL and its ability to meet dividend expectations. While appropriate risk mitigation measures within GIL's risk assessment framework as mentioned below are taken to address such inherent risk, the Board notes that, as elaborated upon below, no system of internal controls and risk management can eliminate all risks.

GIL adopts the Committee of Sponsoring Organisations of the Treadway Commission Model and the International Organization for Standardization on Risk Management (ISO 31000:2009(E)) guidelines for assessing the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal control and compliance systems.

The ARMC assists the Board in the oversight of risk management in GIL. It reviews the effectiveness of the overall risk management system in meeting sound corporate governance principles. GIL's risk management process is an ongoing process and requires the continuous identification, assessment, monitoring and management of significant risks. The ARMC will report any material matters, including findings and recommendations pertaining to risk management to the Board.

The Manager is responsible for reporting the status of any key risk exposures or incidents to the ARMC. Key risks at the process level will be identified via risk self-assessment exercises. Risk awareness and ownership of risk treatments are also continuously fostered across the Manager's organisation.

Internal Controls

GIL does not have any employees and in this externally managed model, it relies on the Manager to establish, implement and maintain a sound system of internal controls to safeguard Shareholders' investments and GIL's assets and to report to the ARMC on the adequacy and effectiveness of these systems of internal controls and risk management on a regular basis. The ARMC reviews the effectiveness of the system of internal controls at least annually. In its letter of representation to GIL, the Manager has confirmed that it has established an adequate system of internal controls, addressing financial, operational, compliance and information technology controls of GIL.

CORPORATE GOVERNANCE

Based on the above and on the work done and the reviews undertaken by the external auditors and the Manager's internal auditor, the Board (with the concurrence of the ARMC) is of the opinion that there are adequate and effective risks management systems as well as internal controls in place to help to mitigate critical and significant risks relating to financial, operational, compliance and information technology matters. The system of internal controls and risk management framework established by the Manager provide reasonable, but not absolute, assurance that GIL's assets and investments are safeguarded. The likelihood of achieving the objectives of the Committee of Sponsoring Organisations of the Treadway Commission Model is affected by limitations inherent in all internal control and risk management systems. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Whistleblowing Policy

A whistleblowing policy is instituted by GIL, and it sets out the arrangements through which parties ("whistleblowers") can raise their concerns of any suspected improper conduct in confidence. A whistleblower should raise his concern or complaint by email to the Chairman of the ARMC at chairmanARMC@globalinvestmentslimited.com.

Alternatively, he could also raise his concern independently to any director of GIL. The whistleblowing policy does not disregard anonymous complaints and every effort will be made to protect the whistleblower's identity.

All concerns raised will be objectively investigated and appropriate follow-up actions will be taken. The Manager also keeps a register of queries to handle investors' queries and complaints. In any case, if any of the concerns raised is related to any improprieties or misconduct of GIL, an independent investigation shall be conducted. The ARMC is responsible for the review of any concerns raised through the whistleblowing arrangements at its quarterly meetings. The ARMC will have the jurisdiction to appoint investigating officers and effect disciplinary follow-up action.

Reprisal or retaliation against any person for making a report, or intending to raise a complaint, or against anyone participating in the investigation of reported violations of this policy is strictly prohibited. Any acts of obstruction of reporting or investigation of a violation will not be condoned.

GIL's Whistleblowing Policy can be found on GIL's website at: www.globalinvestmentslimited.com.

Principle 13: Internal Audit

The Manager has an internal audit unit which conducts audit on certain areas of the Manager's scope of work under the Management Agreement. The Manager's internal auditor has the relevant qualifications and experience and is a member of the Singapore Chapter of the Institute of Internal Auditors. The Manager's internal auditor also adopts and meets the International Standards for the Professional Practice of Internal Auditing. The Manager's internal auditor has access to GIL's documents, records, properties and personnel, including access to the ARMC. The ARMC meets semi-annually or more frequently if required with the Manager's internal auditor to review the scope of the internal audit plan and the adequacy and effectiveness of STAM's internal auditor's work on GIL. The ARMC also has the opportunity to discuss any matters in a private session with the Manager's internal auditor at least annually.

CORPORATE GOVERNANCE

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principles 14, 15 and 16: Shareholder Rights, Communication with Shareholders, and Conduct of Shareholders Meetings

GIL is committed to maintaining high standards of disclosure and corporate transparency with members of the investment community and investing public. The Board has adopted policies and procedures that comply with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the Singapore Code. GIL has developed a Shareholder Communication Policy which is designed to ensure the delivery of timely, relevant and pertinent information to Shareholders. The Manager facilitates regular and effective communication in an open and non-discriminatory approach on changes to GIL as well as its performance or business developments which would be likely to materially affect the price or value of the Shares.

GIL discloses information on a timely basis through SGXNET and GIL's website, including quarterly financial results within 45 days after the end of each quarter and the financial statements for the full financial year within 60 days after the end of each financial year. The corporate website provides Shareholders and the investment community with key information, including annual reports, quarterly results, presentations and announcements to SGX, information on shares and dividends and Shareholders' meetings. The Investor Relations team of the Manager responds to shareholder queries and maintains a register of all queries and responses given by GIL. GIL's contact details can be found at www.globalinvestmentslimited.com.

GIL regularly holds a briefing session for both media and analysts together when announcing the full-year results. Key management personnel of the Manager will be present at the briefing. The presentation material and/or a webcast of the briefing is available on the website of GIL at www.globalinvestmentslimited.com. In FY2014, the briefing session that was held for both media and analysts was attended by the Chairman, the Chairman of the ARMC, the Manager Nominated Director and CEO of the Manager and other key management personnel of the Manager.

GIL supports active Shareholder participation at AGMs. At least 21 days before the AGM, notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information will be sent to Shareholders to provide Shareholders with sufficient time to review the aforementioned documents and indicate their attendance. GIL holds its AGM at a central location which is easily accessible by public transportation. GIL allows Shareholders who hold shares through nominees to attend the AGMs as observers without being constrained by the two-proxy rule, subject to availability of seats.

There will be distinct resolutions at general meetings on each substantially separate issue. Resolutions are not bundled unless they are interdependent and linked so as to form one significant proposal. All resolutions will be conducted by poll voting. Shareholders attending the general meeting would have the opportunity to ask questions on proposed resolutions and the voting procedure would be communicated to the Shareholders at the meeting. An announcement of the detailed results of voting from the AGM showing the number of votes cast for and against each resolution and the respective percentage will be published.

The Chairman, the Chairman of each of the Board Committees and where possible, all the directors, will be present in person or by phone to address relevant queries from Shareholders. The external auditors are also invited to address relevant queries from Shareholders. The minutes of Shareholder general meetings, which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and the Manager, are available on request.

CORPORATE GOVERNANCE

DIVIDEND POLICY

GIL's dividend policy is to pay out the majority of the economic income received from its investments, after payment or provision for operating and financing expenses.

DEALING IN SECURITIES

GIL's Share Trading Policy states that directors, employees and officers of the Group and directors, officers and employees of the Manager are prohibited from dealings in Shares on considerations of a short-term nature; when in possession of unpublished price-sensitive information and during the period commencing two weeks before the announcement of GIL's financial results for each of the first three quarters of the financial year and one month before the announcement of GIL's full year financial results and ending on the date of the announcement of the relevant results.

Pursuant to GIL's Share Trading Policy, directors are required to seek the Board's approval before trading in shares of GIL and non-executive directors are encouraged to purchase shares in GIL and hold them till they leave the Board. There is no limit imposed on the number of shares purchased.

CODE OF CONDUCT

GIL has a Code of Conduct that applies to all executive and non-executive directors, officers, employees and contractors (collectively "Employees") of the Group.

The Code of Conduct sets out principles to guide Employees in carrying out their duties and responsibilities to the highest standards when dealing with Employees, shareholders, suppliers, clients or competitors. The Code of Conduct covers areas such as conflict of interest, corporate opportunities, trading in securities, protection and proper use of GIL's assets, confidentiality of information, responsibility to key stakeholders and compliance with laws and regulations. Staff are required to act honestly and in good faith at all times as well as comply with applicable laws and regulations. GIL currently does not employ any staff internally and has appointed the Manager to manage GIL. The Manager will adhere to GIL's Code of Conduct in addition to its own.

GIL's Code of Conduct can be found on GIL's website at: www.globalinvestmentslimited.com.

MATERIAL TRANSACTIONS THAT REQUIRE THE BOARD'S APPROVAL

Principle 1, Guideline 1.5

The following is a list of reserved matters for the Board[1]:

1. Alterations of the Bye-laws or any amendment to the Management Agreement.
2. Changes in share capital, including:
   - allotment or issue of any shares; and
   - grant of any option or rights to subscribe for shares.
3. Changes in nature of business of GIL.
4. Changes of name of GIL.
5. Investments and divestments above the discretionary limit of STAM.

[1] Some of these matters may also require shareholder approval.

6. Any proposal to wind-up, liquidate or strike-off GIL or its subsidiaries or to place GIL or its subsidiaries under administration, reorganisation or other similar scheme under any bankruptcy, insolvency or similar law.
7. Any change to the accounting policies of the Group or any change of the auditors of GIL.
8. Entry by GIL into any joint venture, partnership, consortium or other similar arrangements.
9. Cessation of any business operation by GIL or any subsidiary.
10. Sale of any member of the Group or any consolidation or amalgamation with any other company.
11. Any merger, amalgamation, re-organisation, re-capitalisation or sale of any member of the Group.
12. Borrowing by GIL or its subsidiaries or creation by GIL or its subsidiaries of any charge or other security over any assets or property of any member of the Group.
13. Incorporation of a new subsidiary.
14. Payment or declaration by GIL of any dividend or other distribution on account of shares in its capital.
15. Commencement or settlement by GIL or any of its subsidiaries of any litigation or arbitration or other proceedings.
16. Capital raising.
17. Delegation or outsourcing of Manager's services.
18. Transactions with related corporations or interested persons.
19. Holding of cash or assets of GIL under the Manager's or any custodian's name.

OPERATING AND FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group for the year ended 31 December 2014 S$'000	Group for the year ended 31 December 2013 S$'000
REVENUE		
Dividend income	4,252	2,368
Interest income	15,131	13,543
Rental income	–	1,577
Net gain on sale of investments	6,450	14,092
Net gain on financial assets designated as fair value through profit or loss	156	445
Other income	4,866	3,847
Total revenue	30,855	35,872
EXPENSES		
Management fees	(1,816)	(1,573)
Incentive fees	(466)	(1,216)
Net foreign exchange losses	(3,725)	(3,512)
Depreciation	–	(429)
Finance costs	(1)	(448)
Other operating expenses	(2,084)	(1,876)
Total expenses	(8,092)	(9,054)
Net reversal of impairment expense/(Net impairment expense)	2,148	(2,770)
Share of profit of associate (net of tax)	–	5,224
	2,148	2,454
Profit before tax	24,911	29,272
Income tax expense	(594)	(498)
Profit after tax	24,317	28,774
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– Fair value gains	4,083	9,417
– Reclassification to profit or loss	(9,006)	(9,066)
Currency translation differences arising from consolidation		
– Gains	4,557	4,289
Other comprehensive (loss)/income for the year after tax	(366)	4,640
Total comprehensive income for the year attributable to shareholders	23,951	33,414
Basic earnings per share (cents per share)	1.92	2.82
Diluted earnings per share (cents per share)	1.92	2.82

OPERATING AND FINANCIAL REVIEW

REVENUE

The Group reported lower revenue of S$30.9 million for the year ended 31 December 2014, a drop of S$5.0 million from S$35.9 million in the prior year. This was mainly due to the absence of S$7.0 million gain from the sale and redelivery of the two aircraft. The absence of rental income as well as lower gain on sale of listed equities in the current year were contributing factors to the decrease as well. The lower revenue was cushioned by higher dividend income, interest income as well as a fair value gain recognised when the investment in Ascendos was reclassified from an associate to an available-for-sale ("AFS") financial asset.

EXPENSES

Total expenses for the year ended 31 December 2014 decreased to S$8.1 million from S$9.1 million in the prior year. The decrease was due to the absence of depreciation of aircraft and lower finance costs following the sale and redelivery of the two aircraft last year.

REVERSAL OF IMPAIRMENT AND SHARE OF PROFIT OF ASSOCIATED COMPANY

For the year ended 31 December 2014, the Group recognised a net reversal of impairment arising from a reversal of impairment for Euro-denominated CLO notes offset by a further impairment for an Australian RMBS. As the investment in Ascendos had been reclassified from an associate to an AFS financial asset at the beginning of the year, there was no share of profit of associated company recognised in the current year compared to S$5.2 million in the prior year.

OTHER COMPREHENSIVE INCOME/LOSS

Other comprehensive loss for the year ended 31 December 2014 amounted to S$0.4 million versus an income of S$4.6 million in the prior year, a decrease of S$5.0 million. This was mainly due to a lower fair value gain of S$4.1 million recognised during the year as compared to a S$9.4 million gain in the previous year. Total comprehensive income for the year ended 31 December 2014 was S$24.0 million, S$9.5 million lower than the S$33.4 million recorded in the previous year.

OPERATING AND FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
ASSETS				
Non-current assets				
Investment in associate	–	–	9,393	–
Investments in subsidiaries	–	110,100	–	104,989
Loans and receivables	69,584	–	92,410	–
Available-for-sale financial assets	35,692	15,117	–	–
Financial assets at fair value through profit or loss	49,635	49,635	54,867	54,867
	154,911	174,852	156,670	159,856
Current assets				
Cash and cash equivalents	31,252	25,809	20,346	17,668
Available-for-sale financial assets	98,503	84,253	102,983	85,310
Intercompany receivables	–	–	–	8,345
Other assets	1,403	1,372	1,063	991
	131,158	111,434	124,392	112,314
Total Assets	286,069	286,286	281,062	272,170
LIABILITIES				
Intercompany payables	–	298	–	–
Other liabilities	1,347	1,266	11,317	2,425
Total Liabilities	1,347	1,564	11,317	2,425
Net assets attributable to shareholders	284,722	284,722	269,745	269,745
EQUITY				
Share capital	521,393	521,393	502,870	502,870
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	14,729	581	19,652	3,392
Translation reserve	6,300	–	1,743	–
Accumulated losses	(191,854)	(171,406)	(188,674)	(170,671)
Total Equity	284,722	284,722	269,745	269,745

OPERATING AND FINANCIAL REVIEW

INVESTMENT IN ASSOCIATE

Investment in Ascendos was reclassified to AFS financial asset during the year.

LOANS AND RECEIVABLES

The loans and receivables as at 31 December 2014 was S$69.6 million, a decrease of S$22.8 million from S$92.4 million as at 31 December 2013. The decrease was mainly due to the sale of a credit-linked note and collateralised loan obligations.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss of S$49.6 million as at 31 December 2014 comprised of investments in a portfolio of bonds. The decrease of S$5.2 million from S$54.9 million as at 31 December 2013 was mainly due to the sale of bonds.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The available-for-sale financial assets of S$134.2 million as at 31 December 2014 comprised of investments in listed equities, bonds, collateralised loan obligations and investment in Ascendos. The increase of S$31.2 million from S$103.0 million as at 31 December 2013 was mainly due to the investment of Ascendos being reclassified from an associate as well as the purchase of bonds during the year.

CASH AND CASH EQUIVALENTS

The higher cash and cash equivalents of S$31.3 million as at 31 December 2014 as compared to S$20.3 million as at 31 December 2013 was mainly due to net proceeds from the disposal of investments.

NET ASSET VALUE PER SHARE

The NAV per share of the Group as at 31 December 2014 was 21.3 Singapore cents after the payment of 2013 final dividend of 1.5 Singapore cents per share, 1H 2014 interim dividend of 0.75 Singapore cents per share and new shares issued pursuant to the scrip dividend scheme. If the 2013 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2013, the NAV per share as at 31 December 2013 would have been 20.6 Singapore cents instead of 22.6 Singapore cents per share. After adjusting for the 1H 2014 interim dividend and shares relating to the scrip dividend scheme, the NAV per share as at 31 December 2014 would have been 22.4 Singapore cents and the increase in NAV per share would be 8.7%.

RETURN ON EQUITY

The Group achieved a lower ROE (computed based on net profit after tax over the average total equity) of 8.8% in 2014 as compared to 12.5% in 2013.

2014
FINANCIAL REPORT

STATEMENT BY DIRECTORS

In the opinion of the Directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 49 to 99 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2014 and of the financial performance and cash flows of the Group for the financial year ended 31 December 2014; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors:

Boon Swan Foo	Jason See Yong Kiat
Chairman	Manager Nominated Director
Global Investments Limited	Global Investments Limited

18 March 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Investments Limited

We have audited the accompanying financial statements of Global Investments Limited (the "Company" or "GIL") and its subsidiaries, (the "Group") set out on pages 49 to 99, which comprise the statements of financial position of the Company and of the Group as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards ("IFRS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2014 and of the financial performance and cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 18 March 2015

STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
ASSETS					
Non-current assets					
Investment in associate	12	–	–	9,393	–
Investments in subsidiaries	13	–	110,100	–	104,989
Loans and receivables	14	69,584	–	92,410	–
Available-for-sale financial assets	15	35,692	15,117	–	–
Financial assets at fair value through profit or loss	16	49,635	49,635	54,867	54,867
		154,911	174,852	156,670	159,856
Current assets					
Cash and cash equivalents	17	31,252	25,809	20,346	17,668
Available-for-sale financial assets	15	98,503	84,253	102,983	85,310
Intercompany receivables		–	–	–	8,345
Other assets	18	1,403	1,372	1,063	991
		131,158	111,434	124,392	112,314
Total Assets		286,069	286,286	281,062	272,170
LIABILITIES					
Intercompany payables		–	298	–	–
Other liabilities	19	1,347	1,266	11,317	2,425
Total Liabilities		1,347	1,564	11,317	2,425
Net assets attributable to shareholders		284,722	284,722	269,745	269,745
EQUITY					
Share capital	20	521,393	521,393	502,870	502,870
Capital reserve	21	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	22	14,729	581	19,652	3,392
Translation reserve	23	6,300	–	1,743	–
Accumulated losses	24	(191,854)	(171,406)	(188,674)	(170,671)
Total Equity		284,722	284,722	269,745	269,745

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group for the year ended 31 December 2014 S$'000	Group for the year ended 31 December 2013 S$'000
REVENUE			
Dividend income		4,252	2,368
Interest income		15,131	13,543
Rental income		–	1,577
Net gain on sale of investments	5	6,450	14,092
Net gain on financial assets designated as fair value through profit or loss	16	156	445
Other income	6	4,866	3,847
Total revenue		30,855	35,872
EXPENSES			
Management fees	26	(1,816)	(1,573)
Incentive fees	26	(466)	(1,216)
Net foreign exchange losses		(3,725)	(3,512)
Depreciation	11	–	(429)
Finance costs		(1)	(448)
Other operating expenses	8	(2,084)	(1,876)
Total expenses		(8,092)	(9,054)
Net reversal of impairment expense/(Net impairment expense)	7	2,148	(2,770)
Share of profit of associate (net of tax)	12	–	5,224
		2,148	2,454
Profit before tax		24,911	29,272
Income tax expense	9	(594)	(498)
Profit after tax		24,317	28,774
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value gains	22	4,083	9,417
– Reclassification to profit or loss	22	(9,006)	(9,066)
Currency translation differences arising from consolidation			
– Gains	23	4,557	4,289
Other comprehensive (loss)/income for the year after tax		(366)	4,640
Total comprehensive income for the year attributable to shareholders		23,951	33,414
Basic earnings per share (cents per share)	30	1.92	2.82
Diluted earnings per share (cents per share)	30	1.92	2.82

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in Equity of the Group for the year ended 31 December 2014	Note	Share capital S$'000	Capital reserve S$'000	Available-for-sale financial assets revaluation reserve S$'000	Translation reserve S$'000	Accumulated Losses S$'000	Total S$'000
As at 1 January 2014		502,870	(65,846)	19,652	1,743	(188,674)	269,745
Total comprehensive income for the year							
Profit for the year		–	–	–	–	24,317	24,317
Other comprehensive (loss)/ income		–	–	(4,923)	4,557	–	(366)
		–	–	(4,923)	4,557	24,317	23,951
Transactions with equity holders in their capacity as equity holders:							
Issuance of new shares pursuant to scrip dividend scheme		18,523	–	–	–	–	18,523
Dividends	10	–	–	–	–	(27,497)	(27,497)
Total transactions with equity holders		18,523	–	–	–	(27,497)	(8,974)
As at 31 December 2014		521,393	(65,846)	14,729	6,300	(191,854)	284,722

Changes in Equity of the Group for the year ended 31 December 2013	Note	Share capital S$'000	Capital reserve S$'000	Available-for-sale financial assets revaluation reserve S$'000	Translation reserve S$'000	Accumulated Losses S$'000	Total S$'000
As at 1 January 2013		450,433	(65,846)	19,301	(2,546)	(211,258)	190,084
Total comprehensive income for the year							
Profit for the year		–	–	–	–	28,774	28,774
Other comprehensive income		–	–	351	4,289	–	4,640
		–	–	351	4,289	28,774	33,414
Transactions with equity holders in their capacity as equity holders:							
Issuance of new shares pursuant to scrip dividend scheme		3,973	–	–	–	–	3,973
Issuance of new shares pursuant to Rights Issue, net of share issuance expenses		48,464	–	–	–	–	48,464
Dividends	10	–	–	–	–	(6,190)	(6,190)
Total transactions with equity holders		52,437	–	–	–	(6,190)	46,247
As at 31 December 2013		502,870	(65,846)	19,652	1,743	(188,674)	269,745

The above consolidated statement of changes in shareholders' equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group for the year ended 31 December 2014 S$'000	Group for the year ended 31 December 2013 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating costs paid		(7,003)	(4,643)
Interest income received		15,102	13,031
Dividend income received		4,053	3,107
Rental income received		–	1,608
Other income received		–	3,858
Income tax paid		(594)	(498)
Net cash from operating activities		11,558	16,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets		(117,357)	(232,959)
Loan repayments received		2,170	1,580
Net proceeds from disposal of financial assets		123,343	146,417
Net proceeds from disposal of aircraft[1]		–	32,269
Net cash generated from/(used in) investing activities		8,156	(52,693)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayments of borrowings		–	(13,802)
Payment of share issuance expenses		–	(217)
Proceeds from rights issue		–	48,701
Borrowing costs paid		–	(430)
Dividends paid		(8,973)	(2,217)
Net cash (used in)/generated from financing activities		(8,973)	32,035
Net increase/(decrease) in cash and cash equivalents		10,741	(4,195)
Cash and cash equivalents at beginning of year		20,346	24,508
Effects of exchange rate changes on cash and cash equivalents		165	33
Cash and cash equivalents at end of year	17	31,252	20,346

1 Net of transaction costs of S$1.83 million.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Global Investments Limited ("GIL" or the "Company") was incorporated on 24 April 2006 as a mutual fund company limited by shares.

The Company is incorporated and domiciled in Bermuda and is publicly traded on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The address of its registered office is Penboss Building, 2nd Floor, 50 Parliament Street, Hamilton HM12, Bermuda.

The principal activities of the Company and its subsidiaries (together, the "Group") consist of investing in a portfolio of assets in different sectors.

GIL was managed by ST Asset Management Ltd. ("STAM" or the "Manager") in the financial year ended 31 December 2014.

These financial statements were authorised for issue in accordance with a Directors' resolution dated 18 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of GIL have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee ("IFRIC") interpretations applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss. The financial statements are expressed in Singapore Dollar ("SGD") and rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 January 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in SGD, which is the Company's functional currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items denominated in foreign currencies that are measured at fair values are translated to the functional currency using the exchange rates at the date when the fair values are determined.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the reporting date;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using exchange rate at the dates of the transactions); and

(c) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) CONSOLIDATION (CONTINUED)

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

As the Group only has significant influence, it may be unable to obtain reliable information at year-end on a timely basis. Accordingly, the results of associates are equity accounted from their most recent audited annual financial statement or unaudited interim financial statements, all within three months of the year-end of the Group. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. These post acquisition movements and distributions received from associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in profit or loss.

Investments in associates are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) CONSOLIDATION (CONTINUED)

(ii) Associates (Continued)

Gains and losses arising from partial disposals or dilutions in investments in associates in which significant influence is retained are recognised in profit or loss.

(iii) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Group considers all of its investment in securitisation vehicles through the purchase of residential mortgage-backed securities ("RMBS") and collateralised loan obligation ("CLO") notes to be an interest in unconsolidated structured entities as it does not have any power over these entities such that its involvement will vary its returns from these entities.

(D) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

Investments in subsidiaries and associate are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Dividends received from subsidiaries are recognised in profit or loss in the separate financial statements of the Company.

(E) AIRCRAFT

(i) Measurement

Aircraft are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives of approximately 6.5 years, which represents the shorter of the lease term and the estimated useful lives of the aircraft.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) AIRCRAFT (CONTINUED)

(iii) Disposal

On disposal of the aircraft, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

(F) FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on current bid price at the reporting date.

The fair value of available-for-sale financial assets that are not quoted in active markets is determined by using valuation techniques. Valuation techniques include the use of discounted cash flow analysis, valuation of similar investments and reference to recent sales transactions of the same or similar assets. Where appropriate, quoted market prices, broker or dealer quotes for similar instruments are used. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each Statement of Financial Position date.

(G) FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and purpose for which the financial assets were acquired. The Manager determines the classification of its financial assets at initial recognition.

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group or Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceed is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories of financial assets. They are presented as non-current assets unless the investment matures or the Manager intends to dispose of the assets within 12 months after the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) FINANCIAL ASSETS (CONTINUED)

(i) Available-for-sale financial assets (Continued)

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. They are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

(iii) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated as fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date, otherwise they are classified as non-current.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'Net gain on financial assets designated as fair value through profit or loss' in the period in which they arise. Interest on debt securities at fair value through profit or loss is recognised in profit or loss separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) IMPAIRMENT OF FINANCIAL ASSETS

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the issuer or obligor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or national or local economic conditions that correlate with defaults on the assets.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

(ii) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (i) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. Any subsequent increase in fair value of such assets is recognised in other comprehensive income and presented in the available-for-sale financial assets revaluation reserve in equity. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) IMPAIRMENT OF NON-FINANCIAL ASSETS

Aircraft, investments in subsidiaries and investment in associate are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

(K) INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest-bearing liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(L) PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Group may use derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operating, financing and investing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

ii. hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

iii. hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

(iii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Gains and losses accumulated in equity are included in profit or loss when the foreign operation is partially disposed of or sold.

(N) REVENUE RECOGNITION

(i) Interest income

Interest income is recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial asset.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) EXPENSES

(i) Finance costs

Interest expenses and similar charges are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

(ii) Management fees

Management fees paid/payable to the Manager, in its capacity as the manager of GIL, are recognised over the period that services are rendered.

(iii) Incentive fees

Incentive fees paid/ payable to the Manager, in its capacity as the manager of GIL, are recognised in the period upon entitlement.

(P) TAXATION

GIL is domiciled in Bermuda. Under the current laws of Bermuda, there are no income, estate, corporation, capital gains or other taxes payable by GIL.

The Group currently incurs withholding taxes imposed by certain countries on its dividend and interest income. Such income or gains are recorded gross of withholding taxes in profit or loss.

(Q) LEASES

(i) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(ii) Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

(R) SEGMENT REPORTING

Operating segments are to be reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors of the Company (the “Board”) who makes strategic decisions.

(S) DIVIDEND PAYMENTS

Interim and final dividends are recorded during the financial year in which they are approved by the Board and declared payable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment of loan portfolio and securitisation assets classified as available-for-sale or loans and receivable financial assets

The carrying values of loan portfolio and securitisation assets are reviewed on a quarterly basis for indications of impairment or reversal of prior impairment losses. Indicators such as changes in interest rates, creditworthiness of borrowers in the case of loans, performance of the underlying collateral against which the notes have been issued, available broker quotes and, where applicable, other asset specific and industry and economic factors are considered as part of the assessment. Further, as certain notes are managed by third party managers, the Manager relies on information such as collateral performance and cashflows of the underlying portfolio which may be provided by third party managers on a laggard basis. Whilst the Manager will consider all information obtained as part of the assessment of the valuation of the investments, there may also be instances where the Manager will make best estimates as required, particularly in situations where there are developments that may impact the underlying portfolio but which may not have been included in the third party managers' reports.

Therefore, in view of the above factors, judgement has been applied in concluding whether there is an indication of impairment. To the extent that an indication of impairment is identified, a detailed assessment of the recoverable amount is performed.

(ii) Estimate of cashflows and effective interest rates of investments

The Group has invested in instruments which are at a discount to the issuance price. Such investments include certain positions in the CLO notes. In determining the effective interest rate of such investments, the projected cashflows are initially estimated. As the projected cashflows are inherently estimates, so is the effective interest rates computed for these investments. Over the life of the investments, the actual cashflows may differ from the projected cashflows that were initially estimated. Judgement is exercised by the Group to form a conclusion as to whether the projected cashflows initially estimated would need to be re-estimated in light of actual cashflows. This would have a corresponding impact on either the effective interest rate or the impairment allowance. Judgement has been applied in concluding that the estimate of effective interest rates remains appropriate.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(iii) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market is determined by the Group using broker or dealer quotes, which may be indicative and not executable or binding. The Group exercises judgement in its assessment of the appropriateness of the quotes obtained, which may consider factors such as the performance of the underlying loan portfolio based on reports obtained from third party managers, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained.

(iv) Investment in Ascendos Investments Limited

The Group has a 40.56% equity interest in Ascendos Investments Limited ("Ascendos"). With effect from 1 January 2014, the interest in Ascendos was reclassified from investment in associate to available-for-sale financial asset as the Group ceased to have board representation.

The Group has assessed the level of influence that it has on Ascendos and determined that it does not have significant influence even though its shareholding is above 20%. This is due to the absence of any board representation and hence limiting its ability to participate in and influence the financial and operating decisions of Ascendos.

The fair value of the Group's investment in Ascendos has been determined taking into account unaudited financial information, due to Ascendos having a non-coterminous financial year end with the Group, and further adjustments to reflect the valuation of the assets and liabilities of Ascendos based on third party input, as appropriate.

Judgement has been applied in determining the fair value of the Group's equity investment in Ascendos.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: interest rate risk, currency risk, credit risk, market price risk, liquidity risk and capital risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit and Risk Management Committee ("ARMC") then establishes the policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies in accordance with the objectives and underlying principles approved by the Board.

Importantly, to the extent an investment matures or a divestment is made, the Group will make a decision at that time about usage or redeployment of underlying capital.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's overall risk management strategy seeks to minimise adverse effects on the Group's ability to pay dividends and the value of the underlying investments. The Group's approach to management of financial risks is both top down and bottom up in the sense of analysing risks at a Group level as well as at an investment-specific level.

Financial risk management is carried out by the Manager in accordance with the policies set by the ARMC. The Manager identifies, evaluates and manages financial risks. This involves regular sensitivity testing and various levels of reporting through the Group, including regular formal reporting to the ARMC and the Board.

At an investment level, the Group aims to reduce financial risks through structuring the manner in which the investment is acquired or funded. At a Group level, financial instruments such as interest rate swaps may be used to reduce interest rate risks together with other additional measures such as investing in a portfolio comprising various targeted asset classes, sectors, countries, maturities, and return profile.

(A) INTEREST RATE RISK

Interest rate risk can be cash flow related or fair value related. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group holds a portfolio of fixed interest securities that expose the Group to fair value interest rate risk. The Group also holds a portfolio of variable rate residential mortgage backed and collateralised loan obligation securities that expose the Group to cash flow interest rate risk.

The Group seeks to minimise interest rate risk by structuring the portfolio in a manner so as to reduce the likelihood that an adverse movement of interest rate in one jurisdiction would have a material impact on overall cash flow or fair value. This includes maintaining diversity in the nature of the returns from the underlying investments, ranging from variable interest returns and fixed interest returns. The Company may hedge the interest rate exposure inherent in the underlying investments if possible and appropriate.

Exposure to interest rate risks

The following table sets out the Group and the Company's exposure to interest rate risks as at 31 December 2014 and 31 December 2013. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) INTEREST RATE RISK (CONTINUED)

Exposure to interest rate risks (Continued)

	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
ASSETS				
Financial assets at fair value through profit or loss				
- Fixed rate instruments[1]	47,626	52,892	47,626	52,892
Available-for-sale financial assets				
- Fixed rate instruments[1]	15,117	–	15,117	–
- Variable rate instruments[2]	6,072	7,214	–	–
Loans and receivables				
- Fixed rate instruments[1]	5,112	4,895	–	–
- Variable rate instruments[2]	64,472	87,515	–	–
	138,399	152,516	62,743	52,892

[1] Fixed rate instruments include S$32.12 million (2013: S$25.44 million) of bonds with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 2 to 10 years (2013: 7 to 11 years).

[2] Interest on variable rate financial instruments is re-priced at intervals of less than or equal to six months. Interest on fixed rate financial instruments is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above table are non-interest bearing and are therefore not subject to interest rate risk.

Sensitivity analysis – interest rate risk

A 100 basis points increase in interest rate at the reporting date would increase/(decrease) equity and profit before tax, due to the impact on cashflows or fair value, by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	Equity S$'000	Profit before tax S$'000	Equity S$'000	Profit before tax S$'000
ASSETS				
31 December 2014				
Financial assets at fair value through profit or loss	–	(1,834)	–	(1,834)
Available-for-sale financial assets	(521)	–	(582)	–
Loans and receivables	–	645	–	–
31 December 2013				
Financial assets at fair value through profit or loss	–	(2,432)	–	(2,432)
Available-for-sale financial assets	72	–	–	–
Loans and receivables	–	875	–	–

NOTES TO THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) CURRENCY RISK

The Group receives dividend income, interest income and disposal proceeds substantially denominated in currencies other than SGD. Movements in currency exchange rates between the relevant foreign currencies and SGD may therefore have a material effect on the Group's financial results to the extent that they are not hedged, and the amount available for distribution as dividends to the Shareholders.

The Group manages this risk by taking advantage of any natural offsets of receipts and payments in each individual currency. Surplus of foreign currencies are sold, as soon as practicable, for SGD. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currency exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions. The Group will also monitor currency exposure and may enter into hedging arrangements where appropriate.

Sensitivity analysis around currency fluctuations is periodically performed by the Manager and reported to the Board.

The tables below set out the Group's and the Company's key currency exposure arising from monetary items as at 31 December 2014 and 31 December 2013.

GROUP 31 December 2014	Euro S$'000	United States Dollar S$'000	Australian Dollar S$'000	HongKong Dollar S$'000	Chinese Renminbi S$'000	Total S$'000
ASSETS						
Cash and cash equivalents	20	807	16	8,112	–	8,955
Financial assets at fair value through profit or loss	9,952	26,292	–	–	–	36,244
Available-for-sale financial assets	6,072	11,004	–	–	4,113	21,189
Loans and receivables	28,476	–	20,764	–	–	49,240
Other assets	34	780	–	–	42	856
Total Assets	44,554	38,883	20,780	8,112	4,155	116,484
LIABILITIES						
Other liabilities	–	(89)	–	–	–	(89)
Total Liabilities	–	(89)	–	–	–	(89)
Net Exposure	44,554	38,794	20,780	8,112	4,155	116,395

NOTES TO THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) CURRENCY RISK (CONTINUED)

COMPANY

31 December 2014	Euro S$'000	United States Dollar S$'000	HongKong Dollar S$'000	Chinese Renminbi S$'000	Total S$'000
ASSETS					
Cash and cash equivalents	16	807	8,112	–	8,935
Financial assets at fair value through profit or loss	9,952	26,292	–	–	36,244
Available-for-sale financial assets	–	11,004	–	4,113	15,117
Other assets	34	780	–	42	856
Total Assets	10,002	38,883	8,112	4,155	61,152
LIABILITIES					
Other liabilities	–	(89)	–	–	(89)
Total Liabilities	–	(89)	–	–	(89)
Net Exposure	10,002	38,794	8,112	4,155	61,063

GROUP

31 December 2013	Euro S$'000	United States Dollar S$'000	Australian Dollar S$'000	HongKong Dollar S$'000	Danish Krone S$'000	Total S$'000
ASSETS						
Cash and cash equivalents	88	266	14	1,046	501	1,915
Financial assets at fair value through profit or loss	10,685	31,351	–	–	–	42,036
Available-for-sale financial assets	7,214	–	–	–	–	7,214
Loans and receivables	36,097	–	25,887	–	–	61,984
Other assets	51	506	–	–	–	557
Total Assets	54,135	32,123	25,901	1,046	501	113,706
LIABILITIES						
Other liabilities	(8,490)	(80)	(12)	–	–	(8,582)
Total Liabilities	(8,490)	(80)	(12)	–	–	(8,582)
Net Exposure	45,645	32,043	25,889	1,046	501	105,124

NOTES TO THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) CURRENCY RISK (CONTINUED)

COMPANY

31 December 2013	Euro S$'000	United States Dollar S$'000	HongKong Dollar S$'000	Chinese Renminbi S$'000	Total S$'000
ASSETS					
Cash and cash equivalents	67	266	1,046	501	1,880
Financial assets at fair value through profit or loss	10,685	31,351	–	–	42,036
Other assets	51	506	–	–	557
Total Assets	10,803	32,123	1,046	501	44,473
LIABILITIES					
Other liabilities	–	(80)	–	–	(80)
Total Liabilities	–	(80)	–	–	(80)
Net Exposure	10,803	32,043	1,046	501	44,393

Sensitivity analysis – currency risk

A 5% strengthening of the functional currencies of the Company and its subsidiaries against the following currencies at the balance sheet date would have increased/(decreased) profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Other comprehensive income S$'000	Profit before tax S$'000	Other comprehensive income S$'000	Profit before tax S$'000
31 December 2014				
Euro	(133)	(2,095)	–	(500)
United States Dollar	48	(1,988)	48	(1,988)
Australian Dollar	–	(1,039)	–	–
Hong Kong Dollar	–	(406)	–	(406)
Chinese Renminbi	6	(214)	6	(214)
31 December 2013				
Euro	(400)	(1,882)	–	(540)
United States Dollar	–	(1,602)	–	(1,602)
Australian Dollar	–	(1,294)	–	–
Japanese Yen	–	(52)	–	(52)
Danish Krone	–	(25)	–	(25)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) CURRENCY RISK (CONTINUED)

Sensitivity analysis – currency risk (Continued)

A 5% weakening of the functional currencies of the Company and its subsidiaries against the above currencies at the balance sheet date would have equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables, in particular interest rates, remain constant.

(C) CREDIT RISK

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Group is exposed arises from the Group's loan portfolio and securitisation assets comprising mainly RMBS, CLO notes and investment in debt securities. The Group is also exposed to counterparty credit risk on cash and cash equivalents and other assets.

The Manager seeks to mitigate this risk through asset selection process, the structuring of investments to minimise credit risk where possible, active ongoing monitoring of the Group's investments and overall investment policy which is designed for targeted asset classes, sectors, maturities, obligors, countries, currencies and return profile. Credit limits have been established to ensure that the Group deals with creditworthy counterparties for investments and hedging transactions and that counterparty concentration risk is addressed and the risk of loss is mitigated.

A significant element of the monitoring involves conducting due diligence in respect of servicers, originators and managers of the Group's investments including regular meetings with senior management.

The Manager also conducts ongoing monitoring of the Group's investments through the following procedures:

- reviews of investment reports in respect of each investment (for example trustee reports);
- monitoring and analysing performance metrics such as dividend income received, credit enhancement levels, arrears and default data, performance triggers and prepayment rates in relation to our investments;
- monitoring of servicer and manager performance as measured by rating agency reports and performance in similar transactions where possible;
- surveillance of rating changes and reports and relevant research reports;
- analysing macroeconomic factors to gauge possible effects on the performance of our investments; and
- regular contact with industry participants including rating agencies, trustees, originators, arrangers and servicers.

NOTES TO THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) CREDIT RISK (CONTINUED)

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as set out below:

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Cash and cash equivalents	31,252	25,809	20,346	17,668
Loans and receivables	69,584	–	92,410	–
Financial assets at fair value through profit or loss	47,626	47,626	52,892	52,892
Available-for-sale financial assets[1]	21,189	15,117	7,214	–
Other assets	1,357	1,326	972	942
Total	171,008	89,878	173,834	71,502

[1] Relates only to investment in bonds and CLO notes.

The credit risk exposure of the financial assets based on geographical location and presented to the Board is as follows:

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Europe	65,522	30,974	74,143	30,833
Australia	20,764	–	25,887	–
United States and Canada	23,182	7,919	20,585	7,718
Asia	54,891	44,336	46,895	26,627
Others	6,649	6,649	6,324	6,324
Total	171,008	89,878	173,834	71,502

There are no other class of financial assets that are impaired nor past due as at 31 December 2014 except for certain of the Group's investment in Australian RMBS and Euro denominated CLO notes with a carrying value of S$16.19 million (2013: S$22.13 million). The reversal of impairment expense of S$4.90 million due to the improved performances for Avoca CLO PLC VI Class M, Avoca CLO PLC VII Class F and Class G notes was offset partially by a S$2.75 million impairment for Seiza Series 2006-1 Trust Class G note following further deterioration in its performance, resulting in a net reversal of impairment of S$2.15 million for the current year. In 2013, a net impairment expense of S$2.77 million was recorded.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) CREDIT RISK (CONTINUED)

At 31 December 2014 and 31 December 2013, substantially all cash and cash equivalents and investments are placed in custody with well-established financial institutions. It is expected that all assets deposited with these financial institutions will be clearly identified as being the assets of the Group; the Group should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve segregation, so the portfolio of the Group may experience increased exposure to credit risk associated with the applicable financial institutions.

(D) MARKET PRICE RISK

Market price risk in the context of the Group and its underlying investments is the risk that the market determined price of an investment (both listed and unlisted) declines, resulting in an unrealised loss in the value of an investment.

The Group does not actively hedge its exposure to the risk of a general decline in equity market values. To manage market price risk, the Group would maintain a portfolio across various targeted markets, industries, originators and segments so as to reduce the risk that a fall in the market price of one investment, and consequently the value of the investment, would be extended across a large proportion of the portfolio.

The investment management policy whereby each individual investment is closely monitored on an ongoing basis ensures that the Manager is in the best possible position to identify any potential concerns early and act quickly.

Any temporary market price fall would only be realised in an economic sense when an investment was disposed of. The Group is intending to hold the majority of the investments in the portfolio for long term therefore reducing the risk of any temporary declines in value of such investments being realised.

The table below sets out the Group and the Company's exposure to market price risks as at 31 December 2014 and 31 December 2013. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
Available-for-sale financial assets				
- Listed equities	92,431	95,769	84,253	85,310
- Ascendos	20,575	–	–	–
Financial assets at fair value through profit or loss				
- Preference shares (Quoted)	2,009	1,975	2,009	1,975
	115,015	97,744	86,262	87,285

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) MARKET PRICE RISK (Continued)

Sensitivity analysis – market price risk

Sensitivity analysis around market price fluctuations has been performed by the Manager. A 10% increase or decrease in the market price at the reporting date would result in a corresponding increase or decrease in equity and profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	Equity S$'000	Profit before tax S$'000	Equity S$'000	Profit before tax S$'000
31 December 2014				
Available-for-sale financial assets				
- Listed equities	9,243	–	8,425	–
- Ascendos	2,058	–	–	–
Financial assets at fair value through profit or loss				
- Preference shares (Quoted)	–	201	–	201
31 December 2013				
Available-for-sale financial assets				
- Listed equities	9,577	–	8,531	–
Financial assets at fair value through profit or loss				
- Preference shares (Quoted)	–	198	–	198

(E) LIQUIDITY RISK

The Group seeks to manage liquidity risk by maintaining sufficient cash flows and having an adequate amount of committed credit facilities, whenever necessary. The tables below set out the Group's and Company's financial liabilities as at 31 December 2014 and 31 December 2013 into relevant maturity groupings based on the contractual non-discounted cash flows.

2014 Group	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	1,347	–	1,347
Total Liabilities	1,347	–	1,347

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(E) LIQUIDITY RISK (Continued)

2014 Company	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	1,266	–	1,266
Total Liabilities	1,266	–	1,266

2013 Group	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	11,317	–	11,317
Total Liabilities	11,317	–	11,317

2013 Company	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	2,425	–	2,425
Total Liabilities	2,425	–	2,425

(F) CAPITAL RISK

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, capital efficiency, prevailing and projected profitability, projected cash flows and potential investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group will need to observe the total borrowing limits set out in the Bye-laws but these limits do not include limited recourse debt incurred at the investment or asset level.

NOTES TO THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS

The table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and

c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group As at 31 December 2014	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Assets				
Financial assets at fair value through profit or loss	49,635	–	–	49,635
Available-for-sale financial assets	107,548	–	26,647	134,195

Company As at 31 December 2014	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Assets				
Financial assets at fair value through profit or loss	49,635	–	–	49,635
Available-for-sale financial assets	99,370	–	–	99,370

Group As at 31 December 2013	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Assets				
Financial assets at fair value through profit or loss	54,867	–	–	54,867
Available-for-sale financial assets	95,769	–	7,214	102,983

Company As at 31 December 2013	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Assets				
Financial assets at fair value through profit or loss	54,867	–	–	54,867
Available-for-sale financial assets	85,310	–	–	85,310

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of financial instruments quoted in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise listed equity securities and quoted bonds.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include two investments in CLO notes namely, Avoca CLO PLC VI Class M and Avoca CLO PLC VII Class G as well as investment in Ascendos.

(i) CLO Investments

As observable prices are not available for the CLO investments, the Group has used broker or dealer quotes, which may be indicative and not executable or binding, to estimate their fair value.

Level 3 valuations are reported on a quarterly basis to the Board. The Board considers a number of factors when assessing the appropriateness of the valuation basis and the valuation result, which may include: performance of the underlying loan portfolio or underlying assets if available, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained.

As a result of the assessment above, Avoca CLO PLC VI Class M and Avoca CLO PLC VII Class G were valued at the lower of the two broker quotes at S$1.83 million and S$4.24 million, respectively.

For Avoca CLO PLC VI Class M and Avoca CLO PLC VII Class G the movement in fair value arising from reasonable possible changes to the significant unobservable inputs is assessed as not significant.

(ii) Ascendos Investments Limited

The Group's investment in Ascendos was reclassified from investment in associate to available-for-sale financial asset with effect from 1 January 2014 (see Note 12). The fair value of the Group's investment in Ascendos has been determined taking into account unaudited financial information, due to Ascendos having a non-coterminous financial year end with the Group, and further adjustments to reflect the valuation of the assets and liabilities of Ascendos based on third party input, as appropriate.

Level 3 valuations are reported on a quarterly basis to the Board. The Board considers a number of factors to assess that the adjusted net book value information obtained from the management of Ascendos represents the fair value of GIL's equity investment in Ascendos. This includes the review of quarterly management accounts, board minutes and any significant transactions in the quarters.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

(ii) Ascendos Investments Limited (continued)

As a result of the assessment above, Ascendos was valued at S$20.58 million. This was determined based on the fair value of the underlying assets and liabilities of Ascendos.

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2014 and 31 December 2013.

Group Available-for-sale financial assets	Level 3 S$'000
At 1 January 2014	7,214
Total gains or losses	
- Reclassification	14,236
- Other comprehensive income	5,197
At 31 December 2014	26,647
Total gains for the year included in profit or loss for assets held at the end of the year	–

Group Available-for-sale financial assets	Level 3 S$'000
At 1 January 2013	5,607
Total gains or losses	
- Other comprehensive income	1,607
At 31 December 2013	7,214
Total gains for the year included in profit or loss for assets held at the end of the year	–

(H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Group is invested in a portfolio of Australian RMBS issued by securitisation vehicles that hold Australian residential mortgage loans. The Group also invested in a portfolio of USD and Euro denominated CLO notes issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans. These securitisation vehicles are structured entities which are managed by third party collateral managers and trustees. These structured entities finance their assets through the issuance of notes or tranches which will be paid coupons and principal from the interest and principal received from the underlying loan portfolio.

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2014 and 31 December 2013 are disclosed in the following tables. These investments are presented in 'Loans and Receivables' and 'Available-for-sale financial assets' in the Statement of Financial Position. The carrying amount below is inclusive of any interest receivable as at year end.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

Group as at 31 December 2014

Investment	Number of Investments	Total Portfolio Size[1] (S$'000)	Carrying Amount of Securities Rated B3 / B- / B-[2] and above (S$'000)	Carrying Amount of Securities Rated below B3 / B- / B-[2] or unrated (S$'000)	Carrying Amount as at 31 December 2014 (S$'000)
Australian RMBS	8	840,598	7,685	13,079	20,764
USD-denominated CLO notes	4	2,430,446	15,232	–	15,232
Euro-denominated CLO notes	10	4,326,678	20,304	14,244	34,548

[1] Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2014.

[2] Ratings are assigned by one or more rating agencies, namely Moody's, Standard & Poor's and Fitch, respectively.

Group as at 31 December 2013

Investment	Number of Investments	Total Portfolio Size[1] (S$'000)	Carrying Amount of Securities Rated B3 / B- / B-[2] and above (S$'000)	Carrying Amount of Securities Rated below B3 / B- / B-[2] or unrated (S$'000)	Carrying Amount as at 31 December 2013 (S$'000)
Australian RMBS	8	1,186,976	7,394	18,493	25,887
USD-denominated CLO notes	5	4,363,474	12,837	12,694	25,531
Euro-denominated CLO notes	11	5,845,402	28,155	15,156	43,311

[1] Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2013. For the new issues for which trustee reports are not yet available, the target portfolio size in the prospectus has been extracted.

[2] Ratings are assigned by one or more rating agencies, namely Moody's, Standard & Poor's and Fitch, respectively.

Except for two of the investments carrying values of S$6.07 million (2013: S$7.21 million) which are debt instruments entitled to residual cashflows, the remaining investments are debt instruments entitled to floating rate coupons. None of the above is in the form of ordinary or preference shares.

The Group's maximum exposure to loss from its interest in unconsolidated structured entities is equal to the total carrying amount of the above investments. Once the Group has disposed of its holding in the notes issued by the structured entity, the Group ceases to be exposed to any risk from that structured entity.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

The Group's investment strategy seeks to acquire investments that provide attractive returns adjusted for the risk associated with the investment and which enhance the overall portfolio owned by the Group. Total purchases in CLO notes and RMBS during the year ended 31 December 2014 was S$6.57 million (2013: S$34.42 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

During the year ended 31 December 2014, total interest income recorded from the above investments amounted to S$9.47 million (2013: S$10.37 million) and a net reversal of impairment expense of S$2.15 million was recorded (2013: net impairment expense S$2.77 million).

5. NET GAIN ON SALE OF INVESTMENTS

	Group For the year ended 31 December 2014 S$'000	Group For the year ended 31 December 2013 S$'000
AIRCRAFT		
Gain on sale of aircraft	–	3,392
LOANS AND RECEIVABLES		
Net gain on sale of CLO notes	673	282
AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Net gain on sale of listed equities	6,020	10,391
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net (loss)/gain on sale of bonds	(243)	27
Total Net Gain on Sale of Investments	6,450	14,092

6. OTHER INCOME

Other income for the year ended 31 December 2014 relates to the gain of S$4.87 million from the reclassification of Ascendos from an investment in associate to an available-for-sale financial asset.

Other income for the year ended 31 December 2013 mainly relates to the gain of S$3.61 million from the redelivery of the two aircraft upon lease maturity.

NOTES TO THE FINANCIAL STATEMENTS

7. NET REVERSAL OF IMPAIRMENT EXPENSE / (NET IMPAIRMENT EXPENSE)

	Group For the year ended 31 December 2014 S$'000	Group For the year ended 31 December 2013 S$'000
IMPAIRMENT EXPENSE		
Seiza Series 2006-1 Trust Class G	(2,753)	(7,349)
REVERSAL OF IMPAIRMENT EXPENSE		
Avoca CLO PLC VI Class M	1,095	–
Avoca CLO PLC VII Class F	1,039	4,579
Avoca CLO PLC VII Class G	2,767	–
Net Reversal of Impairment Expense/(Net Impairment Expense)	2,148	(2,770)

An impairment of S$2.75 million has been made for Seiza Series 2006-1 Trust Class G in view of the further deterioration in the performance of the underlying collateral. Partial reversals of impairment for Avoca CLO PLC VI Class M, Avoca CLO PLC VII Class F and G have been made following the improvement in the actual performance of the underlying collateral from the performance projected at the time of the last impairment.

8. OTHER OPERATING EXPENSES

	Group For the year ended 31 December 2014 S$'000	Group For the year ended 31 December 2013 S$'000
OPERATING EXPENSES		
Professional fees	1,238	1,176
Investor relations expenses	295	171
Directors' fees	339	317
Other expenses	212	212
Total Other Operating Expenses	2,084	1,876

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE

	Group For the year ended 31 December 2014 S$'000	Group For the year ended 31 December 2013 S$'000
INCOME TAX EXPENSE		
Current tax	594	498
Total Income Tax Expense	594	498
Tax expense on profit differs from the amount that would arise using the Bermuda standard rate of income tax due to the following:		
Profit from continuing operations before income tax expense	24,911	29,272
Tax at the Bermuda tax rate of 0%	–	–
Withholding tax	594	498
Income Tax Expense	594	498

The income tax expense arises from withholding tax relating to interest income and dividend income from the Australian RMBS portfolio and listed equities respectively.

The Company is a tax resident in Singapore. No tax expense was provided in relation to Singapore Income Tax as the Company is under the Enhanced-Tier Fund Tax Incentive Scheme, which allows the Company to enjoy tax exemption on the income from its investment portfolio.

10. DIVIDENDS PAID AND DECLARED

On 17 February 2015, the Company has declared a 2014 final dividend of 0.75 Singapore cents per share amounting to S$10.01 million. This dividend will be paid on or about 21 April 2015.

The Company paid a 2014 interim dividend of 0.75 Singapore cents per share amounting to S$9.62 million on 10 October 2014.

The 2013 final dividend of 1.5 cents per share amounting to S$17.88 million was paid on 15 April 2014.

The 2012 final dividend of 0.75 cents per share amounting to S$6.19 million was paid on 12 April 2013.

For the financial year ended 31 December 2014, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is a tax resident of Singapore.

The Company has also received confirmation from Inland Revenue Authority of Singapore that it is a tax resident of Singapore for financial year 2015.

Dividends paid in 2014 and 2015 are exempt from tax (one-tier) when received in the hands of Shareholders.

NOTES TO THE FINANCIAL STATEMENTS

11. AIRCRAFT

	Group As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000
COST		
Beginning of financial year	–	36,320
Disposal	–	(37,521)
Exchange differences	–	1,201
Closing Balance	–	–
ACCUMULATED DEPRECIATION		
Beginning of financial year	–	7,613
Depreciation charge	–	429
Disposal	–	(8,170)
Exchange differences	–	128
Closing Balance	–	–
Net Book Value	–	–

The sale of the two Boeing 757-200 aircraft held under two of the Company's subsidiaries, GIL Aircraft Lessor No. 2 FCA Limited and GIL Aircraft Lessor No. 2 FCB Limited, were completed in May 2013. Term loans secured on the two aircraft were fully repaid in April 2013.

12. INVESTMENT IN ASSOCIATE

	Group As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000
Beginning of financial year	9,393	4,555
Share of profit (net of tax)	–	5,224
Dividend income received	–	(939)
Currency translation differences	–	553
Reclassification	(9,393)	–
Closing Balance	–	9,393

The Group has a 40.56% equity interest (2013: 40.56%) at a cost of €5.81 million (2013: €5.81 million) in Ascendos, a company incorporated and domiciled in Guernsey. Ascendos owns Ascendos Rail Leasing S.à.r.l. which holds 100% interest in Ascendos Rail Services Limited and Ascendos Rail Leasing GmbH ("Ascendos Group"). Ascendos Rail Leasing S.à.r.l. is an operating lessor based in Luxembourg and owner of a portfolio of passenger train fleets, locomotives and freight wagons.

In the previous year, the Group held one seat on the Board of Directors of Ascendos ("Board of Ascendos"). Therefore, this investment was previously classified as an investment in associate in view of the Group's ability to exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT IN ASSOCIATE (CONTINUED)

The investment in Ascendos was reclassified to an investment in available-for-sale financial asset, with effect from 1 January 2014. This was primarily due to the resignation of Mr Boon Swan Foo (Chairman of the Group) as a director on the Board of Ascendos.

Accordingly, at the point of reclassification, the investment in Ascendos was remeasured at fair value as at 1 January 2014. A resultant gain on reclassification of S$4.87 million was recorded as “Other Income” in profit or loss (Note 6). This represents the surplus of the fair value of Ascendos over its carrying value as at 1 January 2014.

Following the reclassification to investment in available-for-sale financial asset, the distributions received by the Group from Ascendos in 2014 of approximately S$1.44 million have been recorded in profit or loss as "Dividend income".

The summarised financial information of the Ascendos Group is as follows:

Investment	Country of Incorporation	Assets S$'000	Liabilities S$'000	Revenue S$'000	Net Profit S$'000	% Interest Held
2013						
Ascendos Investments Limited[1]	Guernsey	460,567	437,700	57,985	12,879	40.56

1 The information is based on the latest available unaudited consolidated management accounts as at 31 October 2013. The 2013 revenue and net profit represent the unaudited twelve months revenue and net profit up to 31 October 2013. Ascendos has a financial year end of 31 January, and it is audited by Ernst & Young UK.

Following the reclassification of Ascendos to an investment in available-for-sale financial asset, disclosure of the summarised financial information of the Ascendos Group is not required for 2014.

13. INVESTMENTS IN SUBSIDIARIES

	Company As at 31 December 2014 S$'000	Company As at 31 December 2013 S$'000
EQUITY INVESTMENTS AT COST		
Beginning of financial year	104,989	101,411
Reversal of impairment	5,111	3,578
Closing Balance	110,100	104,989

Further details of the subsidiaries are included in Note 27.

14. LOANS AND RECEIVABLES

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Australian RMBS	20,764	–	25,887	–
Corporate Bonds	5,112	–	4,895	–
Euro-denominated CLO notes	28,476	–	36,097	–
USD-denominated CLO notes	15,232	–	25,531	–
Total Loans and Receivables	69,584	–	92,410	–

There is currently no active market for these financial instruments and accordingly, there is no immediately realisable value for these financial assets. Based on the Manager's assessment which relies on information such as collateral performance and cash flows of the underlying portfolio against which the notes have been issued, or may include the use of valuation models and the Manager's intention to hold the assets for the longer term, the carrying value of the investments closely approximate their fair value.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Beginning of financial year	102,983	85,310	58,753	39,961
Exchange differences	1,761	724	281	–
Reclassification	14,236	–	–	–
Additions	102,564	102,564	148,243	148,243
Disposals	(91,432)	(90,544)	(113,711)	(108,269)
Fair value gains (Note 22)	4,083	1,316	9,417	5,375
Closing Balance	134,195	99,370	102,983	85,310

Available-for-sale financial assets are analysed as follows:

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Euro-denominated CLO notes	6,072	–	7,214	–
Listed equities	92,431	84,253	95,769	85,310
Corporate bonds	15,117	15,117	–	–
Ascendos	20,575	–	–	–
Total Available-for-Sale Financial Assets	134,195	99,370	102,983	85,310

NOTES TO THE FINANCIAL STATEMENTS

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
DESIGNATED AT FAIR VALUE ON INITIAL RECOGNITION				
Bonds (Quoted)	47,626	47,626	52,892	52,892
Preference shares (Quoted)	2,009	2,009	1,975	1,975
Total Financial Assets at Fair Value through Profit or Loss	49,635	49,635	54,867	54,867

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Net gain on financial assets designated as fair value through profit or loss				
- Unrealised	156	156	445	445
Total Gains	156	156	445	445

17. CASH AND CASH EQUIVALENTS

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Cash at bank	4,625	4,072	5,046	2,368
Short-term deposits	26,627	21,737	15,300	15,300
Total Cash and Cash Equivalents	31,252	25,809	20,346	17,668

18. OTHER ASSETS

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Interest receivables	1,120	1,120	826	826
Prepayment	22	22	67	25
Deposit	24	24	24	24
Other receivables	237	206	146	116
Total Other Assets	1,403	1,372	1,063	991

19. OTHER LIABILITIES

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Base management fees payable to STAM	479	479	472	472
Purchase awaiting settlement	–	–	8,321	–
Other payables	868	787	2,524	1,953
Total Other Liabilities	1,347	1,266	11,317	2,425

The carrying values of other liabilities as at 31 December 2014 and 31 December 2013 approximate their fair value.

20. SHARE CAPITAL

Company	Number of Shares '000	Par Value S$	Share capital S$'000
AUTHORISED SHARE CAPITAL			
Total available authorised share capital for issue as at 1 January 2013	69,174,687	0.01	691,747
Movements in year to 31 December 2013	(366,670)	0.01	(3,667)
Total Available Authorised Share Capital for Issue as at 31 December 2013	68,808,017		688,080
Movements in year to 31 December 2014	(142,490)	0.01	(1,425)
Total Available Authorised Share Capital for Issue as at 31 December 2014	68,665,527		686,655

Company	Number of Shares '000	Share Capital at Par Value S$'000	Share Premium Reserve S$'000	Share capital S$'000
ISSUED AND FULLY PAID SHARES				
Total Share Capital as at 1 January 2013	825,313	8,253	442,180	450,433
Movements in year to 31 December 2013	366,670	3,667	48,770	52,437
Total Share Capital as at 31 December 2013	1,191,983	11,920	490,950	502,870
Movements in year to 31 December 2014	142,490	1,425	17,098	18,523
Total Share Capital as at 31 December 2014	1,334,473	13,345	508,048	521,393

20. SHARE CAPITAL (CONTINUED)

Ordinary Shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of the Shares held. Each Shareholder is entitled to one vote for each Share held on all matters submitted to a vote of Shareholders.

All Shares issued rank pari passu with previously issued Shares. Details of the dividends can be found in Note 10.

On 15 April 2014, the Company issued and allotted 90,304,464 new ordinary shares at an issue price of S$0.13 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 13 October 2014, the Company issued and allotted 52,185,520 new ordinary shares at an issue price of S$0.13 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 12 April 2013, the Company issued and allotted 26,103,375 new ordinary shares at an issue price of S$0.1522 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 6 May 2013, the Company announced a renounceable non-underwritten rights issue on the basis of two rights shares for every five ordinary shares in the capital of the Company. Pursuant to the Rights Issue, on 12 July 2013, the Company issued and allotted 340,566,462 new ordinary shares in the capital of the Company. The rights shares were offered at S$0.143 per share. Total Rights Issue costs of S$0.24 million have been capitalised in 2013.

21. CAPITAL RESERVE

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Beginning of financial year	(65,846)	(65,846)	(65,846)	(65,846)
Movement during the year	–	–	–	–
Closing Balance	(65,846)	(65,846)	(65,846)	(65,846)

On 1 January 2012, the Company changed its functional currency from USD to SGD. The capital reserve represents the cumulative foreign currency translation differences on share capital denominated in SGD up to the date of change in functional currency.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS REVALUATION RESERVE

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Beginning of financial year	19,652	3,392	19,301	2,773
Transfer to profit or loss for assets disposed	(9,006)	(4,127)	(9,066)	(4,756)
Fair value gains	4,083	1,316	9,417	5,375
Closing Balance	14,729	581	19,652	3,392

23. TRANSLATION RESERVE

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Beginning of financial year	1,743	–	(2,546)	–
Translation gains	4,557	–	4,289	–
Closing Balance	6,300	–	1,743	–

Exchange differences have arisen from translating the functional currency of all the subsidiaries from their functional currency of USD to the Group's presentation currency of SGD.

24. ACCUMULATED LOSSES

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Beginning of financial year	(188,674)	(170,671)	(211,258)	(197,276)
Net profit for the year	24,317	26,762	28,774	32,795
Dividends paid	(27,497)	(27,497)	(6,190)	(6,190)
Closing Balance	(191,854)	(171,406)[1]	(188,674)	(170,671)[1]

[1] The Company, a mutual fund company incorporated in Bermuda, is able to declare and pay dividends pursuant to Section 54(1)(a) of the Bermuda Companies Act.

25. NET ASSET VALUE

	Group As at 31 December 2014	Company As at 31 December 2014	Group As at 31 December 2013	Company As at 31 December 2013
NET ASSET VALUE				
Total net asset value (S$'000)	284,722	284,722	269,745	269,745
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,334,473	1,334,473	1,191,983	1,191,983
Net Asset Value per Ordinary Share (S$ per Share)	0.213	0.213	0.226	0.226

Net asset value per ordinary share is derived by dividing the net assets as disclosed in the Statement of Financial Position of the Company and the Group by the number of ordinary shares on issue as at the end of the accounting period.

26. RELATED PARTY TRANSACTIONS

Directors' Remuneration

Manager Nominated Directors do not receive any fees for serving as a director or a member of a committee of the Board.

Directors (including the Manager Nominated Directors) are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the Board or Board Committees and for any expenses reasonably incurred in their capacity as directors of the Company or any of its subsidiaries.

The Company has adopted the following fee structure for non-Manager Nominated Directors:

			Remuneration Per Annum
1.	Base remuneration fee		US$50,000 per director
2.	Fees for chairmanship of the Board and various Board Committees as well as membership in various Board Committees		
	a)	Chairman of the Board	US$18,000
	b)	Deputy Chairman of the Board (if applicable)	US$5,000
	c)	Base fee for membership of ARMC	US$10,000 per Member
	d)	Chairman of ARMC	US$5,000
	e)	Base fee for membership of NGC	US$2,000 per Member
	f)	Chairman of NGC	US$1,000
	g)	Base fee for membership of RC	US$2,000 per Member
	h)	Chairman of RC	US$1,000
3.	Fees for directorship of all subsidiary companies		US$5,000 per director[1]

[1] For the avoidance of doubt, this fee only applies to non-Manager Nominated Directors of the Company. A separate fee is paid for other nominee directors who sit on the boards of the Company's subsidiaries.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Directors' Remuneration (continued)

The total directors' fee for year ended 31 December 2014 amounted to S$0.34 million (US$0.27 million) (2013: S$0.32 million (US$0.25 million)).The maximum aggregate amount of fees payable to the directors in respect of one year is the number of directors appointed at the relevant time multiplied by US$0.07 million.

Intercompany Receivables/Payables

The intercompany receivables/payables from/to the subsidiaries are unsecured, non-interest-bearing, subject to a legally enforceable right of set-off and repayable in full on demand.

The Manager

STAM, the Manager, was appointed by the Company as the sole and exclusive manager pursuant to the Management Agreement.

Other than those disclosed elsewhere in the financial statements, the transactions with related parties are disclosed below.

The following transactions were carried out with STAM:

	Group 2014 S$'000	Group 2013 S$'000
Transactions with STAM		
Base management fees	1,816	1,573
Incentive fees	466	1,216
Fixed management fees	650	650
Other fees and reimbursement of expenses	325	312
Divestment fees	1,058	1,307
Acquisition fees	65	337

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Balances with STAM:				
Accrued base management fees	479	479	472	472
Accrued incentive fees	–	–	1,216	1,216
Accrued fixed management fees	164	164	164	164
Accrual of other fees and reimbursement of expenses	49	49	58	58
Accrual of divestment fees	193	193	508	508
Accrual of acquisition fees	59	59	232	232
Total Payable to the Manager	944	944	2,650	2,650

As at 31 December 2014, STAM held nil shares in the Company. In 2013, STAM disposed of 772,800 shares in the Company.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with other related parties

During the financial year, the Group obtained legal and professional services from an entity in which a director has an interest in. The legal and professional fees are paid in relation to consulting services for the issuance of shares.

	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000	Company As at 31 December 2013 S$'000
Legal and Professional fees	8	8	35	35

Temasek Group

Temasek Holdings (Private) Limited ("Temasek") is the ultimate parent of STAM. There were no significant transactions between the Company and its subsidiaries and Temasek and its subsidiaries (the "Temasek Group") for the financial year ended 31 December 2014.

Allgrace Investment Management Private Limited

STAM has delegated to Allgrace, a wholly owned entity of one of the directors of the Group, most of the administrative services as well as other non-regulated services, including corporate secretarial services, to be performed under the Management Agreement entered into between itself and the Group. During the year, there was a reimbursement of expenses from the Group to Allgrace which amounted to S$16,000.

NOTES TO THE FINANCIAL STATEMENTS

27. CONTROLLED ENTITIES

The following table sets out the entities that were controlled by the Group as at 31 December 2014.

Name of Entity	Principal Activities	Country of Incorporation	% of equity held by the Group 2014	% of equity held by the Group 2013	Reporting Date
BBSFF Asset Holdings Ltd.[1]	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Operating Lease Limited[1]	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Loan Portfolio & Securitisation Limited[1]	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Alternative Assets Limited[1]	Holding company	Cayman Islands	100%	100%	31 December
BBSFF EU Rail Lessor Limited[1]	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
BBSFF Rail Fund No. 1 Limited[1]	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
GIL Aircraft Lessor No. 1 Ltd.[1]	Holding company	Cayman Islands	100%	100%	31 December
GIL Aircraft Lessor No. 2 Limited[1]	Holding company	Cayman Islands	100%	100%	31 December
GIL Aircraft Lessor No. 2 FCA Limited[1]	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
GIL Aircraft Lessor No. 2 FCB Limited[1]	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
BBSFF Securitisation Limited[1]	Investments in loan portfolio and securitisation assets	Cayman Islands	100%	100%	31 December
BBSFF IP Holdings Limited[1]	Holding company	Cayman Islands	NIL[2]	100%	31 December
BBSFF Music Copyright Holdings Limited[1]	Investments in alternative assets	Cayman Islands	NIL[2]	100%	31 December
GIL (Labuan) Company Limited[1]	Investment in operating lease assets	Malaysia	100%	100%	31 December

1 Not required to be audited under the laws of the country of incorporation.
2 Struck-off by the Cayman Registry on 31 December 2014.

28. SEGMENT REPORTING

The Board has determined the operating segments of the Group from an asset class perspective namely operating lease assets, loan portfolio and securitisation assets, listed equities and bonds. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2014.

Group	Operating Lease Assets	Loan Portfolio and Securitisation Assets				Listed Equities			Bonds				Others[1]	Total
	Europe S$'000	Europe S$'000	United States S$'000	Australia S$'000	Others S$'000	Europe S$'000	Asia S$'000	United States S$'000	Europe S$'000	Asia S$'000	United States & Canada S$'000	Others S$'000	Mainly Singapore S$'000	S$'000
For the year ended 31 December 2014														
Total segment revenue	6,310	6,911	812	2,319	1,316	1,509	5,990	1,251	1,909	1,799	381	274	74	30,855
Segment profit/(loss) before tax	6,649	7,732	812	(2,041)	1,311	1,533	5,906	1,253	2,290	2,320	659	707	(4,220)	24,911
Included segment items														
Dividend income	1,444	–	–	–	–	718	1,373	640	–	77	–	–	–	4,252
Interest income	–	6,972	685	2,319	710	–	–	–	2,183	1,171	461	556	74	15,131
Finance costs	–	–	–	–	–	–	–	–	–	–	–	–	(1)	(1)
Net reversal of impairment expense/(Net impairment expense)	–	4,901	–	(2,753)	–	–	–	–	–	–	–	–	–	2,148
Other non-cash revenue/(expenses)	5,204	(4,080)	–	(1,606)	–	24	(84)	2	381	521	278	433	68	1,141
As at 31 December 2014														
Total segment assets	20,575	34,547	15,232	20,764	–	9,300	73,797	9,437	30,882	25,526	7,919	6,649	31,441	286,069
Total segment liabilities	–	–	(59)	–	–	(46)	(147)	–	–	–	–	–	(1,095)	(1,347)

[1] Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

28. SEGMENT REPORTING (CONTINUED)

Group	Operating Lease Assets	Loan Portfolio and Securitisation Assets				Listed Equities			Bonds				Others[1]	Total
	Europe S$'000	Europe S$'000	United States S$'000	Australia S$'000	Others S$'000	Europe S$'000	Asia S$'000	United States S$'000	Europe S$'000	Asia S$'000	United States & Canada S$'000	Others S$'000	Mainly Singapore S$'000	S$'000
For the year ended 31 December 2013														
Total segment revenue	8,574	4,984	633	3,594	2,814	772	6,374	5,647	1,166	676	149	119	370	35,872
Segment profit/(loss) before tax	12,982	9,299	636	(8,484)	2,814	827	6,611	5,630	1,266	693	165	162	(3,329)	29,272
Included segment items														
Dividend income	–	–	–	–	–	131	1,562	675	–	–	–	–	–	2,368
Interest income	–	4,983	623	3,594	2,542	–	–	–	728	654	135	121	163	13,543
Finance costs	(431)	–	–	–	–	–	–	–	–	–	–	–	(17)	(448)
Net reversal of impairment expense/(Net impairment expense)	–	4,579	–	(7,349)	–	–	–	–	–	–	–	–	–	(2,770)
Depreciation	(429)	–	–	–	–	–	–	–	–	–	–	–	–	(429)
Share of profit of associate (net of tax)	5,224	–	–	–	–	–	–	–	–	–	–	–	–	5,224
Other non-cash revenue/(expenses)	46	446	4	(5,442)	–	55	243	–	100	18	16	43	959	(3,512)
As at 31 December 2013														
Total segment assets	9,393	43,312	12,837	25,887	12,694	20,787	64,546	10,487	30,800	15,742	7,719	6,324	20,534	281,062
Total segment liabilities	–	(8,490)	(53)	(12)	(322)	(74)	(112)	–	–	–	–	–	(2,254)	(11,317)

[1] Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

29. COMMITMENTS

(a) *Operating lease commitments – Company as a lessee*

The Company entered into a non-cancellable operating lease agreement that has taken effect from February 2013. The future aggregate minimum lease payments under non-cancellable operating lease is as follows:

	Group As at 31 December 2014 S$'000	Group As at 31 December 2013 S$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	97	97
Later than one year but not later than five years	12	109
Total	109	206

30. EARNINGS PER SHARE

(a) *Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Earnings used in calculation of basic earnings per share (S$'000)	24,317	28,774
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,267,747	1,020,153
Basic earnings per share (cents per share)	1.92	2.82

(b) *Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares for the year.

	2014	2013
Earnings used in calculation of diluted earnings per share (S$'000)	24,317	28,774
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share (S$'000)	1,267,747	1,020,153
Diluted earnings per share (cents per share)	1.92	2.82

31. REMUNERATION OF AUDITORS

	Group For the year ended 31 December 2014 S$'000	Group For the year ended 31 December 2013 S$'000
Amounts paid/payable to PricewaterhouseCoopers LLP for:		
Audit services	150	150

Fee payable to the auditors for non-audit services in 2014 is S$8,000 (2013: Nil).

32. EVENTS OCCURRING AFTER BALANCE SHEET DATE

There are no significant events occurring after the balance sheet date.

33. NEW ACCOUNTING STANDARDS AND IFRIC INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 January 2015 or later periods and which the Group has not early adopted:

(i) IFRS 9, 'Financial instruments', issued in July 2014

This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated as fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness test. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group has yet to assess IFRS 9's full impact.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

34. COMPARATIVE INFORMATION

Change in reclassification

Certain prior year comparatives have been reclassified to be consistent with current year presentation. This reclassification did not have any effect on the statement of financial position, consolidated statement of comprehensive income and consolidation statement of cash flows.

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

1. DIRECTORS

(A) DIRECTORS

The following persons are directors of the Company as at the date of this Annual Report[1] :

		Date of Appointment	Date of last re-election
Mr Boon Swan Foo	Chairman	20 December 2011[2]	29 April 2014
Mr Adrian Chan Pengee[3]	Director	5 May 2009	19 April 2012
Mr Ronald Seah Lim Siang[3]	Director	30 April 2010	29 April 2013
Mr Tan Kok Wee[3]	Director	30 April 2010	29 April 2014
Mr Jason See Yong Kiat	Manager Nominated Director	5 November 2013	N/A[4]

[1] Mr Ng Kuan Chow's one year term of appointment as the alternate director to the Manager Nominated Director, Mr Jason See Yong Kiat, ended on 4 November 2014.

[2] Mr Boon Swan Foo was appointed as Manager Nominated Director and Chairman of the Board on 25 November 2009. On 20 December 2011, Mr Boon resigned as Manager Nominated Director and was re-appointed as a non-executive Director and Chairman of the Board.

[3] The Directors are regarded as independent in accordance with the Singapore Code.

[4] Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

(B) DIRECTORS' REMUNERATION[1]

Remuneration bands	Number of Directors for the year ended 31 December 2014[2]	Number of Directors for the year ended 31 December 2013[3]
Between S$50,000 - S$100,000	4	4
Below S$50,000	0	0
Total	4	4

[1] For exact remuneration of directors, please refer to the Corporate Governance Section on Page 34.

[2] Mr Jason See Yong Kiat, who was appointed as Manager Nominated Director on 5 November 2013, and Mr Ng Kuan Chow, who was appointed as alternate director to Mr Jason See Yong Kiat on 5 November 2013 for a period of one year, were not entitled to any directors' fee.

[3] Ms Tan Mui Hong, who retired as Manager Nominated Director on 5 November 2013; Mr Jason See Yong Kiat, who was appointed as Manager Nominated Director on 5 November 2013, and Mr Ng Kuan Chow, who was appointed as alternate director to Mr Jason See Yong Kiat on 5 November 2013 for a period of one year, were not entitled to any directors' fee.

Further information in relation to Directors' Remuneration is set out under Note 26 (Related Party Transactions).

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

1. DIRECTORS (CONTINUED)

(C) DIRECTORS' INTERESTS IN SHARES OF GIL AS AT 21 JANUARY 2015

Director	Direct Interests Number of Shares held	Deemed Interests Number of Shares held	Total
Mr Boon Swan Foo	146,149,724	–	146,149,724
Mr Adrian Chan Pengee	–	27,135[1]	27,135
Total	146,149,724	27,135	146,176,859

[1] Mr Adrian Chan Pengee is deemed to be interested in the 27,135 Shares held by his wife.

2. SHARE OPTION SCHEME

GIL does not have a share option scheme.

3. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Listing Rule 920) S$'000
Transactions with STAM:	
Base management fees	1,816
Incentive fees	466
Fixed management fees	650
Other fees and reimbursement of expenses	325
Divestment fees	1,058
Acquisition fees	65

The Company does not have a general mandate from Shareholders for interested person transaction.

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

4. INVESTMENTS

Additional disclosure in accordance with Listing Rule 748(3).

31 December 2014

Interest in investments	Asset Class	Percentage shareholding %	Cost $' million	Impairment $' million	Net Book Value $' million	Carrying Value S$' million	Income/ Underlying Earning S$' million	Unrealised Gain/(Loss) S$' million
Ascendos Investments Limited	–	40.56	€5.8[1]	–	€5.8	20.6	1.4[2]	5.7[3]
Seiza Series 2006-1 Trust (Warehouse) Class F note	RMBS	Nil	A$10.2	–	A$10.20	11.1	0.9	–
Barclays PLC	Corporate bond	Nil	€6.0	–	€6.0	10.0	0.8	0.3
Unicredit SPA	Corporate bond	Nil	S$9.4	–	S$9.4	9.4	0.6	0.1
FLY Leasing Limited	Listed equity	1.14	US$10.8	US$8.8	US$2.0	8.2	0.6[4]	5.5
Avoca CLO PLC VII Class F	CLO	Nil	€5.9	€0.8	€5.1	8.2	0.4[5]	–
Societe Generale	Corporate bond	Nil	US$6.0	–	US$6.0	8.1	0.6	0.2
Richmond Park CLO 1X Class D	CLO	Nil	€4.8	–	€4.8	7.9	0.5	–
Bombardier	Corporate bond	Nil	US$4.9	–	US$4.9	6.3	0.4	(0.2)
Cheung Kong Bond Securities (03) Limited	Corporate bond	Nil	US$4.3	–	US$4.3	6.2	0.3	0.5

1 The amount relates to the initial outlay of the investment in Ascendos. Following the reclassification of Ascendos from an associate to an available-for-sale financial asset, the investment was measured at fair value of €8.18 million.

2 The amount relates to dividend income received from Ascendos.

3 Unrealised gain of S$5.7 million is the difference between the fair value as at 31 December 2014 and the fair value upon reclassification to available-for-sale financial asset.

4 The amount relates to the dividend received from FLY Leasing Limited shares. In addition, a profit of S$0.61 million was realised from the partial divestment of the shares during the year ended 31 December 2014.

5 The amount relates to interest income recorded. In addition, a reversal of impairment expense amounting to S$1.04 million was recorded.

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

4. INVESTMENTS (CONTINUED)

31 December 2013

Interest in investments	Asset Class	Percentage shareholding %	Cost $' million	Impairment $' million	Net Book Value $' million	Carrying Value S$' million	Income/ Underlying Earning S$' million	Unrealised Gain/(Loss) S$' million
START VIII CLO Limited	CLO	Nil	US$10.1	–	US$10.1	12.7	1.4	–
Seiza Series 2006-1 Trust (Warehouse) Class F note	RMBS	Nil	A$10.2	–	A$10.2	11.5	1.0	–
Barclays PLC	Corporate bond	Nil	€6.0	–	€6.0	10.7	0.1	0.2
FLY Leasing Limited	Listed equity	1.2	US$11.8	US$9.6	US$2.2	10.5	0.7[1]	7.7
Ascendos Investments Limited	–	40.56	€5.8	€2.9	€2.9	9.4	5.2[2]	–
Unicredit SPA	Corporate bond	Nil	S$9.4	–	S$9.4	8.9	0.3	(0.5)
Richmond Park CLO 1X Class D	CLO	Nil	€4.8	–	€4.8	8.4	–	–
Societe Generale	Corporate bond	Nil	US$6.0	–	US$6.0	8.1	0.2	0.5
Avoca CLO PLC VII Class F	CLO	Nil	€6.0	€1.5	€4.6	7.9	0.2[3]	–
Seiza Series 2006-1 Trust (Warehouse) Class G note	RMBS	Nil	A$18.0	A$11.9	A$6.1	7.0	2.0[4]	–

1 The amount relates to the dividend received from FLY Leasing Limited shares. In addition, a profit of S$4.97 million was realised from the partial divestment of the shares during the year ended 31 December 2014.

2 The amount relates to share of profit from Ascendos.

3 The amount relates to interest income recorded. In addition, a reversal of impairment expense amounting to S$4.58 million was recorded.

4 The amount relates to interest income recorded. In addition, an impairment expense amounting to S$7.35 million was recorded.

5. MATERIAL CONTRACTS

The Group did not enter into any material contracts as per Listing Rule 1207 (8) of the SGX-ST Listing Manual.

6. LAND AND BUILDINGS

GIL does not own any land or buildings.

7. APPOINTMENT OF AUDITORS

The Group has complied with Rules 712 and Rule 715 or 716 of the Listing Manual issued by SGX-ST in relation to its auditors.

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

8. INTERNAL CONTROLS

Please refer to the information disclosed under "Internal Controls" (Principles 11 and 12) of the Corporate Governance Statement.

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

The present chairmanships/directorships other than those held in the Company, the past chairmanships/directorships over a period of approximately the last three years and the principal commitments as at 10 March 2015 of each of the Company's directors are as follows:

BOON SWAN FOO

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
InTouch Plc (formerly known as Shin Corporation Plc) (Thailand) - Non-executive director	MIH Holdings Limited (South Africa) - Non-executive director
	Perennial China Retail Trust Management Pte Ltd - Chairman, Non-executive director
Unlisted	
Allgrace Investment Management Private Limited - Chairman, Executive director	Ascendos Investments Limited (Guernsey) - Non-executive director
China National Offshore Oil Corporation (China) - Non-executive director	Aspen Holdings Ltd - Non-executive director
Dongfeng Motor Corporation (China) - Non-executive director	Ascendos Rail Leasing S.à.r.l. - Non-executive director
Singbridge Holdings Pte Ltd - Non-executive director	China-Singapore Suzhou Industrial Park Devt Co Ltd - Non-executive director
Singbridge International Singapore Pte Ltd - Non-executive director	Cypress Holdings Ltd - Non-executive director
	Horsburgh Maritime Pte Ltd - Non-executive director
	Horsburgh Maritime International Pte Ltd - Non-executive director
	Horsburgh Maritime Investments Pte Ltd - Non-executive director
	Jilin Food Zone Private Limited (China) - Non-executive director
	Myriad International Holdings (BV) Netherlands - Non-executive director
	Myriad International Holdings (Mauritius) - Non-executive director
	Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd - Non-executive director
	ST Asset Management Ltd. - Chairman, Non-executive director

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

BOON SWAN FOO (Continued)

Principal Commitments	
Allgrace Investment Management Private Limited	Chief Executive Officer

ADRIAN CHAN PENGEE

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
Ascendas Funds Management (S) Limited - Non-executive director	UPP Holdings Limited - Non-executive director
Biosensors International Group, Ltd. - Non-executive director	
Hong Fok Corporation Limited - Non-executive director	
Nobel Design Holdings Ltd - Chairman, Non-executive director	
Yoma Strategic Holdings Ltd - Non-executive director	
AEM Holdings Ltd - Non-executive director[1]	
Isetan (Singapore) Limited - Non-executive director[1]	
Unlisted	
Hogan Lovells Lee & Lee - Non-executive director	Al Mirage Leisure Holding Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
Shared Services for Charities Limited - Non-executive director	Al Mirage Property Holding Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
Singapore Institute of Directors - Vice Chairman, Non-executive director	Franklin Offshore Holdings Pte. Ltd. - Non-executive director
	International Stream Investments Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
	Sports Toto Malaysia Management Pte Ltd - Non-executive director

1 Mr Chan will be retiring from the boards of AEM Holdings Ltd and Isetan (Singapore) Limited with effect from their respective annual general meetings in April 2015.

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

ADRIAN CHAN PENGEE (Continued)

Principal Commitments

Lee & Lee	Senior Partner – Head of Corporate Department
Law Society of Singapore	Committee Member – Corporate Practice Committee and Finance Committee
Association of Small and Medium Enterprises	Honorary Secretary, Executive Council
Singapore International Chamber of Commerce	Committee Member – Corporate Governance and Regulations Committee
Pro-Enterprise Panel	Panel member
Accounting and Corporate Regulatory Authority	Board Member

RONALD SEAH LIM SIANG

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
Managers of CDL Hospitality Trusts – M&C Business Trust Management Limited and M&C REIT Management Limited - Non-executive director	NIL
PGG Wrightson Limited - Non-executive director	
Telechoice International Limited - Non-executive director	
Yanlord Land Group - Non-executive director	
Unlisted	
NIL	Invenio Holdings Pte. Ltd. -Non-executive director

Principal Commitments

Soft Capital SG	Sole proprietorship – Business Consultancy Services

TAN KOK WEE

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
NIL	NIL
Unlisted	
NIL	NIL

Principal Commitments

NIL

ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

JASON SEE YONG KIAT

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
NIL	NIL
Unlisted	
AF Trustees Pte Ltd *(formerly known as AF-ST Trustees Pte Ltd)* - Non-executive director	BBSFF IP Holdings Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Alternative Assets Limited - Alternate director to Tan Mui Hong (Non-executive director)	BBSFF Music Copyright Holdings Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Asset Holdings Ltd - Alternate director to Tan Mui Hong (Non-executive director)	Duke Corporation Limited - Non-executive director
BBSFF EU Rail Lessor Limited - Alternate director to Tan Mui Hong (Non-executive director)	ST Capital Services (Philippines) Pte Ltd - Non-executive director
BBSFF Loan Portfolio & Securitisation Limited - Alternate director to Tan Mui Hong (Non-executive director)	Teracott Pte Ltd - Non-executive director
BBSFF Operating Lease Limited - Alternate director to Tan Mui Hong (Non-executive director)	
BBSFF Rail Fund No.1 Limited - Non-executive director	
BBSFF Securitisation Limited - Alternate director to Tan Mui Hong (Non-executive director)	
Corridor II Limited - Alternate director to Tan Mui Hong (Non-executive director)	
GIL Aircraft Lessor No. 1 Ltd - Alternate director to Tan Mui Hong (Non-executive director)	
GIL Aircraft Lessor No. 2 Limited - Alternate director to Tan Mui Hong (Non-executive director)	
GIL Aircraft Lessor No. 2 FCA Limited - Alternate director to Tan Mui Hong (Non-executive director)	
GIL Aircraft Lessor No. 2 FCB Limited - Alternate director to Tan Mui Hong (Non-executive director)	
GIL (Labuan) Company Limited - Non-executive director	
Industrial & Economic Advisory Pte Ltd - Non-executive director	

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

JASON SEE YONG KIAT (Continued)

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Unlisted (Continued)	
Kellock Europe Fund Pte Ltd - Executive director	
Kellock Fund Investments Pte Ltd - Executive director	
Kellock Fund Investments II Pte Ltd - Executive director	
Kellock Fund Investments III Pte Ltd - Executive director	
M&B Footwears Private Limited - Non-executive director	
ST Trustees Ltd - Non-executive director	
Tessolve Semiconductor Private Limited (fka Tessolve Services Private Limited) - Non-executive director	

Principal Commitments

ST Asset Management Ltd.	Managing Director (Fund Management)

The present chairmanships/directorships other than those held in the Company, the past chairmanships/directorships over a period of approximately the last three years and the principal commitments as at 4 November 2014[1] of Mr Ng Kuan Chow are as follows:

NG KUAN CHOW

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
NIL	NIL
Unlisted	
Allgrace Investment Management Private Limited - Non-executive director	NIL

Principal Commitments

NIL

[1] Mr Ng Kuan Chow's one year term of appointment as alternate director to the Manager Nominated Director, Mr Jason See Yong Kiat, ended on 4 November 2014.

SHAREHOLDER INFORMATION

AS AT 10 MARCH 2015

SHARES

Number of Shares	-	1,334,472,601
Number of Shareholders	-	6,545

VOTING RIGHTS

On a show of hands, each Shareholder present shall have one vote.

On a poll, each Shareholder present or by proxy shall have one vote for every Share they hold or represent.

The Shares of GIL are listed on the main board of the SGX-ST.

Under the Bermuda Companies Act, only those persons who agree to become Shareholders of a Bermuda company and whose names are entered on the register of members of such a company are considered members, with rights to attend and vote at general meetings. Accordingly, depositors holding Shares through The Central Depository (Pte) Limited ("CDP") would not be recognised as members of GIL and would not have a right to attend and to vote at general meetings of GIL. In the event that depositors wish to attend and vote at general meetings of GIL, CDP will have to appoint them as proxies, pursuant to the Bye-laws of GIL and the Bermuda Companies Act.

In accordance with Bye-law 53, unless CDP specifies otherwise in a written notice to GIL, CDP will be deemed to have appointed as CDP's proxies each of the depositors who are individuals and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant general meeting supplied by CDP to GIL. Therefore, depositors who are individuals can attend and vote at the general meetings of GIL without the lodgement of any proxy form. Depositors who cannot attend a meeting personally may enable their nominees to attend as CDP's proxies. Depositors who are not individuals can only be represented at a general meeting of GIL if their nominees are appointed by CDP as CDP's proxies. Proxy forms appointing nominees of depositors as proxies of CDP would need to be executed by CDP as member and must be deposited at the specified place and within the specified time frame to enable the nominees to attend and vote at the relevant general meeting of GIL.

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	146,149,724	–

SHAREHOLDER INFORMATION

AS AT 10 MARCH 2015

TOP 20 SHAREHOLDER LIST AS AT 10 MARCH 2015

No.	Name	Number of Shares held	Percentage of issued share capital (%)
1	BOON SWAN FOO	146,149,724	10.95
2	RAFFLES NOMINEES (PTE) LIMITED	54,936,446	4.12
3	GOH SI HUI (WU SIHUI)	40,019,208	3.00
4	GOH SI KAI (WU SIKAI)	40,018,207	3.00
5	PHILLIP SECURITIES PTE LTD	38,900,847	2.92
6	DBS NOMINEES (PRIVATE) LIMITED	38,791,706	2.91
7	CITIBANK NOMINEES SINGAPORE PTE LTD	37,065,913	2.78
8	OCBC SECURITIES PRIVATE LIMITED	17,840,762	1.34
9	HONG LEONG FINANCE NOMINEES PTE LTD	17,693,268	1.33
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	15,382,565	1.15
11	SEE BENG LIAN JANICE	13,965,102	1.05
12	LIEW CHIAP KONG	13,550,937	1.02
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	12,660,210	0.95
14	ATMA SINGH S/O NAND SINGH	12,489,524	0.94
15	CURRENCY MARKET WATCH PTE LTD	10,255,582	0.77
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	10,216,167	0.77
17	BANK OF SINGAPORE NOMINEES PTE. LTD.	10,058,890	0.75
18	ABN AMRO NOMINEES SINGAPORE PTE LTD	10,000,000	0.75
19	ABN AMRO CLEARING BANK N.V.	9,103,787	0.68
20	UOB KAY HIAN PRIVATE LIMITED	8,916,723	0.67
Total		558,015,568	41.85

ANALYSIS OF SHAREHOLDERS

Range of Holdings	Number of Shareholders	Percentage of Shareholders (%)	Number of Shares
1-99	158	2.41	2,211
100 – 1,000	592	9.05	559,841
1,001 – 10,000	1,466	22.40	8,530,612
10,001 – 1,000,000	4,170	63.71	476,641,033
1,000,001 and above	159	2.43	848,738,904
Total	6,545	100.00	1,334,472,601

Based on information available, as at 10 March 2015, the substantial shareholder holds 10.95% of the issued Shares of GIL and the balance is held by the public and, therefore, Listing Rule 723 is complied with.

GLOSSARY

Term	Meaning
AGM	Annual General Meeting
Allgrace	Allgrace Investment Management Private Limited
AMCIF	In respect of a Half Year: ATPIF x ANIF
ANIF	The average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Half Year preceding the relevant Half Year, provided that for the purposes of computing the incentive fee when it shall first become payable, it shall mean the average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the relevant Half Year.
ARMC	Audit and Risk Management Committee
ATPIF	In relation to a Half Year, the average of the daily Volume Weighted Average Price over the last 20 SGX-ST trading days of Shares in the Half Year preceding the relevant Half Year.
Ascendos	Ascendos Investments Limited
Ascendos Rail	Ascendos Rail Leasing S.à.r.l.
Board	GIL's Board of Directors
Benchmark Return	For the Shares that are included in AMCIF for a Half Year: • the AMCIF; multiplied by • BRI. To the extent that additional Shares are issued during the relevant Half Year, the Benchmark Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued, multiplied by the issue price of such Shares; multiplied by the BRI.
BRI	An annualised return of 8%.
Carrying Value	The value determined pursuant to the accounting measurement and recognition requirements outlined in International Financial Reporting Standards ("IFRS").
CDP	The Central Depository (Pte) Limited
CLN	Credit-linked Note
CLO	Collateralised Loan Obligation
CNH	Chinese Offshore Renminbi
CNY	Chinese Onshore Renminbi
Company or GIL	Global Investments Limited and, where the context requires, its wholly-owned subsidiaries.

GLOSSARY

Term	Meaning
Deficit	For a Half Year, an amount determined at the end of that Half Year as the Total Benchmark Return less Total Share Return for the Relevant Half Years for that Half Year. If this amount is a positive number, then it is the Deficit. If it is a negative number, the Deficit is zero.
EPS	Earnings per share
FY	Financial year ended 31 December
Group	GIL and its subsidiaries
Governance and Transparency Index	Governance and Transparency Index, jointly launched by The Business Times and the Centre for Governance, Institutions and Organisations, sponsored by CPA Australia and supported by the Investment Management Association of Singapore.
Half Year	Each period of six consecutive months respectively ending on 30 June and 31 December save in respect of the first half year ended 30 June 2010
IFRS	International Financial Reporting Standards
Management Agreement	The management agreement dated 24 September 2009 entered into between the Company and STAM and which came into effect on 25 November 2009.
Manager or STAM	ST Asset Management Ltd.
NAV	Net Asset Value
Net Investment Value	Net Investment Value calculated in Singapore dollars in respect of a quarter means AMC where: AMC is the Average Market Capitalisation in respect of the relevant quarter calculated as follows: AMC = (ATP x AN) where: ATP is, in relation to a quarter, the average of the daily Volume Weighted Average Price ("VWAP") over the last 20 SGX-ST trading days of Shares in the relevant quarter (excluding the additional market capitalisation represented by the issuance of Shares during the last 20 SGX-ST trading days of the relevant quarter); and AN is the average closing number of Shares that are issued and to be issued as fully paid for scrip dividend, bonus shares and subdivision of existing shares (whether or not officially quoted by SGX-ST) but excluding Shares issued that represent additional paid up share capital during the last 20 SGX-ST trading days of Shares during the relevant quarter.

GLOSSARY

Term	Meaning
	VWAP is, in respect of any trading day on the SGX-ST, the volume weighted average price per Share for sales in those securities on the SGX-ST on that trading day, where each price is weighted by the number of Shares sold at various prices that day. Special crossings, crossings outside of normal trading hours and option-related transactions on the SGX-ST are to be excluded from the VWAP calculation.
NGC	Nomination and Governance Committee
Principal Commitments	All commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.
Relevant Half Years	At any time during a Half Year means the preceding Half Years during the period commencing on the most recent of: (a) the beginning of the first half year ended 30 June 2010; (b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and (c) the commencement of the Half Year following the most recent Half Year in respect of which the incentive fee was last accrued and became payable.
RC	Remuneration Committee
Related Corporation	Related Corporation in relation to a corporation means any corporation deemed to be related to it under section 6 of the Singapore Companies Act.
Rights Issue	Rights Issue completed in 2013
RMBS	Residential Mortgage-Backed Securities
ROE	Return on equity computed based on net profit after tax over the average total equity for the relevant year
SGD	Singapore Dollar
SGX-ST	Singapore Exchange Securities Trading Limited
Shares	Ordinary shares of par value S$0.01 per share in the capital of the Company
Shareholder	Holder of the Shares in the Company
Share Accumulation Index	An index formulated by the Manager to measure the accumulated SGX-ST traded value of Shares, with the initial value assigned to such index being the closing price of the trading day following the Commencement Date, assuming that any dividends of the Company are reinvested at the closing price of Shares on the SGX-ST on the payment date of such dividends. For the purposes of calculation of this index, the price per Share will be grossed up by the dividend entitlement for the period between the Share going ex-dividend and the dividend being paid.

GLOSSARY

Term	Meaning
Share Return	For a Half Year means the AMCIF for that Half Year multiplied by the movement in the Share Accumulation Index for the Shares over the relevant Half Year expressed as a fraction, based on the average daily closing value of this index over the last 20 SGX-ST trading days of the Half Year compared with the average daily closing value of this index over the last 20 SGX-ST trading days of the preceding Half Year. To the extent that additional Shares are issued during the relevant Half Year, the Share Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued multiplied by the value of the difference between (i) the average daily closing value of the Share Accumulation Index over the last 20 SGX-ST trading days of the relevant Half Year and (ii) the issue price of such additional shares.
Share Value	Average of the Share Accumulation Index over the last 20 SGX-ST trading days in respect of the relevant Half Year
Singapore Code	Singapore Code of Corporate Governance 2012
STAM Associates	The Manager, Temasek Holdings (Private) Limited ("Temasek"), any Related Corporation of Temasek and any entity in respect of which Temasek or a Related Corporation of Temasek has been appointed a responsible entity or with whom Temasek or a Related Corporation of Temasek has entered into a management, trustee or similar agreement.
Threshold Amount	The higher of (a) S$0.25 and (b) S$0.36 being the Company's unaudited NAV per Share as at 30 September 2009, subject to adjustments made in respect of changes in the share capital of the Company.
Total Share Return	For a Half Year the sum of the Share Returns for the Relevant Half Years for that Half Year
Total Benchmark Return	For a Half Year means the sum of the Benchmark Returns for the Relevant Half Years for that Half Year
USD	United States Dollar

COMPUTATION OF INCENTIVE FEE/DEFICIT

		1H 2014	2H 2014
	Number of Days in the relevant Half Year	181	184
	ATPIF	$0.157095	$0.148147
	ANIF	1,191,982,617	1,282,287,081
A	AMCIF =(ATPIF *ANIF)	S$187,254,509	S$189,966,984
B	SAI	S$0.1555	S$0.1475
C	Average SAI in the relevant Half Year	S$0.1636	S$0.1501
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	Nil	Nil
	New Shares Issuance		
F	Number of Days from issue date to end of relevant Half Year	77	83
G	Issue Price	S$0.13	S$0.13
H	Additional number of Shares issued	90,304,464	52,185,520
I	G * H	S$11,739,580	S$6,784,118
J	Benchmark rate of return for the issue period	1.63681307%	1.76547649%
	Share Return for the relevant Half Year = A * (C-B)/B + H * (C-G)	S$12,788,323	S$4,397,499
	Benchmark Return for the relevant Half Year = A * D + I * J	S$7,476,702	S$7,634,718
	Share Return-Benchmark Return – Deficit	S$5,311,621	(S$3,237,219)
	Deficit Carried Forward	–	S$3,237,219
	Manager Incentive Fee @ 20%	S$1,062,324	–

NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Global Investments Limited (the "Company") will be held at Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616, on 30 April 2015 at 10.00 a.m for the following purposes, including the purpose of considering and, if thought fit, passing with or without amendments, the following Resolutions 1 to 6 which are each proposed as an Ordinary Resolution:

Financial Statements and Reports

1. To receive and adopt the Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2014. (Ordinary Resolution 1)

Re-election of Director, Adrian Chan Pengee

2. To re-elect Adrian Chan Pengee, who will retire by rotation under Bye-law 56(e), as a director of the Company (a "Director"). (Ordinary Resolution 2)

Appointment of Auditors

3. To appoint Ernst & Young LLP as the Auditors of the Company, in place of PricewaterhouseCoopers LLP, the retiring Auditors of the Company, to hold office with effect from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Ordinary Resolution 3)

Proposed Renewal of the Share Issue Mandate

4. That authority be and is hereby given to the Directors to:

   (1) (a) issue ordinary shares of S$0.01 each in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (the "Share Issue Mandate"); and

   (2) (notwithstanding the authority conferred by this Resolution 4 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 4 was in force,

   Provided that:

   (a) the aggregate number of Shares to be issued pursuant to this Resolution 4 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 4) does not exceed 50 per cent. (50%) of the total number of issued Shares (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to holders of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 4) does not exceed 20 per cent. (20%) of the total number of issued Shares (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares shall be based on the total number of issued Shares at the time this Resolution 4 is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution 4 is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution 4, the Company shall comply with the provisions of the listing manual of the SGX-ST (the "Listing Manual") for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 4 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Listing Manual, whichever occurs the earliest. (Ordinary Resolution 4)

Proposed Renewal of the Share Purchase Mandate

5. That,

(1) pursuant to the Company's memorandum of association and Bye-laws, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) on-market purchase(s) of Shares on the SGX-ST ("Market Purchase"); and/or

(b) off-market purchase(s) of Shares, otherwise than on the SGX-ST ("Off-Market Purchase"), in accordance with any equal access scheme(s) as may be determined by the Directors, which scheme(s) shall satisfy all the conditions prescribed under the Addendum dated 2 April 2015,

and otherwise in accordance with the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time) and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(2) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution 5 and expiring on:

(a) the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held;

(b) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Company in a general meeting; or

(c) the date on which the purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever occurs the earliest;

(3) in this Resolution 5:

"Average Closing Price of the Shares" means the average of the closing market prices of the Shares over the last five (5) Market Days and on which transactions in the Shares were recorded, before the day on which the Market Purchase was made by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Maximum Limit" means that number of issued Shares representing 10 per cent. (10%) of the issued Shares as at the date of the 2015 Annual General Meeting (subject to any proportionate adjustments as may result from any capital subdivision and/or consolidation of the Company);

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price of the Shares and in the case of an Off-Market Purchase of a Share, 120 per cent. (120%) of the Average Closing Price of the Shares; and

(4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution 5.

For the purposes of this Resolution 5, references to Shares are references to fully paid-up Shares, where applicable. (Ordinary Resolution 5)

Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme

6. That authority be and is hereby given to the Directors to allot and issue from time to time such number of new fully-paid up Shares as may be required to be allotted and issued pursuant to the Global Investments Limited Scrip Dividend Scheme. (Ordinary Resolution 6)

7. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

GLOBAL INVESTMENTS LIMITED

Janice Loraine Haskins
Company Secretary
Bermuda, 2 April 2015

NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTES:

1. A shareholder entitled to attend and vote at the Annual General Meeting who is a holder of two (2) or more Shares is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a shareholder.

2. The Depositor Proxy Form must be lodged at the registered office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than at least forty-eight (48) hours before the time appointed for holding the Annual General Meeting or the adjournment thereof, as applicable.

EXPLANATORY NOTES:

ORDINARY RESOLUTION 2:

Adrian Chan Pengee, if re-elected will remain as Chairman of the Nomination and Governance Committee and a member of the Audit and Risk Management Committee and Remuneration Committee. He is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

ORDINARY RESOLUTION 3:

Ordinary Resolution 3 above, if passed, approves the appointment of Ernst & Young LLP as the Auditors of the Company in place of PricewaterhouseCoopers LLP, the retiring Auditors, and authorises the Directors to fix their remuneration.

Additional information relating to this, including the reasons for the change of the Auditors of the Company, are set out in the Addendum.

ORDINARY RESOLUTION 4:

Ordinary Resolution 4 seeks to authorise the Directors to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to a number not exceeding in total 50 per cent. (50%) of the total number of issued Shares, with a sub-limit of 20 per cent. (20%) for issues other than on a pro-rata basis to holders of Shares.

For the purpose of determining the aggregate number of Shares that may be issued pursuant to the Share Issue Mandate, the total number of issued Shares shall be based on the total number of issued Shares at the time that Ordinary Resolution 4 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 4 is passed; and (b) any subsequent bonus issue, consolidation or subdivision of Shares.

If Ordinary Resolution 6 is passed, Shares issued pursuant to the Global Investments Limited Scrip Dividend Scheme will not be treated as Shares issued pursuant to the Share Issue Mandate.

ORDINARY RESOLUTION 5:

Pursuant to the Bye-laws of the Company and the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time), the Company may repay the capital paid-up on purchased or acquired Shares out of paid-in capital, share premium or other reserves and pay the premium (if any) on purchased or acquired Shares out of the realised or unrealised profits of the Company, share premium or other reserves of the Company, so long as the Company is, and shall after the payment be, able to pay its liabilities as they become due.

Ordinary Resolution 5, if passed, will empower the Directors from the date of the 2015 Annual General Meeting to repurchase Shares of the Company by way of Market Purchases or Off-Market Purchases of up to 10 per cent. (10%) of the total number of issued Shares at the Maximum Price. Information relating to this proposed Ordinary Resolution 5 is set out in the Addendum dated 2 April 2015 in relation to, *inter alia*, the Proposed Renewal of the Share Purchase Mandate.

As at 18 March 2015 (the "Latest Practicable Date"), the issued capital of the Company comprised 1,334,472,601 Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date. Purely for illustrative purposes, on the basis of 1,334,472,601 Shares in issue as at the Latest Practicable Date, the purchase by the Company of 10 per cent. (10%) of its issued Shares will result in the purchase or acquisition of 133,447,260 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 133,447,260 Shares at the Maximum Price of S$0.147 for one Share (being the price equivalent to 105 per cent. (105%) of the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 133,447,260 Shares is approximately S$19,616,748 (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

NOTICE OF 2015 ANNUAL GENERAL MEETING

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 133,447,260 Shares at the Maximum Price of S$0.168 for one Share (being the price equivalent to 120 per cent. (120%) of the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 133,447,260 Shares is approximately S$22,419,140 (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 are based on the assumptions set out in paragraphs 3.6.2 and 3.6.3 of the Addendum.

ORDINARY RESOLUTION 6:

Ordinary Resolution 6, if passed, will empower the Directors from the date of the 2015 Annual General Meeting to issue Shares pursuant to the Global Investments Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend. If Ordinary Resolution 6 is passed, Shares issued pursuant to the Global Investments Limited Scrip Dividend Scheme will not be subject to the limits on the aggregate number of Shares that may be issued pursuant to the Share Issue Mandate. The Directors have announced on 17 February 2015 that the Scrip Dividend Scheme shall apply to the final dividend of S$0.0075 per share for the financial year ended 31 December 2014.

Global Investments Limited
Managed by ST Asset Management Ltd.
60B Orchard Road, #06-18 Tower 2
The Atrium@Orchard
Singapore 238891
ir@globalinvestmentslimited.com
www.globalinvestmentslimited.com

cre8 Tel: (65) 63278398