GLOBAL INVESTMENTS LIMITED

DELIVERING RETURNS CONSISTENTLY

Annual Report 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS
Boon Swan Foo (Chairman)
Adrian Chan Pengee (Lead Independent Director)
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.

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BERMUDA COMPANY REGISTRATION NUMBER
EC 38267

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Republic of Singapore
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Facsimile: +65 6536 1360

AUDITOR
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Public Accountants and Chartered Accountants
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Facsimile: +65 6532 7662

Audit Partner: Max Loh
Date of Appointment: 30 April 2015

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Facsimile: +65 6720 2990
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Website: www.stassetmgt.com

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CORPORATE PROFILE

GLOBAL INVESTMENTS LIMITED

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 company 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 ("Delegated Services") were delegated to Allgrace Investment Management Private Limited ("AIM") by STAM. Following the acquisition of Singapore Consortium Investment Management Limited ("SICIM") by AIM on 29 December 2015, the agreements in relation to the Delegated Services were novated to SICIM, and the Delegated Services have since been performed by SICIM.

GIL's investment policy is to make investments in a portfolio of assets in different sectors through different means which include but are 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 as closed-end funds constituted before 1 July 2013 were grandfathered.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

2015 was marked by contrasting performances of financial markets during the first and second half of the year, with investors having to contend with volatility throughout the period. In spite of the high volatility in the market and overall decline in asset prices, GIL was able to deliver yet another profitable year.

BOON SWAN FOO
Chairman
Global Investments Limited

A YEAR OF TWO HALVES

Following 2014's strong performance by financial assets, markets continued their march up through 1H 2015 for most major asset classes. Investors were initially buoyed by easy monetary conditions which were supported by further central bank action. The European Central Bank ("ECB") cut interest rates again and announced an extension of their asset purchase programme to tackle stubbornly low to even negative inflation in Europe, and then the People's Bank of China ("PBOC") eased monetary policy through cutting interest rates and reserve requirement ratios following weak Chinese economic data. Investor sentiment was also aided by additional fiscal stimulus announced by the Chinese government. Over the same period, most commodities struggled as global demand remained weak, ending 1H 2015 with a slight negative performance. Oil prices, in contrast, put in a respectable double-digit gain.

However, 2H 2015 experienced a spike in volatility amid a large price decline in many asset classes, as investors had to grapple with concerns over a deteriorating global economic growth outlook led by China. Oil prices slumped when it became clear that the world remained awash in oil, as US shale oil producers proved more resilient than expected. OPEC and non-OPEC members' failure to agree to quota cuts, and concerns over Iranian oil hitting the market after sanctions were lifted contributed to the rapid decline in oil prices. The volatility spread to US high yield markets as investors fretted about the health of commodity sectors under stress. After a tremendous outperformance in the first half by the Chinese equity markets, they finally succumbed to concerns over a hard landing scenario for the Chinese economy. The Chinese government's move to remove the peg of the Renminbi ("RMB") to the US Dollar ("USD"), with an accompanying devaluation of the currency which, while small, only served to add to investor anxiety.

Political developments of note that contributed to the downdraft in 2015 included a "Grexit" threat from the newly installed Syriza government in Greece, an inconclusive election result in Spain that threatens to derail its economic recovery as well as continuing political turmoil and rating agency downgrades that added to pressure on the finances of recession-hit Brazil.

All of these took place against a backdrop of the highly anticipated rate hike by the US Federal Reserve ("Fed") from the start of the year. The USD strengthened against most currencies strongly coming into 2015 but as the year progressed, amidst a string of soft US economic data and volatility in global financial markets, the USD remained range bound before pushing up to end with a 7% gain against the Singapore Dollar ("SGD") for the year as the Fed finally moved to raise interest rates in December, seven years after the 2009 global financial crisis.

Despite the challenging environment, I am pleased to announce that the Company was able to remain profitable for the year.

> "The full year distribution represented an annual **dividend yield of 10.9%.**"

FINANCIAL PERFORMANCE

In the midst of a difficult market environment, GIL registered net profit after tax of S$16.9 million for FY2015 compared to S$24.3 million in FY2014. The Company registered a total comprehensive income of S$13.5 million during the year, S$10.5 million lower than the S$24.0 million recorded in the previous year. The Company achieved a respectable return on equity[1] of 5.9% on the back of a higher total average equity compared to FY2014 and notwithstanding that the financial markets were performing poorly in FY2015. The earnings per share ("EPS")[2] recorded for FY2015 was 1.22 Singapore cents compared to 1.92 Singapore cents for FY2014. The net asset value[3] per share was 20.2 Singapore cents as at 31 December 2015 and, on an adjusted basis, it represents a 4.4% increase from 31 December 2014.

Despite the increase in shareholder equity due to shares issued under the scrip dividend scheme during the year, the Board was pleased to maintain the dividend distribution per share of 1.5 Singapore cents for FY2015. The full year distribution was 8.7% higher than in FY2014 and represented an annual dividend yield of 10.9% based on the closing share price of 13.8 cents on 31 December 2015.

During the year, an incentive fee of S$2,840,138 was paid to the Manager in respect of 1H 2015 while a Deficit of S$15,931,926 was recorded for 2H 2015.

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1 Return on equity is computed based on net profit after tax over the average total equity for the relevant year. The average total equity for FY2015 is S$288.47 million compared to S$277.23 million for FY2014.

2 2015 EPS was based on the weighted average number of shares of 1,385,890,364 after taking into account the additional shares issued pursuant to the scrip dividend scheme, and 2014 EPS was based on the weighted average number of shares of 1,267,747,007.

3 If the 2014 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share. After adjusting for the 1H 2015 interim dividend and shares relating to the scrip dividend scheme, the net asset value per share as at 31 December 2015 would have been 21.2 Singapore cents and the increase in net asset value per share would be 4.4%.

RANKING IN THE GOVERNANCE AND TRANSPARENCY INDEX

GIL participated in the Governance and Transparency Index ("GTI") 2015, jointly launched by the Business Times and the National University of Singapore's Centre for Governance, Institutions and Organisations. The GTI assesses the financial transparency of companies based on their annual announcements. In 2015, our GTI score was 78 points and our ranking was 29 out of 639 listed companies which participated in the GTI 2015. This was an improvement on our score of 73 points and ranking of 34th position last year. Our high ranking was made possible by the commitment of the Board in maintaining high standards of corporate governance.

LOOKING AHEAD

2016 may be a challenging year for the global economy. The International Monetary Fund ("IMF") has lowered its outlook for the world economy to 3.4% growth from 3.6% for 2016, with modest and uneven recovery in developed nations offset by slower growth in emerging countries. While the former continues to see marginal improvements in economic activity supported by still easy monetary conditions and lower oil prices, the latter is expected to experience negative impact from ongoing adjustments of the global economy including China's rebalancing, lower commodity prices and the prospects for increase in interest rates in the United States. The IMF has voiced concerns that the effects of central bank monetary policies may be diminishing and warned that China's slowdown and collapse in commodity prices were major headwinds that could derail the global recovery. It urged the major economies to unleash fiscal stimulus and structural reforms to support growth and contain risks.

In the US, the economy is expected to expand at a moderate pace, with the services sector continuing its trend of strong growth. The manufacturing sector may face some headwinds in the form of a strong USD reducing export demand, weakness in commodity sectors and inventory correction. Nonetheless, the labour market is likely to remain healthy given that the unemployment rate reached post-recession lows in December and jobs growth continues at a steady rate. After the Fed took the first step towards rate normalization with a 0.25% rate hike in December, market expectations remain tilted towards a gradual upward path for US interest rates in 2016. However, now that the US economy is running close to full employment, monetary policy in 2016 can be expected to be heavily influenced by the inflation outlook.

Over in Europe, the ECB in December cut interest rates and extended the asset purchase programme and retained a dovish stance going into 2016. As a result, monetary stimulus is expected to continue to boost euro zone Gross Domestic Product ("GDP") momentum. Private consumption is set to remain strong, given exceptionally low borrowing costs and that consumer confidence is slowly recovering. However, political uncertainties could pose potential risks to the nascent growth recovery.

China's real GDP growth is expected to grind lower in 2016. The continued property construction slowdown and excess capacity overhang in the industrial and mining sectors will likely lead to further weakening of industrial demand and fixed asset investments. The Chinese government will increase its fiscal and monetary support and infrastructure investments, alongside more property policy easing, all of which is unlikely to fully offset continued downward economic pressure. Government officials emphasized the need to push ahead with supply-side structural reforms and remained focused on destocking, retiring excess capacity and deleveraging in the economy.

GOING FORWARD

The global growth outlook for 2016 remains one of much uncertainty. Prospects of uneven global growth and diverging monetary policies, including negative interest rates, pose near term risks and volatility to global financial markets. In the near term, uncertainties surrounding China's growth prospects are important considerations weighing on investors. Other factors which may cause further market volatility and pose risks to the global growth recovery include geopolitical tensions in the Middle East and the South China Sea and a potential UK exit from the European Union.

After the sharp decline in prices of financial assets, the Company believes there could be opportunity to invest in some sectors or suitable assets at favourable valuations. Nevertheless, the Company is mindful of the risks in the current market environment and will be cautious in its investment strategy.

ACKNOWLEDGEMENT

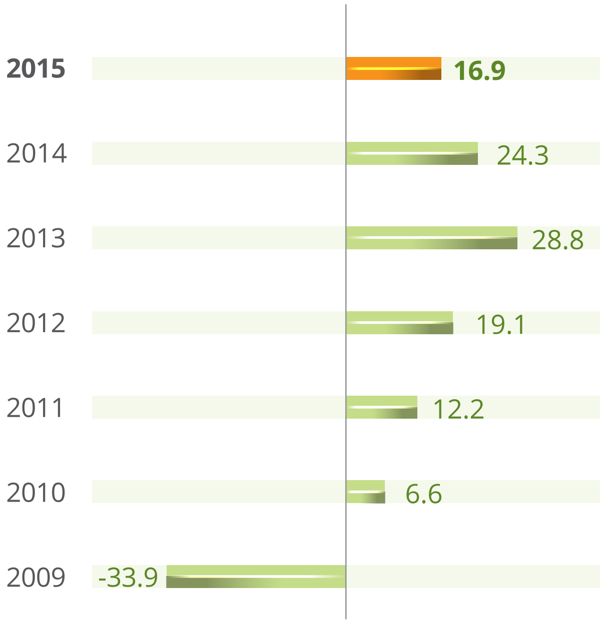
On behalf of the Board, I would like to express my appreciation to all Shareholders for your continued confidence and support of GIL through the years. The Board would also like to extend its commendation to STAM for putting up a consistent performance in such a difficult time. Last but not least, I 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

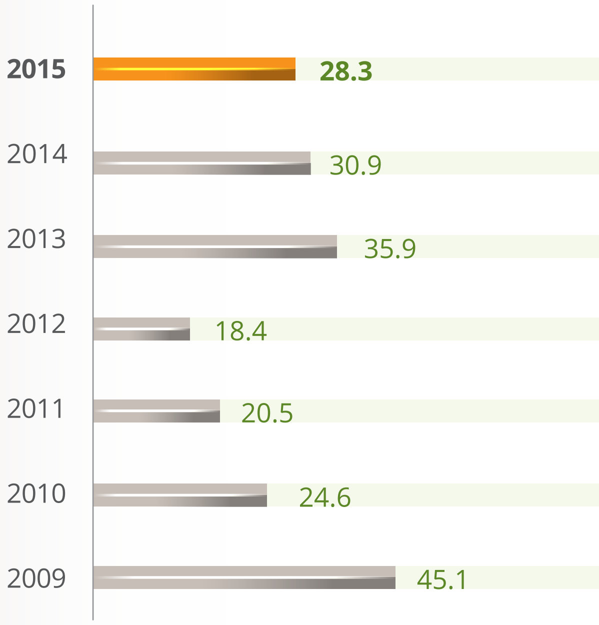
(S$ million)



Net profit after tax dropped by 30.5% on a year-on-year basis to S$16.9 million from S$24.3 million. The lower profit after tax was due to fair value loss and net impairment expense and higher incentive fees in the current year. For the year ended 31 December 2015, the Group recognised a net impairment expense of S$1.6 million arising from the impairment of available-for-sale ("AFS") financial assets of S$11.7 million. This was partially offset by a reversal of impairment from the sale of Seiza Series 2006-1 Class G note of S$10.1 million. As a result of the reclassification of fair value loss to impairment expense, there was a positive AFS revaluation reserve of S$3.6 million reflected in the statement of financial position.

TOTAL REVENUE

(S$ million)

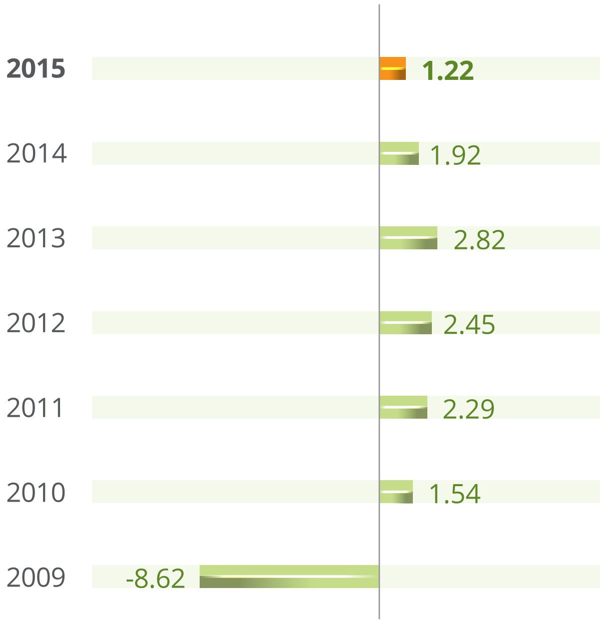


Revenue for the current year was S$28.3 million, lower than last year by S$2.6 million despite the absence of S$4.9 million gain following the transfer of the investment in Ascendos from an associate to an AFS financial asset in 4Q 2014. Gain on sale of investment increased by 121.5% to S$14.4 million in 2015 as compared to S$6.5 million in the prior year. However, the increase was partially offset by the net unrealised loss on financial assets designated as fair value through profit or loss of S$2.7 million and lower dividend and interest income.

FINANCIAL HIGHLIGHTS

EARNINGS PER SHARE

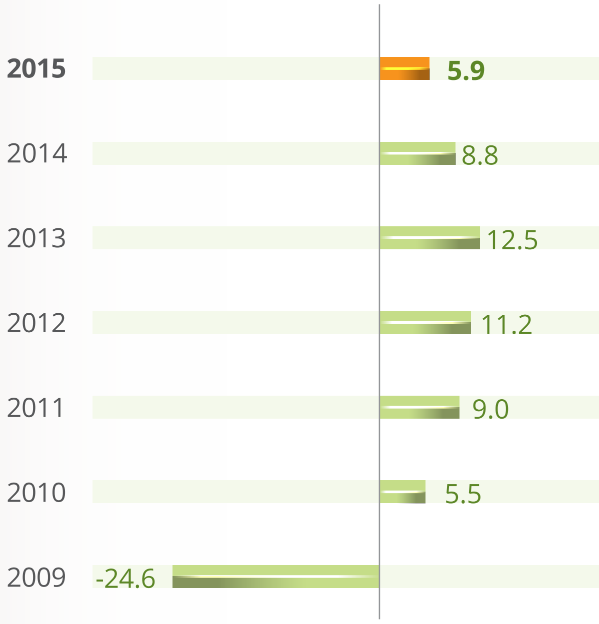
(Singapore cents)



Earnings per share decreased by 36.5% to 1.22 Singapore cents in FY2015 (based on the weighted average number of shares of 1,385.89 million after taking into account the additional shares issued pursuant to the scrip dividend scheme) from 1.92 Singapore cents (based on the weighted average number of shares of 1,267.75 million) in FY2014.

RETURN ON EQUITY

(%)

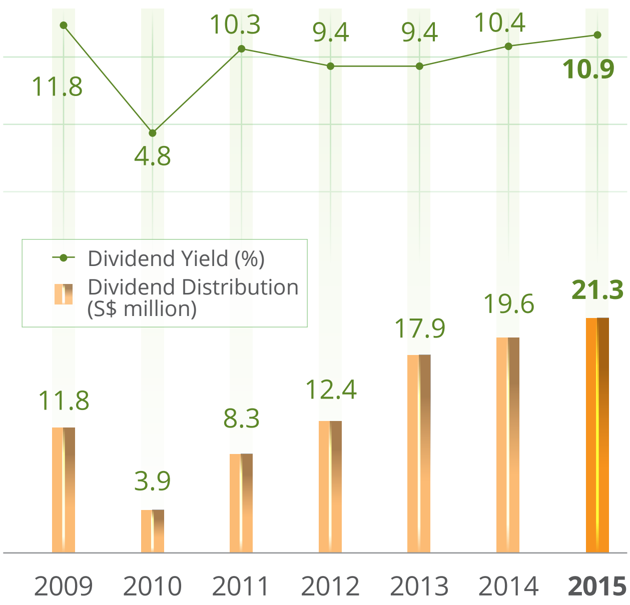


Return on equity decreased to 5.9% in FY2015 (based on average total equity of S$288.47 million) from 8.8% in FY2014 (based on average total equity of S$277.23 million).

FINANCIAL HIGHLIGHTS

DIVIDEND DISTRIBUTION

(S$ million)

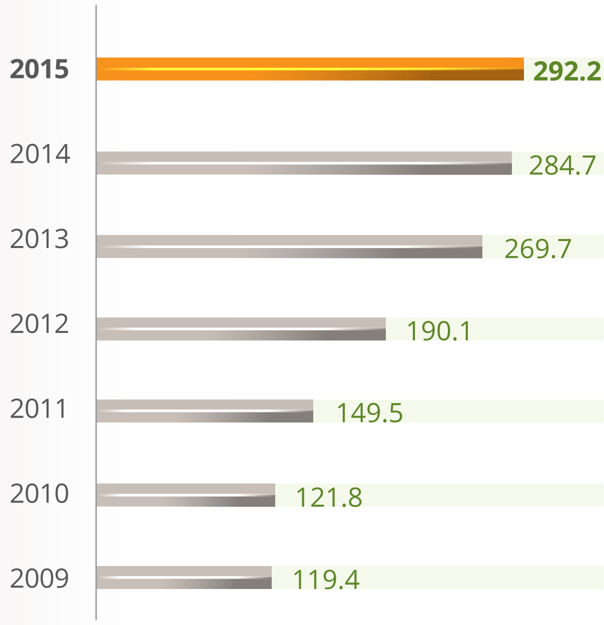


Dividend distribution per share totalled 1.5 Singapore cents (based on larger 1,446,433,831 shares) in FY2015. The total amount of dividend to be paid increased by 8.7% to S$21.3 million in FY2015 from S$19.6 million in FY2014.

The dividend of 1.5 Singapore cents per share for the financial year ended 31 December 2015 represented an annual dividend yield[1] of 10.9%, based on the closing share price of 13.8 Singapore cents as of 31 December 2015 on the expanded issued capital of 1,446,433,831 shares.

NET ASSET VALUE

(S$ million)



Net asset value increased to S$292.2 million in FY2015. If the 2014 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share. After adjusting for the 1H 2015 interim dividend and shares relating to the scrip dividend scheme, the net asset value per share as at 31 December 2015 would have been 21.2 Singapore cents and the increase in net asset value per share would be 4.4% for the year ended 31 December 2015.

[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.

2015 AT A GLANCE

PORTFOLIO OVERVIEW

- The listed equities portfolio decreased to 17% in 2015 as compared to 32% in 2014. During the year, the Company reduced its exposure in the Hong Kong, China 'A' shares as well as the European market.
- The bond portfolio increased to 46% in 2015 as compared to 25% in 2014. Over the year, there was a net increase in USD and SGD bonds exposure and positions were established in AUD bonds.
- The loan portfolio and securitisation assets decreased by 7% from 25% in 2014 to 18% in 2015, due to divestment of Seiza Series 2006-1 Trust, and EUR denominated Collateralised Loan Obligation ("CLO") notes.

DECLARATION AND PAYMENT OF DIVIDENDS

- Interim dividend of 0.75 Singapore cents per share was paid on 12 October 2015.
- Final dividend of 0.75 Singapore cents per share was declared on 25 February 2016.
- 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 13.8 Singapore cents on 31 December 2015 was 10.9%.

SCRIP DIVIDEND SCHEME

- The scrip dividend scheme was applied to the interim dividend of 0.75 Singapore cents per share for 1H 2015. The proportion of the total interim dividend amount issued as new shares pursuant to the scrip dividend scheme was approximately 68.2%, and new shares were listed on 13 October 2015.
- The scrip dividend scheme will be applied to the final dividend of 0.75 Singapore cents per share for FY2015.

NOT PROCEEDING WITH THE PROPOSED SHARE CONSOLIDATION

- On 18 September 2015, the Company announced that it had received confirmation from the SGX that the Minimum Trading Price requirement is not applicable to the Company as it is an investment fund.
- In view of this, the Company had decided not to proceed with the Proposed Share Consolidation and the Special General Meeting.

2015

2015 AT A GLANCE

CORPORATE GOVERNANCE

- In 2015, GIL's GTI score was 78 points and its ranking was 29 out of 639 listed companies which participated in the GTI 2015. It was an improvement as compared to last year's final score of 73 points and its ranking of 34 out of 644 listed companies.

CHANGE OF CUSTODIAN

- On 18 September 2015, the Company announced that The Hongkong and Shanghai Banking Corporation Limited has replaced Standard Chartered Bank Singapore as the Company's custodian with effect from 17 September 2015.

TAX RESIDENT OF SINGAPORE FOR 2015

- Dividends paid by the Company in 2015 are exempt from Singapore tax when received by Shareholders.

2015 ANNUAL GENERAL MEETING

- All resolutions set out in the Notice of Annual General Meeting dated 2 April 2015, were duly approved and passed by the Shareholders on 30 April 2015.

DELEGATION OF SERVICES TO SICIM

- Pursuant to the announcements made on 16 July 2012 and 7 August 2013, AIM has been carrying out certain services delegated by STAM. On 29 December 2015, SICIM was acquired by AIM, and all of AIM's assets, staff and business operations were transferred to SICIM. AIM's rights and obligations under the respective agreements in relation to the Delegated Services were also novated to SICIM.

BOARD OF DIRECTORS

from left:

Mr Ronald Seah Lim Siang
Independent Director

Mr Tan Kok Wee
Independent Director

Mr Boon Swan Foo
Chairman, Non-Executive Director

Mr Adrian Chan Pengee
Lead Independent Director

Mr Jason See Yong Kiat
Manager Nominated Director

BOARD OF DIRECTORS

The Board consists of five directors, comprising Mr Boon Swan Foo, the non-executive and non-independent Chairman, Mr Jason See Yong Kiat, the Manager Nominated Director, and three independent[1] directors, namely Mr Adrian Chan Pengee (who is also Lead Independent Director), Mr Ronald Seah Lim Siang and Mr Tan Kok Wee. GIL has no employees or executive officers. In FY2015, the Board met 6 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 the Company on 20 December 2011.

Mr Boon is the Chairman and Chief Executive Officer ("CEO") of SICIM. He is a Senior Advisor to Temasek International Advisors Pte Ltd. He also serves on the boards of several overseas companies which are significant and major players in their respective markets, namely Intouch Holdings Plc, a telecommunications and satellite holding company listed on the Stock Exchange of Thailand; Dongfeng Motor Corporation (China), an automobile manufacturer; China National Offshore Oil Corporation, a national oil company; and China Huadian Corporation, a power generation company.

Mr Boon served as CEO and Deputy Chairman of ST Engineering Ltd from October 1997 to May 2001, and was the Managing Director of Agency for Science, Technology and Research ("A*STAR") from January 2002 to January 2006. He also served concurrently as Executive Chairman of Exploit Technologies Pte Ltd, the commercial arm of A*STAR, from August 2001 to December 2009. Mr Boon was also Chairman of STAM from April 2010 to December 2011. For his stewardship of ST Engineering Ltd, Mr Boon was awarded one of Singapore's most prestigious business awards, the Singapore Business Award for Outstanding CEO in 2000.

Mr Boon was also Chairman and independent non-executive Director of Perennial China Retail Trust Management Pte. Ltd ("PCRTMPL") from November 2010 to March 2013. PCRTMPL was the Trustee-Manager of Perennial China Retail Trust, which was listed on the main board of the SGX-ST.

Mr Boon is a member of the Institute of Singapore Chartered Accountants 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's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments[2] as at 10 March 2016 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

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1 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").

2 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.

BOARD OF DIRECTORS

MR ADRIAN CHAN PENGEE
Lead Independent Director

Mr Adrian Chan Pengee was appointed to the Board on 5 May 2009, and was appointed as the Lead Independent Director on 25 February 2016.

Mr Chan is Head of the Corporate Department and a Senior Partner at Lee & Lee. He 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 also serves on the board of Shared Services for Charities Limited, a registered charity.

Mr Chan serves on the Corporate Practice Committee and the Audit 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 2016 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 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 a director of M&C REIT Management Limited and M&C Business Trust Management Limited, and is also chairman of Nucleus Connect Pte. Ltd.

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 2016 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 2016 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

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. He is concurrently a director of several other STAM affiliated companies. He also sits on the board of AF Trustees Ltd, a trust company incorporated in Singapore.

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 2016 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 SICIM 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 ("SAI"), which measures the accumulated SGX-ST traded value of the Shares. Any dividend payment will have an impact on the calculation of the SAI. • 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. • 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 114.

BUSINESS OUTLOOK[1]

MACROECONOMIC OUTLOOK

The IMF projected its outlook for global economic growth in 2016 as 3.4%, citing slow growth for emerging markets but modest recovery for developed nations. Growth in emerging markets is expected to be undermined by cyclical and structural forces with risks relating to the ongoing adjustments of the global economy including China's restructuring, lower commodity prices and the prospects for the increase in interest rates in the United States. On the other hand, marginal improvements are expected in advanced economies as overall activity remains robust in the United States, supported by still easy monetary conditions while the Euro area and Japan are expected to benefit from lower oil prices and easy financial conditions.

In the US, the economy expanded 2.4% in 2015, at the same pace in 2014. The ISM Manufacturing Purchasing Manager Index ("PMI") dipped to 48.0 month-on-month ("m-o-m") in December 2015 from 54.9 m-o-m in December 2014, mainly as a result of the strong USD reducing export demand, weakness in commodity sectors and inventory correction. However, the ISM Non-Manufacturing Index expanded at 55.3 m-o-m in December 2015 compared to 56.2 m-o-m in December 2014 suggesting still robust growth in the services sectors despite a slightly weaker trend. Unemployment rate improved to post-recession low, declining to 5.0% as of December 2015 from 5.7% as of December 2014. Meanwhile, headline inflation inched up but still remained low with the Consumer Price Index ("CPI") gaining 0.70% year-on-year ("y-o-y") in December 2015 from December 2014 compared to a 0.80% y-o-y climb in the previous period. The Fed raised the federal funds rate to 0.25% in its December Federal Open Market Committee meeting, citing that economic activity has been expanding at a moderate pace as household spending and business fixed investment have been increasing at solid rates in recent months and the housing sector has improved.

Despite a backdrop of external headwinds such as a slowdown in emerging market growth, economic recovery in the Euro area was relatively resilient in 2015. Overall, the Eurozone grew by 1.5% in 2015 from 1% in 2014. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers at manufacturing and service sectors, rose to 54.3 in December 2015 from 51.4 in December 2014. Unemployment rate improved to 10.9% in 2015 from 11.6% in 2014. The Consumer confidence indicator improved to -5.7 in December 2015 from -11.0 in December 2014. Eurozone inflation, measured by the Harmonised Index of Consumer Price deteriorated to 0% y-o-y in 2015, from 0.4% in 2014. In 1H 2015, Greece dominated the headlines amid concerns over whether the Syriza-led government would agree to make the reforms needed to obtain further funding and eventually managed to obtain another bailout. Towards the end of the year, the ECB announced a cut to the deposit rate to -0.3% from -0.2% and extended the bond purchase program into 2017. Going forward, monetary stimulus is expected to continue to boost GDP momentum, and private consumption is set to remain strong, given exceptionally low borrowing costs and that consumer confidence is slowly recovering. However, political uncertainties could pose potential risks to their growth recovery.

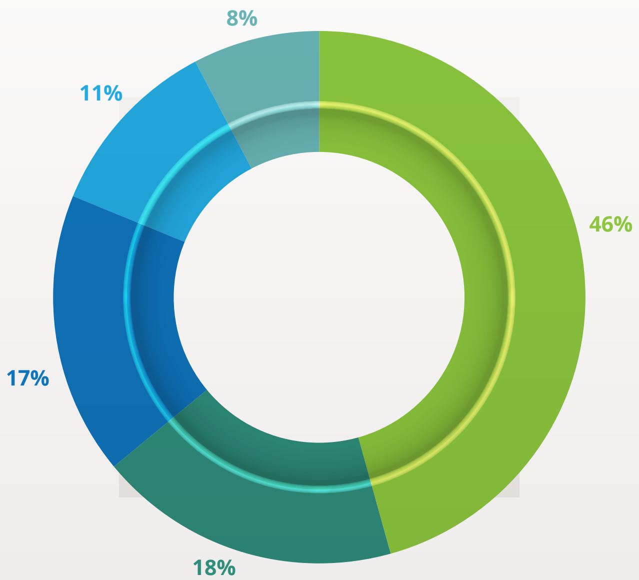
[1] Sources include research publications by brokerage house, banks, information service providers, associations and media.

BUSINESS OUTLOOK

In China, economic data was generally weaker in 2015 compared to 2014. Its GDP was 6.9% in 2015, down from 7.3% recorded in 2014. The Caixin Manufacturing PMI reading deteriorated to 48.2 m-o-m in December 2015 from 49.6 m-o-m in December 2014. The Caixin Services PMI reading was 50.1 m-o-m in December 2015 from 53.4 m-o-m in December 2014. Industrial output, the main monthly measure of growth, came in at 6.1% in 2015, slower than an increase of 8.3% in 2014. Consumption fared no better, with retail sales rising at 10.7% in 2015 from 12.0% in 2014. Exports were down at -1.4% y-o-y (USD terms) in December compared to a 9.7% growth (USD terms) y-o-y in December 2014, while import growth deteriorated to -7.6% y-o-y (USD terms) in December from -2.4% y-o-y (USD terms) in December 2014. Inflation remained subdued with the CPI staying at 1.6% y-o-y in December 2015, a slight increase from 1.5% y-o-y increase in December 2014. The PBOC continued to cut benchmark interest rates and lower the reserve requirement ratio (“RRR”). This was the sixth policy rate reduction and the fourth RRR cut since last November 2014. Following the exchange rate regime change in August last year which resulted in the RMB depreciating, the PBOC has used currency intervention, regulation and communication to manage market expectations and maintain a stable RMB. Its foreign exchange reserves fell USD87.2 billion in November, marking the sixth monthly decline in the past seven months, to reach USD3.44 trillion from June’s peak level at USD3.99 trillion. Looking forward, China’s real GDP growth is expected to grind lower in 2016. The continued property construction slowdown and excess capacity overhang in the industrial and mining sectors will likely lead to further weakening of industrial demand and fixed asset investments. The Chinese government will increase its fiscal and monetary support and infrastructure investments, alongside more property policy easing. They have emphasized the need to push ahead supply-side structural reforms and said that the key tasks in 2016 include destocking, retiring excess capacity and deleveraging.

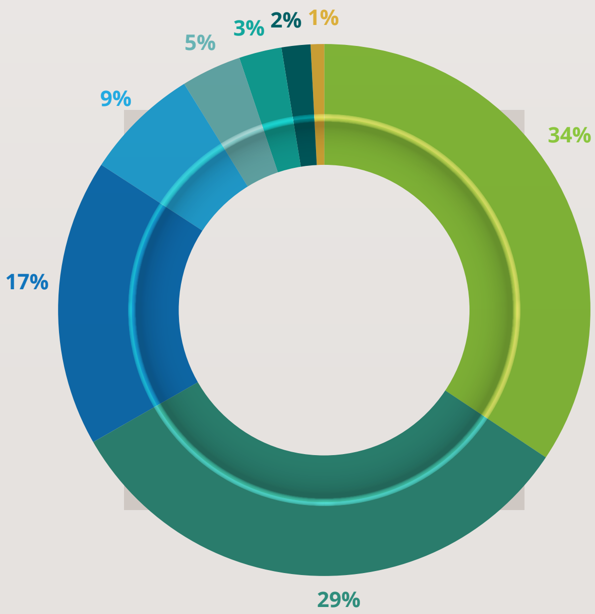
PORTFOLIO COMPOSITION

BREAKDOWN BY ASSET CLASS
AS AT 31 DECEMBER 2015



- Bonds (46%)
- Loan Portfolio and Securitisation Assets - RMBS & CLO (18%)
- Listed Equities (17%)
- Cash and Other Net Assets (11%)
- Operating Lease Assets - Ascendos (8%)

BREAKDOWN BY CURRENCY
AS AT 31 DECEMBER 2015



- Singapore Dollar (S$) - 34%
- United States Dollar (US$) - 29%
- Euro (€) - 17%
- Australian Dollar (A$) - 9%
- Hong Kong Dollar (HK$) - 5%
- South Korea Won (₩) - 3%
- Chinese Renminbi (CNY/CNH) - 2%
- British Pound (£) - 1%

BOND PORTFOLIO

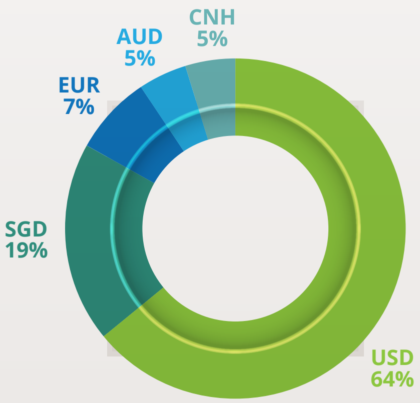
Investment Description

GIL has invested in a portfolio of bonds denominated in USD, SGD, EUR, AUD and CNH with a carrying value[1] of S$133.77 million as at 31 December 2015.

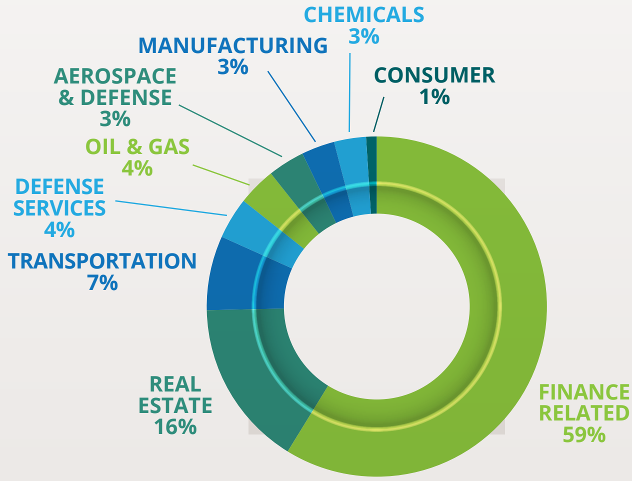
Asset Overview

As at 31 December 2015, the approximate weighted average coupon was 6.88%. The approximate weighted average maturity of the bond portfolio was 4.73 years[2].

PORTFOLIO DISTRIBUTION BY CURRENCY
AS AT 31 DECEMBER 2015



PORTFOLIO DISTRIBUTION BY SECTOR
AS AT 31 DECEMBER 2015



Outlook

Ongoing concerns over emerging market growth, along with weak commodity prices, poor year end market liquidity and the Fed's rate increase may continue to contribute to weakness in the bond market. Monetary policy among the world's major central banks diverged further as the ECB cut the deposit rate and extended the asset purchase program into 2017. The Bank of Japan announced various supplementary measures including the extension of maturity of its government bond purchase, thus benefitting long dated bonds. Overall, Asian credits were lackluster towards the end of the year due to underperformance from commodity related names. Moving forward, despite expected continuation of Fed rate lift off in interest rates, the overall accommodative monetary stance is expected to remain in place. Nevertheless, liquidity concerns are still expected to create significant headwinds for credits as corporates face refinancing challenges.

[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.

LOAN PORTFOLIO & SECURITISATION ASSETS

RESIDENTIAL MORTGAGE-BACKED SECURITIES

Investment Description

GIL is invested in a portfolio of Australian RMBS, which are securitisation vehicles that hold Australian residential mortgage loans. Resimac Bastille Trust Series 2012-1NC and 2013-1NC, hold Australian non-conforming and prime residential property mortgage loans, whilst Liberty Series 2013-2 holds Australian non-conforming residential property mortgage loans.

Asset Overview

GIL divested its positions in the Seiza Series 2006-1 Trust Class F notes, Class G notes and Senior NIM notes in the fourth quarter of 2015.

As at 31 December 2015, the Company's carrying value for the RMBS portfolio was A$5.32 million.

Outlook

According to the Corelogic RP Data home value index for capital cities, house prices in Australia increased 7.8% y-o-y at the end of 2015 versus 7.9% in 2014. The Australian unemployment rate fell from 6.1% at the beginning of 2015 to 5.8% at the end of December, while the Reserve Bank of Australia cut its benchmark cash rate to 2.0% in 2015. Looking ahead to 2016, tighter financing conditions in the mortgage market brought about by restrictions on borrowing by investors and higher capital requirements imposed on Australian banks will continue to slow housing price growth. The cash rate is likely to remain on hold at current low levels for the rest of 2016 due to the uncertainty in global economic conditions.

COLLATERALISED LOAN OBLIGATION SECURITIES

Investment Description

GIL has invested US$22.02 million and €23.95 million in a portfolio of USD and Euro denominated CLO notes. The CLO notes are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt.

Asset Overview

During the year, GIL sold its position in the Figueroa CLO Ltd 2013-2A Class D notes, while the ALM IV, Ltd CLO was called and its notes redeemed at par value. Six Euro-denominated CLO notes were divested, while four USD-denominated CLO notes with an aggregate face value of US$16 million were added to the portfolio.

As at 31 December 2015, the Company's carrying value was US$22.31 million for the USD-denominated CLO portfolio and €10.84 million for the Euro-denominated CLO portfolio.

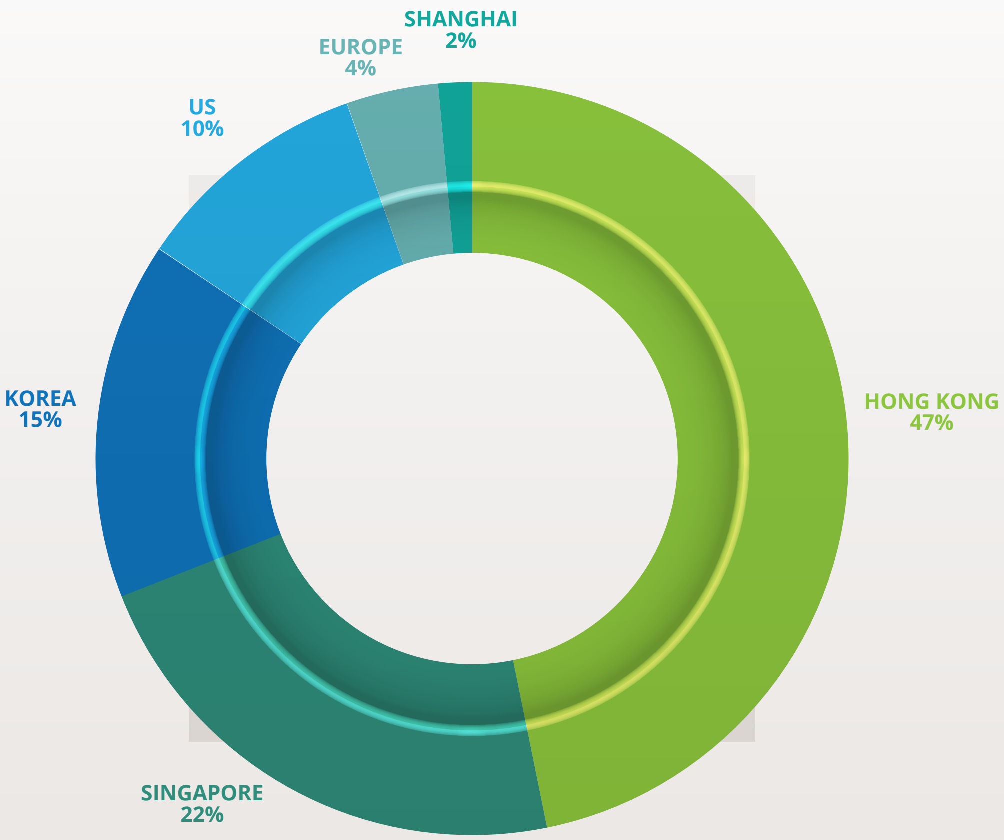
Outlook

Loan prices fell in the second half of 2015, due to concerns over various macroeconomic stresses on the market and the high profile closures of certain distressed debt portfolios. US loans, as benchmarked by the S&P/LSTA Leveraged Loan Index, returned -0.69% in 2015, while European loans returned 5.50% during the year, according to the S&P ELLI.

At the end of 2015, the Moody's Global Speculative-Grade Corporate Default Rate increased to 3.4% from 2.1% at the end of 2014. Moody's expects the default rate to continue to rise to 3.9% by the end of 2016, driven by Metals & Mining and Oil & Gas sectors.

LISTED EQUITIES

PORTFOLIO DISTRIBUTION BY STOCK EXCHANGE
AS AT 31 DECEMBER 2015



Investment Description

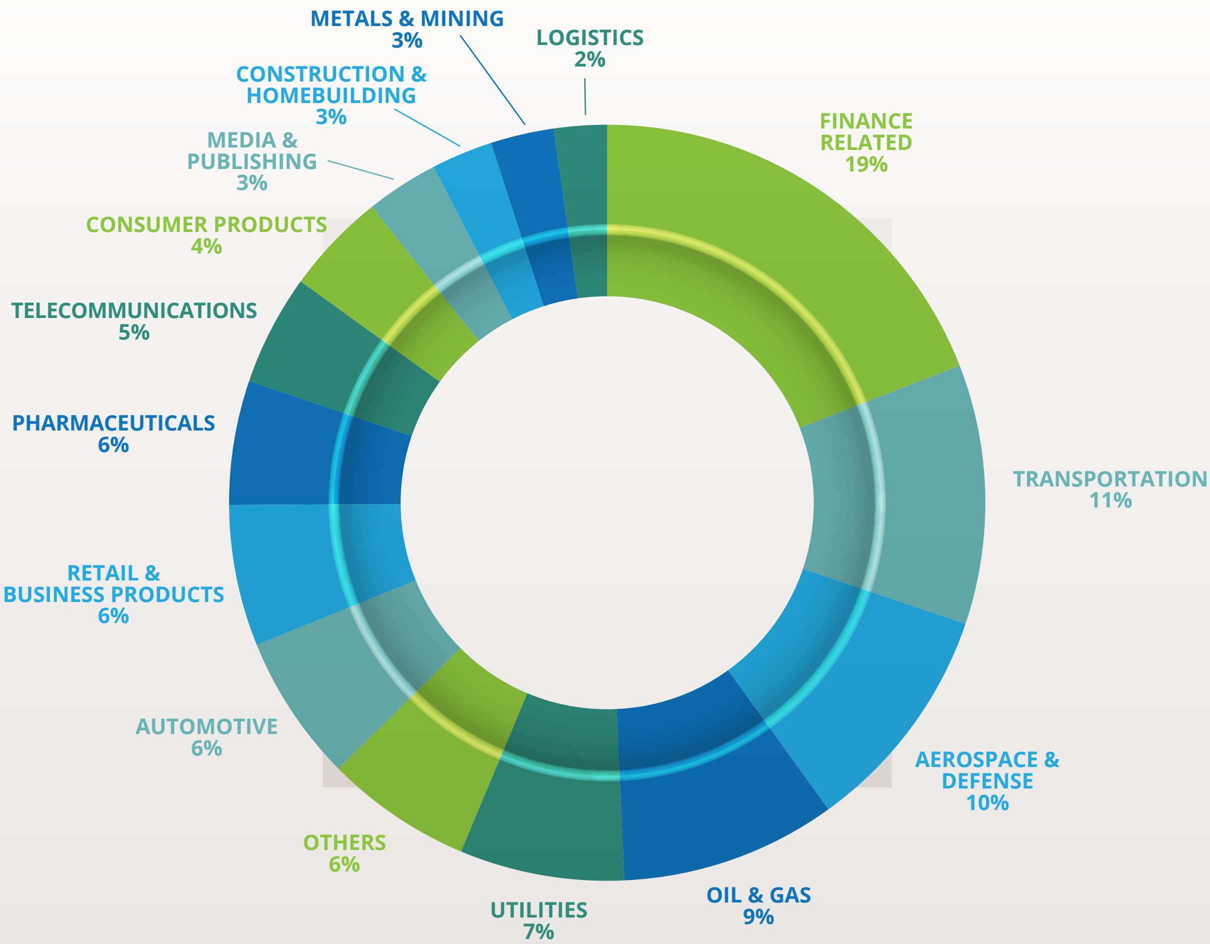
GIL has invested in a portfolio of listed equities with a carrying value of S$50.60 million as at 31 December 2015 compared to S$105.82 million as at 31 March 2015. During the year, GIL generated net realised profit and dividend income of approximately S$18.27 million.

Asset Overview

As at 31 December 2015, the equity portfolio was 46.8% weighted in Hong Kong listed equities, followed by 22.3% in Singapore, 15.4% in South Korea, 10.2% in the US, 3.9% in Europe and 1.4% in Shanghai. In terms of sector distribution, the highest weighting was in finance related (19.1%), followed by transportation (11%), aerospace & defense (9.9%), oil & gas (9.4%) and utilities (7.2%).

LISTED EQUITIES

PORTFOLIO DISTRIBUTION BY SECTOR
AS AT 31 DECEMBER 2015



Outlook
The global equity markets started 2015 strongly but succumbed to downward pressures towards the end of the year as a cautious mood seeped through the market due to worries of China's growth and RMB depreciation as well as the negative effects of prolonged low oil and commodity prices on affected countries and sectors. While modest growth is expected for emerging markets in 2016, it could be a slow and volatile one compared to developed markets where domestic demand is set to hold up better. In the near term, uncertainties surrounding the oil prices and China's growth prospects are important considerations weighing on investors. Against a backdrop of uneven growth between emerging markets and developed markets as well as diverging monetary policies in the US against Europe and Japan, global equity markets are expected to be volatile.

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 2015, the carrying value of Ascendos was €14.32 million.

As at 31 December 2015, 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	13.7%
- Passenger EMU	21.8%
- Passenger coach	33.0%
- Freight locomotive	28.8%
- Freight wagon	2.6%

Outlook

In 2015, the total distance covered by rail modal transport in Europe was largely unchanged from 2014, growing 0.4% y-o-y at the end of September. Data collected by the International Union of Railways indicated that European passenger volumes expanded 1.0%, although freight volumes decreased by 4.5% y-o-y over the corresponding period in 2014.

SCI Verkehr's Global Rail Business Index fell from 17 to -7 in 2015 compared to a pre-crisis base level of 50 in 1Q 2007, highlighting a strong downward trend in business confidence and worsening business situation during the year. 2016 will be a challenging year, as low oil prices continue to boost the competitiveness of road transport and mitigate the benefits of fuel efficiency of rail transport.

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 is also committed to ensuring that it acts in accordance with all relevant laws and regulations of Bermuda, including the Bermuda Companies Act.

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").

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 Boon Swan Foo (Chairman, Non-executive Director)	20 December 2011[1]	29 April 2014	n/a	Member	n/a
Mr Adrian Chan Pengee (Lead Independent Director)	5 May 2009[2]	30 April 2015	Member	Chairman	Member
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[3] (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 Adrian Chan Pengee was appointed as Lead Independent Director on 25 February 2016.

[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 FY2015, a total of six Board meetings, six ARMC meetings, three NGC meetings and two RC meetings were held. The attendance of the directors of the Board and Board committee meetings held during FY2015 is tabulated below:

	Board Meetings		ARMC Meetings		NGC Meetings		RC Meetings	
Total Number of Meetings	6		6		3		2	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings	
Directors	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Boon Swan Foo	6	6	n/a[1]	n/a[1]	3	3	n/a[1]	n/a[1]
Mr Adrian Chan Pengee	6	6	6	6	3	3	2	2
Mr Ronald Seah Lim Siang	6	6	6	6	3	3	2	2
Mr Tan Kok Wee	6	6	6	6	n/a[1]	n/a[1]	2	2
Mr Jason See Yong Kiat	6	6	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.

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 FY2015 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 FY2015, directors were also provided with quarterly regulatory updates covering, among others, the changes to be introduced by the SGX-ST as well as quarterly updates on global events and risks such as the oil glut crisis and China stock market rout. 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 FY2015.

Directors also individually attended external seminars and talks in FY2015 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, as part of the induction process, 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.

The Board has re-examined its size and considered the appropriate size for the Board to facilitate effective decision making is five. 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.

[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.

Appointment of Lead Independent Director

Under Guideline 3.3 of the Singapore Code, companies are required to appoint an independent non-executive director to be the lead independent director (the "Lead Independent Director") in the following circumstances:

1. where the chairman and the CEO is the same person;
2. where the chairman and the CEO are immediate family members;
3. where the chairman is part of the management team; or
4. where the chairman is not an independent director.

Mr Boon Swan Foo is considered non-independent because he holds 11.31% of the shares in GIL as at 8 March 2016. Furthermore, SICIM is a consultant to the Manager, and Mr Boon Swan Foo is the ultimate beneficial owner and Chairman and Chief Executive Officer of SICIM. STAM has delegated to SICIM 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. SICIM's fees are paid by STAM.

As such, a Lead Independent Director has been appointed to assist the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company. The Singapore Code further states that the Lead Independent Director should be a member of the NGC.

Mr Adrian Chan Pengee, who is the chairman of the NGC, was appointed as the Lead Independent Director of the Company on 25 February 2016.

The Lead Independent Director performs the following responsibilities and duties:

1. assisting the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company;
2. leading and conducting periodic meetings of the independent directors without the presence of the other directors and providing feedback to the Chairman after such meetings;
3. coordinating activities of the non-executive directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity; and
4. acting as the contact point for shareholders where they have concerns and for which contact through the Chairman or the manager of the Company or the staff or officers of the manager have failed to resolve, or is inappropriate.

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 Boon Swan Foo	29 April 2014	No	No	No	Yes	No
Mr Adrian Chan Pengee	30 April 2015	Yes	Yes	Yes	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

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.

Principle 3: Chairman and Chief Executive Officer

GIL has a non-executive, non-independent Chairman of the Board. However, three out of the five 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. The Manager Nominated Director would abstain from voting in respect of any transaction where an entity within the Temasek Group[1] 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 FY2015, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee Charter and concluded that the NGC had adequately fulfilled its duties.

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

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

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 FY2015, 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.

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 NGC may seek advice from external consultants. In FY2015, 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 sterling attendance of all directors for Board and Board committee meetings in FY2015, the NGC is satisfied that all directors have devoted sufficient time and attention to the matters under their remit for FY2015.

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

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).

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 FY2015, 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 FY2015.

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 (if applicable);

5. to recommend the incentive scheme framework and policies together with the amounts awarded (if applicable); 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 FY2015, 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 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.

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 FY2015:

			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.

For FY2015, Mr Jason See Yong Kiat, being the Manager Nominated Director 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 FY2015 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.

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

While GIL does not have a CEO/CFO, for FY2015, 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 member 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 2015; and
- reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2015.

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.

Independence of the External Auditors

For the purposes of the FY2015 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 FY2015, the fees paid to the external auditor for audit services and non-audit services were as follows:

	Fees (S$)
Audit Services	105,000
Total	**105,000**

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/Economic, Regulatory, Financial and Operational. Operational risks include possible lapses in internal controls and risks from external events such as legal risks as well as environmental risks. Investment/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 it 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.

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 risk 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.

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 Investors 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 FY2015, 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.

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.
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.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
REVENUE		
Dividend income	2,695	4,252
Interest income	13,838	15,131
Net gain on sale of investments	14,417	6,450
Net (loss)/gain on financial assets designated as fair value through profit or loss	(2,700)	156
Other income	-	4,866
Total revenue	**28,250**	**30,855**
EXPENSES		
Management fees	(1,948)	(1,816)
Incentive fees	(2,840)	(466)
Net foreign exchange losses (net of hedges)	(2,560)	(3,725)
Finance costs	(3)	(1)
Other operating expenses	(2,129)	(2,084)
Total expenses	**(9,480)**	**(8,092)**
(Net impairment expense)/Net reversal of impairment expense	(1,606)	2,148
Profit before tax	**17,164**	**24,911**
Income tax expense	**(263)**	**(594)**
Profit after tax	**16,901**	**24,317**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– Fair value (loss)/gain	(8,979)	4,083
– Reclassification to profit or loss	(2,159)	(9,006)
Currency translation differences arising from consolidation		
– Gains	7,726	4,557
Other comprehensive income for the year after tax	**(3,412)**	**(366)**
Total comprehensive income for the year attributable to shareholders	**13,489**	**23,951**
Basic earnings per share (cents per share)	**1.22**	**1.92**
Diluted earnings per share (cents per share)	**1.22**	**1.92**

REVENUE

Revenue for the current year was S$28.3 million, lower than last year by S$2.6 million despite the absence of S$4.9 million gain following the transfer of the investment in Ascendos from an associate to an AFS financial asset in 4Q 2014. Gain on sale of investment increased by 121.5% to S$14.4 million in 2015 as compared to S$6.5 million in the prior year. However, the increase was partially offset by the net unrealised loss on financial assets designated as fair value through profit or loss of S$2.7 million and lower dividend and interest income.

EXPENSES

Expenses for the year ended 31 December 2015 increased to S$9.5 million from S$8.1 million in the prior year. The increase was mainly due to the higher incentive fee of S$2.8 million charged during the current year. In the previous year, the corresponding figure was S$0.5 million.

NET IMPAIRMENT EXPENSE

For the year ended 31 December 2015, the Group recognised a net impairment expense of S$1.6 million arising from the impairment of AFS financial assets of S$11.7 million. This was partially offset by a reversal of impairment from the sale of Seiza Series 2006-1 Class G note of S$10.1 million.

OTHER COMPREHENSIVE INCOME/LOSS

Other comprehensive loss for the year ended 31 December 2015 amounted to S$3.4 million versus S$0.4 million in the prior year. The loss was due to a net fair value loss of S$9.0 million from AFS financial assets and S$2.2 million from the reclassification of fair value gain to profit and loss, following the sale of listed equities offset partially by the reclassification of fair value loss arising from AFS financial assets to impairment expense. The loss was offset partially by a translation gain of S$7.7 million. In the same period last year, other comprehensive loss of S$0.4 million was mainly due to the reclassification of fair value gain from the AFS financial asset revaluation reserve to profit and loss following the sale of listed equities offset by a translation gain and net fair value gain from AFS financial assets.

The Group recorded a total comprehensive income of S$13.5 million for the year ended 31 December 2015 compared to a total comprehensive income of S$24.0 million last year.

STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	121,631	-	110,100
Loans and receivables	57,727	-	69,584	-
Available-for-sale financial assets	96,425	74,355	35,692	15,117
Financial assets at fair value through profit or loss	53,946	53,946	49,635	49,635
	208,098	249,932	154,911	174,852
Current assets				
Cash and cash equivalents	29,110	13,228	31,252	25,809
Available-for-sale financial assets	52,083	46,674	98,503	84,253
Other assets	4,437	4,339	1,403	1,372
	85,630	64,241	131,158	111,434
Total Assets	**293,728**	**314,173**	**286,069**	**286,286**
LIABILITIES				
Intercompany payables	-	20,465	-	298
Other liabilities	1,514	1,494	1,347	1,266
Total Liabilities	**1,514**	**21,959**	**1,347**	**1,564**
Net assets attributable to shareholders	**292,214**	**292,214**	**284,722**	**284,722**
EQUITY				
Share capital	535,837	535,837	521,393	521,393
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	3,591	(2,948)	14,729	581
Translation reserve	14,026	-	6,300	-
Accumulated losses	(195,394)	(174,829)	(191,854)	(171,406)
Total Equity	**292,214**	**292,214**	**284,722**	**284,722**

LOANS AND RECEIVABLES

The loans and receivables as at 31 December 2015 was S$57.7 million, a decrease of S$11.9 million from S$69.6 million as at 31 December 2014. The decrease was mainly due to sale of a residential mortgage-backed security partially offset by net purchase of collateralised loan obligations during the year.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The available-for-sale financial assets of S$148.5 million as at 31 December 2015 comprised investments in listed equities, bonds, collateralised loan obligations and investment in Ascendos. The increase of S$14.3 million from S$134.2 million as at 31 December 2014 was mainly due to net purchase of bonds offset by net sale of listed equities and a general downward valuation of the financial assets during the year.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss was S$53.9 million as at 31 December 2015 compared to S$49.6 million as of 31 December 2014 which comprised investments in a portfolio of bonds. The increase was mainly due to the net purchase of bonds during the year.

CASH AND CASH EQUIVALENTS

The decline in cash equivalents from S$31.3 million as at 31 December 2014 to S$29.1 million as at 31 December 2015 was partially due to net cash outflow arising from cash dividend distributed.

NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 December 2015 was 20.2 Singapore cents after the payment of 2014 final dividend of 0.75 Singapore cents per share, 1H 2015 interim dividend of 0.75 Singapore cents per share and taking into account the new shares issued pursuant to the scrip dividend scheme. If the 2014 dividend was paid and the shares relating to the scrip dividend scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share. After adjusting for the 1H 2015 interim dividend and shares relating to the scrip dividend scheme, the net asset value per share as at 31 December 2015 would have been 21.2 Singapore cents and the increase in net asset value per share would be 4.4%.

RETURN ON EQUITY

The Group achieved a lower return on equity (computed based on net profit after tax over the average total equity) of 5.9% in 2015 as compared to 8.8% in 2014.

GLOBAL INVESTMENTS LIMITED AND ITS SUBSIDIARIES
2015 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 98 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 2015 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2015; 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 Board of Directors:

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

15 March 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Investments Limited

We have audited the accompanying financial statements of Global Investments Limited (the "Company") and its subsidiaries (the "Group") set out on pages 49 to 98, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the 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 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 financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of Global Investments Limited for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 18 March 2015.

Ernst & Young LLP

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Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore

15 March 2016

STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
ASSETS					
Non-current assets					
Investments in subsidiaries	12	–	121,631	–	110,100
Loans and receivables	13	57,727	–	69,584	–
Available-for-sale financial assets	14	96,425	74,355	35,692	15,117
Financial assets at fair value through profit or loss	15	53,946	53,946	49,635	49,635
		208,098	249,932	154,911	174,852
Current assets					
Cash and cash equivalents	16	29,110	13,228	31,252	25,809
Available-for-sale financial assets	14	52,083	46,674	98,503	84,253
Other assets	18	4,437	4,339	1,403	1,372
		85,630	64,241	131,158	111,434
Total Assets		**293,728**	**314,173**	**286,069**	**286,286**
LIABILITIES					
Intercompany payables		–	20,465	–	298
Other liabilities	19	1,514	1,494	1,347	1,266
Total Liabilities		**1,514**	**21,959**	**1,347**	**1,564**
Net assets attributable to shareholders		**292,214**	**292,214**	**284,722**	**284,722**
EQUITY					
Share capital	20	535,837	535,837	521,393	521,393
Capital reserve	21	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	22	3,591	(2,948)	14,729	581
Translation reserve	23	14,026	–	6,300	–
Accumulated losses	24	(195,394)	(174,829)	(191,854)	(171,406)
Total Equity		**292,214**	**292,214**	**284,722**	**284,722**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31 December 2015 S$'000	For the year ended 31 December 2014 S$'000
REVENUE			
Dividend income		2,695	4,252
Interest income		13,838	15,131
Net gain on sale of investments	5	14,417	6,450
Net (loss)/gain on financial assets designated as fair value through profit or loss	15	(2,700)	156
Other income	6	-	4,866
Total revenue		**28,250**	**30,855**
EXPENSES			
Management fees	26	(1,948)	(1,816)
Incentive fees	26	(2,840)	(466)
Net foreign exchange losses (net of hedges)	17	(2,560)	(3,725)
Finance costs		(3)	(1)
Other operating expenses	8	(2,129)	(2,084)
Total expenses		**(9,480)**	**(8,092)**
(Net impairment expense)/Net reversal of impairment expense	7	(1,606)	2,148
Profit before tax		**17,164**	**24,911**
Income tax expense	**9**	**(263)**	**(594)**
Profit after tax		**16,901**	**24,317**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value (loss)/gain	22	(8,979)	4,083
– Reclassification to profit or loss	22	(2,159)	(9,006)
Currency translation differences arising from consolidation			
– Gains	23	7,726	4,557
Other comprehensive income for the year after tax		**(3,412)**	**(366)**
Total comprehensive income for the year attributable to shareholders		**13,489**	**23,951**
Basic earnings per share (cents per share)	**30**	**1.22**	**1.92**
Diluted earnings per share (cents per share)	**30**	**1.22**	**1.92**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in Equity for the year ended 31 December 2015	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 2015		521,393	(65,846)	14,729	6,300	(191,854)	284,722
Total comprehensive income for the year							
Profit for the year		–	–	–	–	16,901	16,901
Other comprehensive (loss)/income		–	–	(11,138)	7,726	–	(3,412)
		–	–	(11,138)	7,726	16,901	13,489
Transactions with equity holders in their capacity as equity holders:							
Issuance of new shares pursuant to scrip dividend scheme		14,444	–	–	–	–	14,444
Dividends	10	–	–	–	–	(20,441)	(20,441)
Total transactions with equity holders		14,444	–	–	–	(20,441)	(5,997)
As at 31 December 2015		535,837	(65,846)	3,591	14,026	(195,394)	292,214

Changes in Equity 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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2015 S$'000	For the year ended 31 December 2014 S$'000
CASH FLOWS USED IN/ FROM OPERATING ACTIVITIES			
Operating costs paid		(7,913)	(7,003)
Interest income received		12,939	15,102
Dividend income received		2,646	4,053
Settlement of forward contracts		(2,660)	-
Income tax paid		(263)	(594)
Net cash flows from operating activities		**4,749**	**11,558**
CASH FLOWS USED IN/FROM INVESTING ACTIVITIES			
Purchase of financial assets		(158,952)	(117,357)
Loan repayments received		6,439	2,170
Net proceeds from disposal of financial assets		150,887	123,343
Net cash flows (used in)/generated from investing activities		**(1,626)**	**8,156**
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(5,997)	(8,973)
Net cash flows used in financing activities		**(5,997)**	**(8,973)**
Net (decrease)/increase in cash and cash equivalents		**(2,874)**	**10,741**
Cash and cash equivalents at beginning of year		31,252	20,346
Effects of exchange rate changes on cash and cash equivalents		732	165
Cash and cash equivalents at end of year	16	**29,110**	**31,252**

The accompanying accounting policies and explanatory notes form an integral part of 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") during the financial year ended 31 December 2015.

These financial statements were authorised for issue in accordance with a Directors' resolution dated 15 March 2016.

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 consolidated 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 consolidated 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 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) CONSOLIDATION

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) CONSOLIDATION (CONTINUED)

(ii) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(iii) Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate was accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) CONSOLIDATION (CONTINUED)

(iii) Associate (continued)

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

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 statements or unaudited interim financial statements, all within three months of the year-end of the Group. Adjustments are made to the associate's financial results for material transactions and events in the intervening period.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of associates and joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iv) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) 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. The gain or loss arising on translation of such items is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(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 exchange 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 rates 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.

(D) INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the differences 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) 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.

(F) 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 proceeds 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) FINANCIAL ASSETS (CONTINUED)

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

This category has two sub-categories: financial assets held for trading, and those designated at 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 at 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 effective hedging instruments as defined by IAS 39. 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 (loss)/gain on financial assets designated at 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.

(G) FINANCIAL LIABILITIES

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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 the 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 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 the 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

Investments in subsidiaries 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 or group of 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) 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)

(L) 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.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(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.

(M) 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) Dividend income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) 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.

(O) 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.

(P) LEASES

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.

(Q) 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.

(R) DIVIDEND PAYMENTS

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

(S) 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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The Group makes judgements estimates and assumptions that affect the reported amounts of revenues, expenses, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amout of assets or liabilities affected in future period.

(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.

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

The fair value of securities not quoted in an active market is usually 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(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 by 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.

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.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 and variable rate bond 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 table below sets out the Group and the Company's exposure to interest rate risks as at 31 December 2015 and 31 December 2014. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
ASSETS				
Financial assets at fair value through profit or loss				
- Fixed rate instruments[1]	51,946	47,626	51,946	47,626
Available-for-sale financial assets				
- Fixed rate instruments[1]	68,302	15,117	68,302	15,117
- Variable rate instruments[2]	7,533	6,072	6,053	–
Loans and receivables				
- Fixed rate instruments[1]	5,465	5,112	–	–
- Variable rate instruments[2]	52,262	64,472	–	–
	185,508	**138,399**	**126,301**	**62,743**

[1] Fixed rate instruments include S$53.81 million (2014: S$32.12 million) of bonds with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 1 to 9 years (2014: 2 to 10 years). Interest on fixed rate financial instruments is fixed until the maturity of the instrument.

[2] Interest on variable rate financial instruments is re-priced at intervals of less than or equal to six months. 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.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) INTEREST RATE RISK (CONTINUED)

Interest rate 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	
	Other comprehensive income S$'000	Profit before tax S$'000	Other comprehensive income S$'000	Profit before tax S$'000
ASSETS				
31 December 2015				
Financial assets at fair value through profit or loss	–	(1,782)	–	(1,782)
Available-for-sale financial assets	(2,268)	61	(2,343)	61
Loans and receivables	–	523	–	–
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	–	–

(B) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates.

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 as at 31 December 2015 and 31 December 2014.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FOREIGN CURRENCY RISK (CONTINUED)

GROUP

31 December 2015	Euro S$'000	United States Dollar S$'000	Australian Dollar S$'000	Hong Kong Dollar S$'000	Chinese Renminbi S$'000	Total S$'000
ASSETS						
Cash and cash equivalents	1,211	1,524	14,500	2,407	–	19,642
Financial assets at fair value through profit or loss	10,013	23,001	–	–	–	33,014
Available-for-sale financial assets	23,550	58,546	6,053	23,491	7,155	118,795
Loans and receivables	15,236	–	5,496	–	–	20,732
Other assets	33	1,771	56	993	85	2,938
Total Assets	**50,043**	**84,842**	**26,105**	**26,891**	**7,240**	**195,121**
LIABILITIES						
Other liabilities	–	(104)	–	–	–	(104)
Total Liabilities	**–**	**(104)**	**–**	**–**	**–**	**(104)**
Less: Currency forwards	(1,914)	(42,165)	–	(12,000)	–	(56,079)
Net Exposure	**48,129**	**42,573**	**26,105**	**14,891**	**7,240**	**138,938**

COMPANY

31 December 2015	Euro S$'000	United States Dollar S$'000	Australian Dollar S$'000	Hong Kong Dollar S$'000	Chinese Renminbi S$'000	Total S$'000
ASSETS						
Cash and cash equivalents	316	1,524	2	2,407	–	4,249
Financial assets at fair value through profit or loss	10,013	23,001	–	–	–	33,014
Available-for-sale financial assets	–	58,546	6,053	23,491	7,155	95,245
Loans and receivables	–	–	–	–	–	–
Other assets	33	1,771	49	993	85	2,931
Total Assets	**10,362**	**84,842**	**6,104**	**26,891**	**7,240**	**135,439**
LIABILITIES						
Other liabilities	–	(104)	–	–	–	(104)
Total Liabilities	**–**	**(104)**	**–**	**–**	**–**	**(104)**
Less: Currency forwards	–	(42,165)	–	(12,000)	–	(54,165)
Net Exposure	**10,362**	**42,573**	**6,104**	**14,891**	**7,240**	**81,170**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FOREIGN CURRENCY RISK (CONTINUED)

GROUP

31 December 2014	Euro S$'000	United States Dollar S$'000	Australian Dollar S$'000	Hong Kong Dollar S$'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	28,643	12,232	–	44,803	12,600	98,278
Loans and receivables	28,476	–	20,764	–	–	49,240
Other assets	34	780	–	–	42	856
Total Assets	**67,125**	**40,111**	**20,780**	**52,915**	**12,642**	**193,573**
LIABILITIES						
Other liabilities	–	(89)	–	–	–	(89)
Total Liabilities	**–**	**(89)**	**–**	**–**	**–**	**(89)**
Net Exposure	**67,125**	**40,022**	**20,780**	**52,915**	**12,642**	**193,484**

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	1,996	12,232	44,803	12,600	71,631
Other assets	34	780	–	42	856
Total Assets	**11,998**	**40,111**	**52,915**	**12,642**	**117,666**
LIABILITIES					
Other liabilities	–	(89)	–	–	(89)
Total Liabilities	**–**	**(89)**	**–**	**–**	**(89)**
Net Exposure	**11,998**	**40,022**	**52,915**	**12,642**	**117,577**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FOREIGN CURRENCY RISK (CONTINUED)

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 2015				
Euro	(196)	(2,210)	–	(518)
United States Dollar	86	(2,215)	86	(2,215)
Australian Dollar	1	(1,306)	1	(1,306)
Hong Kong Dollar	7	(752)	7	(752)
Chinese Renminbi	(11)	(351)	(11)	(351)
31 December 2014				
Euro	(417)	(1,584)	8	(608)
United States Dollar	45	(2,046)	45	(2,046)
Australian Dollar	–	(1,039)	–	–
Hong Kong Dollar	(207)	(2,439)	(207)	(2,439)
Chinese Renminbi	8	(624)	(8)	(624)

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

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Cash and cash equivalents	29,110	13,228	31,252	25,809
Loans and receivables	57,727	–	69,584	–
Financial assets at fair value through profit or loss	51,946	51,946	47,626	47,626
Available-for-sale financial assets[1]	75,835	74,355	21,189	15,117
Other assets	4,360	4,265	1,357	1,326
Total	**218,978**	**143,794**	**171,008**	**89,878**

[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 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Europe	79,433	62,658	65,522	30,974
Australia	11,605	6,102	20,764	–
North America	49,581	12,558	23,182	7,919
Asia	67,544	51,661	54,891	44,336
Others	10,815	10,815	6,649	6,649
Total	**218,978**	**143,794**	**171,008**	**89,878**

Impairment of financial assets as at 31 December 2015 include certain of the Group's investment in Euro denominated CLO notes, listed equities and bonds with a carrying value of S$38.91 million (2014: S$16.19 million). The impairment expense from listed equities and bonds of S$11.73 million was offset by a reversal of impairment expense of $10.12 million due to the sale of Seiza Series 2006-1 Trust, resulting in a net impairment expense of S$1.61 million for the current year. In 2014, a net reversal of impairment expense of S$2.15 million was recorded.

At 31 December 2015 and 31 December 2014, substantially all cash and cash equivalents and investments were 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.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2015 and 31 December 2014. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group 2015 S$'000	Group 2014 S$'000	Company 2015 S$'000	Company 2014 S$'000
Available-for-sale financial assets				
- Listed equities	50,603	92,431	46,674	84,253
- Ascendos	22,070	20,575	–	–
Financial assets at fair value through profit or loss				
- Preference shares (Quoted)	2,000	2,009	2,000	2,009
	74,673	115,015	48,674	86,262

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	
	Other comprehensive income S$'000	Profit before tax S$'000	Other comprehensive income S$'000	Profit before tax S$'000
31 December 2015				
Available-for-sale financial assets				
- Listed equities	5,060	–	4,667	–
- Ascendos	2,207	–	–	–
Financial assets at fair value through profit or loss				
- Preference shares (Quoted)	–	200	–	200
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

(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 2015 and 31 December 2014 into relevant maturity groupings based on the contractual non-discounted cash flows.

2015 Group	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	1,514	–	1,514
Total Liabilities	**1,514**	–	**1,514**

2015 Company	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	1,494	–	1,494
Intercompany payables	20,465	–	20,465
Total Liabilities	**21,959**	–	**21,959**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(E) LIQUIDITY RISK (CONTINUED)

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**

2014 Company	Within 1 month S$'000	Within 2 to 12 months S$'000	Total S$'000
LIABILITIES			
Other liabilities	1,266	–	1,266
Intercompany payables	298	–	298
Total Liabilities	**1,564**	**–**	**1,564**

(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 is required 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.

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 2015**	**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	53,946	–	–	53,946
Available-for-sale financial assets	123,862	315	24,331	148,508

Company **As at 31 December 2015**	**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	53,946	–	–	53,946
Available-for-sale financial assets	119,933	315	781	121,029

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

There has been no transfer between the levels for the Group and Company during 2015 and 2014.

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.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value the financial assets are observable, the financial assets are included in Level 2. Level 2 includes an investment in a listed equity that was suspended from trading as at 31 December 2015 but subsequently resumed trading.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include two CLO investments, the investment in Ascendos and an investment in a listed equity security which has been suspended for a significant time period.

(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$1.11 million and S$0.37 million, respectively.

Assuming a 10% increase (decrease) in broker quotes for Avoca CLO PLC VI Class M and Avoca CLO PLC VII Class G, the fair value will increase (decrease) by S$0.11 million and S$0.04 million respectively.

(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 11). 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 whether 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.

As a result of the assessment above, Ascendos was valued at S$22.07 million. This was determined based on the fair value of the underlying assets and liabilities of Ascendos.

Assuming a 5% increase (decrease) in third party inputs on the valuation of its portfolio of rail equipment, the fair value will increase (decrease) by S$8.18 million.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

(iii) Listed Equity

As an observable price is not available for a listed equity that was suspended as at 31 December 2015, the Group has estimated its fair value by adjusting the last traded price by the relative movement of a relevant stock index.

Assuming a 10% increase (decrease) in the movement of the relevant stock index, the fair value of the listed equity will increase (decrease) by S$0.08 million.

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2015 and 31 December 2014.

Group **Available-for-sale financial assets**	**Level 3** **S$'000**
At 1 January 2015	26,647
Total gains or losses	
- Additions	1,076
- Other comprehensive income	(3,097)
- Impairment	(295)
At 31 December 2015	24,331
Total loss for the year included in profit or loss for assets held at the end of the year	(295)

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	–

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2015 and 31 December 2014 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.

Group as at 31 December 2015

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$'000)	Carrying Amount as at 31 December 2015 (S$'000)
Australian RMBS	5	518,161	5,496	-	5,496
USD-denominated CLO notes	6	4,736,138	31,530	-	31,530
Euro-denominated CLO notes	4	1,663,368	7,538	9,178	16,716

[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 2015.

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

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.

Except for two of the investments with carrying values of S$1.48 million (2014: S$6.07 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.

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 2015 was S$20.59 million (2014: S$6.57 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

5. NET GAIN ON SALE OF INVESTMENTS

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
LOANS AND RECEIVABLES		
Net (loss)/gain on sale of CLO notes	(2,216)	673
AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Net gain on sale of listed equities	16,158	6,020
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net gain/(loss) on sale of bonds	475	(243)
Total Net Gain on Sale of Investments	**14,417**	**6,450**

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.

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

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
IMPAIRMENT EXPENSE		
Seiza Series 2006-1 Trust Class G	-	(2,753)
Bonds	(4,248)	-
Listed equities	(7,479)	-
	(11,727)	(2,753)
REVERSAL OF IMPAIRMENT EXPENSE		
Avoca CLO PLC VI Class M	-	1,095
Avoca CLO PLC VII Class F	-	1,039
Avoca CLO PLC VII Class G	-	2,767
Seiza Series 2006-1 Trust Class G	10,121	-
(Net Impairment Expense)/Net Reversal of Impairment Expense	**(1,606)**	**2,148**

An impairment of S$11.73 million has been made for listed equities and bonds. The impairment was partially offset by a reversal of impairment of S$10.12 million for Seiza Series 2006-1 Trust Class G note at the time the sale was agreed. In 2014, a net reversal of impairment expense of S$2.15 million was recorded. Total interest income recorded from the above impaired financial assets amounted to S$3.98 million (2014: S$6.07 million).

8. OTHER OPERATING EXPENSES

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
OPERATING EXPENSES		
Professional fees	1,238	1,238
Investor relations expenses	306	295
Directors' fees	368	339
Other expenses	217	212
Total Other Operating Expenses	**2,129**	**2,084**

9. INCOME TAX EXPENSE

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
INCOME TAX EXPENSE		
Current tax	263	594
Total Income Tax Expense	**263**	**594**
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	17,164	24,911
Tax at the Bermuda tax rate of 0%	–	–
Withholding tax	263	594
Income Tax Expense	**263**	**594**

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. The Company has been approved by the Monetary Authority of Singapore for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Singapore Income Tax Act. The tax exemption status will allow the Company to enjoy tax exemption on specified income in respect of any designated investment.

10. DIVIDENDS PAID AND DECLARED

On 25 February 2016, the Company declared a 2015 final dividend of 0.75 Singapore cents per share amounting to S$10.85 million. This dividend will be paid on or about 27 April 2016.

The Company paid a 2015 interim dividend of 0.75 Singapore cents per share amounting to S$10.43 million on 12 October 2015.

The 2014 final dividend of 0.75 Singapore cents per share amounting to S$10.01 million was paid on 21 April 2015.

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

10. DIVIDENDS PAID AND DECLARED (CONTINUED)

For the financial year ended 31 December 2015, 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 the Inland Revenue Authority of Singapore that it is a tax resident of Singapore for financial year 2016.

Dividends paid in 2015 and 2016 are exempt from tax (one-tier) when received in the hands of Shareholders.

11. INVESTMENT IN ASSOCIATE

	Group As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000
Beginning of financial year	–	9,393
Reclassification	–	(9,393)
Closing Balance	**–**	**–**

The Group has a 40.56% equity interest (2014: 40.56%) at a cost of €5.81 million (2014: €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.

The investment in Ascendos was reclassified to an investment in available-for-sale financial asset, with effect from 1 January 2014.

12. INVESTMENTS IN SUBSIDIARIES

	Company As at 31 December 2015 S$'000	Company As at 31 December 2014 S$'000
EQUITY INVESTMENTS AT COST		
Beginning of financial year	110,100	104,989
Reversal of impairment	11,531	5,111
Closing Balance	**121,631**	**110,100**

Further details of the subsidiaries are included in Note 27.

The reversal of impairment of investments in subsidiaries were determined following reviews of the estimates of recoverable amount.

13. LOANS AND RECEIVABLES

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Australian RMBS	5,496	–	20,764	–
Corporate Bonds	5,465	–	5,112	–
Euro-denominated CLO notes	15,236	–	28,476	–
USD-denominated CLO notes	31,530	–	15,232	–
Total Loans and Receivables	**57,727**	**–**	**69,584**	**–**

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.

For the year ended 31 December 2015, interest income of S$4.38 million (2014: S$6.08 million) in relation to the loans and receivables was recognised in profit or loss.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Beginning of financial year	134,195	99,370	102,983	85,310
Exchange differences	4,480	2,872	1,761	724
Reclassification	–	–	14,236	–
Additions	129,387	129,387	102,564	102,564
Disposals	(110,575)	(105,935)	(91,432)	(90,544)
Fair value (loss)/gain (Note 22)	(8,979)	(4,665)	4,083	1,316
Closing Balance	**148,508**	**121,029**	**134,195**	**99,370**

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

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Euro-denominated CLO notes	1,480	–	6,072	–
Listed equities	50,603	46,674	92,431	84,253
Corporate bonds	74,355	74,355	15,117	15,117
Ascendos	22,070	–	20,575	–
Total Available-for-Sale Financial Assets	**148,508**	**121,029**	**134,195**	**99,370**

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
DESIGNATED AT FAIR VALUE ON INITIAL RECOGNITION				
Bonds (Quoted)	51,946	51,946	47,626	47,626
Preference shares (Quoted)	2,000	2,000	2,009	2,009
Total Financial Assets at Fair Value through Profit or Loss	**53,946**	**53,946**	**49,635**	**49,635**

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Net (loss)/gain on financial assets designated at fair value through profit or loss				
- Unrealised	(2,700)	(2,700)	156	156
Total (Loss)/Gain	**(2,700)**	**(2,700)**	**156**	**156**

16. CASH AND CASH EQUIVALENTS

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Cash at bank	10,308	6,725	4,625	4,072
Short-term deposits	18,802	6,503	26,627	21,737
Total Cash and Cash Equivalents	**29,110**	**13,228**	**31,252**	**25,809**

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are placed for varying period of between two days and three months (2014: two days and three months) and earn interest on short-term deposit rates varying 0.04% to 2.2% (2014: 0.02% to 0.46%).

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contract notional amount	Fair Value		Contract notional amount	Fair Value	
		Asset	Liability		Asset	Liability
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Currency Forwards	56,079	109	(432)	54,165	50	(432)

During the year ended 31 December 2015, the Group entered into forward contracts to manage its exposure to movements in exchange rates on firm commitments and specific transactions. As at 31 December 2015, the fair value mark to market asset and liability position have been recorded in "Other Assets" (Note 18) and "Other Liabilities" (Note 19).

During the year, the Group recognised a net loss of S$2.99 million from its forward contracts. This net loss is included within net foreign exchange difference (net of hedges) in profit or loss.

18. OTHER ASSETS

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Interest Receivables	2,295	2,288	1,120	1,120
Prepayment	51	48	22	22
Deposit	26	26	24	24
Other receivables	2,065	1,977	237	206
Total Other Assets	**4,437**	**4,339**	**1,403**	**1,372**

19. OTHER LIABILITIES

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Base management fees payable to STAM	664	664	479	479
Other payables	850	830	868	787
Total Other Liabilities	**1,514**	**1,494**	**1,347**	**1,266**

The carrying values of other liabilities as at 31 December 2015 and 31 December 2014 approximate their fair value due to the short term nature.

20. SHARE CAPITAL

Company	Number of Shares '000	Par Value S$'000	Share Capital S$'000
AUTHORISED SHARE CAPITAL			
Total available authorised share capital for issue as at 1 January 2014	68,808,017	0.01	688,080
Movements during the year	(142,490)	0.01	(1,425)
Total Available Authorised Share Capital for Issue as at 31 December 2014	**68,665,527**		**686,655**
Movements during the year	(111,961)	0.01	(1,120)
Total Available Authorised Share Capital for Issue as at 31 December 2015	**68,553,566**		**685,535**

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 2014	1,191,983	11,920	490,950	502,870
Movements during the year	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**
Movements during the year	111,961	1,119	13,325	14,444
Total Share Capital as at 31 December 2015	**1,446,434**	**14,464**	**521,373**	**535,837**

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 22 April 2015, the Company issued and allotted 56,382,672 new ordinary shares at an issue price of S$0.130 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 13 October 2015, the Company issued and allotted 55,578,558 new ordinary shares at an issue price of S$0.128 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

20. SHARE CAPITAL (CONTINUED)

On 15 April 2014, the Company issued and allotted 90,304,464 new ordinary shares at an issue price of S$0.130 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$0.130 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

21. CAPITAL RESERVE

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'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 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Beginning of financial year	14,729	581	19,652	3,392
Transfer to profit or loss for assets disposed	(13,886)	(10,591)	(9,006)	(4,127)
Impairment (Note 7)	11,727	11,727	-	-
Reclassification to profit or loss	(2,159)	1,136	(9,006)	(4,127)
Fair value (loss)/gain (Note 14)	(8,979)	(4,665)	4,083	1,316
Closing balance	**3,591**	**(2,948)**	**14,729**	**581**

23. TRANSLATION RESERVE

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Beginning of financial year	6,300	–	1,743	–
Translation gains	7,726	–	4,557	–
Closing Balance	**14,026**	**–**	**6,300**	**–**

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 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Beginning of financial year	(191,854)	(171,406)	(188,674)	(170,671)
Net profit for the year	16,901	17,018	24,317	26,762
Dividends paid	(20,441)	(20,441)	(27,497)	(27,497)
Closing Balance	**(195,394)**	**(174,829)[1]**	**(191,854)**	**(171,406)[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 2015	Company As at 31 December 2015	Group As at 31 December 2014	Company As at 31 December 2014
NET ASSET VALUE				
Total net asset value (S$'000)	292,214	292,214	284,722	284,722
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,446,434	1,446,434	1,334,473	1,334,473
Net Asset Value per Ordinary Share (S$ per Share)	**0.202**	**0.202**	**0.213**	**0.213**

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.

The total directors' fee for year ended 31 December 2015 amounted to S$0.37 million (US$0.27 million) (2014: S$0.34 million (US$0.27 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.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

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 2015 S$'000	Group 2014 S$'000
Transactions with STAM		
Base management fees	1,948	1,816
Incentive fees	2,840	466
Fixed management fees	650	650
Other fees and reimbursement of expenses	298	289
Divestment fees	861	1,058
Acquisition fees	-	65
Reimbursement of expenses from STAM	36	36

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Balances with STAM:				
Accrued base management fees	500	500	479	479
Accrued fixed management fees	164	164	164	164
Accrual of other fees and reimbursement of expenses	53	53	49	49
Accrual of divestment fees	32	32	193	193
Accrual of acquisition fees	-	-	59	59
Total Payable to the Manager	**749**	**749**	**944**	**944**

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 and change of auditors.

	Group As at 31 December 2015 S$'000	Company As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000	Company As at 31 December 2014 S$'000
Legal and Professional fees	15	15	8	8

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 2015.

Allgrace Investment Management Private Limited ("AIM")

STAM has delegated to AIM, 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. Following the acquisition of Singapore Consortium Investment Management Limited ("SICIM") by AIM on 29 December 2015, the agreements in relation to the Delegated Services were novated to SICIM, and the Delegated Services have since been performed by SICIM.

During the year, there was a reimbursement of expenses from the Group to AIM which amounted to S$16,000.

27. CONTROLLED ENTITIES

The following table sets out the entities that were controlled by the Group as at 31 December 2015.

Name of Entity	Principal Activities	Country of Incorporation	% of equity held by the Group 2015	% of equity held by the Group 2014	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	NIL[2]	100%	31 December
GIL Aircraft Lessor No. 2 FCB Limited[1]	Investments in operating lease assets	Cayman Islands	NIL[2]	100%	31 December
BBSFF Securitisation Limited[1]	Investments in loan portfolio and securitisation assets	Cayman Islands	100%	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 2015.

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 2015.

	Operating Lease Assets	Loan Portfolio and Securitisation Assets			Listed Equities			Bonds				Others[1]	Total
Group	Europe S$'000	Europe S$'000	North America S$'000	Australia S$'000	Europe S$'000	Asia S$'000	North America S$'000	Europe S$'000	Asia S$'000	North America S$'000	Others S$'000	Mainly Singapore S$'000	S$'000
For the year ended 31 December 2015													
Total segment revenue/(loss)	500	623	1,744	1,519	(935)	14,922	4,286	3,727	1,036	(326)	1,014	140	28,250
Segment profit/(loss) before tax	500	(227)	1,741	9,279	(1,216)	8,123	2,858	4,633	1,483	(1,956)	(1,136)	(6,918)	17,164
Included segment items													
Dividend income	500	-	-	-	74	1,574	467	-	80	-	-	-	2,695
Interest income	-	3,061	1,522	1,519	-	-	-	3,183	2,014	1,385	1,014	140	13,838
Net gain/(loss) on sale of investments	-	(2,437)	221	-	(1,009)	13,348	3,819	-	202	273	-	-	14,417
Net gain/(loss) on financial assets designated as fair value through profit or loss	-	-	-	-	-	-	-	544	(1,259)	(1,985)	-	-	(2,700)
Net reversal of impairment expense/(Net impairment expense)	-	-	-	10,121	(221)	(5,849)	(1,409)	-	(840)	(531)	(2,877)	-	(1,606)
Other non-cash revenue/(expenses)	-	(851)	(2)	(2,361)	(60)	(947)	(19)	906	1,287	(1,098)	727	(142)	(2,560)
As at 31 December 2015													
Total segment assets	22,070	16,775	31,530	5,496	1,981	45,297	5,244	62,683	38,482	17,996	16,918	29,256	293,728
Total segment liabilities	-	-	-	-	-	-	-	-	-	(432)	-	(1,082)	(1,514)

[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	North America S$'000	Australia S$'000	Others S$'000	Europe S$'000	Asia S$'000	North America S$'000	Europe S$'000	Asia S$'000	North America 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	1,398	782	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	1,919	1,060	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	770	862	556	74	15,131
Net gain/(loss) on sale of investments	-	(59)	127	-	605	792	4,617	611	-	-	-	(243)	-	6,450
Net gain/(loss) on financial assets designated as fair value through profit or loss	-	-	-	-	-	-	-	-	(275)	551	(81)	(39)	-	156
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	20,414	13,031	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.

29. COMMITMENTS

(a) Operating lease commitments – Company as a lessee

The Company entered into a non-cancellable operating lease agreement with a lease term of three years. The future aggregate minimum lease payments under non-cancellable operating lease is as follows:

	Group As at 31 December 2015 S$'000	Group As at 31 December 2014 S$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	101	97
Later than one year but not later than five years	216	12
Total	**317**	**109**

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.

	2015	2014
Earnings used in calculation of basic earnings per share (S$'000)	16,901	24,317
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,385,890	1,267,747
Basic earnings per share (cents per share)	**1.22**	**1.92**

(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.

	2015	2014
Earnings used in calculation of diluted earnings per share (S$'000)	16,901	24,317
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,385,890	1,267,747
Diluted earnings per share (cents per share)	**1.22**	**1.92**

31. REMUNERATION OF AUDITORS

	Group For the year ended 31 December 2015 S$'000	Group For the year ended 31 December 2014 S$'000
Amounts payable/paid to auditors for:		
Audit services	105	150

Fee payable to the auditors for non-audit services in 2015 is Nil (2014: S$8,000).

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 2016 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. 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 at 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

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, consolidated statement of changes in shareholders' equity and consolidated 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:

		Date of Appointment	Date of last re-election
Mr Boon Swan Foo	Chairman	20 December 2011[1]	29 April 2014
Mr Adrian Chan Pengee[2]	Director	5 May 2009	30 April 2015
Mr Ronald Seah Lim Siang[2]	Director	30 April 2010	29 April 2013
Mr Tan Kok Wee[2]	Director	30 April 2010	29 April 2014
Mr Jason See Yong Kiat	Manager Nominated Director	5 November 2013	N/A[3]

[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 resigned as Manager Nominated Director and was re-appointed as a non-executive Director and Chairman of the Board.
[2] The Directors are regarded as independent in accordance with the Singapore Code.
[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.

(B) DIRECTORS' REMUNERATION[1]

Remuneration bands	Number of Directors for the year ended 31 December 2015[2]	Number of Directors for the year ended 31 December 2014[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 35.
[2] Mr Jason See Yong Kiat, who was appointed as Manager Nominated Director on 5 November 2013, was not entitled to any directors' fee.
[3] 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).

(C) DIRECTORS' INTERESTS IN SHARES OF GIL AS AT 21 JANUARY 2016

Director	Direct Interests Number of Shares held	Deemed Interests Number of Shares held	Total
Mr Boon Swan Foo	163,638,946	-	163,638,946
Mr Adrian Chan Pengee	-	30,383[1]	30,383
Total	**163,638,946**	**30,383**	**163,669,329**

[1] Mr Adrian Chan Pengee is deemed to be interested in the 30,383 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	1,948
Incentive fees	2,840
Fixed management fees	650
Other fees and reimbursement of expenses	298
Divestment fees	861
Reimbursement of expenses from STAM	36

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

4. INVESTMENTS

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

31 December 2015

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	22.1	0.5[2]	6.2
Unicredit SPA	Corporate bond	Nil	S$14.2	–	S$14.2	13.8	0.7	(0.4)
Barclays PLC	Corporate bond	Nil	€6.0	–	€6.0	10.0	0.7	0.8
Societe Generale 8.250%	Corporate bond	Nil	US$6.0	–	US$6.0	9.0	0.7	0.5
Avoca CLO PLC VII Class F	CLO	Nil	€5.8	€0.8	€5.0	7.7	0.4	–
Richmond Park CLO 1X Class D	CLO	Nil	€4.8	–	€4.8	7.5	0.4	–
UBS Group 6.875%	Corporate bond	Nil	US$6.0	–	US$6.0	7.5	0.2	(1.0)
Symphony 2014-15A Class E	CLO	Nil	US$4.6	–	US$4.6	6.5	0.4	–
Cheung Kong Bond Securities (03) Limited	Corporate bond	Nil	US$4.3	–	US$4.3	6.0	0.4	(0.1)
Societe Generale 8.000%	Corporate bond	Nil	US$4.0	–	US$4.0	5.7	0.1	0.1

[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.

4. INVESTMENTS (CONTINUED)

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.

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.

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 directorships / chairmanships other than those held in the Company, the past directorships / chairmanships over a period of approximately the last three years and the principal commitments as at 10 March 2016 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	
Singapore Consortium Investment Management Limited - Chairman, Executive director	Singbridge Holdings Pte Ltd - Non-executive director
Allgrace Investment Management Private Limited - Chairman	Singbridge International Singapore Pte Ltd - Non-executive director
China National Offshore Oil Corporation (China) - Non-executive director	Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd - Non-executive director
Dongfeng Motor Corporation (China) - Non-executive director	Jilin Food Zone Private Limited (China) - Non-executive director
China Huadian Corporation (China) - Non-executive director	Ascendos Investments Limited (Guernsey) - Non-executive director

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Boon Swan Foo (CONTINUED)

Principal Commitments	
Singapore Consortium Investment Management Limited	Chairman, Executive director

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	AEM Holdings Ltd - Non-executive director
Hong Fok Corporation Limited - Non-executive director	Isetan (Singapore) Limited - Non-executive director
Nobel Design Holdings Ltd - Chairman, non-executive director	
Yoma Strategic Holdings Ltd - Non-executive director	
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
	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
	Singapore Institute of Directors - Vice chairman, non-executive director

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 Audit 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	
PGG Wrightson Limited - Non-executive director	
Telechoice International Limited - Non-executive director	
Yanlord Land Group - Non-executive director	
Unlisted	
Nucleus Connect Pte. Ltd. - Chairman	Invenio Holdings Pte. Ltd. - Non-executive director

Principal Commitments	
Soft Capital SG	Sole proprietorship – Business Consultancy Services
Nucleus Connect Pte. Ltd.	Chairman

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Tan Kok Wee

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

Principal Commitments
NIL

Jason See Yong Kiat

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
NIL	NIL
Unlisted	
AF Trustees Ltd *(formerly known as AF 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)	GIL Aircraft Lessor No. 2 FCA Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Loan Portfolio & Securitisation 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)
BBSFF Operating Lease Limited - Alternate director to Tan Mui Hong (Non-executive director)	M&B Footwears Private Limited - Non-executive director
BBSFF Rail Fund No.1 Limited - Non-executive director	Corridor II Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Securitisation Limited - Alternate director to Tan Mui Hong (Non-executive director)	

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Jason See Yong Kiat (CONTINUED)

Unlisted
GIL Aircraft Lessor No. 1 Limited - 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 (Labuan) Company Limited - Non-executive director
Industrial & Economic Advisory Pte Ltd *(In Members' Voluntary Liquidation)* - Non-executive director
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
Singapore Consortium Investment Management Limited - Non-executive director
Singapore Technologies Capital Services Pte Ltd - 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)

SHAREHOLDER INFORMATION

AS AT 8 MARCH 2016

SHARES

Number of Shares	-	1,446,433,831
Number of Shareholders	-	6,760

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	163,638,946	-

SHAREHOLDER INFORMATION

AS AT 8 MARCH 2016

TOP 20 SHAREHOLDER LIST AS AT 8 MARCH 2016

No.	Name	Number of Shares held	Percentage of issued Share Capital (%)
1	BOON SWAN FOO	163,638,946	11.31
2	DBS NOMINEES (PRIVATE) LIMITED	49,044,663	3.39
3	GOH SI HUI (WU SIHUI)	44,808,166	3.10
4	GOH SI KAI (WU SIKAI)	44,807,045	3.10
5	RAFFLES NOMINEES (PTE) LIMITED	44,007,780	3.04
6	CITIBANK NOMINEES SINGAPORE PTE LTD	36,210,804	2.50
7	PHILLIP SECURITIES PTE LTD	33,153,277	2.29
8	OCBC SECURITIES PRIVATE LIMITED	17,873,482	1.24
9	HONG LEONG FINANCE NOMINEES PTE LTD	16,700,458	1.15
10	BANK OF SINGAPORE NOMINEES PTE. LTD.	16,511,398	1.14
11	LIEW CHIAP KONG	14,686,841	1.02
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	14,249,673	0.99
13	UOB KAY HIAN PRIVATE LIMITED	12,990,402	0.90
14	ATMA SINGH S/O NAND SINGH	12,340,887	0.85
15	SEE BENG LIAN JANICE	12,027,570	0.83
16	CURRENCY MARKET WATCH PTE LTD	11,482,833	0.79
17	YIM CHEE CHONG	10,430,885	0.72
18	LIM CHIN CHOO @ ELIZABETH LIM	9,931,498	0.69
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	9,849,467	0.68
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,837,132	0.61
Total		**583,583,207**	**40.34**

ANALYSIS OF SHAREHOLDERS

Range of Holdings	Number of Shareholders	Percentage of Shareholders (%)	Number of Shares
1 – 99	155	2.29	3,899
100 – 1,000	545	8.06	505,685
1,001 – 10,000	1,481	21.91	8,423,979
10,001 – 1,000,000	4,405	65.16	524,452,001
1,000,001 and above	174	2.58	913,048,267
Total	**6,760**	**100.00**	**1,446,433,831**

Based on information available, as at 8 March 2016, the substantial shareholder holds 11.31% of the issued Shares of GIL and the balance is held by the public and, therefore, Listing Rule 723 is complied with.

Term	Meaning
AGM	Annual General Meeting
AIM	Allgrace Investment Management Private Limited
AMCIF	In respect of a Half Year: ATPIF x ANIF
ANIF	The average closing number of the 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
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%.
CDP	The Central Depository (Pte) Limited
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.

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 ending 31 December
Group	GIL and its subsidiaries
GTI	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.
Net Investment Value	Net Investment Value calculated in SGD 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. 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.

Term	Meaning
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 Corporations	Related Corporations in relation to a corporation means any corporation deemed to be related to it under section 6 of the Singapore Companies Act.
RMBS	Residential Mortgage-Backed Securities
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
SAI	Share Accumulation Index is 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.
Share Return	For a Half Year means the AMCIF for that Half Year multiplied by the movement in the SAI 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 SAI over the last 20 SGX-ST trading days of the relevant Half Year and (ii) the issue price of such additional shares.

Term	Meaning
Share Value	Average of the SAI over the last 20 SGX-ST trading days in respect of the relevant Half Year
Singapore Code	Singapore Code of Corporate Governance 2012
SICIM	Singapore Consortium Investment Management Limited
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 net asset value 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 2015	2H 2015
	Number of Days in the relevant Half Year	181	184
	ATPIF	S$0.142479	S$0.151814
	ANIF	1,334,472,601	1,390,855,273
A	AMCIF =(ATPIF *ANIF)	S$190,134,322	S$211,151,302
B	SAI	S$0.1421	S$0.1509
C	Average SAI in the relevant Half Year	**S$0.1595**	**S$0.1449**
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	S$3,237,219	Nil
	New Shares Issuance		
F	Number of Days from issue date to end of relevant Half Year	71	81
G	Issue Price	S$0.13	S$0.128
H	Additional number of Shares issued	56,382,672	55,578,558
I	G * H	S$7,329,747	S$7,114,055
J	Benchmark rate of return for the issue period	1.5083123%	1.7225706%
	Share Return for the relevant Half Year = A * (C-B)/B + H * (C-G)	S$24,945,043	(S$7,456,400)
	Benchmark Return for the relevant Half Year = A * D + I * J	S$7,507,132	S$8,475,526
	Share Return-Benchmark Return – Deficit	S$14,200,692	(S$15,931,926)
	Deficit Carried Forward	-	**S$15,931,926**
	Manager Incentive Fee @ 20%	**S$2,840,138**	-

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting (the "**2016 AGM**") of Global Investments Limited (the "**Company**") will be held at Chancellor One & Two Meeting Room, Level 2, Hotel Chancellor @ Orchard, 28 Cavenagh Road, Singapore 229635, on 29 April 2016 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 5 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 2015.

(Ordinary Resolution 1)

Re-election of Director, Ronald Seah Lim Siang

2. To re-elect Ronald Seah Lim Siang, who will retire by rotation under Bye-law 56(e), as a director of the Company (a "**Director**").

(Ordinary Resolution 2)

Re-appointment of Auditors

3. To re-appoint Ernst & Young LLP as the Auditors of the Company to hold office with effect from the conclusion of this 2016 AGM until the conclusion of the next Annual General Meeting of the Company in accordance with the Company's bye-laws 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. 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. 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 Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme

5. 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 5)

6. 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, 1 April 2016

NOTES:

1. A shareholder (other than The Central Depository (Pte) Limited ("**CDP**")) entitled to attend and vote at the 2016 AGM 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. A Depositor holding Shares through CDP and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) may attend and vote at the 2016 AGM as CDP's proxy. Such Depositors who are individuals but are unable to attend the 2016 AGM personally and wish to appoint a nominee(s) to attend and vote on their behalf as CDP's proxies, and such Depositors who are not individuals, should complete, sign and return the Depositor Proxy Form.

3. 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 forty-eight (48) hours before the time appointed for holding the 2016 AGM or the adjournment thereof, as applicable.

EXPLANATORY NOTES:

ORDINARY RESOLUTION 2:

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

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. of the total number of issued Shares, with a sub-limit of 20 per cent. 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 5 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:

Ordinary Resolution 5, if passed, will empower the Directors from the date of the 2016 AGM 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 5 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 25 February 2016 that the scrip dividend scheme shall apply to the final dividend of S$0.0075 per share for the financial year ended 31 December 2015.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2016 AGM and/or any adjournment thereof, a shareholder of the Company: (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 2016 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2016 AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting (the "**SGM**") of Global Investments Limited (the "**Company**") will be held at Chancellor One & Two Meeting Room, Level 2, Hotel Chancellor @ Orchard, 28 Cavenagh Road, Singapore 229635 on 29 April 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the 2016 Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without amendments, the following Resolutions 1 to 3, of which Resolutions 1 and 3 are each proposed as an Ordinary Resolution and Resolution 2 is proposed as a Special Resolution:

Proposed Renewal of the Share Purchase Mandate

1. That:

(1) pursuant to the Company's memorandum of association and Bye-laws , the exercise by the directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up ordinary shares of par value S$0.01 each in the capital of the Company ("**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) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(b) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, Chapter 50 of Singapore (as amended, supplemented or modified from time to time),

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 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 general meeting by way of an ordinary resolution; 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:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase 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, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, 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;

"**Maximum Limit**" means that number of issued Shares representing 10 per cent. of the issued Shares as at the date of the passing of this Resolution; and

"**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 of a Share, 105 per cent. of the Average Closing Price of the Shares and in the case of an off-market purchase of a Share, 120 per cent. 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.

(Ordinary Resolution 1)

Proposed Amendments to Bye-laws 8, 47, 48, 58, 59(b), 90, 98 and 100 of the Bye-laws of the Company

2. That:

(1) Bye-laws 8, 47, 48, 58, 59(b), 90, 98 and 100 of the Bye-laws of the Company be and are hereby amended in the manner and to the extent as set out in Appendix A of the Circular to shareholders of the Company dated 1 April 2016 (the "**Circular**"); and

(2) the Directors and each of them be and is hereby authorised to take any and all steps, and to do (or procure to be done) all such acts and things (including without limitation, to finalise, approve, sign and/or execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to implement and give effect to the transactions contemplated and/or authorised by this Resolution, the proposed amendments to the Bye-laws of the Company and/or the matters contemplated herein.

(Special Resolution 2)

Proposed Change in the Manager of the Company

3. That:

(1) approval be and is hereby given for the proposed change in the manager of the Company by the removal of ST Asset Management Ltd ("**STAM**") as the manager of the Company and the appointment of Singapore Consortium Investment Management Limited ("**SICIM**") as the manager of the Company in place of STAM in accordance with the terms and conditions of the novation and amendment and restatement agreement dated 1 April 2016 among the Company, STAM and SICIM (the "**Agreement**"), and that the entry into, execution, delivery and performance of the Agreement for and on behalf of the Company be and are hereby approved, confirmed, adopted and (where necessary) ratified in all respects as if such actions had been presented for approval, and approved by, the Company in general meeting prior to such actions being taken; and

(2) any Director be authorised to do all such things and execute all such documents as he or she may consider necessary or expedient to give effect to the Agreement and/or this Ordinary Resolution.

(Ordinary Resolution 3)

By Order of the Board
GLOBAL INVESTMENTS LIMITED

Janice Loraine Haskins
Company Secretary
Bermuda, 1 April 2016

NOTES:

1. A shareholder of the Company (other than The Central Depository (Pte) Limited ("**CDP**")) entitled to attend and vote at the SGM 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 of the Company.

2. A Depositor holding Shares through CDP and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) may attend and vote at the SGM as CDP's proxy. Such Depositors who are individuals but are unable to attend the SGM personally and wish to appoint a nominee(s) to attend and vote on their behalf as CDP's proxies, and such Depositors who are not individuals, should complete, sign and return the Depositor Proxy Form.

3. The Depositor Proxy Form must be lodged at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the SGM.

EXPLANATORY NOTES:

ORDINARY RESOLUTION 1:

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 1, if passed, will empower the Directors from the date of the SGM to repurchase Shares of the Company by way of market purchases or off-market purchases of up to 10 per cent. of the total number of issued Shares at the Maximum Price. Information relating to this proposed Ordinary Resolution 1 is set out in the Circular.

As at 15 March 2016 (the "**Latest Practicable Date**"), the issued capital of the Company comprised 1,446,433,831 Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date. Purely for illustrative purposes, on the basis of 1,446,433,831 Shares in issue as at the Latest Practicable Date, the purchase by the Company of 10 per cent. of its issued Shares will result in the purchase or acquisition of 144,643,383 Shares.

In the case of market purchases by the Company and assuming that the Company purchases or acquires144,643,383 Shares at the maximum price of S$0.137 for one Share (being the price equivalent to 105 per cent. of the Average Closing Price of the Shares for the last five market days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 144,643,383 Shares is approximately S$19,816,144.

In the case of off-market purchases by the Company and assuming that the Company purchases or acquires 144,643,383 Shares at the maximum price of S$0.156 for one Share (being the price equivalent to 120 per cent. of the Average Closing Price of the Shares for the last five market days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 144,643,383 Shares is approximately S$22,564,368.

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 2015 are based on the assumptions set out in paragraphs 2.6.2 and 2.6.3 of the Circular.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a shareholder of the Company: (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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Global Investments Limited

Annual Report 2015

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