GLOBAL INVESTMENTS LIMITED

# ANNUAL REPORT 2022

DELIVERING RETURNS CONSISTENTLY

## *Our Vision*

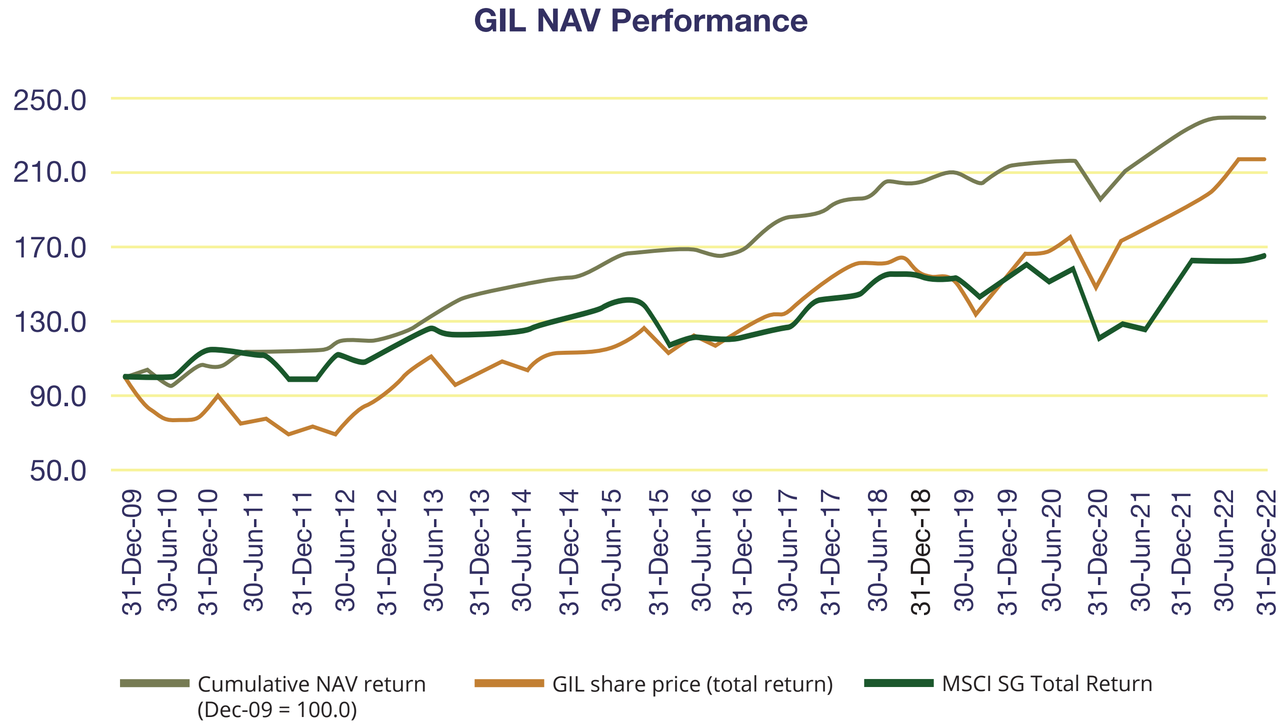
Global Investments Limited (GIL) strives to be the **fund of choice** by delivering long-term benefits for all stakeholders consistently while contributing to the community and economy as a whole.

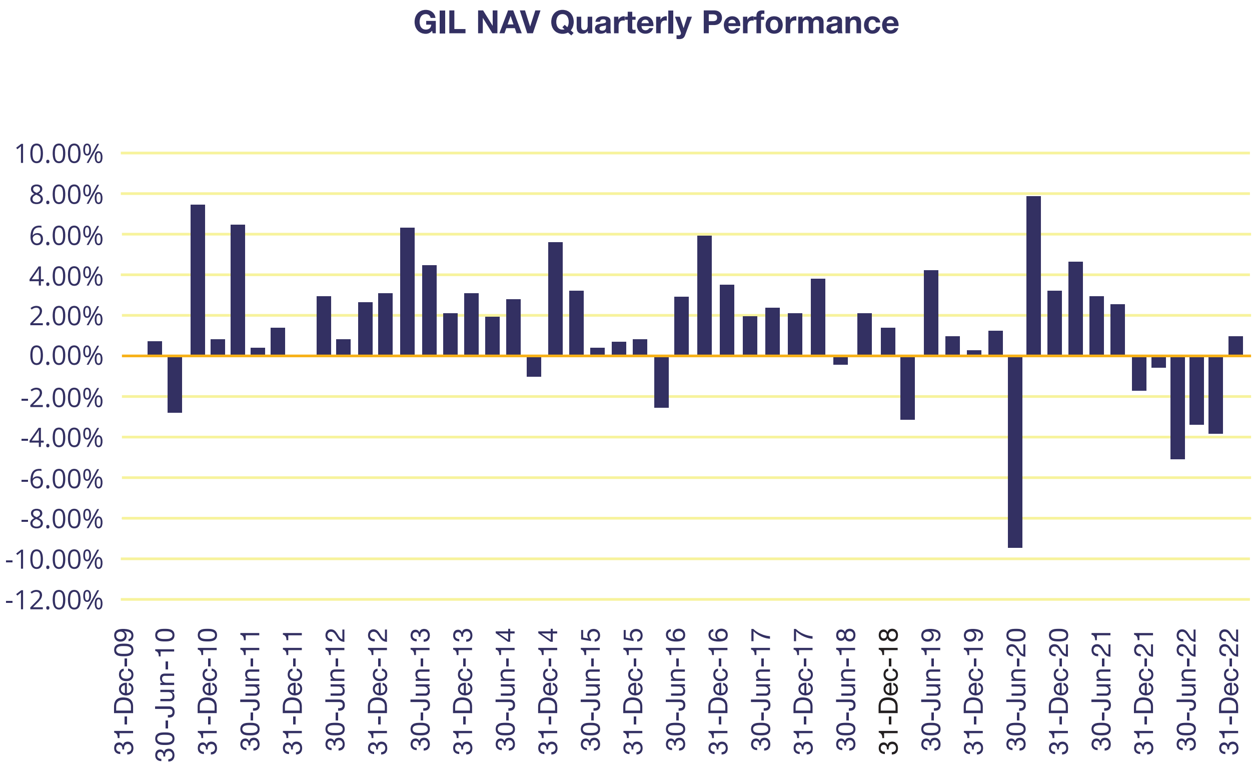
## *Our Mission*

GIL aims to be a fund which invests in a **socially responsible way** to generate steady income and appreciation in capital so as to deliver regular dividends and achieve capital growth for our shareholders.

# CONTENTS

# PERFORMANCE



# CHAIRMAN'S STATEMENT

***Boon Swan Foo***
***Chairman***

## 2022 MARKET REVIEW

The global economy and investment markets experienced extreme volatility in 2022. This was due to the aftermath of the pandemic, the Russia-Ukraine conflict, and aggressive central bank tightening across the world due to decades of high inflation. Negative interest rate policies and quantitative easing programmes were brought to a sudden end. Geopolitical tensions between the US and China, especially over Taiwan, remained elevated throughout the year. On a brighter note, the Covid-19 situation gradually improved last year with more countries reopening their borders, paving way for the eventual transition into an endemic and a further easing of supply chain constraints.

China's economy was considerably battered last year due to the stringent zero-Covid policy and the ongoing property market correction. This was due to tightened regulatory controls which spilled over into 2022 and led to increased defaults among developers and weak consumer confidence. The property uncertainty was exacerbated by the mortgage boycotts from would-be homeowners in July 2022 as property developers failed to deliver pre-paid homes. The frequent Covid lockdown measures imposed across many cities weighed on retail sales and industrial output. China's economy grew by 3.0% in 2022, well short of the official target of 5.5%. In response, the Chinese government announced a 16-point plan in November 2022 to resuscitate the property sector and significantly relaxed the Covid-19 measures in a bid to boost domestic consumption.

In the US, the Federal Reserve raised interest rates seven times to 4.50% in 2022, significantly higher than 0.25% at the start of last year. The lagged effect of aggressive rate hikes saw its intended impact in Q4 2022, as prices fell across sectors such as energy and housing. Inflation moderated to 6.5% year-on-year in December 2022 from a 40-year high of 9.1% in June 2022. This was still above the Fed's target of 2% and deemed unacceptably high, driven by firm wages and the tight labour market. The forceful rate hikes resulted in an inversion of the US Treasury yield curve in July 2022, which is usually a tell-tale sign of an impending recession.

As we enter the new year, the global economy is holding up reasonably well despite three massive shocks, the first pandemic in 100 years, the first ground war in Europe in 70 years, and the most aggressive Fed tightening in over 40 years. The US labour market remains healthy which is helping to shore up consumer confidence. The expected deep recession in Europe in the first half of 2023 is not expected to materialize due to the warmer winter and ample capacity of gas supplies which has eased fears over energy rationing. Nevertheless, with inflation still elevated, global central banks are expected to hike rates further and the global economy is still expected to slow, barring any unexpected shocks.

The major equity markets fell last year, the S&P 500, Euro STOXX 50, and the Nikkei 225 index fell 19.4%, 11.7%, 9.4% in local currencies, and 20.0%, 17.5% and 21.1% in SGD terms respectively. Caution is called for as a recession is anticipated given the impact of last year's rate hikes and policy rates staying high for some time.

## 2023 INVESTMENT OUTLOOK

The International Monetary Fund (IMF), in January 2023, upgraded this year's growth outlook to 2.9% from 2.7% previously in October 2022. This still represents slower growth compared to 3.4% in 2022. Growth in the US and Euro Area are expected to slow to 1.4% and 0.7% respectively this year. China is the exception where growth is expected to rebound to 5.2% in 2023 from 3.0% in 2022 due to the reopening. This should help to cushion the global slowdown and benefit Asia, particularly in terms of commodities demand and a rebound in tourists from China.

As we survey the investment environment, we see the following dominant themes in 2023. Inflation remains the most pressing theme affecting consumers across the world. While the aggressive Fed rate hikes to fight inflation starts to bear fruit towards the end of 2022, the persistently tight labour market and rising wages are expected to keep inflation high. Overly aggressive rate hikes by the Fed could result in much higher borrowing costs and liquidity shocks which could tip the economy into a recession.

# CHAIRMAN'S STATEMENT

Another topic that jumped to the top of public consciousness is environmental, social and governance (ESG) issues. At the most fundamental level, ESG and sustainability issues are also part of the inflation narrative. As countries and corporations scramble to reposition themselves to become greener entities and outline plans to achieve net-zero, we ponder over the implications of such a transition. The ongoing Russia-Ukraine conflict gives rise to a focus on energy security instead of energy transition in the near term, which significantly disrupts the green transition. The subsequent spike in energy prices and divergent geopolitical views highlight the implementation challenges in the push towards net-zero.

We observe that the capital markets are increasingly factoring in ESG risks into asset prices. However, we are also alert to the perils of overpaying to participate in the new green companies as well as being victims of greenwashing. At the same time, it is critical not to overlook opportunities in traditional industries that could potentially navigate the green transition successfully. ESG is about responsible business practices, and a balance of caution and risk appetite is needed to seize the opportunities that arise. To this end, ESG operational and financial risk have been integrated into GIL's management and investment decision-making processes, which will be further enhanced by new global initiatives to improve climate-related disclosures.

In geopolitics, the immediate focus is the Russia-Ukraine conflict. However, the US-China relationship remains an important geopolitical dynamic in 2023. The trade dispute remains unresolved and the rivalry is extending across a broad range of issues. There have been mixed developments in recent months as both parties tried to strike a balance between commercial and political interests. However, any potentially provocative action such as the recent unfortunate balloon saga could lead to a sudden rupture in bilateral relations with extensive spillover effects.

Therefore, GIL will closely monitor future developments to obtain further clarity while remaining cautiously opportunistic going into 2023.

## FINANCIAL PERFORMANCE

The Net Asset Value (NAV) was S$261.1 million as at 31 December 2022. After adjusting for FY2021 Final Dividend distributed, NAV per share as at 31 December 2022 decreased by 10.86% from 31 December 2021. GIL recorded a net loss after tax of S$35.1 million for FY2022 compared to a net profit after tax of S$14.9 million in FY2021. The net loss after tax was largely attributable to the revaluation of financial assets at fair value through profit/(loss) of S$40.7 million. Based on the closing price of 13.0 cents on 30 December 2022, the FY2022 Interim Dividend (declared) and Final Dividend (proposed) totaling 0.8 cents per share represented an annual dividend yield of 6.2%.

## CORPORATE DEVELOPMENT

GIL has won a Merit Award for Best Risk Management Award at the Singapore Corporate Awards 2022 under the companies with less than $300 million in market capitalization category. The Singapore Corporate Awards recognises exemplary corporate governance practices for listed companies in Singapore.

GIL's Singapore Governance and Transparency Index (SGTI) 2022 ranking was 27th out of 489 listed companies. GIL's base SGTI score was 74 points and was given a bonus score of 22 points. The Company achieved an overall SGTI score of 96 points.

GIL has once again been placed on the SGX Fast Track scheme until the next review in 2H 2023. The SGX Fast Track recognises the efforts and achievements of listed issuers that have upheld high corporate governance standards and maintained a good compliance track record.

## BOARD MATTERS

In 2022, we have reconstituted the Remuneration Committee to Sustainability and Remuneration Committee (SRC). The reconstitution of the committee is to affirm the Company's commitment and efforts towards sustainability. The SRC will assist the Board in fulfilling its oversight responsibilities in relation to the Company's sustainability framework, governance and reporting. There are no changes made to the members of the newly reconstituted committee.

Further, in compliance with Rule 720(7) of the Listing Manual, all directors on our Board have completed the mandatory sustainability training prescribed by SGX. As required by Rule 711B, we also commenced climate-related disclosures which is consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

On behalf of the Board of Directors, I would like to thank all our stakeholders, especially our shareholders for their continued support and trust in the Company.

**BOON SWAN FOO**
**Chairman**
**Global Investments Limited**
**8 March 2023**

# PORTFOLIO COMPOSITION

## INVESTMENT DESCRIPTION

As at 31 December 2022, NAV was S$261.07 million or S$0.1682 per share compared to S$309.39 million or S$0.1933 per share as at 31 December 2021. Should the 2021 Final Dividend payment and utilisation of treasury shares relating to the Scrip Dividend Scheme be accounted for before 31 December 2021, the NAV per share as at 31 December 2021 would have been S$0.1887 instead. The decline in NAV per share would then be 10.86%.

## ASSET OVERVIEW

In view of the challenging macroeconomic environment caused by inflation and interest rate hikes, cash and other net assets increased to 20.1% from 14.1%.

The bank contingent convertibles portfolio decreased to 47.7% from 55.2% due to redemptions made during the year.

The bonds and collateralised loan obligations (CLOs) portfolio increased slightly to 14.5% from 14.0% due to a net purchase of bonds.

The listed equities portfolio increased marginally to 17.7% from 16.7% due to a net investment in equities.

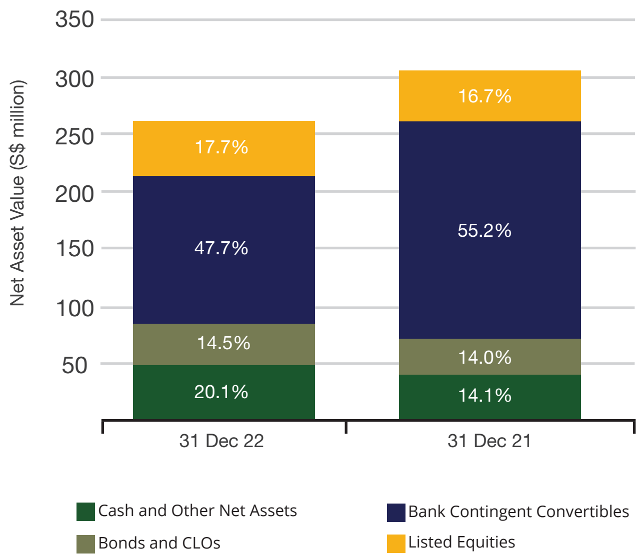
## OUTLOOK

During 2022, the global economy continued to decline over concerns with inflationary pressures, rising interest rates and the ongoing Russia - Ukraine conflict. In China, the property developer sector remained weak with the continued pessimism among investors and consumers.

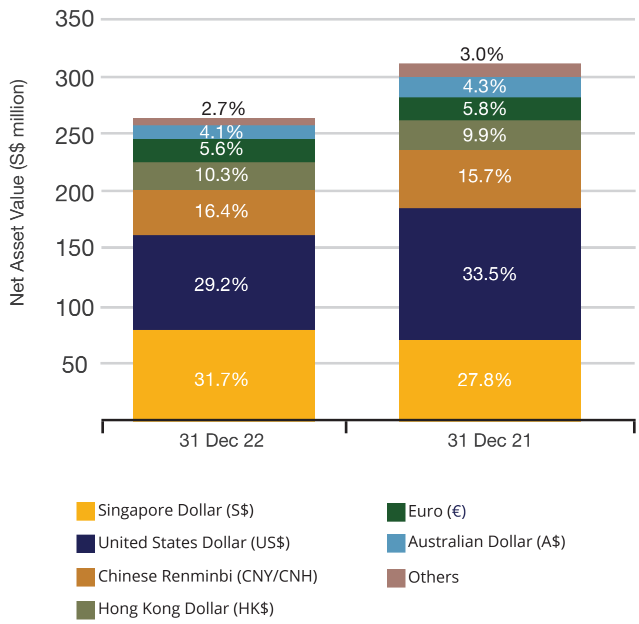
In response, the Chinese government proposed various policies to rescue its ailing property sector and announced significant relaxation of Covid-19 measures in a bid to drive economic growth by boosting domestic consumption.

Geopolitical tensions surrounding Ukraine and Taiwan had escalated considerably, which pushed world leaders to walk on a tightrope trying to mediate them without further straining ties with one another. As the near-term environment will be marked by heightened uncertainty with frequent bouts of volatility, the Company will continue to adopt a cautious approach to its investments.

### Breakdown by Asset Class
as at 31 December 2022




### Breakdown by Currency
as at 31 December 2022



# BANK CONTINGENT CONVERTIBLES

## INVESTMENT DESCRIPTION

The portfolio of bank contingent convertibles (Cocos) has a carrying value of $124.45 million as at 31 December 2022.

## ASSET OVERVIEW

As at 31 December 2022, the weighted average running yield was 6.52% and the weighted average maturity was 2.70 years. The portfolio has a weighted average rating of Ba2.

## OUTLOOK

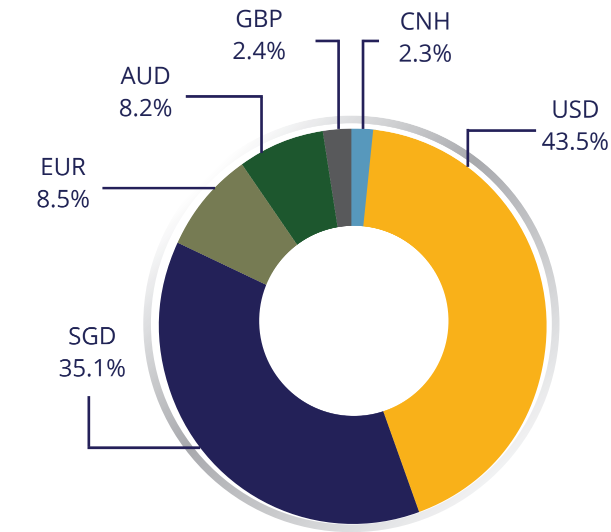
CoCos credit spreads narrowed by 49bps over the past 6 months, lowering the overall spread widening to 145bps in 2022. CoCos credit spreads had been generally widening through October 2022, before narrowing towards the end of the year. This was attributed to the hawkish stance of the Fed, with the lagged effect of aggressive rate hikes taking effect in Q4 2022.

Along with the Fed, the European Central Bank (ECB) raised interest rates four times to 2.50% in 2022. The ECB had also concluded net asset purchases under their Asset Purchase Programme (APP) as of 1 July 2022. In addition, ECB will commence the shrinking of its APP portfolio in March 2023 by not reinvesting **€15 billion** of the proceeds of maturing securities per month until the end of Q2 2023, thereby marking the transition to quantitative tightening.

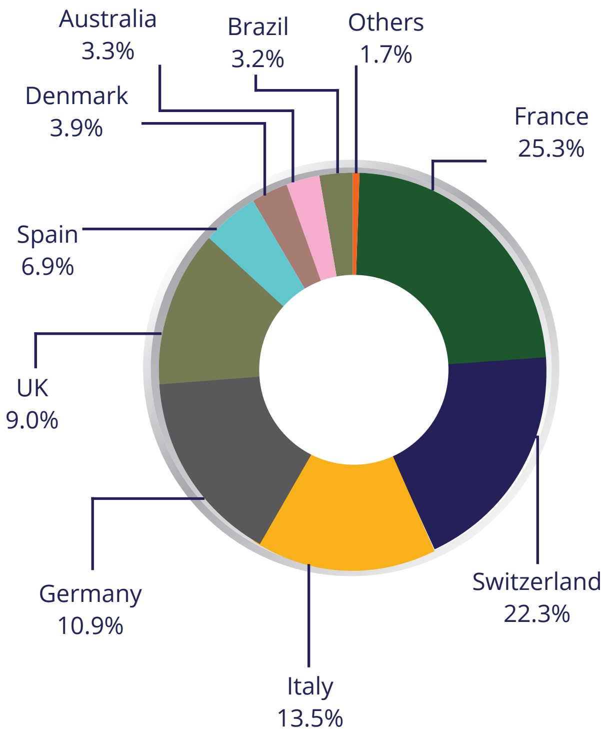
With central banks raising interest rates, the cost of issuing new CoCos becomes more expensive which makes it less economical for issuers to call their CoCos. ECB is exploring the idea of limiting the banks' ability to call their CoCos if it is not economically viable. This allows them to miss their call dates without any reputational consequences, which is often the driving force behind uneconomical call decisions. Therefore, extension risk is expected to remain as one of the defining themes of 2023 given the prevailing high interest rate environment.

The Bloomberg Global CoCo Banking Total Return Index fell 13.6% and 14.2% in USD and SGD terms respectively for the year of 2022.

### Portfolio Distribution by Currency
as at 31 December 2022




### Portfolio Distribution by Country
as at 31 December 2022



# BONDS AND COLLATERALISED LOAN OBLIGATIONS

## INVESTMENT DESCRIPTION

The portfolio of bonds and collateralised loan obligations (CLOs) denominated in various currencies has a carrying value of $37.80 million as at 31 December 2022.

## ASSET OVERVIEW

As at 31 December 2022, the weighted average running yield was 6.49% and the weighted average maturity was 8.21 years. 51.6% of the portfolio was unrated while the rated portion of the portfolio has a weighted average rating of B3.

## OUTLOOK

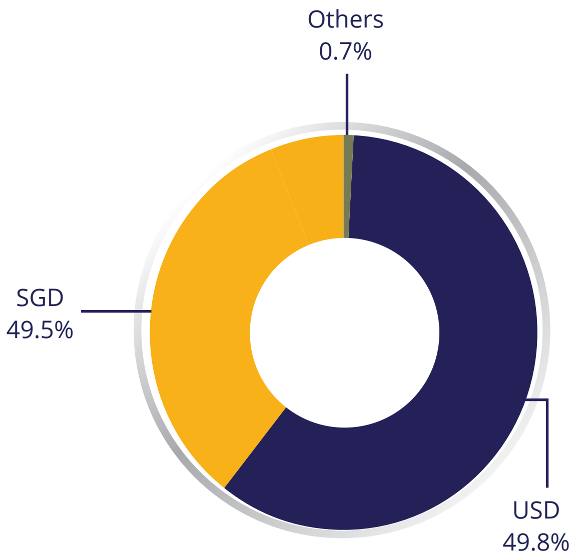
Most central banks adopted various contractionary monetary policies such as interest rate hikes and Quantitative Tightening (QT) programmes to combat soaring inflation. As a result, energy and housing prices declined towards the end of the year, which allowed the Fed to make a modest rate hike of 50bps in December after four consecutive 75bps rate hikes. However, due to the resilient labour market, inflation remained at unacceptably high levels and hence a pivot in monetary policy is not to be expected soon.

In 2022, bond yields continued their upward trend, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields rose by 236bps to 3.88% while 2-year yields rose by 368bps to 4.41%, inverting the US Treasury yield curve. The Singapore sovereign yield curve also inverted slightly, as 10-year yields rose by 139bps to 3.09% while 2-year yields rose by 222bps to 3.12%.

In 2022, the Bloomberg Barclays Global High Yield Total Return Index fell 12.7% in USD terms and 13.3% in SGD terms. Investment grade bonds underperformed high yield bonds in 2022 as the equivalent investment grade index fell 16.2%. Specifically, corporate investment grade bonds fell 16.7%.

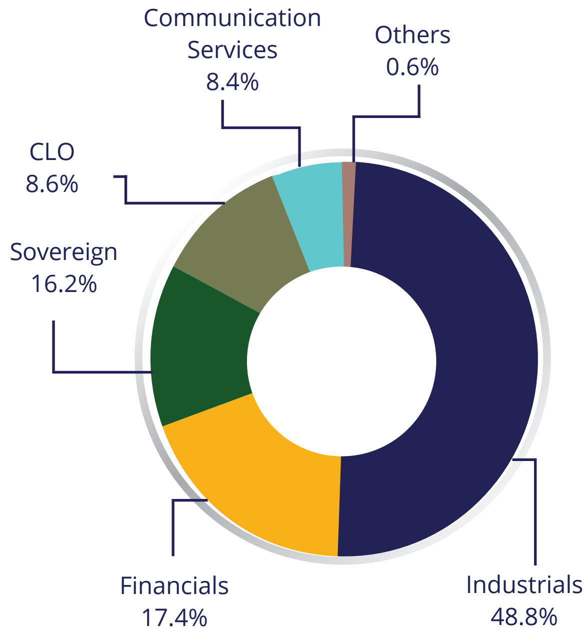
### Portfolio Distribution by Currency

as at 31 December 2022




### Portfolio Distribution by Sector

as at 31 December 2022



# LISTED EQUITIES

## INVESTMENT DESCRIPTION

The portfolio of equities listed on different stock exchanges has a carrying value of $46.35 million as at 31 December 2022.

## ASSET OVERVIEW

As at 31 December 2022, the 3 highest weighting sector exposures by GICS classifications were Financials (32.4%), Industrials (22.0%) and Information Technology (12.1%). The largest foreign currency exposure was in Hong Kong Dollars (57.4%), followed by Singapore Dollars (20.1%).

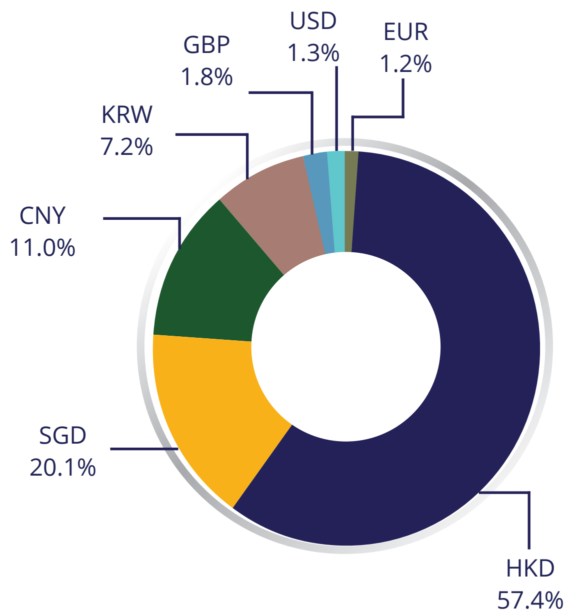
## OUTLOOK

The Russia-Ukraine conflict proved to be a huge stumbling block to many Western countries as they embarked on their road to economic reopening in 2022. Inflation levels rose sharply and forced many central banks to tighten monetary policies, which depressed the equity market throughout most of 2022. While the resilient consumer spending and labour market led a brief recovery in Q4 2022, the lagged impact of the aggressive Fed rate hikes could tip the economy into a recession in 2023. Therefore, future geopolitical developments and the tight labour market will be monitored closely as the Fed's ability to engineer a soft-landing largely hinges on those factors.

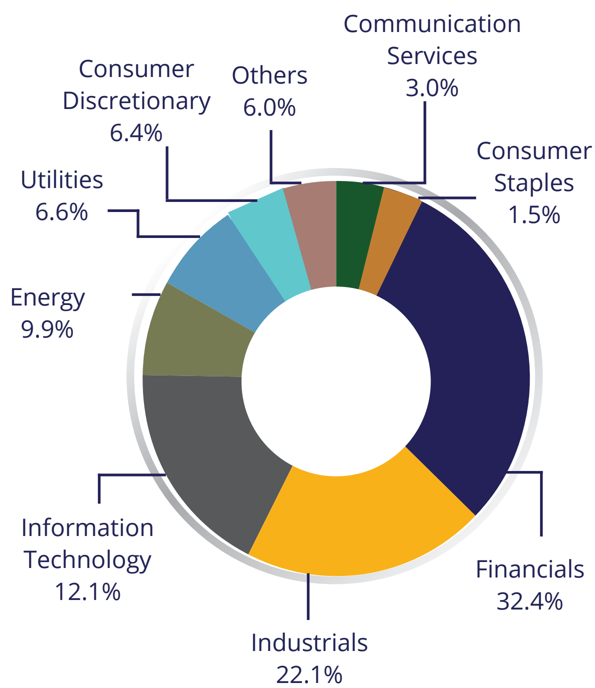
Looking at Singapore, a cooling tech cycle caused Singapore's electronics non-oil domestic exports (NODX) to fall sharply, with semiconductor shipments slumping 10% y-o-y. Although the reopening of its borders and booming domestic demand helped to boost growth, the persistent inflationary pressures threatened to diminish private consumption and hence stifling growth recovery. PMIs are also pointing to a challenging trade outlook in 2023 with new export orders falling. The effects of the 1% GST hike, effective from 1 January 2023, will provide crucial guidance to MAS monetary policy decision-making process in 2023.

The MSCI All Country World Index fell 19.8% and 20.3% in USD and SGD terms respectively for the year of 2022.

### Portfolio Distribution by Currency
as at 31 December 2022




### Portfolio Distribution by Sector
as at 31 December 2022



# BOARD OF DIRECTORS

***Mr Boon Swan Foo***
*Chairman, Non-Executive,*
*Non-Independent Director*

***Mr Abdul Jabbar Bin Karam Din***
*Lead Independent Director*

***Mr Lay Charlie Nhuc Hiang***
*Independent Director*

***Mr Ng Thiam Poh***
*Independent Director*

***Ms Tan Mui Hong***
*Non-Executive,*
*Non-Independent Director*

### MR BOON SWAN FOO

***Chairman, Non-Executive, Non-Independent Director***
**Appointment Date:** 25 November 2009
**Last Re-elected:** 28 April 2022

Mr Boon Swan Foo is the Executive Chairman of Singapore Consortium Investment Management Limited (SICIM) and also a Senior Advisor to Temasek International Advisors Pte Ltd.

Mr Boon served as Chief Executive Officer and Deputy Chairman of ST Engineering Ltd for 3 years from October 1997 before moving on to serve as the Managing Director of Agency for Science, Technology and Research (A*STAR) and Executive Chairman of Exploit Technologies Pte Ltd, the commercial arm of A*STAR for 4 years and 8 years respectively. Mr Boon was the Chairman of ST Asset Management Ltd (STAM) from April 2010 to December 2011.

For his stewardship of ST Engineering Ltd, Mr Boon was the Singapore Business Award for Outstanding CEO in 2000.

Mr Boon has extensive international board experience, having served as a director on the Board of Intouch Holdings Plc (listed in Thailand), MIH Holdings Limited (South Africa), Dongfeng Motor Corporation (China), China National Offshore Oil Corporation, China Huadian Corporation (China), China Baowu Steel Group Corporation Limited (China) and Orica Limited (listed in Australia).

Mr Boon was also an advisor to the Dean's Council of Harvard's Kennedy School of Government (U.S.A); Motorola Inc. Research Visionary Board (U.S.A); Commercialisation Advisory Board of Imperial College (U.K) and Advanced Institute of Science & Technology (Japan).

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.

**Listed company directorships as at 21 February 2023:**

- Nil

**Principal commitments as at 21 February 2023:**

- Singapore Consortium Investment Management Limited (Chairman)
- Temasek International Advisors Pte Ltd (Senior Advisor)

### MR ABDUL JABBAR BIN KARAM DIN

***Lead Independent Director***
**Appointment Date:** 7 January 2019
**Last Re-elected:** 22 April 2021

Mr Jabbar is the Executive Committee Partner at Rajah & Tann Singapore LLP. He heads the firm's Corporate and Transactional Practice and regularly advises public listed and unlisted companies on corporate governance, compliance and regulatory matters.

Mr Jabbar is also the Lead Independent Director of Chip Eng Seng Corporation Ltd which is listed on the SGX-ST. Mr Jabbar serves on the board as company secretary to numerous private and public listed and unlisted companies as well as several registered foreign companies with Singapore branches. He has also assisted multinational companies in setting up their headquarters in Singapore.

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

**Listed company directorships as at 21 February 2023:**

- Chip Eng Seng Corporation Ltd (Lead Independent Director)

**Principal commitments as at 21 February 2023:**

- Rajah & Tann Singapore LLP (Partner)

### MR LAY CHARLIE NHUC HIANG

***Independent Director***
**Appointment Date:** 26 June 2020
**Last Re-elected:** 22 April 2021

Mr Lay is the senior economist and FX Strategist covering Asia for Commerzbank AG. He is based in Singapore and has been in that role as a Director since 2011. He has a broad range of experience in the Asian and global markets having worked in various capacities in private and investment banking.

Mr Lay has been covering Asian economies since 1997 in roles with OUB Asset Management as an investment analyst, Societe Generale as a regional economist and Credit Suisse Private Banking as an FX Strategist. Mr Lay began his career with the Australian Treasury in Canberra in the macroeconomic modelling division, responsible for forecasting and modelling the Australian economy.

Mr Lay holds a Bachelor of Economics and Honours degree from Flinders University of South Australia and a Masters in Economics from the Australian National University.

**Listed company directorships as at 21 February 2023:**

- Nil

**Principal commitments as at 21 February 2023:**

- Commerzbank (Senior Economist and FX Strategist)

# BOARD OF DIRECTORS

## *MR NG THIAM POH*

***Independent Director***
**Appointment Date:** 20 October 2021
**Last Re-elected:** 28 April 2022

Mr Ng was the Head of Supply Chain of Sembcorp Marine Ltd between 2016 to 2020. As the Head of Supply Chain, he managed the global supply chain function and was responsible for global materials and equipment procurement, formulating effective sourcing strategies including category management, and establishing strategic alliances with suppliers.

Mr Ng was the Chief Risk Officer of Sembcorp Marine Ltd from 2004 to 2015. During his tenure, he worked with a dedicated Board Risk Committee and was responsible for establishing, developing, and overseeing the risk management systems of Sembcorp Marine Ltd as well as evaluating any new and ongoing projects and investments.

Mr Ng was the Senior Vice President, Corporate Development of Sembcorp Marine Ltd from 2001 to 2003 where he was overseeing and developing the joint ventures, investments, risk management and supply chain functions.

Mr Ng started his career as a management trainee in Sembawang Shipyard. While he was with Sembawang Shipyard, Mr Ng held various positions including operations, project management, design, procurement, and yard development up to the post of General Manager.

Mr Ng holds a Bachelor of Science in Naval Architecture & Ocean Engineering (First Class Honours) with Specialisation in Production Management from the University of Glasgow under the Singapore Overseas Merit Scholarship and a Diploma in Management Studies from the University of Chicago. He has also completed the Harvard Business School's Programme in Management Development.

**Listed company directorships as at 21 February 2023**:

- Nil

**Principal commitments as at 21 February 2023:**

- Nil

## *MS TAN MUI HONG*

***Non-Executive, Non-Independent Director***
**Appointment Date:** 1 July 2019
**Last Re-elected:** 19 June 2020

Ms Tan is the Executive Director and CEO of SICIM. She has more than 30 years of extensive experience in managing fund management companies and trust companies which invest in the full spectrum of financial instruments ranging from public equities, bonds, loans, asset backed securities, currencies to alternative investments such as private equity, hedge funds, derivatives and commodities. She was also involved in launching and managing collateralised debt obligations from 1998.

She was the President and CEO of and Chairman of STAM's Investment Committee from 2002 to 2019, during which STAM's assets under management grew to more than SGD 6 billion by December 2016. Concurrently, Ms Tan was also the Executive Director of ST Trustees Ltd (established in 2005, holding a trust business licence from MAS) which offers fiduciary trust services. From February 2004 to August 2008, Ms Tan also held the positions of Group President & CEO of Vertex Venture Holdings Ltd and President & CEO of Vertex Management (II) Pte Ltd.

Prior to STAM, Ms Tan spent 11 years with the Overseas Union Bank Limited (OUB) group which she joined in 1990 and was last appointed as Senior Vice President (Fund Management). Ms Tan was appointed Executive Director & Chief Executive Officer of OUB Asset Management Ltd (OUBAM) (a wholly-owned subsidiary of OUB) in 1994.

Currently, Ms Tan serves as a board member of China-Singapore Suzhou Industrial Park Development Group Co., Ltd and Chairman of its Audit Committee.

Ms Tan holds a Bachelor of Accountancy (2nd Class Honours) from University of Singapore, Masters of Business Administration from National University of Singapore and Masters of Science (Business) from Nanyang Technological University of Singapore. She has completed the Advanced Management Program at Harvard Business School and is a member of the CFA Institute. She was awarded Singapore's National Day Public Service Medal in 2012.

**Listed company directorships as at 21 February 2023:**

- China-Singapore Suzhou Industrial Park Development Group Co., Ltd (Non-executive Director)

**Principal commitments as at 21 February 2023:**

- Singapore Consortium Investment Management Ltd (Executive Director, Chief Executive Officer and Chairman of Investment Committee)

**GIL is a mutual fund company listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 December 2006 and was registered in Singapore on 7 January 2019.**

GIL's strategy is to actively manage and grow its assets. It aims to invest in assets that will generate both steady income and capital appreciation to deliver regular dividends and achieve capital growth. Its investment policy is to invest in a portfolio of assets across different sectors through various means such as 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 (excluding direct investments in real estate and commodities).

The Board is responsible for GIL's strategic objectives, corporate governance and financial policies. 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 13 of the Securities and Futures Act 2001 (SFA) of Singapore as closed-end funds constituted before 1 July 2013 were grandfathered.

GIL is managed by Singapore Consortium Investment Management Limited (SICIM), a Singapore incorporated company which holds a capital markets services (CMS) licence for fund management issued by the Monetary Authority of Singapore (MAS). The shareholders of SICIM are Allgrace Investment Management Pte Ltd and Ms Tan Mui Hong. Allgrace Investment Management Pte Ltd is wholly owned by Mr Boon Swan Foo.

SICIM offers integrated investment management and advisory services to investors over a broad range of diversified asset classes that include public and private equities, fixed income instruments, loans, derivatives, structured finance and alternative investments. The directors of SICIM are Mr Boon Swan Foo, Ms Tan Hui Keng Martha, Ms Chew Seng Fang and Ms Tan Mui Hong.

# 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, equities, 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.

The Company will endeavour to avoid investments in companies that are involved in known breaches of human rights, labour, environment or anti-corruption laws as well as companies with poor corporate governance practices.

## STRATEGIES

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

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

## ACTIVE PORTFOLIO MANAGEMENT STRATEGY

Active portfolio management strategy includes but is not limited to acquiring new assets, selling assets, after 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

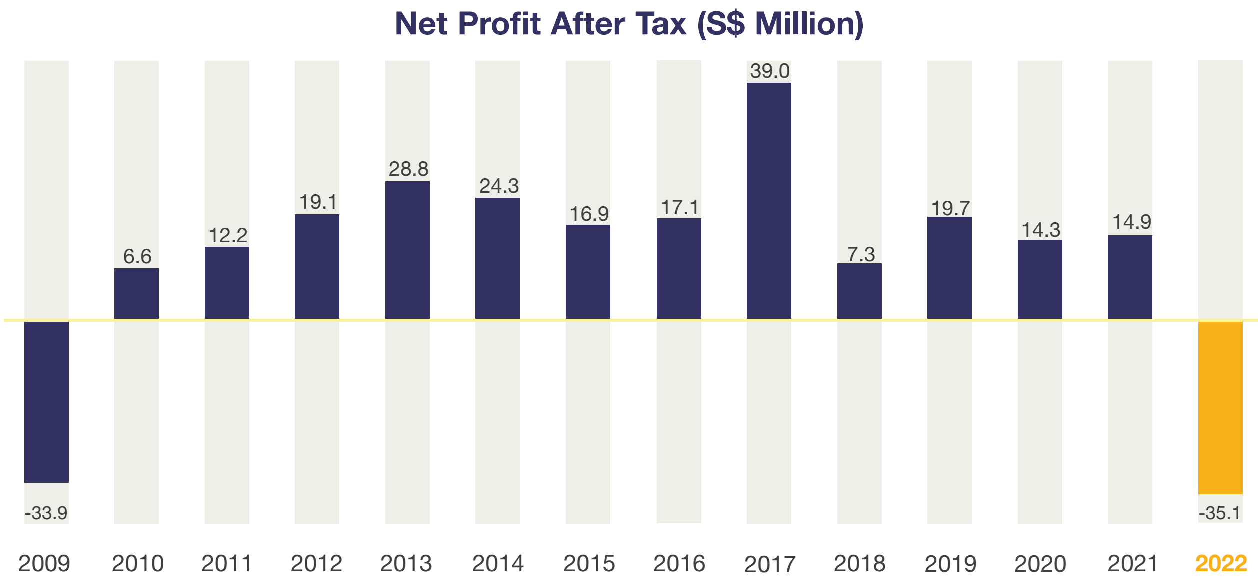
The Company aims to create value for Shareholders by establishing the optimal capital structures for assets and economic exposures on an individual asset basis and in terms of the financial resources available to and the overall capital structure of the Company. The Company seeks to create a portfolio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

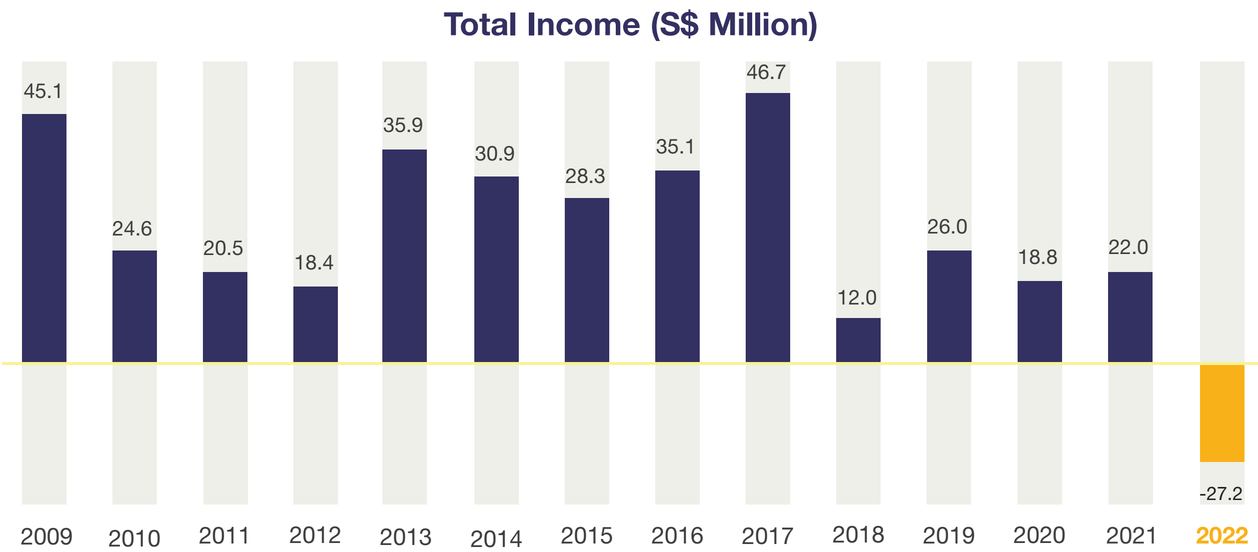
## ACQUISITION GROWTH STRATEGY

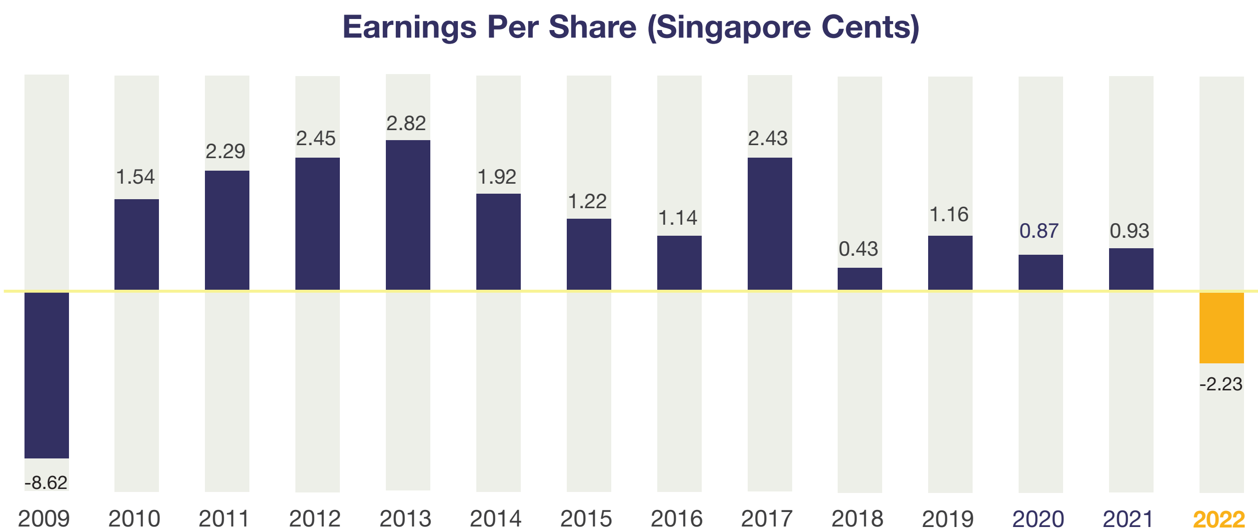
Depending on market outlook and the financial resources available to the Company, if opportunities arise, the Company may prudently acquire new assets across the target asset sectors. In evaluating investment opportunities, it seeks assets that provide attractive returns adjusted for the risk associated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

## MANAGEMENT

GIL is managed by SICIM which holds a capital markets services licence for fund management issued by the Monetary Authority of Singapore. SICIM was incorporated in October 1996.

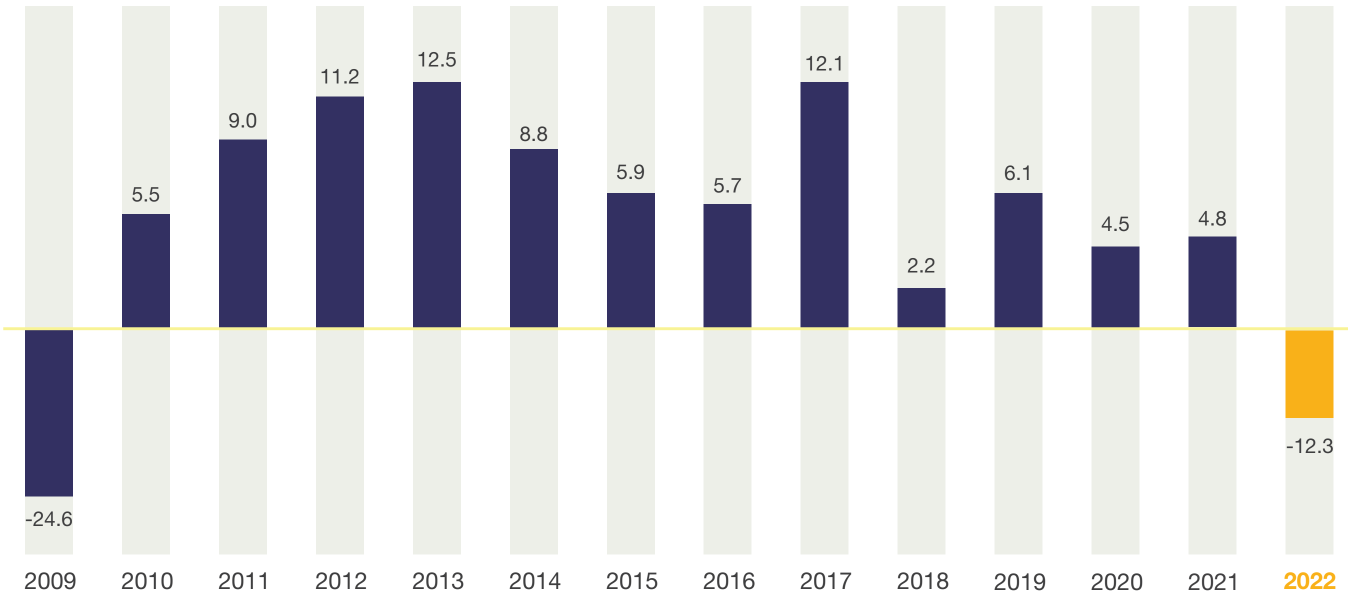

Net Profit After Tax (S$ Million)
-33.9
6.6
12.2
19.1
28.8
24.3
16.9
17.1
39.0
7.3
19.7
14.3
14.9
-35.1
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022


Total Income (S$ Million)
45.1
24.6
20.5
18.4
35.9
30.9
28.3
35.1
46.7
12.0
26.0
18.8
22.0
-27.2
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

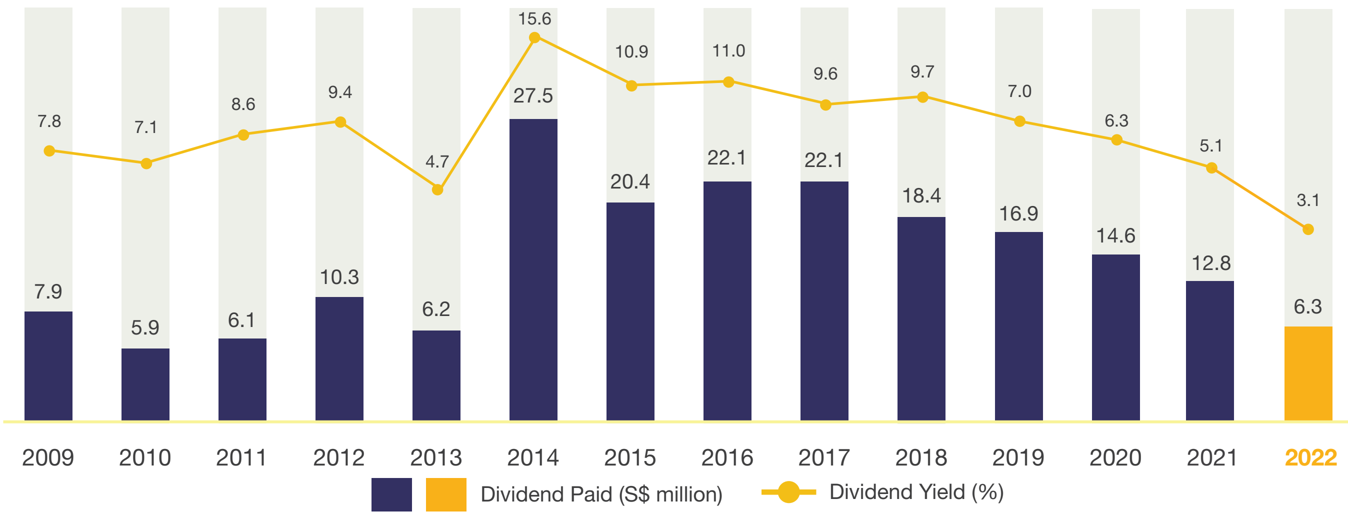

Earnings Per Share (Singapore Cents)
-8.62
1.54
2.29
2.45
2.82
1.92
1.22
1.14
2.43
0.43
1.16
0.87
0.93
-2.23
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

# FINANCIAL HIGHLIGHTS

## Return on Equity (%)

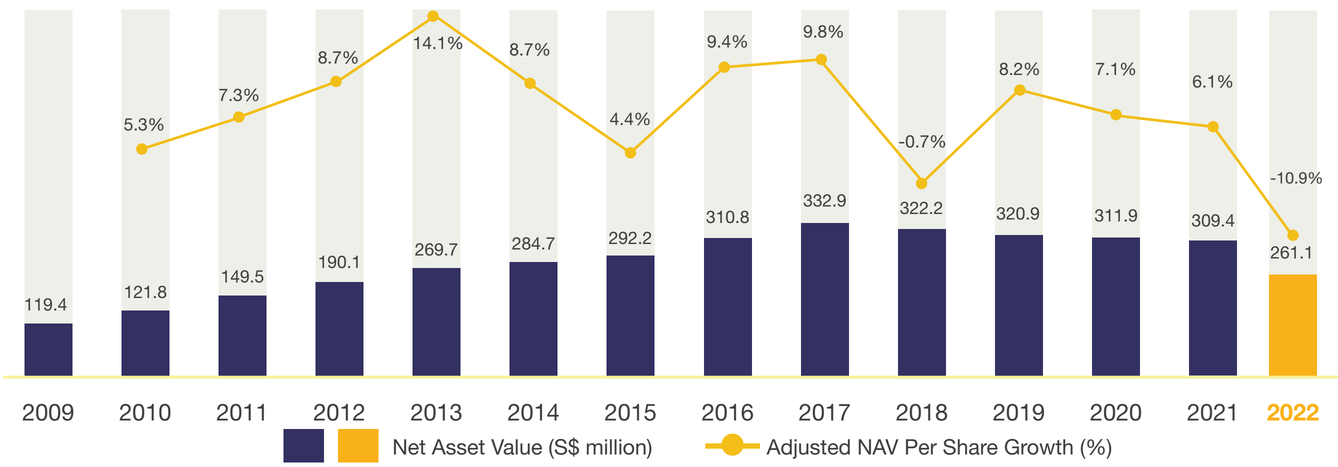



## Dividend Paid & Yield[1] (S$ Million and %)




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

## Net Asset Value & Adjusted NAV Per Share Growth[2] (S$ Million and %)




[2] Adjusted NAV per share growth is the year-on-year change in the NAV per share (after adjusting for dividend, new shares issued and treasury shares utilised pursuant to the Scrip Dividend Scheme) over the adjusted NAV per share of the preceding period.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Group for the year ended 31 December 2022 S$'000 | Group for the year ended 31 December 2021 S$'000 |
|---|---|---|
| **INCOME** | | |
| Dividend income | 2,359 | 1,736 |
| Interest income | 11,114 | 12,708 |
| Net foreign exchange gain | – | 1,017 |
| Net (loss)/gain on financial assets at fair value through profit or loss | (40,665) | 6,544 |
| **Total (Loss)/Income** | **(27,192)** | **22,005** |
| **EXPENSES** | | |
| Management fees | (2,471) | (2,627) |
| Incentive fees | – | (2,335) |
| Net foreign exchange loss | (3,332) | – |
| Other operating expenses | (1,911) | (2,021) |
| **Total expenses** | **(7,714)** | **(6,983)** |
| **(Loss)/Profit before tax** | **(34,906)** | **15,022** |
| Income tax expense | (192) | (130) |
| **(Loss)/Profit after tax** | **(35,098)** | **14,892** |
| **Total comprehensive (loss)/income for the year attributable to shareholders** | **(35,098)** | **14,892** |
| **Basic earnings per share (cents per share)** | **(2.23)** | **0.93** |
| **Diluted earnings per share (cents per share)** | **(2.23)** | **0.93** |

For the year ended 31 December 2022, the Group reported a net loss after tax of S$35.1 million as compared to a net profit after tax of S$14.9 million recorded for the year ended 31 December 2021.

**INCOME**

The Group reported a loss of S$27.2 million as compared to an income of S$22.0 million recorded last year. The loss was due to fair value loss of financial assets at FVTPL of S$40.7 million versus a fair value gain of S$6.5 million last year. The Group also reported a lower interest income of S$11.1 million as compared to S$12.7 million last year due to the increase in the redemption/maturity of investments during the year.

**EXPENSES**

Expenses for the year ended 31 December 2022 was S$7.7 million, slightly higher than S$7.0 million recorded last year. This was mainly due to the net foreign exchange loss of S$3.3 million partially offset by the absence of incentive fee in the current year.

## STATEMENT OF FINANCIAL POSITION

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Financial assets at fair value through profit or loss | 162,254 | 212,051 |
| Right-of-use asset | 115 | 184 |
| | 162,369 | 212,235 |
| **Current assets** | | |
| Cash and cash equivalents | 51,065 | 41,921 |
| Financial assets at fair value through profit or loss | 46,349 | 53,804 |
| Other assets | 2,521 | 2,993 |
| | 99,935 | 98,718 |
| **Total Assets** | **262,304** | **310,953** |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Lease liabilities | 72 | 64 |
| Other liabilities | 1,108 | 1,377 |
| | 1,180 | 1,441 |
| **Non-current liabilities** | | |
| Lease liabilities | 51 | 124 |
| | 51 | 124 |
| **Total Liabilities** | **1,231** | **1,565** |
| **Net assets attributable to shareholders** | **261,073** | **309,388** |
| **EQUITY** | | |
| Share capital | 270,837 | 270,837 |
| Treasury shares | (25,477) | (18,228) |
| Capital reserve | 1,054 | 742 |
| Retained Earnings | 14,659 | 56,037 |
| **Total Equity** | **261,073** | **309,388** |

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 December 2022 was S$208.6 million and it was S$57.3 million lower than the carrying value of the portfolio of investments of S$265.9 million as at 31 December 2021. The decrease was mainly due to fair value loss through profit or loss and net redemption/maturity of investments.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased to S$51.1 million as at 31 December 2022 from S$41.9 million as at 31 December 2021. This was mainly due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2021 final dividend.

### NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 December 2022 was 16.82 cents after the payment of 2021 final dividend of 0.40 cents per share. If the 2021 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2021, the net asset value per share as at 31 December 2021 would have been 18.87 cents instead of 19.33 cents per share, and the decrease in net asset value per share would be 10.86%.

### RETURN ON EQUITY

The Group recorded a return on equity (computed based on net profit/loss after tax over the average total equity) of -12.3% in 2022 as compared to 4.8% in 2021 due to loss after tax for the year.

# CORPORATE GOVERNANCE REPORT

Global Investments Limited (**GIL**) is fully committed to upholding the highest standards of corporate governance, business integrity and professionalism in all activities undertaken by GIL. Throughout the financial year ended 31 December 2022 (**FY2022**), GIL has complied with the principles and substantially with the provisions of the Code of Corporate Governance 2018 (**2018 Code**). This Corporate Governance Report sets out GIL's corporate governance practices with reference to the 2018 Code. Where there are any deviations from the provisions of the 2018 Code, appropriate explanations have been provided.

**2022 Highlights**

- Best Risk Management Award 2022, Merit Award, Singapore Corporate Awards.
- GIL was ranked 27th among 489 listed companies under Singapore Governance and Transparency Index-General Category in 2022.
- The SGX has placed GIL on the SGX Fast Track list since 2019 in recognition of our efforts in upholding high standards of corporate governance standard and maintaining a good compliance track record. GIL will remain on the SGX Fast Track list until the next review cycle in 2023.

**BOARD MATTERS**

**The Board's Conduct of Affairs**

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Manager for the long-term success of the company.**

***Provision 1.1: Directors act objectively in the best interests of the company.***

**Role of the Board**

The Board is responsible for corporate governance and has oversight of the business and internal affairs of GIL. The Board has adopted the 2018 Code and has appointed the Manager to manage GIL's day-to-day business and internal affairs pursuant to the Management Agreement. The Board meets at least four times per year, or more frequently if necessary. GIL's Constitution also provides for directors to participate in Board meetings by means of teleconference and video conference.

The Board's key responsibilities include the following:

- Set strategic direction of the Company.
- Determine GIL's dividend policy, the amount and timing of all dividends.
- Monitor the Company's operations in relation to, and in compliance with relevant regulatory and legal requirements and ensure proper accountability.
- Evaluate the performance of the Manager and monitor its compliance with the Management Agreement.
- Review the management fees and performance fees in accordance with the terms of the Management Agreement.
- Review the performance and effectiveness of corporate governance policies.
- Consider sustainability issues including environmental, social and governance factors as material to GIL's business.

**Conflicts of Interest Policy**

GIL has adopted a Conflicts of Interests Policy. The directors are required to act in a manner which is consistent with the best interests of GIL, free of any actual or possible conflicts of interest.

If a director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, and the interests of GIL or his or her duties to GIL, the Board requires the director to:

- Fully and frankly inform the Board about the circumstances giving rise to the conflict.
- Abstain from voting on any motion relating to the matter and absents himself or herself from all board deliberations relating to the matter, including receipt of board papers bearing on the matter.

If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, that director should consult the chairman immediately.

GIL's Conflicts of Interests Policy can be found on GIL's website at: www.globalinvestmentslimited.com.

***Provision 1.2: Board Orientation and Training.***

**Induction, Orientation and Training**

In line with best practices in corporate governance and the 2018 Code, new directors will receive a letter of appointment, which provides details on the key terms of their appointment, duties and obligations. As part of the induction process, in-coming directors will be briefed on their duties in relation to conflicts of interests and disclosure of interests.

A director who has no prior experience as a director of a listed company will be sent for training on the roles and responsibilities of a listed company director as prescribed in Practice Note 2.3 of the Listing Manual of the SGX-ST.

In FY2022,

1. Mr Ng Thiam Poh attended the mandatory courses from the Listed Entity Directors Programme conducted by the Singapore Institute of Directors (SID) that were relevant to his appointment to the Board.
2. All directors completed the mandatory sustainability training required by Listing Rule 720(7).

The directors receive updates on relevant regulatory changes from authorities such as the SGX-ST and Accounting and Corporate Regulatory Authority (ACRA) on a quarterly basis. The external auditor presents the relevant changes to the financial reporting standards to the Board, where applicable.

During the annual strategic review, the Manager will update the Board on the investment environment and outlook for the year ahead. A broad overview of risk vs return environment including the appropriate asset allocation will be made based on GIL's risk tolerance.

Dedicated training sessions were conducted for directors in FY2022. The training sessions comprised of internal trainings as well as those conducted by external advisors. The topics covered by the training sessions include the following:

(i) The Nominating Committee – Architects of Transformation;

(ii) Review of Risk management, Internal Control and Corporate Governance;

(iii) Investment Trends;

(iv) Sustainability Trends and Development;

(v) Metaverse; and

(vi) Asia Outlook: Riding through the danger zone.

Directors also attended external seminars and talks individually in FY2022 to update and enhance their skills and knowledge. Some of the courses directors attended in FY2022 related to the following:

(i) Sustainable Finance;

(ii) Corporate Governance; and

(iii) Risk Management.

***Provision 1.3: Matters requiring the Board approval.***

The matters requiring the Board's specific approval include[1]:

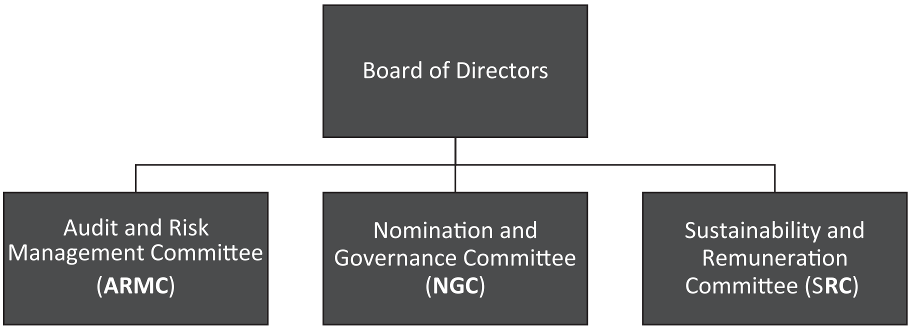
- Alterations of the Constitution
- Amendment to the Management Agreement
- Changes in share capital, including allotment or issue of shares and grant of any option or rights to subscribe for shares
- Changes in nature of business
- Change of name
- Investments and divestments above the discretionary limit of the Manager
- 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
- Any change to the accounting policies or any change of the auditors
- Entry by GIL into any joint venture, partnership, consortium, or other similar arrangements
- Cessation of any business operation
- Any merger, re-organisation, re-capitalisation or sale of any member of the Group or any consolidation or amalgamation with other company
- Any borrowing or creation of charge or other security over any assets or property
- Incorporation of a new subsidiary
- Payment or declaration by GIL of any dividend or other distribution on account of shares in its capital
- Commencement or settlement of any litigation or arbitration or other proceedings
- Capital raising
- Delegation or outsourcing of Manager's services
- Transactions with Related Corporations or interested persons

[1] Some of the matters may require shareholders' approval.

***Provision 1.4: Delegation to 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 the Board Committee Chairmen reports to the Board. The terms of reference and the structure of each Board committee are reviewed on a regular basis and any changes to the terms of reference will require the Board's approval.

The Board comprises the following committees:




**Members of the Board and its committees, the date of their appointment and date of last re-election to the Board as at 31 December 2022 are shown below:**

| Directors | Date of Appointment | Date of Last Re-election | ARMC | NGC | SRC[1] |
|---|---|---|---|---|---|
| Mr Boon Swan Foo (Chairman, Non-Executive Non-Independent Director) | 20 Dec 2011 | 28 Apr 2022 | – | Member | – |
| Mr Abdul Jabbar Bin Karam Din (Lead Independent Director) | 7 Jan 2019 | 22 Apr 2021 | Member | Chairman | – |
| Ms Tan Mui Hong (Non-Executive Non-Independent Director) | 1 Jul 2019 | 19 Jun 2020 | Member | – | Member |
| Mr Lay Charlie Nhuc Hiang (Independent Director) | 26 Jun 2020 | 22 Apr 2021 | Chairman | – | Member |
| Mr Ng Thiam Poh (Independent Director) | 20 Oct 2021 | 28 Apr 2022 | – | Member | Chairman |

**Notes:**

(1) The Remuneration Committee was reconstituted and renamed as Sustainability and Remuneration Committee on 11 August 2022.

***Provision 1.5: Directors' attendance and participation in Board and Board committee meetings.***

Board and Board committee meetings are held regularly and scheduled one year in advance. The Board meets at least four times a year. Ad-hoc Board and Board committee meetings will be held as and when required, in addition to the scheduled meetings.

The attendance of the Directors of the Board and Board committee meetings for FY2022 is set out in the table below. **There was full board attendance at the Annual General Meeting as well as for all scheduled Board and Board Committee meetings.**

| | Board Meetings | ARMC Meetings | NGC Meetings | SRC Meetings | AGM |
|---|---|---|---|---|---|
| Number of Meetings Held | 7 | 4 | 2 | 3 | 1 |
| Directors | Number of Meetings Attended | | | | |
| Mr Boon Swan Foo | 7 | 4* | 2 | 3* | 1 |
| Mr Abdul Jabbar Bin Karam Din | 7 | 4 | 2 | 3* | 1 |
| Ms Tan Mui Hong | 7 | 4 | 2* | 3 | 1 |
| Mr Lay Charlie Nhuc Hiang | 7 | 4 | 2* | 3 | 1 |
| Mr Ng Thiam Poh | 7 | 4* | 2 | 3 | 1 |

* refers to meeting attended by invitation.

***Provision 1.6: Access to Information.***

The Board has access to monthly management accounts and is provided with explanations and information as the Board may require from time to time. The directors are also provided with agendas of each Board and Board committee meetings along with the quarterly regulatory updates as well as updates on global events and risks, financial results, risk reports, current asset review and related materials one week before the meetings to enable the directors to make informed decisions and obtain further information if necessary.

The Manager provides the Board with information to enable the Board to make a balanced and informed assessment of Company's performance, position, and prospects. The Manager would also submit a compliance checklist to the SGX-ST confirming that all the financial results announced via SGXNet comply with the requirements set out in the Listing Manual.

***Provision 1.7: Access to the Manager and Company Secretary and external advisers.***

The directors always have independent access to the Manager, Company Secretary and external advisers. 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 for 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 FY2022.

**BOARD COMPOSITION AND GUIDANCE**

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

***Provision 2.1: Independence of director.***

Please see "Assessment of Independence of Director" under Provision 4.4.

***Provision 2.2: Independent directors make up a majority of the Board.***

***Provision 2.3: Non-Executive directors make up a majority of the Board.***

During FY2022, there were 3 Non-Executive Independent Directors and 2 Non-Executive Non-Independent Directors on the Board. This meant that for all material times during FY2022, Non-Executive Independent Directors made up majority of the Board.

***Provision 2.4: Composition, size and diversity of the Board and Board Committees.***

The Non-Executive Directors, including the Independent Directors contribute their expertise in the decision making of the Board and Board committees to ensure that GIL acts in the best interest of the shareholders.

The Board has re-examined its size and considered that the appropriate size for the Board to facilitate effective decision making is a minimum of 5 directors. The NGC conducts evaluations to maintain an appropriate balance of expertise and skills sets amongst the Board and the Board committees. For FY2022, the NGC is satisfied that the Board and Board committee currently provide the core competencies such as legal, accounting, finance, investment, economy, risk management, business management, strategy planning and experience or knowledge.

**Board Diversity Policy**

GIL's a Board Diversity Policy recognises and embraces the benefits of having a diverse Board, and endeavours to include a broad range of factors in its selection and retention of Directors. GIL believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to:

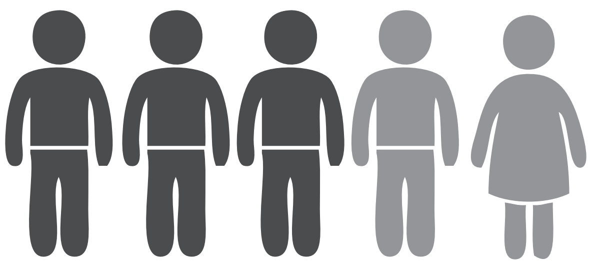
- Drive business results
- Raise corporate governance standards
- Enhance quality and responsible decision-making capability
- Ensure sustainable development
- Enhance reputation

While all appointments to the Board will continue to be made on merit, the Company pledges its commitment to promote diversity as a key attribute of a well-functioning and effective Board by harnessing the variety of skills and distinguishing qualities of the members of the Board. The NGC considers criteria such as skill sets, industry experience, cultural and geographical background, age, ethnicity, race and gender in determining the optimum composition of the Board.

The Board has adopted the NGC's recommended target to maintain at least 1 suitably qualified female director on the Board and to have female candidates to be fielded for consideration when seeking to identify a new Director for appointment to the Board. The Board has continued to achieve its target of having at least 1 female director on the Board for FY2022.

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

The composition of the Board for FY2022 is as follows:



| **Legend** | | |
|---|---|---|
| Independence | | Independent Director |
| | | Non-Independent Director |
| Gender | | Female |
| | | Male |

To ensure that the Company is able to meet the challenges and demands of the market, the Board is also focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out the Company's needs against the board composition. A summary of the Board's knowledge, skills and experience for FY2022 is as follows:

| Directors | Knowledge, Skills and Experience of Directors | | | | | |
|---|---|---|---|---|---|---|
| | General Management & Business Operations | Accounting & Finance | Investment | Strategic Planning & Risk Management | Legal & Regulatory | Senior Management Experience (>10 years) |
| Mr Boon Swan Foo | | | | | | |
| Mr Abdul Jabbar Bin Karam Din | | | | | | |
| Ms Tan Mui Hong | | | | | | |
| Mr Lay Charlie Nhuc Hiang | | | | | | |
| Mr Ng Thiam Poh | | | | | | |

| Legend | |
|---|---|
| | Working knowledge or awareness in aspects of the field (i.e. in a stage of career, or project role) |
| | Significant experience in Senior Roles |
| | Extensive career experience in senior executive, director or professional roles (i.e. expert in field) |

For further details of the qualifications and experience of the Board members, please see section under "Overview - Board of Director".

***Provision 2.5: Non-Executive directors and/or Independent directors meet regularly without the presence of the Manager.***

The Independent Directors met regularly without the presence of the Manager. On an annual basis, the Independent Directors would meet with the external auditors to review the findings of the audit and obtain feedback regarding the Manager. The Independent Directors would also confer among themselves without the presence of the Manager as and when the need arises. The Lead Independent Director collates the feedback from the Independent Directors and communicates the same to the Board and/or the Board Chairman as appropriate. In FY2022, three (3) meetings of the Independent Directors, chaired by the Lead Independent Director, was held without the presence of Manager.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

***Provision 3.1: Chairman and the Chief Executive Officer are separate persons.***

There is no Chief Executive Officer as GIL has appointed the Manager to manage the Company.

***Provision 3.2: Division of responsibilities between the Chairman and the Chief Executive Officer.***

The role of the Chairman is to, among others:

- Ensure the Board provides leadership and vision for the Company
- Lead the Board, ensuring its effectiveness on all aspects of its role
- Establish the agenda for Board meetings, in consultation with Company Secretary and ensure that all Board members are provided, on a timely basis, with the information necessary to undertake effective decision making and actions
- Preside over Board meetings and facilitate board discussions so that board time is used effectively to address critical issues
- Ensure Board minutes accurately reflect Board discussions and decisions
- Chair meetings of shareholders, including the Annual General Meeting
- Guide the ongoing effectiveness and development of the Board and individual directors

***Provision 3.3: Lead Independent Director.***

GIL's Chairman, Mr Boon Swan Foo is considered non-independent because he is a controlling shareholder that holds 19.11% of the shares in GIL as at 8 March 2023. At the same time, Mr Boon is also a major ultimate beneficial owner and Chairman of SICIM, the Manager of GIL.

In light of that, a Lead Independent Director has been appointed to assist the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Board and GIL since 25 February 2016.

Mr Abdul Jabbar Bin Karam Din is the current Lead Independent Director of GIL and has been appointed to the role since 1 January 2022.

The Lead Independent Director performs the following responsibilities and duties:

- Assisting the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and GIL
- 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
- Coordinating activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity
- Acting as the contact point for shareholders where they have concerns and for which contact through the Chairman or the manager of GIL or the staff or officers of the manager have failed to resolve, or is inappropriate

## BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

***Provision 4.1: Role of NGC.***

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:

- To review and advise the Board on the composition of the Board and its committees

- To review the performance of the Board, the Chairman, and other directors of the Board
- To review training and professional development programmes for the Board
- To ensure that proper succession plans are in place for consideration by the Board
- To advise the Board on appropriate governance standards and appropriate corporate governance policies
- To critically review GIL's performance against its corporate governance policies on an annual basis or as otherwise deemed appropriate

For FY2022, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee's terms of reference and concluded that the NGC had adequately fulfilled its duties.

***Provision 4.2 Composition of the NGC.***

As at 31 December 2022, the NGC comprises the three directors, of which two are independent:

| Name | Appointment | Directorship |
|---|---|---|
| Mr Abdul Jabbar Bin Karam Din | Chairman | Lead Independent Director |
| Mr Boon Swan Foo | Member | Non-Executive Non-Independent Director |
| Mr Ng Thiam Poh | Member | Independent Director |

***Provision 4.3: Process for the selection, appointment and re-appointment of directors.***

**Process for Selection and Appointment of Directors**

The NGC reviews and recommends the size and composition of the Board. With the assistance of the Manager, the NGC identifies and recommends to the Board the relevant Directors who are due for retirement, election or re-election at each AGM, and for any appointment that is expected or has arisen between AGMs.

The Company may engage external consultant to assist in the sourcing of potential candidates when necessary. The NGC may also review candidates recommended by Board members. When shortlisting candidates, the NGC will ensure compliance with the Board Diversity Policy. Shortlisted candidates will be interviewed by the NGC Chairman and Board Chairman before recommendation to the Board for final approval.

**Process for Re-Election of Directors**

GIL's Constitution requires that the directors to retire by rotation in each subsequent AGM. The directors to retire shall be those who have been longest in office since their last re-election or appointment, and a retiring director is eligible for re-election. All directors shall submit themselves for retirement and re-election at least once every three years and at least one-third of the directors shall retire from their office by rotation at each AGM.

In accordance with GIL's Constitution, Ms Tan Mui Hong is due to retire by rotation at the 2023 AGM, and being eligible, has offered herself for re-election at the 2023 AGM. The NGC has considered her contribution and performance and recommended to the Board to nominate her for re-election at the 2023 AGM.

**Succession Planning**

During the process for the selection, appointment and re-appointment of directors, the NGC reviews the range of expertise, skills, attributes, composition of the Board and Board Committees 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, 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. The Board also reviewed candidates recommended by fellow directors to assist in the sourcing of potential candidates as Independent Director. Potential candidates were interviewed before their appointment were finalised.

**Board Renewal**

Mr Ng Thiam Poh was appointed to the Board on 20 October 2021 and was re-elected during the 2022 AGM.

Board renewal is a continuous process and is a crucial element of the GIL's corporate governance process. The NGC will plan to refresh the Board membership progressively and in an orderly manner to maintain the balance of institutional knowledge and ensure that shareholders and stakeholders will be unaffected by changes in leadership.

Having reviewed the composition of the Board and Committees, which included factors such as size, mix, tenure, strategy and business operations, no recommendations were made to appoint new directors or rotate directors within Board Committees in FY2022.

**Alternate Director**

Under GIL's Constitution, an Alternate Director is entitled to perform all the functions of the director appointing him in the director's absence. If a person is proposed to be appointed as an alternate director to an Independent Director, the NGC and the Board will review whether that the person would similarly qualify as an Independent Director. No alternate director was appointed to the Board in FY 2022.

***Provision 4.4: Determination of Independence.***

**Board Independence**

The NGC oversees the size and composition of the Board and its committees and advises the Board on best practices for corporate governance and adoption of appropriate corporate governance policies. The NGC ensures that the Board is able to exercise independent and objective judgment on corporate affairs, in particular, from the Manager and its substantial shareholders[2].

A director who has no relationship (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, substantial shareholders or officers that could interfere or be perceived to interfere his or her independent judgment in the best interest of the Company is deemed to be independent.

**Assessment of Independence of Directors**

The NGC reviews the independent status of directors in accordance with the definitions and guidelines set out in the 2018 Code annually to ensure no individual or small groups of individuals that will dominate the decision making of the Board.

[2] The term "substantial 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 (excluding treasury shares) in the Company.

| Directors | Date of Appointment | Independence status under the Practice Guidance 2 of 2018 Code[1] | Less than 5% interest in voting shares (direct/ deemed) | Independent relationship – including independence from substantial shareholders | Served on the Board for less than 9 years[3] | Immediate family relationship[2] |
|---|---|---|---|---|---|---|
| Mr Boon Swan Foo | 20 Dec 2011 | No | No | No | No | No |
| Mr Abdul Jabbar Bin Karam Din | 7 Jan 2019 | Yes | Yes | Yes | Yes | No |
| Ms Tan Mui Hong | 1 Jul 2019 | No | Yes | Yes | Yes | No |
| Mr Lay Charlie Nhuc Hiang | 26 Jun 2020 | Yes | Yes | Yes | Yes | No |
| Mr Ng Thiam Poh | 20 Oct 2021 | Yes | Yes | Yes | Yes | No |

**Notes**

1 (a) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) other than for board services on a one-off or recurring basis with aggregated payments over any financial year in excess of S$50,000 should generally be deemed significant.

(b) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) on a one-off or recurring basis with aggregated payments over any financial year in excess of S$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question.

2 An Independent Director should not have an immediate family relationship with any director or GIL or its substantial shareholders. The term "immediate family" refers to a person's spouse, child, adopted child, step-child, brother, sister and parent.

3 Listing Rule 210(5)(d)(iv) states that where a Director has served an issuer for an aggregate period of more than 9 years, he/ she will only be considered independent until the conclusion of the next AGM of the issuer.

**Review of Independence**

The NGC coordinates the assessment of the performance of the Board, the Board committees, the Chairman of the Board and the Board's individual directors and determines if a director should be considered independent annually.

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 Practice Guidance 2 of the 2018 Code.

2. Is not independent even in the absence of relationships and circumstances enumerated in Practice Guidance 2 of the 2018 Code.

For FY2022, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in Practice Guidance 2 of the 2018 Code.

For FY2022, there is no independent director on the Board who has served for more than 9 years.

***Provision 4.5: Commitment of Directors.***

**Information on GIL Directors**

The key information regarding the directors, such as academic and professional background, shareholdings, chairmanships, directorships and other principal commitments can be found under the section of "Board of Directors".

**Multiple Directorships**

Directors with multiple board appointments are exposed to a wider organisational practice and diverse operating environments and will be able to enhance the Board's performance by contributing knowledge and information acquired from different corporations or industries. Directors with multiple directorships must also ensure that sufficient time and attention is given to the affairs of each company which they are appointed as a director. The NGC reviews the performance and commitment of directors holding multiple appointments by 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[3]. Given the full attendance of all directors at Board and Board committee meetings during FY2022, the NGC is satisfied that all directors have devoted sufficient time and attention to the affairs of GIL and have adequately carried out their duties as a director of GIL for FY2022.

**BOARD PERFORMANCE**

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

***Provision 5.1: Performance criteria and process for the evaluation of the Board, Board committees, Chairman and individual Directors.***

The Board has implemented a process through which the NGC coordinates a formal assessment of the effectiveness and performance of each director, including the Chairman of the Board, the Board and the Board committees on an annual basis. The individual director's, 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.

***Provision 5.2: Assessments of the Board, Board committees and each Director.***

**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 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 other 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.

Any amendments to the Board performance evaluation criteria are subject to the Board's approval.

The Board committees are also required to do a self-review of their performance against the responsibilities set out in their respective terms of reference and report any key findings and recommendations to the NGC who will in turn assess and report to the Board the key findings and recommendations.

---

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

**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 performance, contribution, knowledge on key drivers, risks and opportunities and special expertise beneficial to the Board and to also give suggestions on what the directors being evaluated should improve on or do differently. The Chairman is also assessed via such questionnaire on his leadership, management skills, communication skills, and knowledge.

**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 open and frank discussions. 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 terms of reference and report any key findings and recommendations to the Board.

In respect of individual directors, the NGC will identify areas for improvement and suggest them to the Board and the respective directors for consideration. The open discussion between the NGC and the Board members will allow each individual director to discharge his duties more effectively. The Chairman will act on the results of the performance evaluation and in consultation with the NGC, to determine whether it is necessary to appoint new directors or to seek resignation of any directors.

For FY2022, taking into consideration the key findings of the NGC, the Board is satisfied that the Board and its committees, the Chairman and each individual director have adequately fulfilled their responsibilities. No external facilitator was engaged for evaluation of the Board and Board committees.

## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.[4]**

***Provision 6.1: SRC to review and make recommendations to the Board on remuneration framework and packages.***

The responsibilities of the SRC include overseeing a framework for remuneration, recommending policies and guidelines for directors' fees, and reviewing the performance and fees payable to the Manager.

The key terms of reference of the SRC 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 performance of the Manager on an annual basis;

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

5. To review and recommend for the Board's approval any public disclosure made relating to sustainability;

6. To review the effectiveness of policies and guidelines for ensuring compliance with applicable laws and regulations associated with sustainability matters (if any); and

7. To engage with stakeholders in relation to GIL's sustainability objectives and policies (if any).

[4] Provision 6.4 is not applicable because the Company did not engage any remuneration consultant.

For FY2022, the SRC conducted a self-review against its responsibilities set out in the SRC's terms of reference and concluded that the SRC had been adequately fulfilling its duties.

***Provision 6.2: SRC composition.***

As at 31 December 2022, GIL's SRC comprise of three non-Executive directors, of which two are Independent.

The names of the directors forming the SRC are as follows:

| Name | Appointment | Directorship |
|---|---|---|
| Mr Ng Thiam Poh | Chairman | Independent Director |
| Mr Lay Charlie Nhuc Hiang | Member | Independent Director |
| Ms Tan Mui Hong | Member | Non-Executive Non-Independent Director |

***Provision 6.3: Remuneration Framework.***

**Remuneration of Non-Executive Directors**

The remuneration of Non-Executive directors will be reviewed and recommended by the SRC. Factors taken into account includes effort and time spent on board matters, responsibilities of the directors, as well as industry benchmarks and the remuneration framework of other selected listed investment companies in Singapore. Non-Executive directors are also encouraged to hold the shares of GIL to better align their interests of the directors with the interests of the shareholders.

**Remuneration of the Manager**

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. If the Manager and its associates hold any shares at the time of such meeting, they will be required to abstain from voting on the relevant resolution.

Further, the SRC will review the Manager's performance on an annual basis to ensure that the work done pursuant to the Management Agreement is commensurate to the fees paid to the Manager.

**LEVEL AND MIX OF REMUNERATION**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

***Provision 7.1: Remuneration of executive directors' and key management personnel.***

As the Manager has been appointed to manage GIL's day-to-day business and internal affairs, GIL does not have any employees and executive directors. Please refer to Provision 7.3 for the remuneration framework of the Manager.

***Provision 7.2: Remuneration of non-executive directors.***

As at 31 December 2022, the Board comprises 5 directors, with a Non-independent Chairman, one Non-Independent Director and 3 Independent Directors. There are no Executive Directors.

**Fee structure for Non-Executive Directors for FY2022**

| S/N | Type of Fee | Remuneration Per Annum |
|---|---|---|
| 1. | Base fee | S$45,000 |
| 2. | Fees for chairmanship of the Board and Board committees as well as membership in Board committees | |
| | Chairman | S$22,000 |
| | Deputy Chairman of the Board | Not applicable |
| | Lead Independent Director | S$5,000 |
| | Chairman of ARMC | S$18,000 |
| | Member of ARMC | S$10,000 |
| | Chairman of NGC | S$10,000 |
| | Member of NGC | S$6,000 |
| | Chairman of SRC | S$10,000 |
| | Member of SRC | S$6,000 |

The SRC regularly reviews and evaluates the remuneration structure of the Board, and is confident that the overall level and structure of remuneration align with the long-term interests and risk management policies of GIL.

***Provision 7.3: Remuneration is appropriate to attract, retain and motivate the Manager to provide good stewardship and promote long-term success of the Company.***

**Remuneration of the Manager**

The Manager is entitled to a Base fee of 1.0% of Net Investment Value up to S$1.5 billion or 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. The incentive fee is a performance-related fee designed to align the interests of the Manager with the interests of the shareholders and to promote the long-term success of GIL.

The Company believes in making full and frank disclosure of the Manager's fee structure. The entire formula for calculation of the Manager's fee is fully set out at page 104.

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

**DISCLOSURE ON REMUNERATION**

**Principle 8: The company is transparent on its remuneration polices, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.[5]**

***Provision 8.1: Policy and criteria for setting remuneration and remuneration of directors.***

Directors 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 Non-Executive directors. 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 in FY2022.

[5] Provisions 8.1(b), 8.2 and 8.3 are not applicable as GIL has no employees and is managed by the Manager. No immediate family members of the directors are employed by GIL or the Manager.

A total of directors' fees up to S$380,200 was approved by the shareholders at the 2022 Annual General Meeting under the existing remuneration framework. The aggregate fees paid quarterly in arrears to the Non-Executive directors for FY2022 was S$335,000.

The remuneration of directors for FY2022 is as follows[6]:

| Directors | Base Remuneration Fees (S$) | Fees for Chairmanship of the Board and Board Committees and Membership of Board Committees and allowances (S$) | Total Directors' Fees (S$) |
|---|---|---|---|
| Mr Boon Swan Foo | 45,000 | 28,200 | 73,200 |
| Mr Abdul Jabbar Bin Karam Din | 45,000 | 25,200 | 70,200 |
| Ms Tan Mui Hong | 45,000 | 16,200 | 61,200 |
| Mr Lay Charlie Nhuc Hiang | 45,000 | 24,200 | 69,200 |
| Mr Ng Thiam Poh | 45,000 | 16,200 | 61,200 |

## RISK MANAGEMENT AND INTERNAL CONTROL

**Principle 9: The Board is responsible for governance of risk and ensures that the Manager maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

***Provision 9.1: The Board determines the nature and extent of the significant risks.***

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 its ability to meet dividend expectations. While appropriate risk mitigation measures within GIL's risk assessment framework as mentioned below are taken to address such inherent risk, the Board notes that, as elaborated upon below, no system of internal controls and risk management can eliminate all risks.

GIL adopts the Committee of Sponsoring Organisations of the Treadway Commission Model and the International Organization for Standardization on Risk Management (ISO 31000:2018) 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 involves 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 of the portfolio 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 Company.

[6] Remuneration of the directors are rounded to the nearest dollar.

***Provision 9.2: Assurance from CEO, CFO and other key management personnel.***

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.

While GIL does not have a CEO/CFO, for FY2022, 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. 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 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 as at 31 December 2022.

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.

## AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

***Provision 10.1: Duties of the ARMC.***

GIL has established an ARMC and has adopted a formal charter setting out its key responsibilities.

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 such other professionals to advise the ARMC or to assist in the conduct of an investigation

2. Seek any information it requires from external parties

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 ARMC will review the representations from the Manager to ensure that GIL's financial statements are accurately maintained and gives a true and fair view of GIL's operations and finances.

2. Internal Controls: The ARMC reviews and reports to the Board on the adequacy and effectiveness of GIL's internal control systems, including financial, operational, compliance and information technology controls and risk management systems, at least annually. The ARMC 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 the external auditors' their independence as well as the scope and results of the external audit. The ARMC also establishes policies (if necessary) 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 to 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. The ARMC 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. The ARMC reviews its effectiveness and performance against its terms of reference, 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.

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 2022.
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2022.

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

***Provision 10.2: Composition of the ARMC.***

The ARMC comprises of three directors, of which two, including the Chairman of the ARMC are Independent Directors. All three members of the ARMC including the Chairman of the ARMC, possess relevant accounting or related financial management expertise or experience.

As at 31 December 2022, the ARMC comprises the following directors:

| Name | Appointment | Directorship |
|---|---|---|
| Mr Lay Charlie Nhuc Hiang | Chairman | Independent Director |
| Mr Abdul Jabbar Bin Karam Din | Member | Lead Independent Director |
| Ms Tan Mui Hong | Member | Non-Executive Non-Independent Director |

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 section of "Induction, Orientation and Training" under Provision 1.2.

| Key audit matters | How ARMC reviewed the matters |
|---|---|
| Valuation of financial instruments not quoted in an active market | The ARMC had discussed with the Manager and the external auditor on the valuation techniques and inputs used to determine the fair value of the bonds and the collateralised loan obligation which do not have an active market.<br><br>The ARMC considered that the fair value of these financial instruments appropriate. |

**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 FY2022, the ARMC met with the external auditors without the presence of the Manager. The external auditor provides updates on changes to the accounting standards and its implications on the Company's financial statements to the Board.

***Provision 10.3: Independence of the External Auditors.***

The Chairman and members of the ARMC are not former partners or directors of, nor do they have any financial interest in the external auditors.

For the purposes of the FY2022 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 FY2022, the fees paid to the external auditor for audit services were as follows:

| | Fees (S$) |
|---|---|
| Audit Services | 123,000 |
| Total | 123,000 |

The external auditor has not provided any non-audit services to the Company. GIL has complied with Listing Rule 712 and 715 in relation to the appointment of its external auditor.

***Provision 10.4: Internal Audit Function.***

The Manager has its own outsourced internal auditor, RSM Risk Advisory Pte Ltd (RSM), which conducts audit on certain areas of the Manager's scope of work under the Management Agreement with GIL such as operations, setting of risk parameters and adherence to risk limits, monitoring of risk limit breaches, adequacy of compliance policies and periodic monitoring framework. RSM 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 and properties. RSM reports the findings from the audit of the Manager's scope of work under the Management Agreement to the Manager's ARMC. The Manager's officers also meet with RSM and the Board to ensure that GIL's internal procedures and policies are compliant with all applicable laws and regulations. For FY2022, GIL has also appointed RSM to review its sustainability reporting process pursuant to Listing Rule 711B(3).

***Provision 10.5: The ARMC meets with the external auditors, and with the internal auditors without the presence of Management.***

The ARMC meets with GIL's external auditors without the presence of the Manager at least annually. The ARMC has also appointed internal auditors from FY2022 onwards to aid in its evaluation of the effectiveness of governance, risk management and control processes of GIL. In addition, the ARMC is also entitled to meet with the Manager's internal auditor, without the presence of the Manager as and when the ARMC deems necessary.

**Whistleblowing Policy**

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

Alternatively, whistleblowers 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. 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 has 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.

## SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

***Provision 11.1: Opportunity to participate effectively in and vote at general meetings.***

GIL supports active shareholder participation at AGMs. Notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information are advertised in local newspaper and delivered to shareholders in adherence to the requisite period to provide shareholders with sufficient time to review the aforementioned documents. GIL allows shareholders who hold shares through nominees to attend the AGMs without being constrained by the two-proxy rule.

Following 2 years of virtual AGM, GIL has opted to conduct a fully physical meeting for AGM 2023 to encourage active shareholder participation. Nonetheless, for shareholders residing overseas or is unavailable to attend, they may appoint the Chairman of the meeting or their own proxies to exercise their voting rights. GIL also encourage shareholders to send in substantial and relevant questions to a designated email address so that it could be answered before the meeting. Substantial and relevant questions will be answered and such answers will be posted on SGXNet at least 72 hours before the due date of proxy forms.

Shareholders are also given the opportunity to communicate their views and are encouraged to ask the Directors and the Manager questions regarding matters affecting the Company at general meetings. An independent scrutineer is appointed to count and validate the votes.

***Provision 11.2: Separate resolutions on each substantially separate issue.***

There will be distinct resolutions at general meetings on each substantially separate issue. Resolutions will not be bundled unless they are interdependent and linked so as to form one significant proposal. All resolutions will be conducted by poll voting.

***Provision 11.3: All directors, and the external auditors attend general meetings of shareholders.***

The Chairman, the Chairman of each Board committee and all the directors will be present in person to address relevant queries from shareholders. The external auditors are also invited to address relevant queries from shareholders during the AGM.

Due to COVID-19 pandemic, the AGM 2022 was held by electronic means. No substantial and relevant questions was received by the Board of Directors prior to the AGM. All directors attended the virtual AGM in 2022.

***Provision 11.4: Absentia voting at general meetings.***

GIL's Constitution allows voting in absentia at any general meeting. Absentia voting through mail, e-mail or facsimile is currently not adopted as such voting methods may pose a threat to the security of the shareholders' votes and integrity of the information and may raise doubts about the authenticity of the shareholders' identities.

***Provision 11.5: Minutes and Results of General Meeting.***

The detailed results of voting from the AGM showing the number of votes cast for and against each resolution and the respective percentage are displayed instantaneously at the AGM. 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 on SGXNET and GIL's website on the same day.

The minutes of 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 will be published on SGXNET and GIL's website within one month from the date of the AGM.

***Provision 11.6: Dividend policy.***

GIL's dividend policy is to pay a consistent and sustainable dividend to shareholders after taking into consideration GIL's profit, retained earnings and requirements for future growth.

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

**ENGAGEMENT WITH SHAREHOLDERS**

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

***Provision 12.1: Engagement with Shareholders.***

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 2018 Code.

The Board seeks to provide the shareholders with a balanced and understandable assessment of GIL's performance, position and prospects through its announcement of half year and full year financial results (half yearly financial results are released within 45 days after the end of each half year while full year financial results are released within 60 days after the financial year end), corporate actions and other material information via SGXNet and GIL's corporate website. Annual reports are accessible on GIL's website and physical copies of the annual report will be sent to shareholders upon request.

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.

***Provision 12.2: Investor Relations Policy.***

GIL has developed an Investor Relations 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 share.

The Company endeavours to respond to shareholder queries promptly and effectively, within five (5) business days of receiving such queries. It also maintains a register of all queries and responses given by GIL.

***Provision 12.3: The investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.***

Shareholders may contact the company through the engagement platform as set out in GIL's Investor Relations Policy or Provision 13.1 below.

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

## ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

***Provision 13.1: Engagement with material stakeholders.***

**Stakeholder Engagement Platform**

| Stakeholders | Engagement Platform/Activities |
|---|---|
| Manager | ◆ Board meeting<br>◆ Email<br>◆ Tele-conference<br>◆ Annual performance review<br>◆ Annual audit |
| Shareholders | ◆ Annual general meeting or special general meeting<br>◆ Company website https://globalinvestmentslimited.com with regular updates on the Company's profile and policies, financial results and announcements<br>◆ Email: ir@globalinvestmentslimited.com<br>◆ Hotline: +65 6908 4860<br>◆ Analysts briefing<br>◆ SGXNet announcements |
| Regulators | ◆ MASNET<br>◆ SGX StarGate<br>◆ Seminars and courses<br>◆ Survey |
| Suppliers/Service Providers | ◆ Email and phone calls<br>◆ Regular meetings<br>◆ Annual assessment |
| Community | ◆ Philanthropy<br>◆ Management of ESG issues |

***Provision 13.2: Strategy and key areas of focus in relation to the management of stakeholder relationships.***

**Securities Transactions**

GIL's Share Trading Policy states that directors and officers of the Group and directors, officers and employees of the Manager are prohibited from dealings in any securities on considerations of a short-term nature (e,g, when in possession of unpublished price-sensitive information and during the period commencing one month before the announcement of GIL's half year and full year financial results).

Pursuant to GIL's Share Trading Policy, directors are required notify the Chairman of the Board before trading in shares of GIL and Non-Executive directors are encouraged to purchase shares in GIL and hold them until they leave the Board. There is no limit imposed on the number of shares purchased.

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

**Code of Conduct**

GIL has a Code of Conduct that applies to all directors, officers and employees of the Group.

The Code of Conduct sets out principles to guide directors, officers and employees in carrying out their duties and responsibilities to the highest standards when dealing with shareholders, suppliers/ service providers, clients, competitors and other employees. 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. The directors, officers and employees 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 and has appointed the Manager to manage GIL. The Manager adheres to the IMAS Code of Ethics and Standards of Professional Conduct in addition to its own Code of Conduct.

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

**Interested Person Transaction Policy**

GIL's Interested Person Transactions Policy sets out the detailed procedures for the review and approval of material or significant interested person transactions (**IPT**).

To protect the interests of GIL and its shareholders, the Board adopts the following principles in its handling of IPTs:

1. The directors will not vote on matters which involve an IPT where a conflict of interest may arise.

2. Any IPTs must be conducted on a fair and on an arm's length basis.

3. Any fee payment made must be market-based and approved by a majority of the Independent Directors.

Any interested person of GIL is required to promptly notify the Board of any material interest that such person had, has or may have in an IPT. The notice shall include a description of the transaction and the aggregate dollar amount. Following the receipt of such notification of material interest, the Board will carry out a thorough review of the IPT and shall be responsible for the approval or ratification of the IPT.

In determining whether to approve, ratify, disapprove or reject an IPT, the Board will take into account, among other factors it deems appropriate, whether the IPT is entered into on terms no less favourable to GIL than terms generally available to an unaffiliated third-party under the same or similar circumstances; the results of an appraisal, if any; whether there was a bidding process and the results thereof; review of the valuation methodology used and alternative approaches to valuation of the transaction; and the extent of the interested person's interest in the transaction.

In the event GIL becomes aware of an IPT with an interested person that has not been approved prior to its consummation, the matter will be reviewed by the Board, which will consider all relevant facts and circumstances regarding the IPT, and shall evaluate all options available to GIL, including ratification, revision or termination of the IPT. The Board shall also examine the facts and circumstances pertaining to the failure of reporting such IPT to the Board and take any such action as may be appropriate.

GIL's Interested Person Transactions Policy can be found on GIL's website at: www.globalinvestmentslimited.com.

**Compliance, Anti-corruption and Engagement with Local and Foreign Regulators**

GIL recognises that the elimination of corruption is a priority within the business community in light of the potential erosion of confidence and trust in business among investors, customers, employees and the public. In particular, GIL is cognisant of the considerable damage resulting from corruption, which can include adverse legal repercussions, negative reputational impact, significant direct financial costs as well as loss of internal trust and confidence among personnel or staff.

GIL has formalised an Anti-Corruption Policy within the organisation, which requires, among other things, that directors or staff report and whistle-blow any instances or suspicion of corruption, and to ensure that there are no instances of inappropriate receipt or giving of benefits by GIL representatives in their interactions with external parties including regulators and third-party service providers.

GIL is committed to conducting business honestly and ethically, and has zero tolerance for financial crime. The GIL actively engages the regulatory authorities to ensure that records are kept updated and that all necessary filings are made annually.

GIL also recognises that the regulatory landscape continues to develop, posing risks and challenges in the financial markets industry. GIL makes it a point to keep itself apprised of relevant regulatory updates and to participate in providing useful and timely feedback for consultation papers or surveys issued by regulators. The Manager has in place robust processes to identify, escalate and report on suspicious matters and to cooperate with all relevant authorities to ensure the proper and timely resolution of any reported incidents. GIL has not incurred any penalty for breach or non-compliance with the laws and regulations of any country in which it operates.

GIL's Anti-Corruption Policy can be found on GIL's website at www.globalinvestmentslimited.com.

**Ensuring Privacy of Personal Data**

GIL is committed to ensuring privacy of all shareholder data and has instituted a Personal Data Protection Policy setting out the GIL's policy on the collection, use and disclosure of personal data of shareholders, directors, and officers of GIL, as well as any relevant third parties.

The Board is keenly aware of the risks which cyber security threats pose, and the expectation of governments and regulators that the Board and its Manager are responsible for protection of GIL's critical assets and sensitive information. As a licensed capital markets holder, GIL's Manager has proper technology risk management and data protection systems in place to ensure the effective protection of all sensitive information belonging to GIL.

GIL's Personal Data Protection Policy can be found on GIL's website at www.globalinvestmentslimited.com.

**Protection of Creditors' Rights**

GIL recognises the rights of creditors established by law through mutual agreements and endeavours to uphold rights by honouring contracted obligations in a timely manner. Both the Board and Manager are responsible for ensuring that GIL is able to comply with all its financial obligations through prudent management of liquidity risk by:

- Monitoring and maintaining an adequate level of cash, cash equivalent and bank credit facilities to finance GIL's operating requirements
- Ensuring that personnel involved in the active investment of GIL's funds are made aware of any excess cash for investment placement in temporary, medium or long-term investments as permitted under the Management Agreement
- Managing relationships with creditors and ensuring compliance with all contracted agreements
- Monitoring of receivables and payables to ensure that funds are used in optimal levels

***Provision 13.3: Corporate website.***

The Company maintains a corporate website (www.globalinvestmentslimited.com). Please see Provision 12.1 for further details.

# SUSTAINABILITY REPORT

## REPORT SCOPE

### OVERVIEW

Our Sustainability Report 2022 covers Environmental, Social and Governance (ESG) issues in our business operations. The significant change in this year's reporting relates to climate-related disclosure reporting requirements.

With effect from 1 January 2022, issuers of SGX-Listed Companies are required to describe their sustainability practices on a "comply or explain" basis in terms of climate-related disclosures consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. This report includes TCFD recommended disclosures which are relevant to both the Company and the Manager.

### ABOUT THIS REPORT

This sustainability report is prepared in compliance with Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard Listing Rules 711A and 711B, and Practice Note 7.6 Sustainability Reporting Guide issued by SGX-ST. Our reporting framework has been prepared with reference to Global Reporting Initiative (GRI) Universal Standards and Topic Standards 2021.

This report focuses on the sustainability strategy and practices of GIL from 1 January 2022 to 31 December 2022. When applicable, data from previous financial years were included for comparison.

This report has been subjected to internal review by internal auditors from RSM Singapore and complies with SGX-ST Mainboard Listing Rules 711B(3).

### BOARD STATEMENT

The Board is pleased to present our Sustainability Report for 2022. It outlines the Company's approach towards attaining high environmental, social and governance (ESG) standards for the long-term sustainability of GIL.

The Board considers sustainability issues in determining GIL's strategic direction and policies. The Board determines the material ESG factors and regularly reviews and monitors them. Any key issues related to sustainability framework will be discussed by the Board.

### YEAR UNDER REVIEW

2022 was another challenging year with the COVID-19 pandemic still lingering and causing lasting impact on the global business landscape. Further aggravating the global economic recovery are the Russia-Ukraine war and the rise in central bank rates to fight inflation that continues to weigh on economic activities. The 2022 ESG Analyst Survey conducted by Fidelity accounted for the views of 161 investment analysts and revealed that:

- Responses from both equity and fixed income analysts concluded that despite the challenges generated by the war in Ukraine and a global slowdown, the focus on social factors has not gone away.
- There is a marked increase in interactions across the board on social topics like employee welfare and diversity.

The Board believes that sustainability lies at the heart of our business and adopts a careful management of material sustainability issues. Through ongoing interactions with our stakeholders, we continue to be nimble and have made changes to our operational procedures in order to adapt to the new norm of doing business.

Driving our sustainability efforts include setting goals and targets, moving in the direction of climate strategy to reduce carbon emission usage and enhancing IT resilience against external cybersecurity threats. The Sustainability Report 2022 includes the following:

- Mandatory climate-related disclosure on measuring the carbon emission of electricity usage for 2022;
- Mandatory training on sustainability for all directors; and
- Board diversity policy.

# SUSTAINABILITY REPORT

## MANAGING SUSTAINABILITY

### VISION

GIL strives to be the fund of choice by delivering long-term benefits for all stakeholders consistently while contributing to the community and economy as a whole.

### MISSION

GIL aims to be a fund which invests in a socially responsible way to generate steady income and appreciation in capital so as to deliver regular dividends and achieve capital growth for our shareholders.

### CORE VALUES

**Good Corporate Governance**

We are committed to uphold the best practices in corporate transparency and disclosures. We continuously enhance our corporate governance framework and processes through effective board oversight.

As a corporate citizen, we support efforts towards sustainable developments as we recognize the impact that our business activities can have on lives and livelihoods, social and the environment.

**Responsible Investing**

We will avoid investing in companies that are involved in known breaches of human rights, labour laws, environment or anti-corruption laws as well as companies with poor corporate governance practices.

Sustainability is critical to GIL's business success and continuity. By embedding ESG elements into the investment decision-making process, our portfolio will embrace opportunities for economically, socially and environmentally sustainable investments which will contribute to jobs creation and inclusive growth in the society.

**Integrity**

We aim to uphold a high standard of ethics to all stakeholders and to our society. Our actions are based on trust, honesty and fairness.

**Prudent Risk Taking**

We take great care in anticipating, assessing and mitigating the perceived risks in relation to climate change in areas of physical risks and transition risks while seeking reasonable returns to ensure that all investment decisions we make are in the best interest of our stakeholders.

## STAKEHOLDER ENGAGEMENT

We are keen to know the view of key stakeholders who are directly impacted by our investment policy and strategies. The key issues or interests addressed by our key stakeholders serve as guidance to the Company in addressing sustainability challenges. Please refer to our stakeholder engagement platforms under Provision 13.1 of the Corporate Governance Report which is found on page 38.

GIL has identified the following key areas of active stewardship which it strives to work towards:

| Stakeholders | Material Matters | What are the risks? | Where do we see the opportunities? | What are we doing about it? |
|---|---|---|---|---|
| Shareholders | • Economic performance<br>• Corporate governance<br>• Risk management<br>• Privacy of personal data | • The macroeconomic environment<br>• Lack of internal control system and proper risk management | • Good corporate governance and transparency are key factors in promoting shareholders' trust | • Refer to Investment Policy and Strategies Section<br>• Refer to Corporate Governance Section |
| Manager | • Ensuring the health, safety and welfare of the employees<br>• Training and education<br>• Ethics and integrity | • Failure to attract and retain talent with high ethics and integrity impedes GIL's growth and expansion<br>• Employees risk obsolescence if they are not well-equipped with changing skillsets | • Develop a team of technologically and digitally savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility | • Staff training and development programme<br>• Employees of the Manager are encouraged to attend courses<br>• 82.4% of the Manager's employees have attended training during 2022. |
| Regulators | • Corporate governance<br>• Compliance with laws<br>• Risk management | • Lack of internal control system and proper risk management<br>• The evolving regulatory and reporting landscape give rise to compliance risks | • Engage with government authorities and agencies to keep abreast of changes in regulations | • Keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations<br>• Given the geographical diversity of GIL investments, we closely monitor developments in laws and regulations in countries where we have invested |
| Suppliers/ Service providers | • Risk management<br>• Compliance with laws | • Lack of internal control system and proper risk management<br>• Changes of laws and regulations in countries we have invested may give rise to compliance risks | • Service providers with better internal control system and risk management entail lower compliance risk | • Engage with the service providers to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations in countries where we have invested<br>• Assessment of service providers |
| Community | • Environmental sustainability<br>• Community development<br>• Socially responsible investing | • Air quality and water supply could be affected by unsustainable industries<br>• Aging population could reduce employability | • Low carbon economies bring new areas of investment, opportunity and business growth | • Sustainable sourcing<br>• Age friendly employment policy<br>• Reduce carbon footprint, engage in socially responsible investing and environmental conservation initiatives |

## THE 5 CATEGORIES OF MATERIAL FACTORS

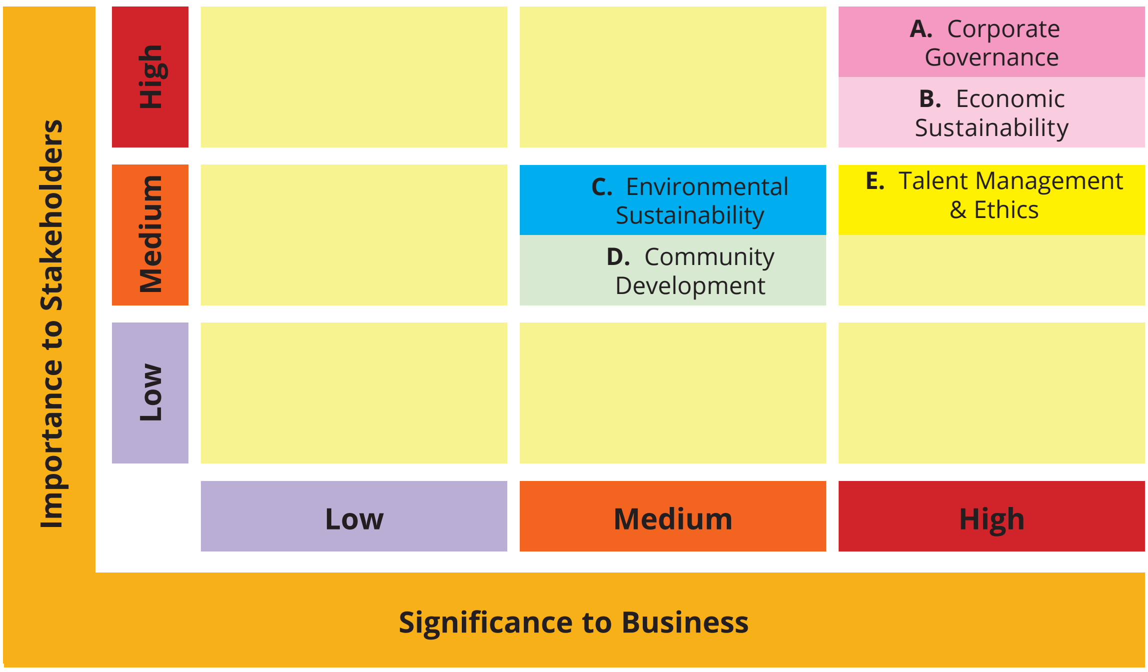
The material factors are reviewed on an annual basis and the Board examines each factors closely in the context of the prevailing global, economic, and business environment.

The material matters above are clustered into the 5 categories of material factors, namely: -

A. Corporate Governance
B. Economic Sustainability
C. Environmental Sustainability
D. Community Development
E. Talent Management & Ethics

| A. Corporate Governance | B. Economic Sustainability | C. Environmental Sustainability | D. Community Development | E. Talent Management & Ethics |
|---|---|---|---|---|
| 1. Corporate Governance Statement<br>2. Board Composition<br>3. Management Diversity<br>4. Ethical Behaviour<br>5. Risk Management | 6. Economic Performance | 7. Promoting a Sustainable Environment<br>8. Sustainable Sourcing | 9. Socially Responsible Investing<br>10. Gender Diversity<br>11. Age-Based Diversity<br>12. Labour Practices and Conducive Workplace<br>13. Social Contributions | 14. Employment<br>15. Development and Training<br>16. Ethics and Integrity |

The material factors identified are evaluated and plotted in the Materiality Matrix in accordance with their likelihood and impact on the GIL's business in the short, medium and long term.



## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In December 2021, the Singapore Exchange Regulation (SGX RegCo) announced that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards. After a transition period, climate reporting based on the recommendations of the TCFD framework will become mandatory from FY2024. GIL is adopting the TCFD reporting for the first time in its Sustainability Report 2022 (SR 2022) and we will be consistently expanding our level of disclosure.

This section describes how we manage climate-related risks and opportunities, with reference to the four key pillars recommended by TCFD. References to GIL's SR 2022 have been made to provide further details.

| TCFD Pillar | GIL's Approach |
|---|---|
| **Governance** | |
| Describe the board's oversight of climate-related risks and opportunities.<br><br>Please refer to Risk Management, section 5 of the SR 2022 which is found on page 49. | The Board is committed to strategically integrate climate considerations across key aspects of GIL's business. On behalf of the Board and supported by the Manager, the Sustainability and Remuneration Committee (SRC) has direct supervision on GIL's climate-related strategy, issues, targets and disclosures.<br><br>The SRC is responsible to review and recommend for the Board's approval of any public disclosures made relating to climate matters. The SRC also reviews the effectiveness of climate-related policies and systems for ensuring compliance with applicable laws and regulations, set realistic targets and monitors the performance of climate-related issues. The SRC selects and appoints qualified internal auditor to conduct internal review of SR 2022.<br><br>The ARMC integrates the internal controls for climate-related risks into the Company's overall system of internal controls as part of its risk monitoring process.<br><br>The SRC reports to the Board which comprises of 60% Non-Executive Independent Directors and 40% Non-Executive Non-Independent Directors. |
| Describe management's role in assessing and managing climate-related risks and opportunities.<br><br>Please refer to Risk Management, section 5 of the SR 2022 which is found on page 49. | The Manager assesses the climate-related risks and opportunities and reports directly to the SRC. The SRC coordinates with the Audit and Risk Management Committee (ARMC) on measurements of climate-related metrics and targets which are regularly monitored.<br><br>The primary responsibilities of the Manager are to execute climate-related strategies, monitor the performance of business units in meeting climate-related targets and update the SRC. The SRC will update the Board of climate-related issues related to the business and the progress through regular Board meetings. |

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) (cont'd)

| TCFD Pillar | GIL's Approach |
|---|---|
| **Strategy** | |
| Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.<br><br>Please refer to Promoting a Sustainable Environment, section 7 of the SR 2022 which is found on page 49-51. | Through regular materiality assessments conducted by the Manager, we identified that climate-related risks such as carbon tax, water pricing, electricity tariffs will pose challenges to maintain profitability and sustain our growth. Physical risks such as extreme weather patterns can lead to stranded assets and also affect the market valuation of portfolios.<br><br>Climate-related risks and opportunities could impact on our business in qualitative terms. This includes a smaller investment universe for our selection as GIL has to avoid investing in those companies with harmful climate-related risks. Instead, GIL has to focus on companies that will reduce GHG emissions and exposure to carbon pricing.<br><br>The most direct climate-related environmental impact stems from the consumption of purchased electricity for our office. However, electricity usage (about S$5,000 per year) is insignificant to GIL's operations. |
| Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.<br><br>Please refer to Promoting A Sustainable Environment, section 7 of the SR 2022 which is found on page 49. | Under GIL's Enterprise Risk Management (ERM) framework, climate change is identified as an important business risk. GIL is committed to mitigate risk exposure through appropriate risk management strategies and adequate internal controls. Close monitoring and control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk profiles are managed within GIL's risk appetite and tolerance limit.<br><br>GIL recognises that a business's vulnerability to the impact of climate change extends beyond the physical exposures of its direct operations and site. Disruption to our supply chain, customers and markets have material impacts on our value chain and are considered in the climate change scenario analysis studies as well.<br><br>Our business does not rely heavily on natural resources and we continue to undertake initiatives to reduce the environmental footprint through conservation of energy usage and proper management of paper and electronic waste.<br><br>GIL is committed to minimise our environmental impact and sets a target of achieving a 2% reduction of energy consumption yearly. |
| Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario. | GIL is dedicated to strengthening the climate resiliency of our portfolio by setting targets for carbon mitigation and environmental protection. Through the adoption of climate change scenario analysis based on the TCFD recommendations, we have identified the following climate-related scenarios: -<br><br><u>Scenario 1</u><br>If cost of electricity is doubled to about S$8,900 next year in 2023, we will implement our 'partial switch off' campaign during day time working hours by switching off electric lightings situated near the glass panel windows. We will try to work by using natural daylight in order to cut down on electricity usage.<br><br><u>Scenario 2</u><br>In the case of rise in sea water level that causes flooding at our work site, we will activate our Business Continuity Plan (BCP) so that all staff will be informed to work at our designated 'hot offsite' or to work from home until flooding subsides. |

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) (cont'd)

| TCFD Pillar | GIL's Approach |
|---|---|
| **Risk Management** | |
| Describe the organization's processes for identifying and assessing climate-related risks.<br><br>Please refer to the 5 Categories of Material Factors of the SR 2022 which is found on page 44. | The SRC conducts materiality assessments annually and examines the key economic, environmental, social and governance issues that are important to climate-related issues.<br><br>GIL adopts a top-down and bottom-up risk review process that enables systematic identification and prioritisation of all material risks. An integral part of the process towards effective risk management is continuous communication and consultation with internal and external stakeholders. This enables the Company to understand the importance of risk management, to appreciate the decisions that are taken within GIL, and to implement the best policies and practices necessary for the benefit of the Company. |
| Describe the organization's processes for managing climate-related risks.<br><br>Please refer to Risk Management, section 5 of the SR 2022 which is found on page 49. | The SRC is responsible for the governance of climate-related risk while ensuring that the Manager maintains a sound system of risk management and internal controls. The ARMC assists the Board in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies. The SRC surfaces significant climate-related risk issues for discussion with the ARMC and the Board, to keep them fully informed in a timely and transparent manner. |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.<br><br>Please refer to Risk Management, section 5 of the SR 2022 which is found on page 49. | The ARMC integrates the internal controls for climate related risks into the Company's overall system of internal controls as part of its risk monitoring process. The ARMC assists the Board in fulfilling its oversight responsibilities for the financial reporting process and audit process. |
| **Metrics and Targets** | |
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.<br><br>Please refer to Managing environmental footprint under section 7 of the SR 2022 which is found on page 50. | Key metrics on carbon emissions, embodied carbon, energy & water usage, and waste management are published in our SR 2022. Monitoring and reporting these metrics help us to identify areas with highest climate-related risks, for more targeted approaches.<br><br>We used electricity consumption and its emission as metrics to assess climate-related risks and opportunities in GIL.<br><br>The energy consumption of current year is compared against the previous year to track set target of 2% reduction on energy consumption.<br><br>We did not use water consumption in the metrics since it was not metered separately by the landlord and GIL was not charged for its water consumption. Nonetheless, GIL continues to stress the importance of water conservation. |
| Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | There was no Scope 1 Greenhouse Gas Emission (GHG) emission.<br><br>Scope 2 electricity energy consumption, energy intensity ratio and emission intensity ratio as well as Scope 3 are being addressed in our SR 2022. |

# SUSTAINABILITY REPORT

## A. CORPORATE GOVERNANCE

GIL is committed to uphold best practices in corporate transparency and disclosures and has in place a set of policies and procedures governing its compliance with applicable legislation and adherence to its investment mandate.

### 1. Corporate Governance Statement

GIL recognises the importance of observing a high standard of corporate governance and transparency to provide long-term shareholder value and to protect the interests of shareholders.

GIL is listed on the SGX-ST and has adhered to the principles and practice guidance as outlined in the Code of Corporate Governance 2018 (the 2018 Code) and explained deviations from the 2018 Code, where appropriate.

### 2. Board Composition

The Board comprises of five directors with 60% Non-Executive Independent Directors and 40% Non-Executive Non-Independent Directors. The Board has one female director, equivalent to 20% of the board composition.

Please refer to Board Composition and Guidance of the Corporate Governance Report which is found on page 21-22.

### 3. Management Diversity

Covid-19 induced uncertainty will continue to affect companies for some time to come. Companies will need to demonstrate capabilities in the leadership that will enable continued success during such times of heightened uncertainty. Having management diversity provides the broad-based judgement of risks and opportunities that is needed.

GIL does not employ any staff and the management of the company is outsourced to the Manager. The Manager does practise gender diversity when recruiting core competencies and the Manager's management diversity by gender as at 31 December 2022 was 50% male and 50% female.

### 4. Ethical Behaviour

**Anti-Corruption Policy**

In FY2022, the Manager assessed its operational risks related to corruption (in particular third-party service providers) and concluded that the risk is low. The risk level is low because most of the third-party service providers are licensed financial institutions.

In FY2022, there were no known non-compliance matters with the Company's anti-corruption policy. There has been no report of corruption cases related to the Company or the Manager. There were also no known incidents related to contracts with business partners that were terminated or not renewed due to violations related to corruption.

During FY2022, the Nomination and Governance Committee (NGC) reviewed the policy and proposed changes to the Board for Board's approval. The Company has communicated its anti-corruption policy and procedures to the Manager. The Manager has also conducted anti-corruption training for 64.7% of its employees during 2022.

The Company posts its anti-corruption policy and procedures on its corporate website which can be found at http://www.globalinvestmentslimited.com. The Company includes an anti-corruption clause in its business contracts.

Policies and procedures incorporating anti-corruption policy include Code of Conduct, Interested Person Transactions Policy and Whistleblowing Policy.

Please refer to Engagement with Stakeholders of the Corporate Governance Report which is found on page 38.

### 5. Risk Management

The Board is responsible for governance of risk and ensures that its management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board provides oversight of the Company's risk including climate-related risks through the following risk management framework:

The SRC is responsible for the following:

- Review and recommend for the Board's approval any public disclosures made relating to sustainability.
- Review the effectiveness of the policies and systems for ensuring compliance with applicable laws and regulations associated with sustainability matters.
- Setting realistic sustainability targets and goals for the Company.
- Review the performance of investments across various benchmarks, including economic, social and environmental performance indicators on an annual basis.
- Appointment of an internal auditor to conduct internal review of sustainability report and ensure sufficient support for the auditor.

The ARMC then integrates the internal controls for climate-related risks into the Company's overall system of internal controls as part of its risk monitoring process. In addition to that, the ARMC assists the Board in fulfilling its oversight responsibilities for the financial reporting process and audit process.

## B. ECONOMIC SUSTAINABILITY

### 6. Economic Performance

GIL aims to seek investment in assets that will generate steady income and potential appreciation in capital to deliver regular dividend and achieve capital growth for its investors.

GIL's Financial Risk Management can be found in "Note 4: Financial risk management" under the section of "Notes To The Financial Statements" of the Financial Report on page 78-87.

## C. ENVIRONMENTAL SUSTAINABILITY

### 7. Promoting a Sustainable Environment

GIL currently does not employ any staff. We encourage staffs of our Manager to be an integral part of our efforts to build an eco-friendly and sustainable value chain process. While our business does not rely heavily on natural resources, we continue to undertake initiatives to reduce its environmental footprint through conservation of energy and proper management of paper and electronic waste by setting environmental targets.

Our most direct environmental impact stems from the carbon emissions from the consumption of purchased electricity in our office. GIL is committed to minimise our environmental impact and has set a target of achieving a 2% reduction of energy consumption yearly.

**Conservation of electricity**

The Manager adopts several practices to contribute to environmental conservation in daily operations. For example, it makes use of LED and high fluorescent fixtures which are proven to be more energy-efficient. Using LEDs instead of incandescent light bulbs can save approximately 75% of electricity usage aiding in conservation efforts, while also more cost-efficient.

In addition, the Manager consistently ensures lights, air conditioners and other electronic appliances are switched off when not in use.

**Disposal of electronic hardware and paper**

Improper disposal of electronic devices can lead to many harmful effects to the environment. Proper disposal reduces the amount of electronic waste accumulated at landfill sites and enables recycling of materials. Hence, the Manager ensures that all decommissioned phones, desktops and notebooks are sold to recycling vendors who salvage reusable parts or dispose of them appropriately.

It has become common knowledge that the wide usage of paper is the culprit of massive deforestation and global warming. Thus, it is not only important to recycle but to reduce paper wastage.

As part of the Company's sustainability effort for environmental conservation, all directors were provided with electronic devices to minimise printing. The Company has also implemented the use of electronic communication to serve notices to shareholders since 2019. Physical copy of our annual report will only be available upon request from shareholders.

**Managing environmental footprint**

| Electricity Usage | 2021 | 2022 |
|---|---|---|
| Consumption | 21,409 kWh {21.41 MWh} | 21,905.87 kWh {21.91 (MWh) |
| Emission | 8,735.03 kg CO2 | 8,887.21 kg CO2 |
| Amount paid for electricity consumption | S$4,488.15 | S$4,471.21 |
| | | |
| Rented office floor space | 1,249 sq ft {116.04 sq m} | 1,415.50 sq ft {131.50 sq m} |
| Energy intensity ratio | 0.18 | 0.17 |

The target of 2% reduction of energy consumption by GIL was not met in 2022 as the relocated rented office floor space is larger than the previous office, invariably resulting an increase in energy consumption of electricity. The increase in electricity consumption is very minimal at 2.3% compared to 13.3% increase in office space.

Scope 1
There was no Scope 1 GHG emission.

Scope 2
The energy consumption of electricity for FY2022 paid by GIL was S$4,471.21 for usage of 21,905.87 kWh, equivalent to Scope 2 (indirect) greenhouse gas emission of about 8,887.21 kg CO2.

During 2021 the energy consumption paid was S$4,488.15 for usage of 21,409 kWh, equivalent to Scope 2 emission of about 8,735.03 kg CO2.

The rented office floor area is 1,415.50 square feet or 131.50 square metre. The floor area has been used as the organization-specific metric (the denominator) for the calculation of energy intensity and emission intensity ratios.

Energy intensity ratio for 2022
Using renewable electricity consumption of 21,905.87 kWhs or 21.90587 MWhs, the energy intensity ratio works out to be about 0.17:1. It can also be expressed as the renewable energy consumption of electricity usage was about 0.17 MWhs for every 1 square metre of rented office floor area.

Emission intensity ratio for 2022
Using greenhouse emission gas of about 8,887.21 CO2 divided by rented office floor area of 131.50 square metre, the emission intensity ratio was 67.58:1 or the renewable energy emission of electricity usage was about 67.58 CO2 for every 1 square metre of rented office floor area.

Regarding Scope 3 on other emissions indirectly produced by activities linked to GIL's value chain:

- the Manager appointed by GIL would assess the climate-related risks and the resultant ESG scores on the investment portfolio of GIL by using independent data from publicly available sources such as MSCI ESG Ratings and Sustainalytics ESG Risk Ratings.

Water consumption was not metered separately by the landlord and GIL was not charged for its water consumption. Nonetheless, GIL will continue to stress the importance of water conservation and remind everyone to be mindful of water wastage in the office and in their daily life.

**8. Sustainable Sourcing**

As part of sustainable sourcing, the Manager procures products from eco-friendly suppliers, or suppliers who have obtained the Singapore Green Label Certificate or relevant ISO Certification for Quality and Environment Management Systems. The Singapore Green Labelling Scheme (SGLS) endorses industrial and consumer products that have fewer undesirable effects on the environment. With regards to paper products, the SGLS assesses manufacturers using criteria such as environmental management practices, usage of hazardous substances, recyclability of finished product and many more. Purchasing products with these certifications is GIL's way of knowing that its suppliers are playing their part in protecting the environment.

## D. COMMUNITY DEVELOPMENT

**9. Socially Responsible Investing**

The Board recognises that corporate sustainability begins with a company's value system and a principled approach to doing business, and that means operating in ways that meet fundamental responsibilities. We will not support companies involved in known breaches of human rights, labour, environment or anti-corruption laws.

The Company believes sustainability factors have an important bearing on risk and return and ultimately lead to the prospect of success or failure of investments.

The Manager incorporates environmental risk into its risk management procedures. Physical risk and transition risk are taken into consideration in the investment decision process. To achieve internal assurance, the investment team of the Manager had used third party ESG metrics from information providers to assess GIL investment portfolio during 2022 and the ESG score results are encouraging.

We are glad to take part in investments that contribute to the decarbonisation and well-being of the global community.

**10. Gender Diversity**

GIL does not have any employees. The Manager adopts gender equality in its hiring practices. As at 31 December 2022, the Manager's employees comprised of 60% female and 40% male.

Breakdown of the Manager's new employees and turnover in 2022 were as follows:

| | New Employees | | Resignations | |
|---|---|---|---|---|
| **Category** | **Headcount** | **Percentage** | **Headcount** | **Percentage** |
| **Male** | 2 | 50 | 3 | 75 |
| **Female** | 2 | 50 | 1 | 25 |
| **Total** | 4 | 100 | 4 | 100 |

**11. Age-Based Diversity**

The Manager adopts age management policies and practices to encourage employment of mature employees and to better integrate mature employees into its company. Mature employees are given option to work from home on a permanent basis.

The table below shows a breakdown of the Manager's employees by age group as at 31 December 2022 in percentage terms:

| Age Category | Female (%) | Male (%) | Total (%) |
|---|---|---|---|
| **Under 30 years old** | 23.5 | 11.8 | 35.3 |
| **30-50 years old** | 17.6 | 5.9 | 23.5 |
| **Over 50 years old** | 17.6 | 23.5 | 41.2 |
| **Total** | 58.8 | 41.2 | 100.0 |

The Manager's headcount was not disclosed as it does not provide a representation of GIL's employees headcount.

## 12. Labour Practices and Conducive Workplace

**COVID-19 new normal in work environment**

SGX had also previously articulated that the COVID-19 pandemic had accentuated the importance of reporting on sustainability, particularly on the social aspect of ESG. For example, it is important to ensure the health and safety of employees, anticipate customer needs and support the wider community.

To ensure staff and suppliers safety and well-being during COVID-19 pandemic, we have minimized physical interactions and conducted more virtual meetings to gather feedback, exchange ideas and formulate action plans so that we can remain on track to achieve our common goals.

To further avoid risk of transmission of COVID-19 virus and to provide a safe working environment, the Company and the Manager had relocated to a new office on 1 July 2021 with larger space and exclusive use of common facilities of the whole floor.

**Resilience against external cybersecurity threats**

To enhance cybersecurity resilience based on MAS Guidelines on Cyber Threat Alert, the Manager had completed a technical refresh and upgraded their firewall firmware. They had also installed multi-factor authentication on all onsite as well as remote login attempts into their computer environment.

## 13. Social Contributions

GIL believes in giving back to the Community that have supported us in our growth.

GIL endeavours to help students requiring financial assistance in their pursuit of education. In 2018, GIL made a contribution to Eusoff Endowed Bursary set up by Eusoff Hall under National University of Singapore. A sub bursary in the name of Eusoff Hall – Global Investments Bursary was set up in recognition of the contribution.

The objective of the Bursary was to provide either full or partial subsidy towards the cost of hall fees (which include room and food charges) for residents of Eusoff Hall from low-income families facing financial difficulties so that the residents may be able to focus on the achievement of academic excellence and contribute towards the hall community. Since 2019, 1 bursary has been awarded from the Eusoff Hall – Global Investments Bursary annually sub-fund. To date, 4 bursaries have been disbursed to 4 different students.

Similarly, the Manager had also contributed to a number of bursaries since 2016 and created 3 sub-bursaries; namely: Singapore Consortium Investment Management Bursary I and Singapore Consortium Investment Management Bursary II under NUSBSA Bursary Fund and DRH/SH Alumni-SICIM Bursary Fund (SICIM Bursary Fund) under DRH/SH Alumni Endowment Fund. Singapore Consortium Investment Management Bursary I and II have been giving 1 award per year each to deserving students since 2016 and the DRH/SH SICIM Bursary Fund has been giving 1 award per year since 2020. To date, 12 students have received bursaries under the Singapore Consortium Investment Management Bursary I and II and another 3 under the SICIM Bursary Fund.

In addition, SICIM has also contributed to other bursaries such as Temasek Hall Bursary Endowed Fund, NUSBSA Bursary Fund, NUS Alumni – Wong Ah Long Bursary Endowed Fund and Endowed Student Support Fund in honor of Professor Tan Chorh Chuan. These bursaries continue to award bursaries to students annually.

## E. TALENT MANAGEMENT AND ETHICS

GIL firmly believes that human capital is critical in ensuring the long-term sustainability of the Company. Amidst the rapidly-evolving economic landscape and stakeholder expectations, GIL recognises that it can only remain relevant through the efforts and talents of a skilled and adaptable workforce. Therefore, it is utmost vital that the Manager has proper talent management and employee retention strategy in place to ensure the sustainable growth of GIL.

### 14. Employment

As GIL does not have any employees, a breakdown of the Manager's employees as at 31 December 2022 is disclosed. Please refer to Age-Based Diversity, section 11 of the SR 2022 which is found on page 51-52.

During the reporting period FY2022, the employee turnover rate is 24.2%. The employee turnover rate is defined as the percentage of employees who resigned divided by the average number of employees as at the beginning and end of the year.

### 15. Development and Training

In FY2022, our board of directors have attended sustainability training conducted by either the Singapore Institute of Directors (SID) or Institute of Singapore Chartered Accountants (ISCA) and thereby complied with the enhanced SGX sustainability reporting rules that mandated sustainability training for all board directors of equity issuers listed on SGX.

The Manager conducts regular and adequate staff trainings and developments in order to make certain that the company keeps a diverse pool of talent as well as ensuring that staff stays updated with the latest regulatory changes. Below are some trainings conducted by the Manager in FY2022:

1. Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)
2. Anti-Corruption and Bribery
3. Personal Data Protection
4. Cybersecurity Threats
5. Environmental, Sustainability & Governance (ESG)

Staff are also encouraged to attend other courses to build competencies and capabilities in their respective field of work.

**Training Hours Attended by Manager's Employees**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Average training hours per employee | 25 | 26 | 24 | 26 | 31 |
| Average training hours per employee (female) | 29 | 33 | 24 | 24 | 22 |
| Average training hours per employee (male) | 20 | 19 | 24 | 28 | 42 |

### 16. Ethics and Integrity

The Manager is a member of the Investment Management Association of Singapore (IMAS). As an IMAS member, all employees are required to adhere to IMAS Code of Ethics and Standards of Professional Conduct and Guidelines.

The Manager endeavours to shape the culture where employees conduct themselves with integrity and professionalism and act in an ethical manner in all dealings with the public, investors, portfolio companies, regulators and fellow professionals.

On an annual basis, some licensed fund managers of the Manager must complete:

i. 6 hours of core continuing professional development training in ethics and/or rules and regulations which is relevant to the type of regulated activity conducted; and
ii. 3 hours of supplementary continuing professional development training in other relevant courses.

## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

| | |
|---|---|
| **Statement of use** | Global Investments Limited has reported with reference to GRI Standards for the period 01 January 2022 to 31 December 2022 |
| **GRI 1 used** | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **Organization and its Reporting Practices** | | |
| **2-1** | Organization details | GIL is a public limited company listed on the Singapore Exchange.<br><br>Refer to page 11, Corporate Profile<br>Refer to back cover (inner), Corporate Information |
| **2-2** | Entities included in the organization's sustainability reporting | Refer to page 41, Sustainability Report |
| **2-3** | Reporting period, frequency and contact point | Refer to page 41, Sustainability Report<br>Refer to back cover (inner), Corporate Information |
| **2-5** | External assurance | Refer to page 41, Sustainability Report |
| **Activities and Workers** | | |
| **2-8** | Workers who are not employees | GIL has no employees. |
| **Governance** | | |
| **2-9** | Governance structure and composition | Refer to page 20, Corporate Governance Report |
| **2-10** | Nomination and selection of the highest governance body | Refer to page 25-26, Corporate Governance Report |
| **2-11** | Chair of the highest governance body | Refer to page 20, Corporate Governance Report |
| **2-12** | Role of the highest governance body in overseeing the management of impacts | Refer to page 17-18, Corporate Governance Report |
| **2-13** | Delegation of responsibility for managing impacts | Refer to page 49, Sustainability Report |
| **2-14** | Role of the highest governance body in sustainability reporting | Refer to page 49, Sustainability Report |
| **2-15** | Conflicts of interest | Refer to page 18, Corporate Governance Report |
| **2-16** | Communication of critical concerns | Refer to page 49, Sustainability Report |
| **2-17** | Collective knowledge of the highest governance body | Refer to page 19-20, Corporate Governance Report |
| **2-18** | Evaluation of the performance of the highest governance body | Refer to page 28-29, Corporate Governance Report |
| **2-19** | Remuneration policies | Refer to page 29-30, Corporate Governance Report |
| **2-20** | Process to determine remuneration | Refer to page 30-31, Corporate Governance Report |

| GRI Standard | Disclosure | Location |
| --- | --- | --- |
| **Strategy, Policies and Practices** | | |
| **2-22** | Statement on sustainable development strategy | Refer to page 41, Sustainability Report |
| **2-23** | Policy commitments | Refer to page 41-42, Sustainability Report |
| **2-24** | Embedding policy commitments | Refer to page 17, Corporate Governance Report |
| **2-26** | Mechanisms for seeking advice and raising concerns | Refer to page 21, Corporate Governance Report |
| **2-27** | Compliance with laws and regulations | Refer to page 39-40, Corporate Governance Report |
| **Stakeholder Engagement** | | |
| **2-29** | Approach to stakeholder engagement | Refer to page 38-40, Corporate Governance Report |
| **Material Topics** | | |
| **3-1** | Process to determine material topics | Refer to page 43, Sustainability Report |
| **3-2** | List of material topics | Refer to page 44, Sustainability Report |
| **3-3** | Management of material topics | Refer to page 48-53, Sustainability Report |
| **Economic Performance** | | |
| **201-1** | Direct economic value generated and distributed | Refer to page 49, Sustainability Report |
| **201-2** | Financial implications and other risks and opportunities due to climate change | Refer to page 43, Sustainability Report |
| **Anti-corruption** | | |
| **205-1** | Operations assessed for risks related to corruption | Refer to page 48, Sustainability Report |
| **205-2** | Communication and training about anti-corruption policies and procedures | Refer to page 48, Sustainability Report |
| **205-3** | Confirmed incidents of corruption and actions taken | Refer to page 48, Sustainability Report |
| **Energy** | | |
| **302-1** | Energy consumption within the organization | Refer to page 50, Sustainability Report |
| **302-3** | Energy intensity | Refer to page 50, Sustainability Report |
| **302-4** | Reduction of energy consumption | Refer to page 50, Sustainability Report |
| **Water and Effluents** | | |
| **303-1** | Interactions with water as a shared resource | Refer to page 51, Sustainability Report |
| **303-5** | Water consumption | Refer to page 51, Sustainability Report |
| **Emissions** | | |
| **305-2** | Energy indirect (Scope 2) GHG emissions | Refer to page 50, Sustainability Report |
| **305-4** | GHG emissions intensity | Refer to page 50, Sustainability Report |
| **305-5** | Reduction of GHG emissions | Refer to page 50, Sustainability Report |
| **Supplier Environmental Assessment** | | |
| **308-1** | New suppliers that were screened using environmental criteria | Refer to page 51, Sustainability Report |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **Employment** | | |
| **401-1** | New employee hires and employee turnover | GIL has no employees. Refer to page 51 and 53, Sustainability Report |
| **Training and Education** | | |
| **404-1** | Average hours of training per year per employee | Refer to page 53, Sustainability Report |
| **404-2** | Programs for upgrading employee skills and transition assistance programs | Refer to page 53, Sustainability Report |
| **Diversity and Equal Opportunity** | | |
| **405-1** | Diversity of governance bodies and employees | Refer to page 48, 51-52, Sustainability Report |
| **Local Communities** | | |
| **413-1** | Operations with local community engagement, impact assessments, and development programs | Refer to page 51-53, Sustainability Report |

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

## CONTENT INDEX

| TCFD Disclosure | Location |
|---|---|
| **Governance** | |
| a. **Board's oversight of climate related** | Refer to page 45, Sustainability Report |
| b. **Management's role in assessing and managing climate-related risks** | Refer to page 45, Sustainability Report |
| **Strategy** | |
| a. **Near, medium and long-term climate-related risks** | Refer to page 46, Sustainability Report<br><br>The Company is working towards medium and long-term climate-related risks from 2023 to 2024. |
| b. **Impact on business, strategy and planning** | Refer to page 46, Sustainability Report |
| c. **Resilience of strategy using 2-degree or lower scenarios** | Refer to page 46, Sustainability Report<br><br>The Company is working towards it in 2023. |
| **Risk Management** | |
| a. **Process to assess climate-related risks** | Refer to page 47, Sustainability Report |
| b. **Process to manage climate-related risks** | Refer to page 47, Sustainability Report |
| c. **Integration of risk process into overall risk management** | Refer to page 47, Sustainability Report |
| **Metrics and Targets** | |
| a. **Metrics used to assess climate-related risks** | Refer to page 47, Sustainability Report |
| b. **Scope 1 and Scope 2 emissions** | Refer to page 47, Sustainability Report |
| c. **Describe targets used** | Refer to page 47, Sustainability Report |

# DIRECTORS' STATEMENT

The Directors are pleased to present the audited financial statements of Global Investments Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 December 2022.

## 1. OPINION OF THE 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 62 to 100 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 2022 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2022; 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.

## 2. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Boon Swan Foo (Chairman)
Abdul Jabbar Bin Karam Din
Tan Mui Hong
Lay Charlie Nhuc Hiang
Ng Thiam Poh

## 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 were as follows:

| Name of Director | Holdings in the name of Director | | Holdings in which Director is deemed to have an interest | |
|---|---|---|---|---|
| | **As at 31 December 2022** | **As at 1 January 2022** | **As at 31 December 2022** | **As at 1 January 2022** |
| Boon Swan Foo | 296,603,403 | 288,849,065 | – | – |
| Ng Thiam Poh | 99,700 | – | – | – |
| **Total** | **296,703,103** | **288,849,065** | **–** | **–** |

The Directors' interest as at 21 January 2023 were the same as those as at 31 December 2022.

FINANCIAL

# DIRECTORS' STATEMENT

**5. SHARE OPTION SCHEME**

The Company does not have a share option scheme.

**6. AUDIT COMMITTEE**

The Audit & Risk Management Committee (ARMC) performs the functions specified by Section 201B of the Companies Act, the Listing Manual and the 2018 Code. The details of the functions performed by the ARMC are stated in the Corporate Governance Statement.

**7. AUDITORS**

The auditors, Ernst & Young LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors:

| | |
|---|---|
| Tan Mui Hong<br>Director | Lay Charlie Nhuc Hiang<br>Director |

15 March 2023

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the financial statements of Global Investments Limited (the Company) and its subsidiaries (the Group), which comprise the statement of financial position of the Company as at 31 December 2022, the statement of comprehensive income of the Group and the Company, statement of changes of equity of the Group and the Company and statement of cash flows of the Group and the Company for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying statement of financial position of the Company as at 31 December 2022, the statement of comprehensive income of the Group and the Company, statement of changes of equity of the Group and the Company and statement of cash flows of the Group and the Company for the year ended 31 December 2022 are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in shareholders' equity and cash flows of the Group and the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

***Fair valuation of financial instruments not quoted in an active market***

As at 31 December 2022, the Company has investment portfolio which is measured at fair value through profit or loss amounting to $208.6 million, representing 80% of the Company's total assets.

The valuation of financial assets carried at fair value uses inputs which have been classified using the fair value hierarchy as disclosed in Note 4(G) to the financial statements. As at 31 December 2022, financial assets comprising mainly of bonds and collateralised loan obligations (CLO) with carrying value of $3.5 million were measured at fair value using broker quotes which are not quoted in active market as at year end. No further valuation technique were used by the Company for fair valuation of bonds and CLO. As the valuation involved a higher degree of subjectivity and management's judgement, this is identified as a key audit matter.

Our audit of the fair valuation of Level 3 investments using valuation techniques included assessment of the key internal controls over the investment valuation process and verification of inputs and assumptions used in the valuation model against external sources of information. We agreed prices used by the Company to the broker's price indication statements. We further considered the adequacy of the related disclosures in the financial statements. The Company's disclosures related to fair value of Level 3 investments are included in Note 4(G).

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's and the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Peiyi Ke.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

15 March 2023

# STATEMENT OF FINANCIAL POSITION

| | Note | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Financial assets at fair value through profit or loss | 9 | 162,254 | 212,051 |
| Right-of-use asset | 20 | 115 | 184 |
| | | **162,369** | **212,235** |
| **Current assets** | | | |
| Cash and cash equivalents | 10 | 51,065 | 41,921 |
| Financial assets at fair value through profit or loss | 9 | 46,349 | 53,804 |
| Other assets | 11 | 2,521 | 2,993 |
| | | 99,935 | 98,718 |
| **Total Assets** | | **262,304** | **310,953** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Lease liabilities | 20 | 72 | 64 |
| Other liabilities | 12 | 1,108 | 1,377 |
| | | 1,180 | 1,441 |
| **Non-current liabilities** | | | |
| Lease liabilities | 20 | 51 | 124 |
| | | 51 | 124 |
| **Total Liabilities** | | **1,231** | **1,565** |
| **Net assets attributable to shareholders** | | **261,073** | **309,388** |
| **EQUITY** | | | |
| Share capital | 13 | 270,837 | 270,837 |
| Treasury shares | 13 | (25,477) | (18,228) |
| Capital reserve | 14 | 1,054 | 742 |
| Retained earnings | 15 | 14,659 | 56,037 |
| **Total Equity** | | **261,073** | **309,388** |

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 2022 S$'000 | For the year ended 31 December 2021 S$'000 |
|---|---|---|---|
| **INCOME** | | | |
| Dividend income | | 2,359 | 1,736 |
| Interest income | | 11,114 | 12,708 |
| Net foreign exchange gain | | – | 1,017 |
| Net (loss)/gain on financial assets at fair value through profit or loss | 9 | (40,665) | 6,544 |
| **Total (Loss)/Income** | | **(27,192)** | **22,005** |
| **EXPENSES** | | | |
| Management fees | 17 | (2,471) | (2,627) |
| Incentive fees | 17 | – | (2,335) |
| Net foreign exchange loss | | (3,332) | – |
| Other operating expenses | 5 | (1,911) | (2,021) |
| **Total expenses** | | **(7,714)** | **(6,983)** |
| **(Loss)/Profit before tax** | | **(34,906)** | **15,022** |
| Income tax expense | 6 | (192) | (130) |
| **(Loss)/Profit after tax** | | **(35,098)** | **14,892** |
| **Total comprehensive (loss)/income for the year attributable to shareholders** | | **(35,098)** | **14,892** |
| **Basic earnings per share (cents per share)** | 21 | **(2.23)** | **0.93** |
| **Diluted earnings per share (cents per share)** | 21 | **(2.23)** | **0.93** |

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

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY[1]

| Changes in Equity for the year ended 31 December 2022 | Note | Share capital S$'000 | Treasury shares S$'000 | Capital reserve S$'000 | Retained earnings S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|
| As at 1 January 2022 | | 270,837 | (18,228) | 742 | 56,037 | 309,388 |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | | – | – | – | (35,098) | (35,098) |
| | | – | – | – | (35,098) | (35,098) |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Purchase of treasury shares | 13 | – | (11,050) | – | – | (11,050) |
| Transfer of treasury shares | 13 | – | 3,801 | 312 | – | 4,113 |
| Dividends | 7 | – | – | – | (6,280) | (6,280) |
| Total transactions with equity holders | | – | (7,249) | 312 | (6,280) | (13,217) |
| As at 31 December 2022 | | **270,837** | **(25,477)** | **1,054** | **14,659** | **261,073** |

| Changes in Equity for the year ended 31 December 2021 | Note | Share capital S$'000 | Treasury shares S$'000 | Capital reserve S$'000 | Retained earnings S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|
| As at 1 January 2021 | | 270,837 | (12,978) | 68 | 53,947 | 311,874 |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | | – | – | – | 14,892 | 14,892 |
| | | – | – | – | 14,892 | 14,892 |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Purchase of treasury shares | 13 | – | (12,980) | – | – | (12,980) |
| Transfer of treasury shares | 13 | – | 7,730 | 674 | – | 8,404 |
| Dividends | 7 | – | – | – | (12,802) | (12,802) |
| Total transactions with equity holders | | – | (5,250) | 674 | (12,802) | (17,378) |
| As at 31 December 2021 | | 270,837 | (18,228) | 742 | 56,037 | 309,388 |

[1] The Group has struck off its wholly-owned dormant subsidiaries on 30 December 2022, and the balance at 31 December 2022 represents the Company's balance.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS[1]

| | Note | For the year ended 31 December 2022 S$'000 | For the year ended 31 December 2021 S$'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Operating costs paid | | (4,824) | (7,561) |
| Interest income received | | 11,526 | 13,360 |
| Dividend income received | | 2,304 | 1,771 |
| Income tax paid | | (195) | (133) |
| **Net cash flows from operating activities** | | **8,811** | **7,437** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of financial assets | | (7,889) | (32,408) |
| Redemption/maturity of financial assets | | 24,182 | 48,053 |
| Net proceeds from disposal of financial assets | | 609 | 8,238 |
| **Net cash flows generated from investing activities** | | **16,902** | **23,883** |
| **CASH FLOWS USED IN FINANCING ACTIVITIES** | | | |
| Dividends paid | | (2,167) | (4,398) |
| Purchase of treasury shares | | (11,105) | (13,067) |
| **Net cash flows used in financing activities** | | **(13,272)** | **(17,465)** |
| **Net increase in cash and cash equivalents** | | **12,441** | **13,855** |
| Cash and cash equivalents at beginning of year | | 41,921 | 26,908 |
| Effects of exchange rate changes on cash and cash equivalents | | (3,297) | 1,158 |
| **Cash and cash equivalents at end of year** | 10 | **51,065** | **41,921** |

FINANCIAL

[1] The Group has struck off its wholly-owned dormant subsidiaries on 30 December 2022, and the balance at 31 December 2022 represents the Company's balance.

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

# NOTES TO THE FINANCIAL STATEMENTS

**1. General**

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

The Company is publicly traded on the main board of the Singapore Exchange Securities Trading Limited (the SGX-ST) on 20 December 2006. On 7 January 2019, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

The address of its registered office is 250 Tanjong Pagar Road, #09-01 St. Andrew's Centre, Singapore 088541.

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

These financial statements were authorised for issue in accordance with a Directors' Resolution dated 15 March 2023.

**2. Summary of 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.

2.1 ***Basis of preparation***

The financial statements of the Group and the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) as required by the Singapore Companies Act.

These financial statements have been prepared under the historical cost convention except as discussed in the accounting policies below. The financial statements are expressed in Singapore Dollar (SGD) and rounded to the nearest thousand (S$'000).

The preparation of financial statements in conformity with SFRS(I) 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 2023.

2.2 ***Consolidation***

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at year end. 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

**2. Summary of significant accounting policies (cont'd)**

2.2 ***Consolidation (cont'd)***

(a) *Basis of consolidation (cont'd)*

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 in 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.

(b) *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 fair value at the acquisition date, 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. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

2.2 ***Consolidation (cont'd)***

(b) *Business combination and goodwill (cont'd)*

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.

(c) *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: (i) restricted activities; (ii) 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; (iii) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (iv) 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 asset-backed securities (comprising of Australian Residential Mortgage Backed Securities), collateralised loan obligation notes and a credit-linked note to be 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. The carrying value of the such investment is presented as part of "Bonds and Collateralised loan obligations" in the financial statements.

2.3 ***Foreign currency translation***

(a) *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.

**2. Summary of significant accounting policies (cont'd)**

2.3 ***Foreign currency translation (cont'd)***

(b) *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).

(c) *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:

i. assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the reporting date;

ii. 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

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

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

2.4 ***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.

The Company receives income in the form of dividends from its investments in subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Company. The Company has no contractual commitments or current intentions to provide any other financial or other support to its subsidiaries.

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

2.5 ***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.

**2. Summary of significant accounting policies (cont'd)**

2.5 ***Fair value estimation (cont'd)***

The fair value of 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.

2.6 ***Financial assets***

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVTPL if they do not meet the criteria of FVOCI or amortised cost.

SFRS(I) 9 requires all equity instruments to be carried at FVTPL, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

*Initial recognition and measurement*

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments.

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.

(a) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at FVTPL at inception or are mandatorily required to be measured at fair value under SFRS(I) 9. 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 FVTPL 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 SFRS(I) 1-39. 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 FVTPL 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 FVTPL 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 are presented in the profit or loss within 'Net (loss)/gain on financial assets designated at FVTPL, in the period in which they arise. Interest on debt securities and dividend from listed equities at FVTPL is recognised in profit or loss separately.

**2. Summary of significant accounting policies (cont'd)**

2.6 ***Financial assets (cont'd)***

(b) Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Financial assets measured at amortised cost of the Group comprise cash and balances with banks, interest receivables and other receivables.

*Derecognition*

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.

2.7 ***Financial liabilities***

*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 FVTPL, directly attributable transaction costs.

*Subsequent measurement*

After initial recognition, financial liabilities that are not carried at FVTPL 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.

*Derecognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default.

**2. Summary of significant accounting policies (cont'd)**

2.8 ***Impairment of financial assets (cont'd)***

The Group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash and balances with banks and interest and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group assesses ECL that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Following the assessment, the Group has not recorded an ECL against these financial assets as these financial assets are considered low risk.

2.9 ***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.

2.10 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, deposits with financial institutions, short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The carrying amount of these assets approximate to their fair value.

2.11 ***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. Summary of significant accounting policies (cont'd)**

2.12 ***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.

(a) *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.

(b) *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.

**2. Summary of significant accounting policies (cont'd)**

2.12 ***Derivative financial instruments and hedging activities (cont'd)***

(b) *Cash flow hedges (cont'd)*

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.

(c) *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.

As at 31 December 2022 and 31 December 2021, the Group and the Company do not apply hedge accounting.

2.13 ***Revenue recognition***

(a) *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.

(b) *Dividend income*

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

2.14 ***Expenses***

(a) *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.

(b) *Management fees*

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

(c) *Incentive fees*

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

**2. Summary of significant accounting policies (cont'd)**

2.15 ***Taxation***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriates.

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.

2.16 ***Leases***

(i) *Leases – Operating leases*

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

(ii) *Group as lessee*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract coveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at of before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.9.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**2. Summary of significant accounting policies (cont'd)**

2.16 ***Leases (cont'd)***

(ii) *Group as lessee (cont'd)*

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term lease (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.17 ***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).

2.18 ***Dividend payments***

Interim dividends are recorded when declared payable while final dividends are recognised upon approval by the Board of Directors/shareholders, where applicable.

2.19 ***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.

2.20 ***Treasury shares***

The Group's own entity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

**3. Significant accounting judgements, estimates and assumptions**

The Group makes judgements, estimates and assumptions that affect the reported amounts of revenue, 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 amount of assets or liabilities affected in future periods.

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, or valuation techniques based on inputs which are not quoted in active markets. These financial assets were categorised within Level 3 in the fair value hierarchy.

**3. Significant accounting judgements, estimates and assumptions (cont'd)**

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. When the valuation techniques are used, the Group relies on information such as collateral performance and cash flows of underlying portfolio and applied judgement at best estimates when determining fair value.

As at 31 December 2022, these financial assets comprised of bonds and a collateralised loan obligation, with carrying value of S$3.48 million (2021: S$6.89 million). 2 suspended/delisted equities with nil carrying value are also included. Please refer to Note 4(g) for the disclosures related to fair value of securities not quoted in an active market.

**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.

(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 rate bonds and bank contingent convertibles that expose the Group to fair value interest rate risk. The Group also holds a portfolio of variable rate bonds, asset-backed securities and collateralised loan obligations/ credit-linked note that expose the Group to fair value and cash flow interest rate risk.

.

**4. Financial risk management (cont'd)**

(a) ***Interest rate risk (cont'd)***

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 2022 and 31 December 2021. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| **Assets** | | |
| **Financial assets at fair value through profit or loss** | | |
| Fixed rate instruments [1] | | |
| - Bank contingent convertibles | 124,453 | 170,964 |
| - Bonds | 34,488 | 36,239 |
| Variable rate instruments [2] | | |
| - Bonds and Collateralised loan obligations | 3,313 | 6,985 |
| | 162,254 | 214,188 |

1 Fixed rate instruments include S$104.25 million (2021: S$136.73 million) of bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 1 year to 25 years (2021: 3 months to 26 years). Interest on fixed rate financial instruments is fixed until the maturity of the instrument or till its next call date.

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

*Interest rate sensitivity analysis - interest rate risk*

A 100 basis points increase in interest rate at the reporting date would increase/(decrease) 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.

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| **Assets** | | |
| **Financial assets at fair value through profit or loss** | | |
| Bonds and Collateralised loan obligations | (664) | (848) |
| Bank contingent convertibles | (2,541) | (4,349) |
| | (3,205) | (5,197) |

**4. Financial risk management (cont'd)**

(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 change 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.

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 currency exposure arising from monetary items as at 31 December 2022 and 31 December 2021.

| **Company** | **United States Dollar** | **Chinese Renminbi** | **Hong Kong Dollar** | **Euro** | **Australian Dollar** | **Others** | **Total** |
|---|---|---|---|---|---|---|---|
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **2022** | | | | | | | |
| **Assets** | | | | | | | |
| Cash and cash equivalents | 1,430 | 34,635 | 221 | 3,279 | 160 | 110 | 39,835 |
| Financial assets at fair value through profit or loss | | | | | | | |
| - Bonds and Collateralised loan obligations | 18,824 | 1 | – | 278 | – | – | 19,103 |
| - Bank contingent convertibles | 54,085 | 2,839 | – | 10,536 | 10,266 | 2,994 | 80,720 |
| - Listed equities | 603 | 5,104 | 26,605 | 569 | – | 4,148 | 37,029 |
| Other assets | 1,175 | 189 | – | 76 | 323 | 8 | 1,771 |
| | 76,117 | 42,768 | 26,826 | 14,738 | 10,749 | 7,260 | 178,458 |
| **Liabilities** | | | | | | | |
| Other liabilities | (4) | – | – | – | – | – | (4) |
| | (4) | – | – | – | – | – | (4) |
| **Net exposure** | **76,113** | **42,768** | **26,826** | **14,738** | **10,749** | **7,260** | **178,454** |

**4. Financial risk management (cont'd)**

(b) ***Foreign currency risk (cont'd)***

| Group and Company | United States Dollar | Chinese Renminbi | Hong Kong Dollar | Euro | Australian Dollar | Others | Total |
|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **2021** | | | | | | | |
| **Assets** | | | | | | | |
| Cash and cash equivalents | 324 | 36,556 | 2 | 2,803 | 10 | 62 | 39,757 |
| Financial assets at fair value through profit or loss | | | | | | | |
| - Bonds and Collateralised loan obligations | 28,057 | 2,138 | – | 401 | 486 | – | 31,082 |
| - Bank contingent convertibles | 73,372 | 3,125 | – | 14,079 | 12,481 | 3,868 | 106,925 |
| - Listed equities | 590 | 6,483 | 30,517 | 635 | – | 5,194 | 43,419 |
| Other assets | 1,391 | 336 | – | 96 | 350 | 9 | 2,182 |
| | 103,734 | 48,638 | 30,519 | 18,014 | 13,327 | 9,133 | 223,365 |
| **Liabilities** | | | | | | | |
| Other liabilities | (5) | – | – | – | – | – | (5) |
| | (5) | – | – | – | – | – | (5) |
| **Net exposure** | **103,729** | **48,638** | **30,519** | **18,014** | **13,327** | **9,133** | **223,360** |

*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 by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| United States Dollar | (3,806) | (5,186) |
| Chinese Renminbi | (2,138) | (2,432) |
| Hong Kong Dollar | (1,341) | (1,526) |
| Euro | (737) | (901) |
| Australian Dollar | (537) | (666) |
| Others | (363) | (457) |

**4. Financial risk management (cont'd)**

(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 to arises from the Group's investment in bonds, bank contingent convertibles, asset-backed securities, collateralised loan obligations and a credit-linked note. 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.

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

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| Cash and cash equivalents | 51,065 | 41,921 |
| Financial assets at fair value through profit or loss | | |
| - Bonds and Collateralised loan obligations | 37,801 | 43,224 |
| - Bank contingent convertibles | 124,453 | 170,964 |
| - Other assets | 2,506 | 2,978 |
| **Total** | **215,825** | **259,087** |

FINANCIAL

**4. Financial risk management (cont'd)**

(c) ***Credit risk (cont'd)***

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

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| Europe | 116,097 | 154,526 |
| Australia | 9,970 | 5,554 |
| North America | 13,441 | 16,153 |
| Asia | 64,308 | 59,240 |
| Others | 11,987 | 23,575 |
| **Total** | **215,803** | **259,048** |

There was no impairment expense recognised for financial assets as at 31 December 2022 and 31 December 2021.

At 31 December 2022 and 31 December 2021, 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.

(d) ***Market 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.

**4. Financial risk management (cont'd)**

(d) ***Market risk (cont'd)***

The table below sets out the Group and the Company's exposure to market price risks as at 31 December 2022 and 31 December 2021. Included in the table are the financial assets of the Group and the Company at their carrying amount.

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| Fair value through profit or loss | | |
| - Listed equities | 46,349 | 51,667 |
| | 46,349 | 51,667 |

*Sensitivity analysis - market price risk*

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

| | Company 2022 S$'000 | Group and Company 2021 S$'000 |
|---|---|---|
| Fair value through profit or loss | | |
| - Listed equities | (4,635) | (5,167) |

(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 2022 and 31 December 2021 into relevant maturity groupings based on the contractual non-discounted cash flows.

| **2022 Company** | **Less than 3 months S$'000** | **Within 3 to 12 months S$'000** | **Within 1 to 5 years S$'000** | **Total S$'000** |
|---|---|---|---|---|
| LIABILITIES | | | | |
| Lease liabilities | 12 | 60 | 51 | 123 |
| Other liabilities | 1,108 | – | – | 1,108 |
| **Total Liabilities** | **1,120** | **60** | **51** | **1,231** |

| **2021 Group and Company** | **Less than 3 months S$'000** | **Within 3 to 12 months S$'000** | **Within 1 to 5 years S$'000** | **Total S$'000** |
|---|---|---|---|---|
| LIABILITIES | | | | |
| Lease liabilities | 10 | 54 | 124 | 188 |
| Other liabilities | 1,377 | – | – | 1,377 |
| **Total Liabilities** | **1,387** | **54** | **124** | **1,565** |

4. **Financial risk management (cont'd)**

(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 Regulation 123 of the Constitution but these limits do not include limited recourse debt incurred at the investment or asset level.

(g) ***Fair value measurements***

(i) *Classification of financial instruments*

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).

| **Company<br>As at 31 December 2022** | **Level 1<br>S$'000** | **Level 2<br>S$'000** | **Level 3<br>S$'000** | **Total<br>S$'000** |
|---|---|---|---|---|
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Bonds and Collateralised loan obligations | 33,516 | 801 | 3,484 | 37,801 |
| - Bank contingent convertibles | 123,533 | 920 | – | 124,453 |
| - Listed equities | 46,349 | – | – | 46,349 |
| | 203,398 | 1,721 | 3,484 | 208,603 |

| **Group and Company<br>As at 31 December 2021** | **Level 1<br>S$'000** | **Level 2<br>S$'000** | **Level 3<br>S$'000** | **Total<br>S$'000** |
|---|---|---|---|---|
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Bonds and Collateralised loan obligations | 36,001 | 333 | 6,890 | 43,224 |
| - Bank contingent convertibles | 170,964 | – | – | 170,964 |
| - Listed equities | 51,667 | – | – | 51,667 |
| | 258,632 | 333 | 6,890 | 265,855 |

**4. Financial risk management (cont'd)**

(g) ***Fair value measurements (cont'd)***

(i) *Classification of financial instruments (cont'd)*

During the financial year ended 31 December 2022, there was a transfer of financial assets from Level 1 to Level 2 of carrying value S$1.72 million, and a transfer of financial assets from Level 2 to Level 3 of carrying value S$0.24 million. There was no transfer of financial assets between levels during the financial year ended 31 December 2021.

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, bonds and bank contingent convertibles.

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.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include the following investments:

(i) *Listed Equity*

As at 31 December 2022, there are 2 suspended/delisted equities with no observable price and a nil carrying value (31 December 2021: 2).

(ii) *Bonds and Collateralised Loan Obligations*

As there is currently no active market and observable prices are not available for these 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, these investments were valued at the lower of broker quotes or internal valuations calculated at S$3.48 million (2021: S$6.89 million).

**4. Financial risk management (cont'd)**

(g) ***Fair value measurements (cont'd)***

(i) *Classification of financial instruments (cont'd)*

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2022 and 31 December 2021.

| **Group and Company** | **Level 3**<br>**S$'000** |
|---|---|
| At 1 January 2022 | 6,890 |
| Reclassification into Level 3 | 333 |
| Disposals/redemptions | (3,283) |
| Net loss on financial assets at fair value through profit or loss | (456) |
| At 31 December 2022 | 3,484 |
| Total loss for the year included in profit or loss for assets held at the end of the year | (575) |

| **Group and Company** | **Level 3**<br>**S$'000** |
|---|---|
| At 1 January 2021 | 9,725 |
| Reclassification into Level 3 | – |
| Disposals/redemptions | (3,297) |
| Net gain on financial assets at fair value through profit or loss | 462 |
| At 31 December 2021 | 6,890 |
| Total gain for the year included in profit or loss for assets held at the end of the year | 464 |

(ii) *Effects of changes in significant unobservable inputs*

In estimating significance, the Group performed sensitivity analysis based on methodologies applied for fair value adjustment. These adjustments reflect the values which the Group estimates to be appropriate to reflect uncertainties in the inputs used (e.g. based on stress testing methodologies on the unobservable input). The methodologies used can be statistical or based on other relevant approved techniques.

As at 31 December 2022, S$3.48 million (2021: S$6.89 million) of these investments were valued based on broker quotes. Assuming a 5% increase/(decrease) in broker quotes for investments valued based on broker quotes, the fair value will increase/(decrease) by S$0.17 million (2021: S$0.34 million).

(h) ***Interest in unconsolidated structured entities***

As at 31 December 2022, the Company invested in a USD denominated collateralised loan obligation issued by a securitisation vehicle. 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.

As at 31 December 2021, the Group invested in an Australian residential mortgage-backed security, a USD denominated collateralised loan obligation and a USD denominated credit-linked note.

**4. Financial risk management (cont'd)**

(h) ***Interest in unconsolidated structured entities (cont'd)***

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2022 and 31 December 2021 are disclosed in the following tables.

| **31 December 2022**<br>**Investments** | **Number of investments** | **Total portfolio size [1]** | **Carrying amount of securities rated B3/B-/B-[2] and above** | **Carrying amount of securities rated below B3/B-/B-[2] or unrated** | **Carrying amount as at 31 December 2022** |
|---|---|---|---|---|---|
| | | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **Company** | | | | | |
| USD-denominated collateralised loan obligations | 1 | 386,717 | 3,248 | – | 3,248 |

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 2022.

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

| **31 December 2021**<br>**Investments** | **Number of investments** | **Total portfolio size [1]** | **Carrying amount of securities rated B3/B-/B-[2] and above** | **Carrying amount of securities rated below B3/B-/B-[2] or unrated** | **Carrying amount as at 31 December 2021** |
|---|---|---|---|---|---|
| | | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **Group and Company** | | | | | |
| Asset-backed securities | 1 | 420,599 | 486 | – | 486 |
| USD-denominated collateralised loan obligations/credit-linked notes | 2 | 5,238,638 | 3,725 | 2,679 | 6,404 |

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 2021.

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

These 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 during the year ended 31 December 2022 was nil (2021: nil). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

**5. Other operating expenses**

| | Group | |
|---|---|---|
| | For the year ended 31 December 2022 S$'000 | For the year ended 31 December 2021 S$'000 |
| **Operating expenses** | | |
| Professional fees | 1,215 | 1,180 |
| Investor relations expenses | 170 | 228 |
| Directors' fees | 335 | 358 |
| Other expenses | 191 | 255 |
| **Total other operating expenses** | **1,911** | **2,021** |

**6. Income tax expense**

| | Group | |
|---|---|---|
| | For the year ended 31 December 2022 S$'000 | For the year ended 31 December 2021 S$'000 |
| **Income tax expense** | | |
| Current tax | 192 | 130 |
| Tax expense on profit differs from the amount that would arise using the standard rate of income tax due to the following: | | |
| Profit from continuing operations before income tax expense | (34,906) | 15,022 |
| Withholding tax | 192 | 130 |
| Income tax expense | 192 | 130 |

For the financial years ended 31 December 2022 and 31 December 2021, income tax expense arose mainly from withholding tax relating to dividend income from listed equities.

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 13U 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.

## 7. Dividends paid and declared

For the financial year ended 31 December 2022, the Directors have declared the payment of an interim dividend of 0.4 Singapore cents per share.

For the financial year ended 31 December 2022, the Directors have recommended the payment of a final dividend of 0.4 Singapore cents per share. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

The 2021 final dividend of 0.4 Singapore cents per share amounting to S$6.28 million was distributed on 22 June 2022. S$2.17 million was paid in cash and S$4.11 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2021 interim dividend of 0.4 Singapore cents per share amounting to S$6.42 million was distributed on 7 October 2021. S$2.12 million was paid in cash and S$4.30 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2020 final dividend of 0.4 Singapore cents per share amounting to S$6.38 million was distributed on 10 June 2021. S$2.28 million was paid in cash and S$4.12 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

For the financial year ended 31 December 2022, 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 ending 31 December 2023.

Dividends paid in 2022 and 2021 are exempt from tax (one-tier) when received in the hands of shareholders.

## 8. Investments in subsidiaries

| | Company | |
|---|---|---|
| | **As at 31 December 2022 S$'000** | **As at 31 December 2021 S$'000** |
| **Equity investments at cost** | | |
| At beginning of financial year | – | – |
| Return of capital | – | – |
| Impairment | – | – |
| **At end of financial year** | – | – |

Further details of the subsidiaries are included in Note 18.

The Company has struck off its wholly-owned dormant subsidiaries on 30 December 2022. As at 31 December 2022, there were no subsidiaries held by the Company. As at 31 December 2021, the impairment of investments in subsidiaries were determined following reviews of the estimates of recoverable amount.

## 9. Financial assets at fair value through profit or loss

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| **Non-current** | | |
| Bonds and Collateralised loan obligations | 37,801 | 41,087 |
| Bank contingent convertibles | 124,453 | 170,964 |
| | 162,254 | 212,051 |
| **Current** | | |
| Bonds and Collateralised loan obligations | – | 2,137 |
| Listed equities | 46,349 | 51,667 |
| | 46,349 | 53,804 |
| **Total financial assets at fair value through profit or loss** | **208,603** | **265,855** |

***Net (loss)/gain on financial assets at fair value through profit or loss***

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| Realised | (156) | 1,334 |
| Unrealised | (40,509) | 5,210 |
| **Total (loss)/gain** | **(40,665)** | **6,544** |

## 10. Cash and cash equivalents

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| Cash at bank | 3,337 | 6,126 |
| Short-term deposits | 47,728 | 35,795 |
| **Total cash and cash equivalents** | **51,065** | **41,921** |

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between seven days and six months (2021: four days and nine months) and earn interest on short-term deposit rates varying 0.05% to 4.69% (2021: 0.01% to 2.82%).

## 11. Other assets

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| Interest receivables | 2,428 | 2,871 |
| Prepayment | 15 | 15 |
| Deposit | 22 | 22 |
| Other receivables | 56 | 85 |
| **Total other assets** | **2,521** | **2,993** |

The carrying value of other assets as at 31 December 2022 and 31 December 2021 approximates their fair value due to the short-term nature.

## 12. Other liabilities

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| Base management fees payable to SICIM | 577 | 670 |
| Other payables | 531 | 707 |
| **Total other liabilities** | **1,108** | **1,377** |

The carrying value of other liabilities as at 31 December 2022 and 31 December 2021 approximates their fair value due to the short-term nature.

## 13. Share capital

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **Company** | **No. of shares '000** | **Amount S$'000** | **No. of shares '000** | **Amount S$'000** |
| **Issued ordinary shares** | | | | |
| At beginning and end of financial year | 1,723,842 | 270,837 | 1,723,842 | 270,837 |
| **Treasury shares** | | | | |
| At beginning of financial year | (123,551) | (18,228) | (94,914) | (12,978) |
| Purchase of treasury shares | (75,572) | (11,050) | (85,611) | (12,980) |
| Transfer of treasury shares | 27,599 | 3,801 | 56,974 | 7,730 |
| At end of financial year | (171,524) | (25,477) | (123,551) | (18,228) |
| **Issued ordinary shares net treasury shares** | **1,552,318** | **245,360** | **1,600,291** | **252,609** |

FINANCIAL

**13. Share capital (cont'd)**

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 7.

On 22 June 2022, 27,599,302 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

On 7 October 2021, 28,693,591 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend scheme.

On 10 June 2021, 28,280,673 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

**14. Capital reserve**

| | Company<br>As at 31 December 2022<br>S$'000 | Group and Company<br>As at 31 December 2021<br>S$'000 |
|---|---|---|
| At beginning of financial year | 742 | 68 |
| Transfer of treasury shares | 312 | 674 |
| **At end of financial year** | **1,054** | **742** |

During the financial year, the Company acquired shares pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares. When treasury shares are transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme, any realised gain or loss will be recognised in the capital reserve.

**15. Retained earnings**

| | Company<br>As at 31 December 2022<br>S$'000 | Group and Company<br>As at 31 December 2021<br>S$'000 |
|---|---|---|
| At beginning of financial year | 56,037 | 53,947 |
| Net (loss)/profit for the year | (35,098) | 14,892 |
| Dividends paid | (6,280) | (12,802) |
| **At end of financial year** | **14,659** | **56,037** |

**16. Net asset value**

| | Company As at 31 December 2022 S$'000 | Group and Company As at 31 December 2021 S$'000 |
|---|---|---|
| Total net asset value (S$'000) | 261,073 | 309,388 |
| Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000) | 1,552,318 | 1,600,291 |
| **Net asset value per ordinary share (S$ per share)** | **0.1682** | **0.1933** |

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.

**17. Related party transactions**

***Directors' remuneration***

Directors 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 the Company or any of its subsidiaries.

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

| | | Remuneration Per Annum |
|---|---|---|
| 1. | Base remuneration fee | S$45,000 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 | S$22,000 |
| | b) Lead Independent Director | S$5,000 |
| | c) Base fee for membership of ARMC | S$10,000 per member |
| | d) Chairman of ARMC | S$18,000 |
| | e) Base fee for membership of NGC | S$6,000 per member |
| | f) Charmain of NGC | S$10,000 |
| | g) Base fee for membership of SRC | S$6,000 per member |
| | h) Chairman of SRC | S$10,000 |

The total directors' fees for year ended 31 December 2022 amounted to S$0.34 million (2021: S$0.36 million).

FINANCIAL

**17. Related party transactions (cont'd)**

***Intercompany receivables/payables***

As at 31 December 2022, there were no subsidiaries held by the Company. As at 31 December 2021, there were no intercompany receivables/payables from/to the subsidiaries.

***The Manager***

The following transactions were carried out with SICIM:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| **Transactions with SICIM** | | |
| Base management fees | 2,471 | 2,627 |
| Incentive fees | – | 2,335 |
| Fixed management fees | 650 | 650 |
| Other fees and reimbursement of expenses | 397 | 402 |
| Divestment fees | 247 | 545 |
| **Total** | **3,765** | **6,559** |

| | **Company** | **Group and Company** |
|---|---|---|
| | **As at 31 December 2022** | **As at 31 December 2021** |
| | **S$'000** | **S$'000** |
| **Balances with SICIM** | | |
| Accrued base management fees | 577 | 670 |
| Accrued fixed management fees | 164 | 164 |
| Accrued other fees and reimbursement of expenses | 100 | 113 |
| Accrued divestment fees | – | 110 |
| **Total payable to the manager** | **841** | **1,057** |

***Transactions with other related parties***

During the financial year, the Group obtained professional services from an entity in which a director has an interest in.

| | **Company** | **Group and Company** |
|---|---|---|
| | **As at 31 December 2022** | **As at 31 December 2021** |
| | **S$'000** | **S$'000** |
| Professional fees | 3 | 3 |
| | 3 | 3 |

### 18. Controlled entities

The Company has struck off its wholly-owned dormant subsidiaries BBSFF Operating Lease Limited and BBSFF Rail Fund No. 1 Limited on 30 December 2022.

The following table sets out the entities that were controlled by the Group as at 31 December 2021.

| Name of entity | Principal activities | Country of incorporation | % of equity held by the Group 2022 | % of equity held by the Group 2021 | Reporting date |
|---|---|---|---|---|---|
| BBSFF Operating Lease Limited [1] | Holding company | Cayman Islands | 0% | 100% | 31 December |
| BBSFF Rail Fund No. 1 Limited [1] | Investments in operating lease assets | Cayman Islands | 0% | 100% | 31 December |

1 Not required to be audited under the laws of the country of incorporation.

**19. Segment Reporting**

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, bonds, bank contingent convertibles and listed equities. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2022.

| | Bonds and Collateralised Loan Obligations | | | | Bank Contingent Convertibles | | | | Listed Equities | | | Cash and cash equivalents | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 | Europe S$'000 | Asia S$'000 | North America S$'000 | Others S$'000 | Europe S$'000 | Asia S$'000 | North America S$'000 | Others S$'000 | Europe S$'000 | Asia S$'000 | North America S$'000 | S$'000 | S$'000 |
| **For the year ended 31 December 2022** | | | | | | | | | | | | | |
| Total segment income/ (loss) | (3) | 909 | (1,791) | (3,408) | (13,019) | – | (85) | (6,294) | (342) | (4,246) | 26 | 1,061 | (27,192) |
| Segment profit/(loss) before tax | (1) | 905 | (1,795) | (3,407) | (13,040) | – | (85) | (6,302) | (343) | (4,246) | 26 | (2,236) | (30,524) |
| **Included segment items** | | | | | | | | | | | | | |
| Dividend income | – | – | – | – | – | – | – | – | 47 | 2,298 | 14 | – | 2,359 |
| Interest income | – | 67 | 768 | 678 | 7,757 | – | 105 | 678 | – | – | – | 1,061 | 11,114 |
| Net gain/(loss) on financial assets at fair value through profit or loss | (3) | 842 | (2,559) | (4,086) | (20,776) | – | (190) | (6,972) | (389) | (6,544) | 12 | – | (40,665) |
| Net foreign exchange gain/(loss) | 2 | (4) | (4) | 1 | (21) | – | – | (8) | (1) | – | – | (3,297) | (3,332) |
| **As at 31 December 2022** | | | | | | | | | | | | | |
| Total segment assets | **278** | **13,001** | **12,190** | **12,838** | **115,819** | **–** | **1,272** | **9,119** | **1,370** | **44,376** | **603** | **51,230** | **262,096** |
| Total segment liabilities | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

**19. Segment Reporting (cont'd)**

| 2021 | Bonds and Collateralised Loan Obligations Europe S$'000 | Bonds and Collateralised Loan Obligations Asia S$'000 | Bonds and Collateralised Loan Obligations North America S$'000 | Bonds and Collateralised Loan Obligations Others S$'000 | Bank Contingent Convertibles Europe S$'000 | Bank Contingent Convertibles Asia S$'000 | Bank Contingent Convertibles North America S$'000 | Bank Contingent Convertibles Others S$'000 | Listed Equities Europe S$'000 | Listed Equities Asia S$'000 | Listed Equities North America S$'000 | Cash and cash equivalents S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **For the year ended 31 December 2021** | | | | | | | | | | | | | |
| Total segment income/(loss) | 78 | 636 | 3,396 | 71 | 8,083 | 47 | 47 | 904 | 235 | 6,497 | 342 | 1,669 | 22,005 |
| Segment profit/(loss) before tax | 78 | 636 | 3,396 | 71 | 8,083 | 47 | 47 | 904 | 235 | 6,497 | 342 | 1,669 | 22,005 |
| **Included segment items** | | | | | | | | | | | | | |
| Dividend income | – | – | – | – | – | – | – | – | 45 | 1,688 | 3 | – | 1,736 |
| Interest income | 38 | 562 | 498 | 891 | 8,829 | 26 | 102 | 1,080 | – | – | – | 682 | 12,708 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 40 | 70 | 2,890 | (826) | (770) | 21 | (55) | (154) | 190 | 4,798 | 340 | – | 6,544 |
| Net foreign exchange gain/(loss) | – | 4 | 8 | 6 | 24 | – | – | (22) | – | 11 | (1) | 987 | 1,017 |
| **As at 31 December 2021** | | | | | | | | | | | | | |
| Total segment assets | **401** | **17,053** | **14,719** | **11,611** | **154,124** | **–** | **1,462** | **17,518** | **1,775** | **49,318** | **590** | **42,095** | **310,666** |
| Total segment liabilities | – | – | – | – | – | – | – | – | – | – | – | – | – |

FINANCIAL

**19. Segment Reporting (cont'd)**

Reconciliations of reportable segment profit or loss, assets and liabilities

| | Group | |
|---|---|---|
| | As at 31 December 2022 S$'000 | As at 31 December 2021 S$'000 |
| **Segment profits** | | |
| Reported profit for reportable segments | (30,524) | 22,005 |
| Management fees | (2,471) | (2,627) |
| Incentive fees | – | (2,335) |
| Other operating expenses | (1,911) | (2,021) |
| **(Loss)/profit before income tax** | **(34,906)** | **15,022** |
| **Segment assets** | | |
| Reported assets for reportable segments | 262,096 | 310,666 |
| Other assets (excluding interest and dividend receivables) | 93 | 103 |
| Right-of-use asset | 115 | 184 |
| **Total assets** | **262,304** | **310,953** |
| **Segment liabilities** | | |
| Base management fee payable | (577) | (834) |
| Lease liabilities | (123) | (188) |
| Other payables | (531) | (543) |
| **Total liabilities** | **(1,231)** | **(1,565)** |

**20. Leases**

**Group as a lessee**

During the financial year ended 31 December 2022, the Group had total cash outflow for leases of S$81,533 (2021: S$90,794).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| | 2022 S$'000 | 2021 S$'000 |
|---|---|---|
| Balance at beginning of the financial year | 184 | 55 |
| Additions | – | 208 |
| Depreciation | (69) | (79) |
| Balance at end of the financial year | 115 | 184 |

**20. Leases (cont'd)**

**Group as a lessee (cont'd)**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| Balance at beginning of the financial year | 188 | 61 |
| Additions | – | 208 |
| Interest | 17 | 10 |
| Payment | (82) | (91) |
| Balance at end of the financial year | 123 | 188 |

**21. 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.

| | 2022 | 2021 |
|---|---|---|
| Earnings used in calculation of basic earnings per share (S$'000) | (35,098) | 14,892 |
| Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000) | 1,574,323 | 1,606,659 |
| **Basic earnings per share (cents per share)** | **(2.23)** | **0.93** |

(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.

| | 2022 | 2021 |
|---|---|---|
| Earnings used in calculation of diluted earnings per share (S$'000) | (35,098) | 14,892 |
| Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000) | 1,574,323 | 1,606,659 |
| **Diluted earnings per share (cents per share)** | **(2.23)** | **0.93** |

**22. Remuneration of auditors**

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Amounts payable/paid to auditors for: | | |
| Audit services | 123 | 108 |

Fee payable to the auditors for non-audit services in 2022 is Nil (2021: Nil).

**23. Events occurring after Balance Sheet Date**

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

**24. Standards issued but not yet effective**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning after 1 January 2023 or later periods and which the Group and the Company has not early adopted:

- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- Lease Liability in a Sale and Leaseback (Amendments to SFRS(I) 16)
- Non-current Liabilities with Covenants (Amendments to SFRS(I) 1-1)

The above amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 1. INTERESTED PERSON TRANSACTIONS

| Name of interested person | Nature of relationship | 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 | |
|---|---|---|---|
| SICIM | Manager and an associate of GIL's directors and controlling shareholder. | Base management fees | 2,471 |
| | | Incentive fees | – |
| | | Fixed management fees | 650 |
| | | Other fees and reimbursement of expenses | 397 |
| | | Divestment fees | 247 |

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

## 2. INVESTMENTS

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

**31 December 2022**

| Interest in investments | Asset Class | Percentage shareholding % | Cost million | Net Book Value million | Carrying Value S$' million | Income/ Underlying Earning S$' million | Unrealised Gain/(Loss) S$' million |
|---|---|---|---|---|---|---|---|
| Societe Generale 6.125% | Bank contingent convertibles | Nil | S$21.8 | S$21.8 | 19.9 | 1.3 | (1.8) |
| SIA MCB | Bonds and Collateralised loan obligations | Nil | S$12.8 | S$12.8 | 13.0 | – | 0.2 |
| UBS Group 5.875% | Bank contingent convertibles | Nil | S$10.0 | S$10.0 | 8.9 | 0.6 | (1.1) |
| UBS Group 6.875% | Bank contingent convertibles | Nil | US$6.0 | US$6.0 | 7.8 | 0.6 | (0.4) |
| Commerzbank 4.2% | Bank contingent convertibles | Nil | S$7.5 | S$7.5 | 7.1 | 0.3 | (0.4) |
| Unicredit SPA 8% | Bank contingent convertibles | Nil | US$4.8 | US$4.8 | 6.4 | 0.6 | (0.3) |
| Westpac 4.65% | Bonds and Collateralised loan obligations | Nil | S$5.8 | S$5.8 | 5.7 | 0.1 | (0.1) |
| Fenix Marine 8% | Bonds and Collateralised loan obligations | Nil | US$3.7 | US$3.7 | 5.5 | 0.4 | 0.9 |
| Societe Generale 8% | Bank contingent convertibles | Nil | US$4.0 | US$4.0 | 5.4 | 0.4 | (0.3) |
| HSBC 6% | Bank contingent convertibles | Nil | US$4.0 | US$4.0 | 4.9 | 0.3 | (0.6) |

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

**2. INVESTMENTS**

**31 December 2021**

| Interest in investments | Asset Class | Percentage shareholding % | Cost million | Net Book Value million | Carrying Value S$' million | Income/ Underlying Earning S$' million | Unrealised Gain/(Loss) S$' million |
|---|---|---|---|---|---|---|---|
| Societe Generale 6.125% | Bank contingent convertibles | Nil | S$21.8 | S$21.8 | 22.7 | 1.3 | 0.9 |
| SIA MCB | Bonds and Collateralised loan obligations | Nil | S$12.8 | S$12.8 | 12.1 | – | (0.6) |
| Commerzbank 4.875% | Bank contingent convertibles | Nil | S$10.5 | S$10.5 | 11.0 | 0.5 | 0.6 |
| UBS Group 5.875% | Bank contingent convertibles | Nil | S$10.0 | S$10.0 | 10.5 | 0.6 | 0.5 |
| UBS Group 6.875% | Bank contingent convertibles | Nil | US$6.0 | US$6.0 | 9.0 | 0.6 | 0.7 |
| Commerzbank 4.2% | Bank contingent convertibles | Nil | S$7.5 | S$7.5 | 7.6 | 0.3 | 0.1 |
| Unicredit SPA 8% | Bank contingent convertibles | Nil | US$4.8 | US$4.8 | 7.4 | 0.5 | 0.6 |
| Societe Generale 8% | Bank contingent convertibles | Nil | US$4.0 | US$4.0 | 6.2 | 0.4 | 0.6 |
| Fenix Marine 8% | Bonds and Collateralised loan obligations | Nil | US$3.7 | US$3.7 | 6.0 | 0.4 | 1.4 |
| HSBC 6% | Bank contingent convertibles | Nil | US$4.0 | US$4.0 | 5.8 | 0.3 | 0.2 |

**3. MATERIAL CONTRACTS**

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

**4. LAND AND BUILDINGS**

GIL does not own any land or buildings.

# SHAREHOLDERS' INFORMATION

As at 8 March 2023

| | | |
|---|---|---|
| Number of issued shares | - | 1,551,717,803 (excluding treasury shares) |
| Number of Treasury Shares | - | 172,124,643 or 11.09%* |
| Class of Shares | - | Ordinary shares |
| Voting Rights | - | 1 vote per share (excluding treasury shares) |

**SUBSTANTIAL SHAREHOLDERS**

| Name | Direct Interest | Deemed Interest |
|---|---|---|
| Boon Swan Foo | 296,603,403 | – |

**DISTRIBUTION OF SHAREHOLDINGS**

| Range of Holdings | Number of Shareholders | Percentage (%) * | Number of Shares | Percentage (%) * |
|---|---|---|---|---|
| 1-99 | 465 | 7.34 | 19,112 | 0.00 |
| 100 – 1,000 | 584 | 9.22 | 447,590 | 0.03 |
| 1,001 – 10,000 | 1,325 | 20.93 | 6,799,244 | 0.44 |
| 10,001 – 1,000,000 | 3,811 | 60.19 | 459,666,786 | 29.62 |
| 1,000,001 and above | 147 | 2.32 | 1,084,785,071 | 69.91 |
| **Total** | **6,332** | **100.00** | **1,551,717,803** | **100.00** |

**TOP 20 SHAREHOLDER**
(as shown in the register of members and depository register)

| No. | Name | Number of Shares held | Percentage (%) * |
|---|---|---|---|
| 1 | BOON SWAN FOO | 296,603,403 | 19.11 |
| 2 | DBS NOMINEES (PRIVATE) LIMITED | 160,920,004 | 10.37 |
| 3 | GOH SI HUI (WU SIHUI) | 74,603,750 | 4.81 |
| 4 | RAFFLES NOMINEES (PTE.) LIMITED | 42,167,526 | 2.72 |
| 5 | PHILLIP SECURITIES PTE LTD | 40,813,892 | 2.63 |
| 6 | CITIBANK NOMINEES SINGAPORE PTE LTD | 37,522,273 | 2.42 |
| 7 | OCBC SECURITIES PRIVATE LIMITED | 32,561,137 | 2.10 |
| 8 | GOH SI KAI (WU SIKAI) | 32,198,019 | 2.07 |
| 9 | DB NOMINEES (SINGAPORE) PTE LTD | 15,330,168 | 0.99 |
| 10 | UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED | 14,876,834 | 0.96 |
| 11 | YIM CHEE CHONG | 13,065,240 | 0.84 |
| 12 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 11,403,332 | 0.73 |
| 13 | SEE YONG KIAT | 9,138,310 | 0.59 |
| 14 | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 9,003,340 | 0.58 |
| 15 | TEO SOO BENG | 7,900,052 | 0.51 |
| 16 | LOY SIM PIN | 7,679,258 | 0.49 |
| 17 | WEE HIAN KOK | 7,495,501 | 0.48 |
| 18 | WYGIL HOLDINGS PTE LTD | 6,374,168 | 0.41 |
| 19 | MORPH INVESTMENTS LTD | 6,100,090 | 0.39 |
| 20 | TAN WAI SEE | 5,455,336 | 0.35 |
| | **Total** | **831,211,633** | **53.55** |

Based on information available as at 8 March 2023, approximately 80.88% * of the issued shares of GIL are held by the public and therefore, Listing Rule 723 has been complied with.

* Percentage is calculated based on the total number of issued shares excluding treasury shares.

# 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, SICIM and SICIM Associates will abstain from voting on the relevant resolution.

The fee structure of SICIM 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.<br>● 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 Company's Shares. Any dividend payment will have an impact on the calculation of the SAI.<br>● 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.<br>● Third party expenses reimbursed by GIL. |
| Acquisition fee | ● 1.0% of:<br>– Total risk capital invested by GIL in the investment; and<br>– Percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by SICIM in relation to the acquisition (but excluding debt provided by GIL). |
| Divestment fee | ● Only for assets acquired after 25 November 2009.<br>● 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero.<br>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.<br>● 0.7% of subordinated or mezzanine debt raised.<br>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 SICIM Associate. |
| Payment of fees | The Board has the sole discretion to pay up to 100% of SICIM'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 its associates are disclosed in Note 17 of the financial statements included within this report. The details of the incentive fees are found on page 105.

# COMPUTATION OF INCENTIVE FEE

| | | 1H 2022 | 2H 2022 |
|---|---|---|---|
| | Number of Days in the Relevant Half Year | 181 | 184 |
| | ATPIF | $0.154216 | $0.152732 |
| | ANIF | 1,723,842,446 | 1,723,842,446 |
| A | AMCIF = (ATPIF *ANIF) | S$265,844,086.65 | S$263,285,904.46 |
| B | Average SAI in the preceding Half Year | S$0.4318 | S$0.4395 |
| C | Average SAI in the Relevant Half Year | S$0.4395 | S$0.38130 |
| D | Benchmark rate of return for the Half Year | 3.89018505% | 3.95592225% |
| E | Deficit from previous period | S$744,277 | S$6,345,484 |
| | | | |
| | New Shares Issuance | | |
| F | Number of Days from issue date to end of Relevant Half Year | – | – |
| G | Issue Price | – | – |
| H | Additional number of Shares issued | – | – |
| I | G * H | – | – |
| J | Benchmark rate of return for the issue period | – | – |
| | | | |
| | Share Return for the Relevant Half Year | | |
| | = A * (C–B)/B + H * (C–G) | S$4,740,619 | (S$34,865,164) |
| | | | |
| | Benchmark Return for the Relevant Half Year | | |
| | = A * D + I * J | S$10,341,827 | S$10,415,386 |
| | | | |
| | Share Return–Benchmark Return – Deficit<br><br>Deficit Carried Forward | (S$6,345,484)<br><br>(S$6,345,484) | (S$ 51,626,034)<br><br>(S$ 51,626,034) |
| | Manager Incentive Fee @ 20% | – | – |

# GLOSSARY

| Term | Meaning |
|---|---|
| AGM | Annual General Meeting |
| AMCIF | Average Market Capitalisation for Incentive Fee in respect of a Half Year: ATPIF x ANIF |
| ANIF | The average closing number of the Company's 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. |
| Board | GIL's Board of Directors |
| Benchmark Return | For the Shares that are included in AMCIF for a Half Year:<br>● the AMCIF; multiplied by<br>● BRI.<br>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 |
| Constitution | The constitution of the Company for the time being in force, as amended or modified from time to time. |
| 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. |
| FY | Financial year ending 31 December |
| Group | GIL and its subsidiaries |
| 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 |
| Management Agreement | The novation and amendment and restatement agreement entered into amongst the Company, STAM and SICIM dated 1 April 2016 and which came into effect on 29 April 2016, which novates, amends and restates the management agreement between the Company and STAM dated 24 September 2009. |
| Manager or SICIM | Singapore Consortium Investment Management Limited |

# GLOSSARY

| Term | Meaning |
|---|---|
| Net Investment Value | Net Investment Value calculated in SGD in respect of a quarter means AMC where:<br>AMC is the Average Market Capitalisation in respect of the relevant quarter calculated as follows:<br>AMC = (ATP x AN)<br>where:<br>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<br>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.<br>VWAP is, in respect of any trading day on the SGX-ST, the volume weighted average price per Share for sales in those securities on the SGX-ST on that trading day, where each price is weighted by the number of Shares sold at various prices that day. Special crossings, crossings outside of normal trading hours and option-related transactions on the SGX-ST are to be excluded from the VWAP calculation. |
| NGC | Nomination and Governance Committee |
| Relevant Half Years | At any time during a Half Year means the preceding Half Years during the period commencing on the most recent of:<br>(a) the beginning of the first half year ended 30 June 2010;<br>(b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and<br>(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. |
| 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, i.e. a corporation that is the first-mentioned corporation’s holding company, subsidiary or fellow subsidiary. |
| 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 (25 November 2009), 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. |
| SGX-ST | Singapore Exchange Securities Trading Limited |
| Shares | Ordinary shares in the capital of the Company |
| Shareholder | Holder of the Shares in the Company |

# GLOSSARY

| Term | Meaning |
|---|---|
| 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.<br><br>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. |
| Share Value | Average of the SAI over the last 20 SGX-ST trading days in respect of the Relevant Half Year. |
| SICIM Associates | Any Related Corporation of SICIM and any entity in respect of which SICIM or a Related Corporation of SICIM has been appointed a responsible entity or with whom SICIM or a Related Corporation of SICIM has entered into a management, trustee or similar agreement. |
| SRC | Sustainability and Remuneration Committee |
| 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. |
| 2018 Code | Singapore Code of Corporate Governance 2018 |

# NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 Annual General Meeting of Global Investments Limited (**Company**) will be held at **Amara Singapore, Level 3, Ballroom 2, 165 Tanjong Pagar Road, Singapore 088539** on **Wednesday, 26 April 2023** at **10.00 a.m.** to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022 and the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax exempt one-tier dividend of 0.40 cents per ordinary share for the financial year ended 31 December 2022. **(Resolution 2)**

3. To re-elect Ms Tan Mui Hong who is retiring under Regulation 103 of the Constitution of the Company and who, being eligible, is offering herself for re-election as a Director of the Company. **(Resolution 3)**

4. To approve payment of Directors' fees of up to S$380,200.00 for the financial year ending 31 December 2023. (2022: S$380,200.00) **(Resolution 4)**

5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

**SPECIAL BUSINESS**

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:

**Proposed Share Issue Mandate** **(Resolution 6)**

6. That, pursuant to Section 161 of the Companies Act 1967 (**Companies Act**), and the listing rules of the Singapore Exchange Securities Trading Limited (**SGX-ST**), authority be and is hereby given to the Directors to:

    (1) a. issue Shares 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) options, warrants, debentures or other instruments convertible or exchangeable 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; and

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

    provided that:

    a. the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed 50% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

b. (subject to such calculation as may be prescribed by 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 (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution 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 were issued and are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue, consolidation or sub-division of Shares.

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

d. unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company (**AGM**) or the date by which the next AGM is required by law to be held, whichever is the earlier.

**Proposed Renewal of the Share Buyback Mandate** **(Resolution 7)**

7. That:

(1) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary Shares of the Company not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

   a. on-market purchase(s) on the SGX-ST which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

   b. off-market purchase(s) effected otherwise than on the SGX-ST, in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act and 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 and Listing Manual,

   and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (**Share Buyback Mandate**);

(2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback 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 the earliest of:

   a. the date on which the next AGM is held or required by law to be held;

   b. the date on which Share Buyback Mandate has been carried out to the full extent mandated; or

   c. the date on which the authority conferred by the Share Buyback Mandate is revoked or varied.

(3) in this Resolution:

"**Maximum Percentage**" means the number of issued ordinary Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding the Shares which are held as treasury shares as at that date); 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:

(i) in the case of on-market purchase(s) of a Share, 5% above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded before the day of the on-market purchase by the Company, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5)-day period; and

(ii) in the case of off-market purchase(s) of a Share, 20% above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded before the date on which the Company makes an announcement of an offer under the off-market purchase scheme, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the off-market purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5)-day period; and

(4) the Directors of the Company and/or each of them be and are hereby authorised to do such acts and things (including without limitation, to execute all documents 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 give effect to the transactions contemplated and/or authorised by this Resolution.

**Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme (Resolution 8)**

8. That authority be and is hereby given to the Directors of the Company to:

(1) allot and issue from time to time such number of ordinary Shares in the capital of the Company (including but not limited to Shares held in treasury) as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme pursuant to Section 161 of the Companies Act; and

(2) to complete and do all acts and things (including executing such documents as may be required in connection with the Scrip Dividend Scheme) as they may consider desirable, necessary or expedient to give full effect to this Resolution and the Scrip Dividend Scheme.

9. To transact any other business that may be transacted at an AGM.

By Order of the Board

Siau Kuei Lian (Ms) and Chin Yee Seng (Mr)
Company Secretaries
31 March 2023

# NOTICE OF 2023 ANNUAL GENERAL MEETING

**EXPLANATORY NOTES:**

**Resolution 3:** Ms Tan Mui Hong will, upon re-election, continue to serve as a member of the Audit and Risk Management Committee, and Sustainability and Remuneration Committee.

Key information of Ms Tan as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under the "Additional Information On Directors Seeking Re-election" section of the Annual Report 2022.

**Resolution 6** seeks to authorise the Directors of the Company from the date of the AGM until the next AGM to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of total number of Shares of the Company (excluding treasury shares and subsidiary holdings), of which the total number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM. If Resolution 8 is passed, Shares issued pursuant to the Scrip Dividend Scheme will not be treated as Shares issued pursuant to the Share Issue Mandate.

**Resolution 7** is to renew the Share Buyback Mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions set out in the Resolution. Please refer to the Addendum to this Notice for more details.

**Resolution 8**, if passed, will provide the Directors, from the date of the AGM, the authority to issue Shares (including but not limited to Shares held in treasury) pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of all or part of the cash amount of that qualifying dividend. Shares issued pursuant to the 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.

**Notes:**

1. The AGM will be held in a wholly physical format. **There will be no option for shareholders to participate virtually**.

2. Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM via email to ir@globalinvestmentslimited.com or via the website at the URL https://conveneagm.com/sg/GIL2023 by **10 April 2023**.

3. The Company will endeavour to address and publish its responses to all substantial and relevant questions received from members via SGXNET and the Company's website by **12 April 2023**. The Company will also address any subsequent clarifications sought or follow-up questions at the AGM in respect of substantial and relevant matters. The Responses from the Board and the Management of the Company shall thereafter be published on SGXNet, together with the minutes of AGM, within one (1) month after the conclusion of the AGM.

4. A member (whether individual or corporate) may vote at the AGM themselves or through a duly appointed proxy(ies). Members who wish to appoint a proxy must submit an instrument appointing a proxy(ies). The proxy form (Proxy Form) for the AGM may be accessed at the URL https://globalinvestmentslimited.com/category/meetings/ and is available on the SGX website at the URL https://investors.sgx.com/_security-types/stocks/B73.

5. The duly executed Proxy Form must be submitted to the Company's Share Registrar by **23 April 2023, 10.00 a.m**. in the following manner:

   (i) if submitted by post, be lodged at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; and

   (ii) if submitted electronically, by sending a scanned pdf copy by email to: shareregistry@incorp.asia.

6. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM will be treated as valid and the Chairman shall vote in approval of the resolution.

7. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking, and voting at the AGM. However, the appointment of the proxy will be deemed to be revoked if the member attends the AGM in person. In such event, the Company reserves the right to refuse to admit any person or persons appointed pursuant to the Proxy Form.

8. SRS investors may vote at the AGM if:

   (i) they are appointed as proxies by their respective SRS Operators and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

   (ii) appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their SRS Operators to submit their votes by **5.00 p.m.** on **17 April 2023**.

9. The Chairman of the AGM, as proxy, need not be a Member of the Company.

10. The Annual Report 2022 and the Addendum to the Notice of AGM Relating to the Proposed Renewal of the Share Buyback Mandate have been published on the Company's website at the URL https://globalinvestmentslimited.com/category/meetings/ and may be accessed on the SGX website at the URL https://investors.sgx.com/_security-types/stocks/B73. Printed copies of these documents will be despatched to the Members upon request.

11. Depending on how the Covid-19 situation develops, the Company will implement any safe management measures as may be required or recommended under any regulation, directives, measures or guidelines as may be issued from time to time by any government or regulatory agency in light of the Covid-19 situation in Singapore. Shareholders should check the Company's website at the URL https://globalinvestmentslimited.com/category/meetings/ or the SGX website at the URL https://investors.sgx.com/_security-types/stocks/B73 for the latest updates on the status of the AGM.

**PERSONAL DATA PRIVACY**

By (a) submitting an instrument appointing a proxy to vote at the AGM and/or any adjournment thereof, or (b) attending the AGM in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of processing and administration by the Company (or its agents or service providers) of the proxy forms (including any adjournment thereof), verification of identity prior to giving them access to the AGM, addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof) and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

# ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

| **Name of Director** | **Tan Mui Hong** |
|---|---|
| Date of appointment | 1 July 2019 |
| Date of last re-appointment | 19 June 2020 |
| Age | 65 |
| Country of principal residence | Singapore |
| The Board's comments on this appointment | The Board has considered the recommendation of the Nomination & Governance Committee and was of the view that Ms Tan's qualification and experience in fund management will enhance the composition of the Board and benefit the Company.<br>Ms Tan abstained from the deliberations of the Board pertaining to her re-election. |
| Whether appointment is executive, and if so, the area of responsibility | Non-executive and Non-independent Director |
| Job title | Member of Sustainability & Renumeration Committee<br>Member of Audit & Risk Management Committee |
| Professional qualifications | 1. Bachelor of Accountancy (2nd Class Honours) from University of Singapore<br>2. Masters of Business Administration from National University of Singapore<br>3. Masters of Science (Business) from Nanyang Technological University of Singapore. |
| Working experience and occupation(s) during the past 10 years | CEO and Executive Director, Singapore Consortium Investment Management Limited<br>(2019 to now)<br>President and CEO, ST Asset Management Ltd<br>(2002 to 2019)<br>Executive Director, ST Trustees Ltd<br>(2005 to 2019) |
| Shareholding interest in the listed issuer and its subsidiaries | No |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | No |
| Conflict of interest (including any competing business) | No |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes |

# ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

| **Name of Director** | **Tan Mui Hong** |
|---|---|
| **Other Principal Commitments* Including Directorships**<br>*(*Principal Commitments has the same meaning defined in the Code of Corporate Governance 2018)* | |
| Past (for the last 5 years) | *Listed companies*<br>Nil<br><br>*Non-listed companies*<br>Non-executive director, Rail Fund No. 1 Ltd (Struck-off)<br>Non-executive director, Operating Lease Ltd (Struck-off)<br>President and CEO, ST Asset Management Ltd<br>Executive Director, ST Trustees Ltd<br>Executive director, Singapore Technologies Capital Services Pte Ltd<br>Executive director, Kellock Fund Investments III Pte. Ltd.<br>Executive director, Kellock Fund Investments Pte. Ltd.<br>Executive director, Kellock Fund Investments II Pte. Ltd.<br>Executive director, Kellock Europe Fund Pte. Ltd.<br>Non-executive director, BBSFF Asset Holdings Ltd (Struck-off)<br>Non-executive director, BBSFF Loan Portfolio & Securitisation Limited (Struck-off)<br>Non-executive director, BBSFF Alternative Assets Ltd (Struck-off)<br>Non-executive director, BBSFF EU Rail Lessor Limited (Struck-off)<br>Non-executive director, GIL Aircraft Lessor No. 1 Ltd (Struck-off)<br>Non-executive director, BBSFF Securitisation Ltd (Struck-off) |
| Present | *Listed companies*<br>Non-executive Director, China-Singapore Suzhou Industrial Park Development Group Co., Ltd<br><br>*Non-listed companies*<br>CEO and Executive Director, Singapore Consortium Investment Management Limited |
| **Disclosure applicable to the appointment of Director only.** | |
| Any prior experience as a director of an issuer listed on the Exchange?<br>If yes, please provide details of prior experience. | Yes. Ms Tan has been a director of GIL since 1 July 2019 and she was the Manager Nominated Director of GIL between 23 April 2010 and 5 November 2013. |

OTHERS

# ADDENDUM

**(Registered in the Republic of Singapore)**
**(Company Registration No. 201900747E)**
*Managed by Singapore Consortium Investment Management Limited (**Manager**)*

**Board of Directors**

Mr Boon Swan Foo (Chairman, Non-Executive, Non-Independent Director)
Mr Abdul Jabbar Bin Karam Din (Lead Independent Director)
Mr Lay Charlie Nhuc Hiang (Independent Director)
Mr Ng Thiam Poh (Independent Director)
Ms Tan Mui Hong (Non-Executive, Non-Independent Director)

**Registered Office:**

250 Tanjong Pagar Road #09-01
St. Andrew's Centre
Singapore 088541

31 March 2023

To: The Shareholders of Global Investments Limited

Dear Sir/Madam

**ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE (ADDENDUM)**

## 1. INTRODUCTION

1.1 The purpose of this Addendum is to provide Shareholders of the Company (**Shareholders**) with information relating to Ordinary Resolution 7 set out in the Notice of Annual General Meeting dated 31 March 2023 **(Notice of AGM)** in respect of the proposed renewal of the mandate (**Share Buyback Mandate**) to purchase or otherwise acquire issued and fully paid-up ordinary shares (**Shares**) in the capital of Global Investments Limited (**Company**).

1.2 Any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate will be made in accordance with, and in the manner prescribed by the Constitution of the Company (**Constitution**), the listing manual (**Listing Manual**) of Singapore Exchange Securities Trading Limited (**SGX-ST**) and the Companies Act 1967 of Singapore, as amended or modified from time to time (**Companies Act**), and such other laws and regulations as may for the time being be applicable.

1.3 SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Addendum. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.4 If you have sold or transferred your ordinary shares in the capital of the Company, please immediately forward this Addendum, together with the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

## 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 2.1 Background

The Share Buyback Mandate was originally approved by the Shareholders at a Special General Meeting held on 5 December 2011. Subsequently, the Shareholders have approved the renewal of the mandate every year.

At the AGM held on 28 April 2022 (**2022 AGM**), the Shareholders had approved, inter alia, the renewal of the Share Buyback Mandate. The authority and limitations on the Share Buyback Mandate were set out in the Addendum to Shareholders and Notice of the 2022 AGM dated 1 April 2022.

The 2022 Share Buyback Mandate was expressed to take effect on the date of the 2022 AGM and will expire on the conclusion of the forthcoming 2023 Annual General Meeting (**2023 AGM**). Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the 2023 AGM.

### 2.2 Rationale for proposed renewal of the Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) to provide shareholders with liquidity, facilitating orderly trading and reduces transaction costs;

(b) to provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders;

(c) to the extent that the Company has capital and surplus funds which are in excess of its possible financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and

(d) to provide the Company with the flexibility to undertake Share repurchases at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force. The purchases or acquisitions may, depending on market conditions at the relevant time, lead to an enhancement of the net asset value (**NAV**) and/or earnings per Share (**EPS**) and would allow the Company to optimally allocate its resources and maximise Share value and is one of the ways through which the return on equity of the Company and its subsidiaries (the **Group**) may be enhanced.

The purchase or acquisition of Shares will only be undertaken if beneficial to the Company and the Shareholders. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the ten per cent (10%) limit described in paragraph 2.3, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent (10%) limit as authorised or at all and no purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position or financial position of the Company or the Group as a whole and/or will affect the listing status of the Company on the SGX-ST.

### 2.3 Authority and limits of the Share Buyback Mandate

The authority relating to, and limitations placed on, purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, if renewed at the 2023 AGM, are summarised below:

2.3.1 **Maximum number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares ascertained as at the date of the 2023 AGM at which the Proposed Adoption of the Share Buyback Mandate is approved (**Approval Date**), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the period commencing from the date of the 2023 AGM and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, in which event the issued Shares shall be taken to be the amount of the Shares as altered by such capital reduction excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time. For the purpose of computing the percentage of the Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

2.3.2 **Duration of authority**

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next AGM is held or required by law to be held;

(b) the date on which the share buybacks are carried out to the full extent mandated; or

(c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 **Manner of Share Buyback**

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases (**Market Purchases**), transacted through the SGX-ST's trading system through one or more duly licenced dealers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or

(b) off-market purchases (**Off-Market Purchases**), other than on a securities exchange, in accordance with an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution, as they may consider fit and in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or to acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

  (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (ii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares; and

  (iii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptance;

(c) the reasons for the proposed share buy-back;

(d) the consequences, if any, of share buy-back by the Company that will arise under the Singapore Code on Take-overs and Mergers (the **Take-over Code**) or other applicable take-over rules;

(e) whether the share buy-back, if made, could affect the listing of the Shares on the SGX-ST;

(f) details of any share buy-back made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 **Maximum purchase price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors, must not exceed:

(a) in the case of a Market Purchase, 105 per cent (105%) of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase, 120 per cent (120%) of the Average Closing Price of the Shares,

(“**Maximum Price**”) in either case, excluding related expenses of the purchase.

For these purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) consecutive Market Days, on which the Shares are transacted on the SGX-ST were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase pursuant to an equal access scheme, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) day period;

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

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

2.4 **Status of purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 **Treasury shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 **Maximum holdings**

The total number of Shares held as treasury shares and subsidiary holdings cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 **Voting and other rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is permitted under the Companies Act. Also, a subdivision of any treasury share into a greater number of treasury shares, or a consolidation of treasury shares into a smaller number of treasury shares is permitted under the Companies Act so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 **Disposal and cancellation**

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to any share scheme (such as a bonus issue or dividend), whether for employees, Directors, shareholders, or such other persons;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Board shall lodge with ACRA within 30 days of the cancellation or disposal of treasury shares the notice of cancellation or disposal of treasury shares in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee.

2.6 **Source of funds**

The Company intends to utilise its internal funds to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.

2.7 **Financial effects**

It is not possible for the Company to realistically calculate or quantify the impact of the purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NAV and EPS as the resultant effect will depend on, inter alia, how the Shares are purchased or acquired, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

2.7.1 **Purchase or acquisition out of capital or profits**

Where purchases or acquisitions of Shares by the Company are made out of the Company's capital, there will be no impact on the amount available for the distribution of cash dividends by the Company.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Any share buyback will:

(a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. The total amount of the purchase price shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits.

2.7.2 **Information as at the Latest Practicable Date**

As at 8 March 2023 (the Latest Practicable Date), the Company holds 172,124,643 treasury shares and there are no subsidiary holdings.

As at the Latest Practicable Date, the issued capital of the Company comprised 1,551,717,803 Shares excluding treasury shares and subsidiary holdings. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

For illustrative purposes only, based on 1,551,717,803 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased and held as treasury shares or cancelled, on or prior to the 2023 AGM, not more than 155,171,780 Shares (representing 10% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date and disregarding the 172,124,643 shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

2.8 **Illustrative financial effects**

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

(a) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and

(b) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

based on the latest audited financial statements of the Company and the Group for the financial year ended 31 December 2022 are set out below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

2.8.1 **Purchases made entirely out of capital and held as treasury shares**

**Market Purchase**

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S$0.131, which is 105% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 155,171,780 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S$20,327,504. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2022 is as follows:

| | **Group and Company** | |
|---|---|---|
| **As at 31 December 2022** | **Before the Share Buyback** | **After the Share Buyback** |
| Shareholders' Equity (S$'000) | 261,073 | 240,745 |
| Treasury Shares (S$'000) | (25,477) | (45,805) |
| NAV (S$'000) | 261,073 | 240,745 |
| Current Assets (S$'000) | 99,935 | 79,607 |
| Current Liabilities (S$'000) | 1,180 | 1,180 |
| Cash & Cash Equivalents (S$'000) | 51,065 | 30,737 |
| Net Profit (S$'000) | (35,098) | (35,098) |
| Number of Shares, excluding Treasury Shares ('000) | 1,552,317 | 1,397,145 |
| **Financial Ratios** | | |
| NAV per Share (Cents per Share) | 16.82 | 17.23 |
| Basic EPS (Cents per Share) | (2.23) | (2.47) |

<u>Off-Market Purchase</u>

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S$0.150, which is 120% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 155,171,780 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S$23,275,767. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2022 is as follows:

| | Group and Company | |
|---|---|---|
| **As at 31 December 2022** | **Before the Share Buyback** | **After the Share Buyback** |
| Shareholders' Equity (S$'000) | 261,073 | 237,797 |
| Treasury Shares (S$'000) | (25,477) | (48,753) |
| NAV (S$'000) | 261,073 | 237,797 |
| Current Assets (S$'000) | 99,935 | 76,659 |
| Current Liabilities (S$'000) | 1,180 | 1,180 |
| Cash & Cash Equivalents (S$'000) | 51,065 | 27,789 |
| Net Profit (S$'000) | (35,098) | (35,098) |
| Number of Shares, excluding Treasury Shares ('000) | 1,552,317 | 1,397,145 |
| **Financial Ratios** | | |
| NAV per Share (Cents per Share) | 16.82 | 17.02 |
| Basic EPS (Cents per Share) | (2.23) | (2.47) |

2.8.2 **Purchases made entirely out of capital and cancelled**

<u>Market Purchase</u>

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S$0.131, which is 105% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 155,171,780 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S$20,327,504. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2022 is as follows:

| | Group and Company | |
|---|---|---|
| **As at 31 December 2022** | **Before the Share Buyback** | **After the Share Buyback** |
| Shareholders' Equity (S$'000) | 261,073 | 240,745 |
| Treasury Shares (S$'000) | (25,477) | (25,477) |
| NAV (S$'000) | 261,073 | 240,745 |
| Current Assets (S$'000) | 99,935 | 79,607 |
| Current Liabilities (S$'000) | 1,180 | 1,180 |
| Cash & Cash Equivalents (S$'000) | 51,065 | 30,737 |
| Net Profit (S$'000) | (35,098) | (35,098) |
| Number of Shares, excluding Treasury Shares ('000) | 1,552,317 | 1,397,145 |
| **Financial Ratios** | | |
| NAV per Share (Cents per Share) | 16.82 | 17.23 |
| Basic EPS (Cents per Share) | (2.23) | (2.47) |

**Off-Market Purchase**

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S$0.150, which is 120% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 155,171,780 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S$23,275,767. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2022 is as follows:

| | **Group and Company** | |
|---|---|---|
| **As at 31 December 2022** | **Before the Share Buyback** | **After the Share Buyback** |
| Shareholders' Equity (S$'000) | 261,073 | 237,797 |
| Treasury Shares (S$'000) | (25,477) | (25,477) |
| NAV (S$'000) | 261,073 | 237,797 |
| Current Assets (S$'000) | 99,935 | 76,659 |
| Current Liabilities (S$'000) | 1,180 | 1,180 |
| Cash & Cash Equivalents (S$'000) | 51,065 | 27,789 |
| Net Profit (S$'000) | (35,098) | (35,098) |
| Number of Shares, excluding Treasury Shares ('000) | 1,552,317 | 1,397,145 |
| **Financial Ratios** | | |
| NAV per Share (Cents per Share) | 16.82 | 17.02 |
| Basic EPS (Cents per Share) | (2.23) | (2.47) |

**Shareholders should note that the financial effects set out above (based on the respective aforementioned assumptions) are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 December 2022, and is not necessarily representative of future financial performance.**

**Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10 per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10 per cent (10%) of the issued Shares or at all. In addition, the Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.**

**Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.**

2.9 **Listing Rules**

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the date of purchase, the total number of shares purchased or acquired, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in compliance with Rule 1207(19) of the Listing Manual, the Company would not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 80.88% of the issued Shares, (excluding shares held in treasury) are held by public Shareholders. The word "public" is defined in the Listing Manual as persons other than directors, the chief executive officer, Substantial Shareholders or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate, approximately 78.76% of the issued Shares (excluding shares held in treasury) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 **Take-over obligations**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.10.1 **Obligation to make a take-over offer**

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (**Rule 14**). If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14.

2.10.2 **Persons acting in concert**

Under the Take-over Code, persons acting in concert comprise of individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert:

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.10.3 **Effect of Rule 14 and Appendix 2 of the Take-over Code**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent (30%) or more, or if the voting rights of such Directors and their concert parties fall between 30 per cent (30%) and 50 per cent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1 per cent (1%) in any period of six (6) months. In calculating the percentage of voting rights of such Directors and the persons acting in concert with them, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30 per cent (30%) or more, or, if such Shareholder holds not less than 30 per cent (30%) but not more than 50 per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1 per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

The interests of the respective Directors and Substantial Shareholder(s) of the Company, and where applicable, their relationship with respect to each other as at the Latest Practicable Date, are set out in section 3 of this Addendum below.

The Share Buyback Mandate is not intended to assist any Shareholder or its concert parties to obtain or consolidate control of the Company. The Directors will decide when, how many, and on what terms to purchase any Shares pursuant to the Share Buyback Mandate in the interests of the Company and its Shareholders as a whole, taking into account various commercial considerations such as the financial effects of the Share purchases on the Company.

**Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Share Buybacks by the Company should consult the Securities Industry Council of Singapore (SIC) and/or their professional advisers at the earliest opportunity.**

**For illustrative purposes only**, based on information available to the Company as at the Latest Practicable Date, the shareholdings of the respective Directors and Substantial Shareholder(s) of the Company before and after the purchase or acquisition of Shares pursuant to the Share Buyback Mandate, assuming that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares as at the Latest Practicable Date; (ii) there is no change in the number of Shares held by the respective Directors and Substantial Shareholder(s) of the Company as at the Latest Practicable Date; (iii) there are no further issue of Shares; and (iv) no Shares are held by the Company as treasury shares on or prior to the AGM, will be as follows:

| | Total Interest (Direct and Indirect) | | | |
|---|---|---|---|---|
| **Name** | **Before the Share Buyback[1]** | **%** | **After the Share Buyback[2]** | **%** |
| **Directors** | | | | |
| Boon Swan Foo | 296,603,403 | 19.115 | 296,603,403 | 21.238 |
| Abdul Jabbar Bin Karam Din | – | – | – | – |
| Tan Mui Hong | – | – | – | – |
| Lay Charlie Nhuc Hiang | – | – | – | – |
| Ng Thiam Poh | 99,700 | 0.006 | 99,700 | 0.007 |
| **Substantial Shareholder(s)** | | | | |
| Boon Swan Foo | 296,603,403 | 19.115 | 296,603,403 | 21.238 |

**Note(s):**

[1] Based on the total number of 1,551,717,803 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

[2] Based on the total number of 1,396,546,023 issued Shares (excluding treasury shares), assuming that the Company purchases the maximum number of 155,171,780 Shares under the Share Purchase Mandate.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholder(s) of the Company would become obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Singapore Take-over Code as a result of a purchase by the Company of the maximum limit of 10% of the total number of issued Shares pursuant to the proposed Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may become obligated to make a mandatory offer, as a result of the relevant increase in the percentage of their shareholding interest in the Company, in the event that the Company purchases and cancels the maximum number of 155,171,780 Shares under the Share Buyback Mandate. As at the Latest Practicable Date, the only Substantial Shareholder of the Company, who is also a Director of the Company, is Mr Boon Swan Foo who holds 296,603,403 Shares representing approximately 19.115% of the total number of issued Shares (excluding treasury shares) and representing approximately 21.238% of the total number of issued Shares (excluding treasury shares) assuming that the Company purchases the maximum number of 155,171,780 Shares under the Share Buyback Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.**

**2.11 Share purchases in the previous 12 months**

The Company had bought back 65,403,100 Shares at a total consideration of S$9,446,684.92 in the last 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were S$0.15800 and S$0.12095 respectively.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 3.1 Directors' and Substantial Shareholder(s)' Interest

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholder(s) in Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholder(s) are as follows:

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| **Directors** | **Number of Shares** | **% (1)** | **Number of Shares** | **% (1)** |
| Boon Swan Foo | 296,603,403 | 19.115 | – | – |
| Abdul Jabbar Bin Karam Din | – | – | – | – |
| Tan Mui Hong | – | – | – | – |
| Lay Charlie Nhuc Hiang | – | – | – | – |
| Ng Thiam Poh | 99,700 | 0.006 | – | – |
| **Substantial Shareholder(s) (5% or more)** | | | | |
| Boon Swan Foo | 296,603,403 | 19.115 | – | – |

**Notes:**

(1) Based on the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

### 3.2 Disclosure of Interest.

None of the Directors or Substantial Shareholders (other than in his or her or its capacity as a Shareholder) have any interest, direct or indirect, in the proposed renewal of the Share Buyback Mandate.

## 4. DIRECTORS' RECOMMENDATIONS

Having considered the rationale for the proposed renewal of Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 7 set out in the Notice of AGM.

## 5. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action that they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## 6. DIRECTORS' RESPONSIBILITY STATEMENT

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

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection during normal business hours at the Company's registered office at 250 Tanjong Pagar Road, #09-01, St. Andrew's Centre, Singapore 088541, from the date of this Addendum to the date of the AGM:

(a) the Constitution; and

(b) the 2022 annual report of the Company

Yours faithfully
For and on behalf of
Global Investments Limited

**Boon Swan Foo**
Chairman

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Boon Swan Foo (Chairman)
Abdul Jabbar Bin Karam Din
(Lead Independent Director)
Lay Charlie Nhuc Hiang
Ng Thiam Poh
Tan Mui Hong

## NOMINATION AND GOVERNANCE COMMITTEE

Abdul Jabbar Bin Karam Din (Chairman)
Boon Swan Foo
Ng Thiam Poh

## AUDIT AND RISK MANAGEMENT COMMITTEE

Lay Charlie Nhuc Hiang (Chairman)
Abdul Jabbar Bin Karam Din
Tan Mui Hong

## SUSTAINABILITY AND REMUNERATION COMMITTEE

Ng Thiam Poh (Chairman)
Lay Charlie Nhuc Hiang
Tan Mui Hong

## COMPANY SECRETARIES

Siau Kuei Lian
Chin Yee Seng

## ASSISTANT SECRETARY

Lim Eleen

## REGISTERED OFFICE

250 Tanjong Pagar Road
#09-01, St. Andrew's Centre
Singapore 088541

## INVESTOR RELATIONS

Telephone: +65 6908 4860
Facsimile: +65 6908 4865
Email: ir@globalinvestmentslimited.com
Website: www.globalinvestmentslimited.com

## COMPANY REGISTRATION NUMBER

201900747E

## SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street, #19-08, Prudential Tower
Singapore 049712
Telephone: +65 6812 1611
Facsimile: +65 6812 1601

## AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Telephone: +65 6309 6769
Facsimile: +65 6532 7777

Audit Partner: Ke Peiyi
Date of Appointment: 23 April 2021

## THE MANAGER & FUND ADMINISTRATOR

Singapore Consortium Investment Management Limited
250 Tanjong Pagar Road
#09-01, St. Andrew's Centre
Singapore 088541

Telephone: +65 6908 4476
Facsimile: +65 6908 4865
Email: contact@sicim.com.sg
Website: www.sicim.com.sg

## DISCLAIMER

Investments in Global Investments Limited (GIL or the Company) are not deposits with or other liabilities of Singapore Consortium Investment Management Limited (SICIM or the Manager), or any of SICIM's Related Corporations and are subject to investment risk, including the possible loss of income and capital invested. Neither SICIM, nor SICIM's Related Corporations guarantee the performance of GIL or the payment of a particular rate of return on the Shares of GIL.

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

SICIM, as manager of GIL, is entitled to fees for so acting. SICIM and its Related Corporations, together with their respective officers and directors, may hold Shares in GIL from time to time.

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

**Global Investments Limited**
Managed by
Singapore Consortium Investment Management Limited
250 Tanjong Pagar Road
#09-01, St. Andrew’s Centre
Singapore 088541
ir@globalinvestmentslimited.com
www.globalinvestmentslimited.com