



GLOBAL INVESTMENTS
LIMITED



**DELIVERING
RETURNS
CONSISTENTLY**

Annual Report 2019

OUR VISION

Global Investments Limited (GIL) strives to be the fund of choice in consistently delivering long-term benefits for all stakeholders 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.

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.



CONTENTS

OVERVIEW

02	Corporate Profile
03	Investment Policy and Strategies
04	Chairman's Statement
07	Financial Highlights
11	2019 at A Glance
13	Operating and Financial Review
15	Portfolio Composition
21	Business Review
22	Board of Directors

SUSTAINABILITY

26	Managing Sustainability
29	Economic Sustainability
29	Corporate Governance
50	Environmental Sustainability
51	Community Development
52	Talent Management and Ethics
54	Global Reporting Initiative (GRI) Content Index

FINANCIALS

57	2019 Financial Report
----	-----------------------

ADDITIONAL INFORMATION

103	Additional SGX-ST Listing Manual Disclosures
111	Shareholder Information
113	Management Agreement
114	Computation of Incentive Fee

OTHERS

115	Glossary
118	Notice of 2020 Annual General Meeting
123	Additional Information on Directors Seeking Re-Election
125	Addendum
	Proxy Forms
	Corporate Information



CORPORATE PROFILE



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

GIL's strategy is to actively manage and grow its assets. It aims to seek investments in assets that will generate steady income and appreciation in capital to deliver regular dividends and achieve capital growth. Its investment policy is to make investments in a portfolio of assets in different sectors through various means including direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements provided that it will not make any direct investments in real estate and commodities.

The board of directors (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 XIII of the Securities and Futures Act (Cap. 289) 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 licence for fund management issued by the Monetary Authority of Singapore (MAS). SICIM is currently owned by Allgrace Investment Management Pte Ltd and Ms Tan Mui Hong.

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, Mr Richard Rokmat Magnus, 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.

CHAIRMAN'S STATEMENT

2019 MARKET REVIEW

2019 was a remarkable year for risk assets as the US S&P 500 Index rallied 29% and reversed the 6% drop in 2018. Astonishingly, this was despite the raging US-China trade war, slowing global growth particularly the manufacturing sector and flat earnings growth of the S&P 500 companies.

2019 began on a cautious note after the extreme volatility in 2018 which resulted in the S&P 500 Index losing 9% in December 2018. Many feared the volatility would persist into 2019. Instead, the S&P 500 Index rebounded over 17% from January to June 2019 and gained another 10% from July to December 2019. The catalyst was the US Federal Reserve (Fed) cutting rates by 0.75% to the 1.50-1.75% range, partially reversing the 1% hike in 2018. This unleashed a wave of liquidity which lifted asset prices across the board, from equities to bonds. The Fed's justification was to counter potential economic slowdown and to prolong the current business cycle. The Fed's action appeared to be more responsive to downside risks and they were inclined to cut rates should the need arise but reticent to hike rates even if growth exceeded expectations.

2020 INVESTMENT OUTLOOK

2020 is expected to be a year of uncertainty. In fact, the year has already begun as such with the outbreak of coronavirus disease 2019 (COVID-19) which is impacting economic activities and tourism across the world. The International Monetary Fund (IMF) announced global growth slowed for the second consecutive year in 2019 to 2.9% but forecasted a recovery to 3.3% in 2020. This is likely to be revised down due to COVID-19 and the severe impact on global economic growth. The Phase One trade deal has dialled down trade tensions between the US and China. However, this is a temporary truce rather than a breakthrough. The de-coupling between the US and China is likely to continue, particularly in the technology space which could lead to an increasingly divided technology landscape in the world.



BOON SWAN FOO
Chairman

2019 MARKETS IN REVIEW

“2020 is expected to be a year of uncertainty. As we live in a world of volatility, uncertainty, complexity and ambiguity, it pays to have an understanding of the times and season we are in.”

CHAIRMAN'S STATEMENT

Looking at the different regions, the US economy grew 2.3% in 2019 and IMF is projecting a slower 2% growth in 2020. What is under appreciated, I feel, is the composition of US GDP. The US economy is around 24% of global GDP (in real terms) and out of this, 70% is contributed by private consumption. Hence, around 17% of global GDP is powered by US consumers. The good news is that the US job market is still strong and consumer confidence is at multi-year highs. Last year, the US economy added just over 2 million jobs and over 22 million jobs since 2010. The unemployment rate fell to a 50-year low of 3.5% at the end of 2019 and there were signs of modest wage gains. We need to closely track the health of the US labour market in 2020 because any downturn will affect global growth.

The Eurozone economy slowed further in 2019 to just 1.2%. The main culprit was the Germany economy, which slipped to 0.5% partially due to the diesel scandal which hit the automotive sector hard. IMF has forecasted that the German economy will bounce back to 1.1% growth in 2020, but expected the Eurozone growth to remain at a modest 1.3%. There was a change of guard at the European Central Bank (ECB) with former IMF Managing Director Christine Lagarde taking over from Mario Draghi. However, ECB's ultra-easy policy stance is unlikely to change this year. In UK, Prime Minister Boris Johnson's gambit on a snap election in December 2019 paid off with a decisive election victory for the Conservative Party. This paved the way for the UK to finally leave the European Union (EU) at the end of January 2020. The UK is officially out of the EU and the difficult task begins to negotiate new trade agreements with the EU and other regions in the world.

In China, the economy grew 6.1% in 2019 which was the slowest in 29 years. The days of double-digit growth were gone as China's economy transitions from being reliant on exports to be more domestically driven. The surge in total non-financial debt over the past decade, from 142% of GDP in 2008 to 260% in 2019, remained a constraint on growth. Policymakers remained vigilant on the deleveraging program which began a few years ago. At the same time, they are cognizant of the negative impact on growth which is also pressured by the trade war. China will need to continue to walk a tightrope between deleveraging and stimulus to ensure the slowdown is manageable and acceptable.

At the Central Economic Work Conference in December 2019, policymakers called for contingency plans to offset the growing global risks. The underlying message was one of ensuring "stability" at all costs. The COVID-19 could easily shave 2-3 percentage points off China's GDP growth in the first half before recovering in the second half of 2020. In comparison to the SARS shock in 2003, the impact on Asia and the rest of the world is likely to be more pronounced this time given the increased importance of China in the global economy. For example, China's economy increased 8-fold between 2003 to 2019 compared to a doubling of world GDP. China accounted for 16% of the world's GDP in 2019 compared to 4% in 2003. China has softened the growth targets and is likely to continue to do so as it puts greater attention on the environment, healthcare, and social cohesion.

Some key risks to keep in mind this year include:

- 1) The scenarios surrounding COVID-19 over the next few months after the declaration of global pandemic by the World Health Organization. The negative impact on global financial markets and real economic activities could only be partially addressed by the various interest rates cuts by the central banks and fiscal measures by governments.
- 2) The uncertainty over OPEC and Russia disagreement on oil supply and the consequent impact on oil prices and the real economy.
- 3) The US election on 3 November which President Trump is vying for a second term.
- 4) The fragile geopolitical environment such as populism in Europe, tensions in the Middle East, continued unrests in Hong Kong and Brexit negotiations.
- 5) Rising income inequality which may fuel the continued pushback against globalization and the rethink on global supply chains. Supply chains could be more regional and less global which means some companies could be losers and some winners.

After the World Health Organisation declared COVID-19 a global pandemic on 11 March 2020, numerous countries have closed borders to visitors as well as implemented lockdowns locally. Economic activities especially those related to travel and tourism and food and beverage sectors are severely affected. Global financial markets have fallen sharply and are expected to remain volatile until the spread of COVID-19 is controlled.

CHAIRMAN'S STATEMENT

2019 PERFORMANCE

We delivered another set of consistent results in FY2019. Net profit after tax for FY2019 was S\$19.7 million, an increase of 169.9% over FY2018. Return on equity for the year was 6.1%. Net asset value (NAV) as at the close of 31 December 2019 was S\$320.9 million and after adjusting for dividends and treasury shares in FY2019, the NAV per share increased 6.3%. We maintained dividend distribution at 1.00 Singapore cent per share for the financial year. Based on the closing share price of 14.20 Singapore cents as of 31 December 2019, the dividend yield for FY2019 was 7.0%.

As with previous years, we applied the Scrip Dividend Scheme to dividend distribution during FY2019. We are pleased that approximately 53.6% of the FY2018 final dividend and 57.9% of the total FY2019 interim dividend were distributed as scrip dividend.

We implemented the share buy-back program for the first time in FY2019 and approximately 70.1% of the bought-back shares were utilised for the allotment of shares pursuant to the Scrip Dividend Scheme.

CORPORATE DEVELOPMENT

Having re-domiciled from Bermuda, 2019 marked our first year of operation as a Singapore registered Company. We wish to thank the relevant authorities of Bermuda and Singapore for their support in our smooth and orderly transition.

We continue to be recognised in the market for our good corporate governance and board practices. In August 2019, GIL was one of the listed companies stringently selected by Singapore Exchange Regulation (SGX RegCo) to be included in the SGX Fast Track. The SGX Fast Track was launched by SGX RegCo to recognise and reward the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record. We have also received 3 awards in the Small Cap category, namely the Silver Award for Best Managed Board from Singapore Corporate Awards, Singapore Corporate Governance Award from SIAS Investors' Choice Awards and a Special Commendation Award from the Singapore Governance and Transparency Index (GTI) 2019. GIL ranked 11th out of the 578 listed companies in the Singapore GTI 2019.

BOARD MATTERS

As part of our Board renewal process, we welcomed Ms Tan Mui Hong to our Board on 1 July 2019 and her appointment will bring greater diversity to the board.

In compliance with the Corporate Governance Code 2018, Mr Tan Kok Wee, who has served diligently as the Chairman of the Audit and Risk Management Committee and as a member of our Nomination and Governance Committee for more than 9 years, will step down from the Board at the 2020 AGM. I would like to thank him for his dedication and contribution to the Company and wish him all the best.

WAIVER OF QUARTERLY REPORTING

Pursuant to the recent amendments to Rule 705(2) of the Listing Manual of SGX, we will no longer be continuing the practice of quarterly reporting. Instead, we will announce the NAV of the Company as at the end of each quarter within 45 days after the end of that quarter. Going forward, the financial results will be announced on a half-yearly basis.

On behalf of the Board of Directors of GIL, I would like to thank all our stakeholders, especially our shareholders for their support and continued trust in the Company. I look forward to seeing you at the upcoming AGM.

Boon Swan Foo

Chairman
Global Investments Limited
16 March 2020

FINANCIAL HIGHLIGHTS

Net Profit After Tax

S\$19.7

Million

Total Income

S\$26.0

Million

Earnings Per Share

1.16

Singapore Cents

Return On Equity

6.1%

Dividend Paid

S\$16.9

Million

Dividend Yield

7.0%

Net Asset Value (NAV)

S\$320.9

Million

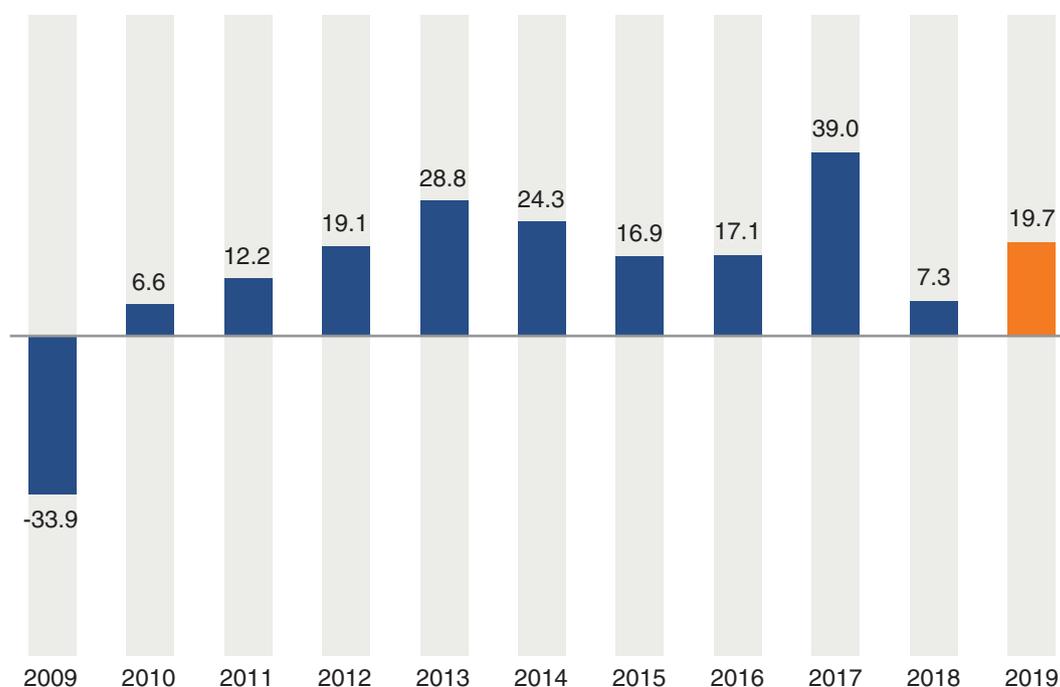
Dividend Paid Per Share

1.00

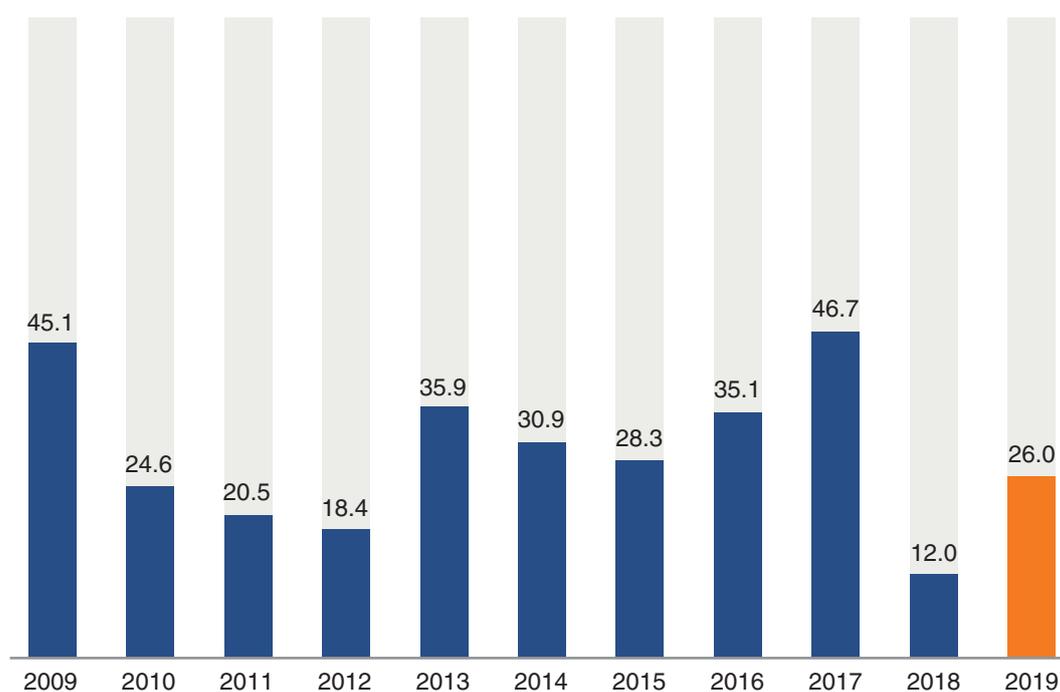
Singapore Cents

FINANCIAL HIGHLIGHTS

Net Profit After Tax (S\$ million)

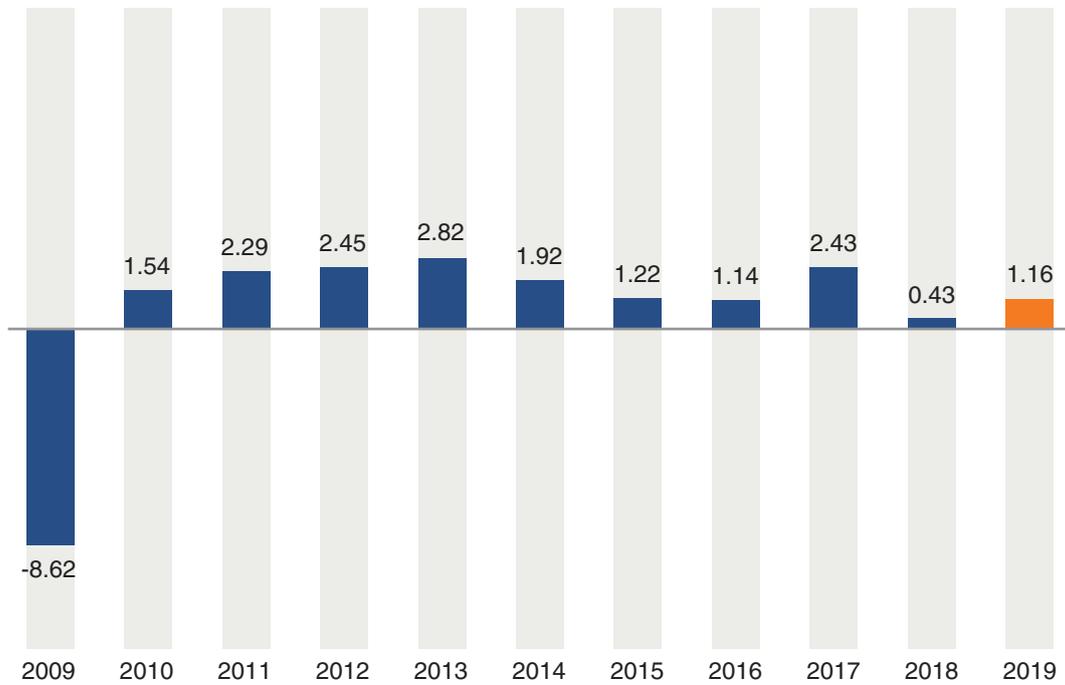


Total Income (S\$ million)

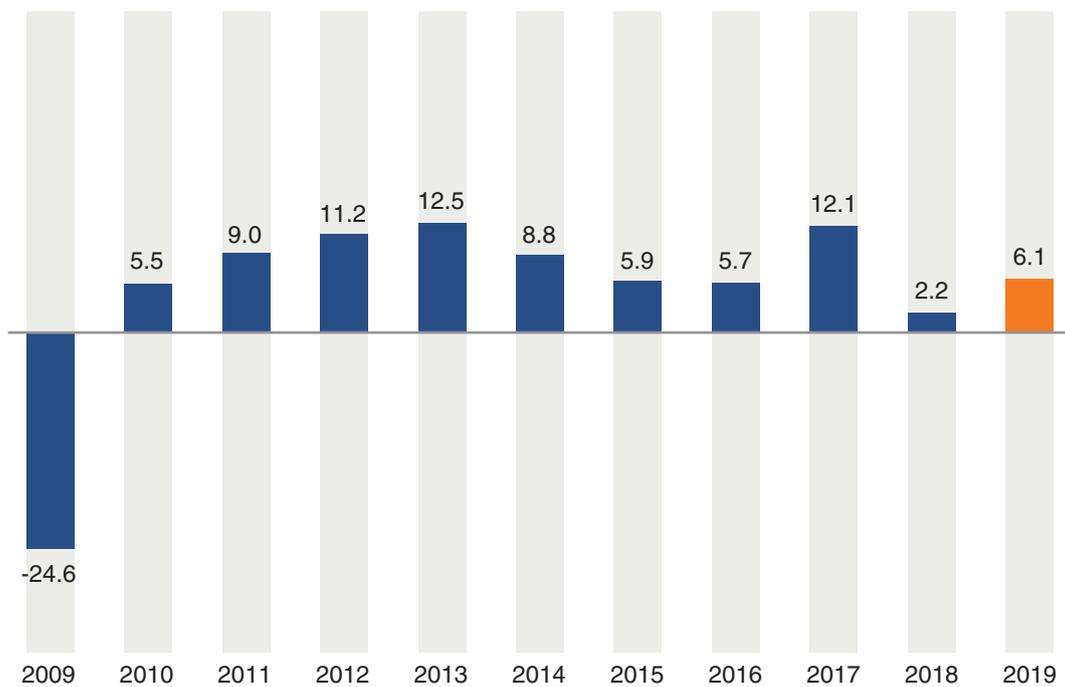


FINANCIAL HIGHLIGHTS

Earnings Per Share (Singapore cents)

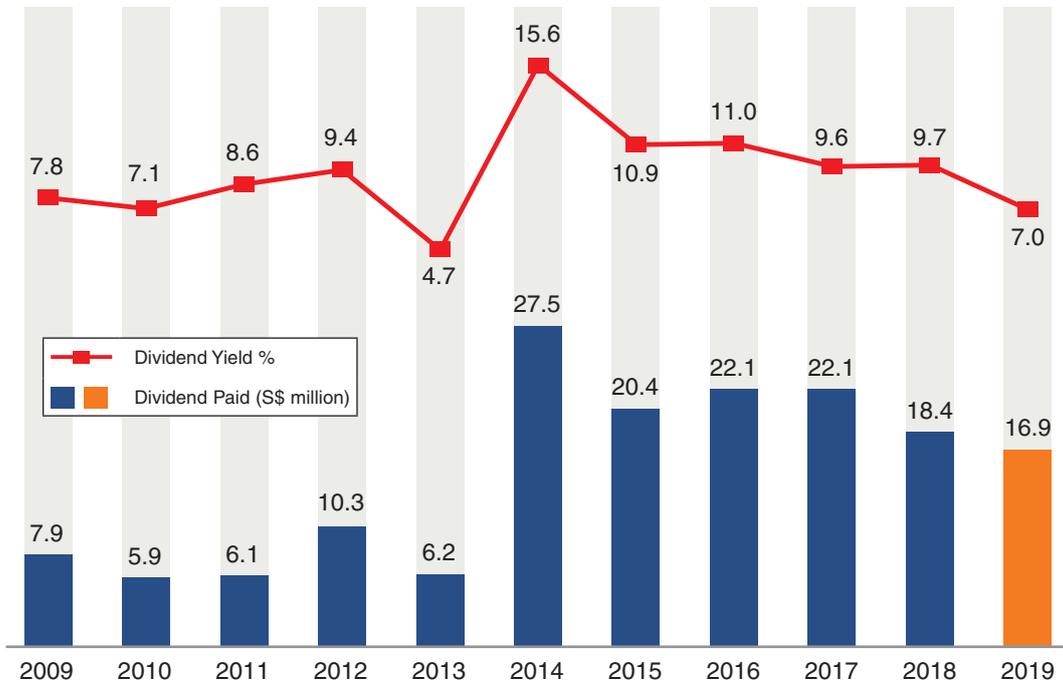


Return On Equity (%)



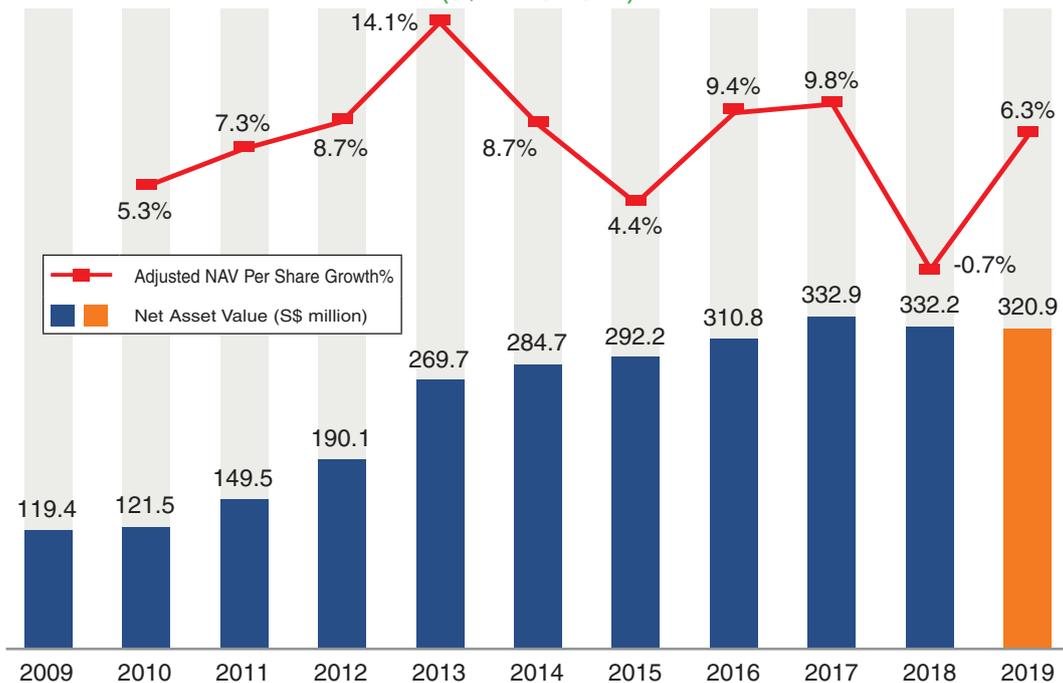
FINANCIAL HIGHLIGHTS

Dividend Paid & Yield¹
(S\$ million & %)



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 Growth²
(S\$ million & %)



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

2019 AT A GLANCE

AWARDS AND ACCOLADES

- GIL was awarded the Best Managed Board (Silver) in the small cap category at the Singapore Corporate Awards (SCA) 2019 Presentation Ceremony. The SCA is jointly organised by Singapore Institute of Directors, Institute of Singapore Chartered Accountants and The Business Times, with the support of the Singapore Exchange and the Accounting Corporate Regulatory Authority of Singapore.
- GIL received a Special Commendation Award for companies in the small cap category of the Singapore Governance and Transparency Index (SGTI) 2019. The Company was ranked 11th out of 578 listed companies in the SGTI 2019. The Company's total SGTI score was 106 points, in comparison to last year's score of 100 points.
- GIL was the winner of the Singapore Corporate Governance Award in small cap category at the SIAS 20th Investors' Choice Awards Dinner Presentation Ceremony. SIAS together with its industry partners, annually rate the best performing listed companies in governance and transparency for the benefit of investors.
- GIL has been included in SGX Fast Track in 2019. SGX Fast Track recognises the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record.

2019 DIVIDENDS

- Interim dividend for FY2019 of 0.50 Singapore cents per share was paid on 10 October 2019.
- The Scrip Dividend Scheme was applied to the interim dividend payment and approximately 57.9% of the total interim dividend amount was issued as shares under the scheme. The Company transferred 36,413,936 treasury shares for the allotment of shares at an issue price of 13.40 Singapore cents per share.
- For the final dividend of 2019, the Directors have recommended a payout of 0.50 Singapore cents per share. This payment is subject to approval of shareholders at the AGM.
- The Scrip Dividend Scheme will be applied to the final dividend payment.
- Based on closing share price of 14.20 Singapore cents on 31 December 2019, the full year dividend paid of 1.00 Singapore cents per share represented an annual dividend yield of 7.0%.

2019 AT A GLANCE

RETIREMENT OF DIRECTORS

- Mr Adrian Chan Pengee retired as a Director of the Company at the conclusion of the 2019 AGM and ceased to be the Lead Independent Director, the Chairman of the Nominating and Governance Committee and a member of the Remuneration Committee and the Audit and Risk Management Committee. Mr Ronald Seah Lim Siang was appointed as the Lead Independent Director in place of Mr Adrian Chan Pengee.
- Mr Jason See Yong Kiat retired as a Director of the Company at the conclusion of the 2019 AGM and relinquished his role as the Manager Nominated Director.

RECONSTITUTION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE AND NOMINATION AND GOVERNANCE COMMITTEE

- Mr Ronald Seah Lim Siang was appointed as a member of the Nomination and Governance Committee on 12 November 2019 and relinquished his position as a member of the Audit and Risk Committee. Mr Boon Swan Foo relinquished his position as a member of the Nomination and Governance Committee on the same day.
- Ms Tan Mui Hong was appointed as a member of the Audit and Risk Committee on 12 November 2019.

APPOINTMENT OF NEW DIRECTOR

- Mr Abdul Jabbar Bin Karam Din was appointed as an Independent Director on 7 January 2019.
- Mr Tan Wee Peng Kelvin was appointed as an Independent Director on 15 March 2019.
- Ms Tan Mui Hong was appointed as a Non-independent Director on 1 July 2019 and ceased to be the Honorary Counsel.

STRIKING-OFF OF DORMANT SUBSIDIARIES

- The Group's dormant wholly-owned subsidiaries, BBSFF Asset Holdings Ltd and BBSFF Loan Portfolio and Securitisation Limited had been struck off from the Companies Register on 29 March 2019.
- The Group's dormant wholly-owned subsidiary, GIL (Labuan) Company Limited had been struck off from the Companies Register on 19 June 2019.

TAX RESIDENT OF SINGAPORE FOR 2019

- Dividend payments by the Company for FY2019 are exempt from Singapore tax when received by shareholders.

OPERATING AND FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group for the year ended 31 December 2019 S\$'000	Group for the year ended 31 December 2018 S\$'000
INCOME		
Dividend income	1,664	1,643
Interest income	14,396	14,876
Net foreign exchange gain (net of hedges)	–	11,078
Net gain/(loss) on financial assets at fair value through profit or loss	9,896	(22,429)
Other income	–	6,838
Total Income	25,956	12,006
EXPENSES		
Management fees	(2,333)	(2,205)
Incentive fees	(1,326)	–
Net foreign exchange loss (net of hedges)	(426)	–
Other operating expenses	(2,020)	(2,388)
Total expenses	(6,105)	(4,593)
Profit before tax	19,851	7,413
Income tax expense	(104)	(87)
Profit after tax	19,747	7,326
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation		
– Loss	–	(11,115)
Other comprehensive income for the year after tax	–	(11,115)
Total comprehensive income for the year attributable to shareholders	19,747	(3,789)
Basic earnings per share (cents per share)	1.16	0.43
Diluted earnings per share (cents per share)	1.16	0.43

For the year ended 31 December 2019, the Group reported a net profit after tax of S\$19.7 million, about 2.7 times of the S\$7.3 million recorded last year.

INCOME

The Group reported an income of S\$26.0 million for the year, 116.7% higher than S\$12.0 million recorded last year. The higher income was mainly contributed by a net gain on financial assets at fair value through profit or loss (FVTPL) of S\$9.9 million versus a net loss of S\$22.4 million last year. The loss recorded in 2018 was slightly offset by a net foreign exchange gain of S\$11.1 million and S\$6.8 million settlement proceeds received from the BBRNA litigation.

EXPENSES

Expenses for the current year was higher at S\$6.1 million as compared to S\$4.6 million recorded last year. This was mainly due to an incentive fee of S\$1.3 million charged for 2H 2019 as well as a net foreign exchange loss of S\$0.4 million.

OTHER COMPREHENSIVE INCOME

There was no other comprehensive income for the year as compared to a translation loss of S\$11.1 million in the comparative year. As a result, total comprehensive income for the Group was S\$19.7 million as compared to a loss of S\$3.8 million recorded last year.

OPERATING AND FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2019 S\$'000	Company As at 31 December 2019 S\$'000	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	198,679	198,679	220,523	220,523
	198,679	198,679	220,523	220,523
Current assets				
Cash and cash equivalents	40,945	40,945	35,363	35,363
Financial assets at fair value through profit or loss	79,896	79,896	63,299	63,299
Other assets	4,143	4,143	4,244	4,244
	124,984	124,984	102,906	102,906
Total assets	323,663	323,663	323,429	323,429
LIABILITIES				
Other liabilities	2,765	2,765	1,216	1,216
Total liabilities	2,765	2,765	1,216	1,216
Net assets attributable to shareholders	320,898	320,898	322,213	322,213
EQUITY				
Share capital	266,634	266,634	270,837	270,837
Capital reserve	2	2	-	-
Retained earnings	54,262	54,262	51,376	51,376
Total equity	320,898	320,898	322,213	322,213

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 December 2019 was S\$278.6 million and comprise the entire portfolio of investments held by the Group. This was S\$5.2 million lower than the carrying value of the portfolio of investments of S\$283.8 million as at 31 December 2018. The decrease was mainly due to disposal/redemption of financial assets. This was slightly offset by an overall increase in market prices during the year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased to S\$40.9 million as at 31 December 2019 compared to S\$35.4 million as at 31 December 2018, mainly due to net proceeds received from the disposal/redemption of financial assets during the year.

NET ASSET VALUE PER SHARE

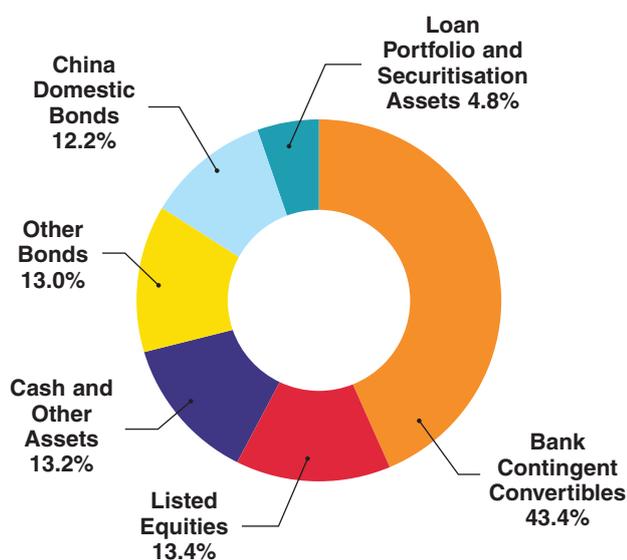
The NAV per share of the Group as at 31 December 2019 was 18.95 Singapore cents after the payment of 2018 final dividend and 2019 interim dividend, each of 0.50 Singapore cents per share. If the 2018 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2018, the NAV per share as at 31 December 2018 would have been 18.20 Singapore cents instead of 18.69 Singapore cents per share. After adjusting for the 2019 interim dividend and balance treasury shares, the NAV per share as at 31 December 2019 would have been 19.35 Singapore cents and the increase in NAV per share would be 6.3%.

RETURN ON EQUITY

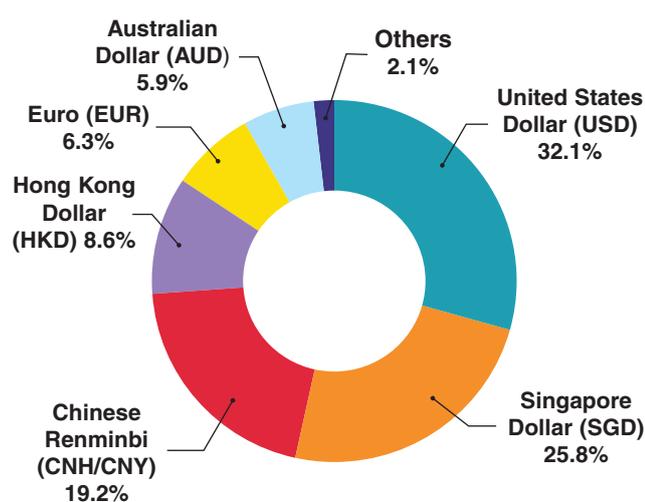
The Group achieved a higher return on equity (computed based on net profit after tax over the average total equity) of 6.1% in 2019 as compared to 2.2% in 2018 due to higher profit after tax.

PORTFOLIO COMPOSITION

Breakdown by Asset Class and Investment as at 31 December 2019



Breakdown by Currency as at 31 December 2019



INVESTMENT DESCRIPTION

As at 31 December 2019, NAV decreased to S\$320.90 million from S\$322.21 million as at 31 December 2018. The slight decline in NAV was due to the purchase of treasury shares and dividends paid, offset by profit for the year.

PORTFOLIO OVERVIEW

The bank contingent convertibles portfolio increased to 43.4% in 2019 compared to 35.8% in 2018. This was due to the net purchase of bank contingent convertibles, along with an overall increase in bank contingent convertibles prices for the year.

The other bonds portfolio decreased to 13.0% in 2019 compared to 14.4% in 2018, as a result of a net sale of bonds, slightly offset by an increase in bond prices.

Loan portfolio and securitisation assets decreased to 4.8% in 2019 from 5.9% in 2018 due to multiple redemptions throughout the year, partially offset by the purchase made during the year.

The China domestic bonds portfolio decreased to 12.2% in 2019 compared to 17.3% in 2018, as a result of net redemptions during the year.

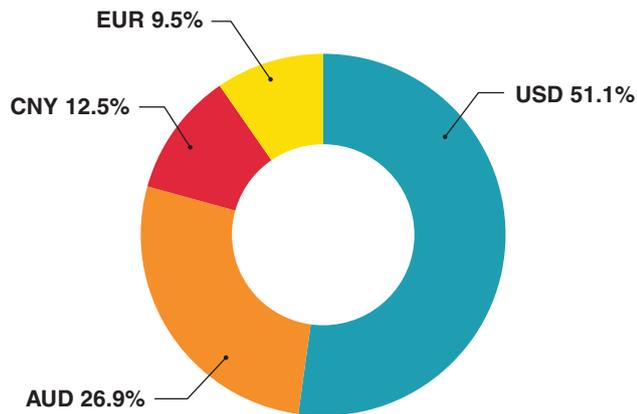
The listed equities portfolio decreased to 13.4% in 2019 compared to 14.7% in 2018. As at 31 December 2019, 64.1% of the listed equities comprised shares listed in Hong Kong, down from 67.5% in 2018.

OUTLOOK

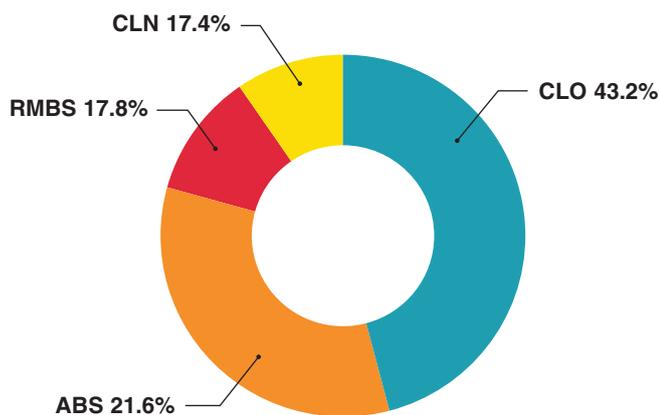
Recession risks, which have been elevated by the recent acute outbreak of COVID-19, could be partially offset by additional global monetary easing, a trade truce between the US and China and prospects for an orderly Brexit. The supportive stance of fiscal and monetary policies in major economies such as US, China, Europe, and Japan are likely to help reduce wide spread sell down of financial assets — from equities to bonds to commodities. With that in consideration, the Company will continue to take a cautious stance in rebalancing its portfolio of assets and adopt a selective approach in its investments.

LOAN PORTFOLIO & SECURITISATION ASSETS

Portfolio Distribution by Currency as at 31 December 2019



Portfolio Distribution by Security Type as at 31 December 2019



INVESTMENT DESCRIPTION

GIL has invested in a portfolio of securitised assets denominated in USD, AUD, CNY and EUR comprising collateralised loan obligation (CLO) notes, a credit-linked note (CLN) and asset-backed securities (ABS) which include Australian residential mortgage backed securities (RMBS), Australian credit card ABS and Chinese auto ABS. The securitised assets are issued by securitisation vehicles that either hold or reference a portfolio of collateral, which currently includes senior secured corporate debt, mortgage loans, auto loans and credit card receivables. The portfolio has a carrying value of \$15.48 million as at 31 December 2019.

ASSETS OVERVIEW

As at 31 December 2019, the approximate weighted average coupon¹ was 6.7% and the approximate weighted average maturity was 11.28 years. Currently, 17.4% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating² of Ba2.

OUTLOOK

CLO debt spreads remained wide in 2019 due to investor preference for fixed rate vs floating rate securities along with a decline in loan fundamentals. 2019 saw US CLO issuance volumes of US\$161.6 billion, in line with the previous record high of US\$162.0 billion in 2018. Trailing 12-month loan defaults of 1.3% as of December continued to remain below long-term averages, though leverage ratios of underlying issuers increased slightly with a decline in rating mix. Looking forward, despite lower CLO supply expected in 2020, CLO debt spreads will face headwinds as investor sentiments remain cautious on late cycle concerns.

The Palmer Square CLO Debt Index rose by 8.82% and 7.5% in USD and SGD terms respectively in 2019.

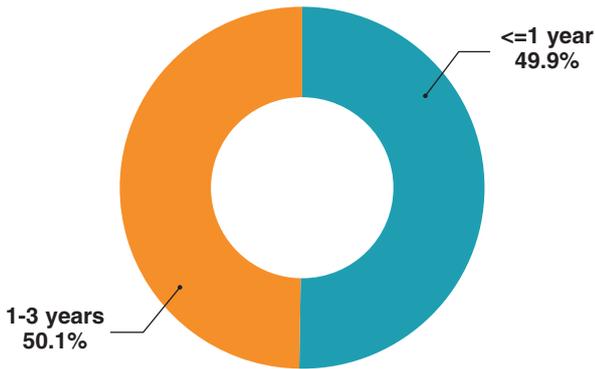
In the Australia RMBS space, dwelling values nationally showed early signs of recovery in 2019, driven largely by regulatory easing and rate cuts. S&P's Australian SPIN report as of October showed a steady level of 30+ days' prime arrears and a notable fall in its non-conforming arrears index. Muted wage growth and still high household leverage may moderate expectations of a sustained recovery in housing prices in 2020.

¹ Calculation of weighted average coupon is based on carrying value.

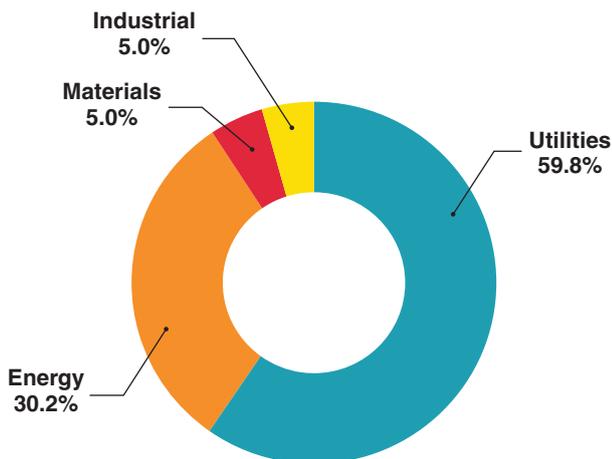
² Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings.

CHINA DOMESTIC BONDS

Portfolio Distribution by Year to Maturity as at 31 December 2019



Portfolio Distribution by Sector as at 31 December 2019



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of China domestic bonds with a carrying value of \$38.98 million as at 31 December 2019.

ASSETS OVERVIEW

As at 31 December 2019, the approximate weighted average coupon¹ was 4.3% and the approximate weighted average maturity was 1.02 years.

The China domestic bonds are rated by China rating agencies and the weighted average domestic rating² is AAA. None of the securities have an issue rating from international credit rating agencies.

OUTLOOK

2019 was a record year for China bond defaults but credit spreads continued to tighten as demand for yield remained strong. As a result, the year also saw a strong supply of new issuances as corporates issuers took advantage of lower interest rates and tighter yields, while also extending their debt maturities. 2020 is likely to see even greater number of defaults in the face of a slowing economy, as well as added pressure from the novel coronavirus outbreak. A number of high-profile defaults of state-owned enterprises towards the end of 2019 also imply more selective government support for troubled firms, which will further emphasize the trend of credit differentiation.

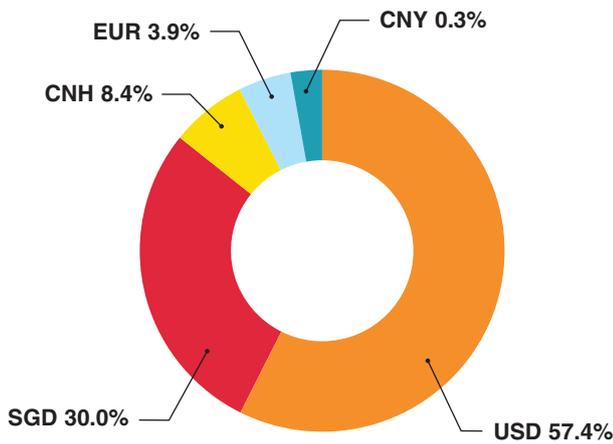
The Bloomberg Barclays China Aggregate Index increased by 4.6% and 2.1% in CNY and SGD terms respectively in 2019.

¹ Calculation of weighted average coupon is based on carrying value.

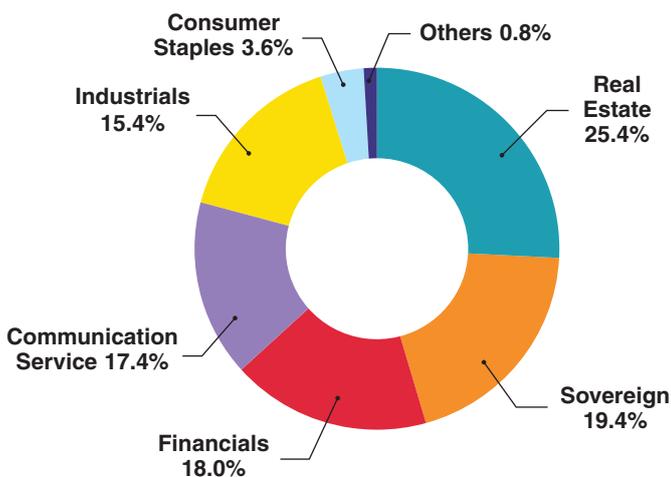
² The bonds are rated by domestic rating agencies, including China Chengxin, China Lianhe, and Dagong Credit.

OTHER BONDS

Portfolio Distribution by Currency as at 31 December 2019



Portfolio Distribution by Sector as at 31 December 2019



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bonds denominated in various currencies with a carrying value of \$41.86 million as at 31 December 2019.

ASSETS OVERVIEW

As at 31 December 2019, the approximate weighted average coupon¹ was 6.1%. The approximate weighted average maturity of the bond portfolio was 8.04 years. Currently, 42.4% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating² of B2.

OUTLOOK

Credit spreads tightened across ratings and currencies in 2019, and especially so in the month of December following the “Phase One” trade agreement between US and China. High-yield bond yields also touched a 5-year low, while also being significantly lower than the historical 5-year average. Moody’s noted that the rally of high-yield bonds had occurred despite the lack of any observable broad-based acceleration of either business sales or corporate earnings. Given the relatively narrow credit spreads, investment risk within high-yield bonds is amplified. Credit selection becomes increasingly important, and investors will likely deploy capital towards riskier assets selectively while looking for relative value across segments.

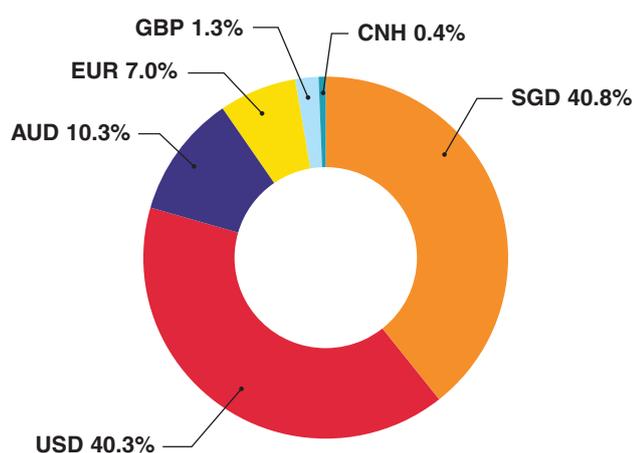
The Bloomberg Barclays Global High Yield Index rose by 12.6% and 11.2% in USD and SGD terms respectively in 2019.

¹ Calculation of weighted average coupon is based on carrying value.

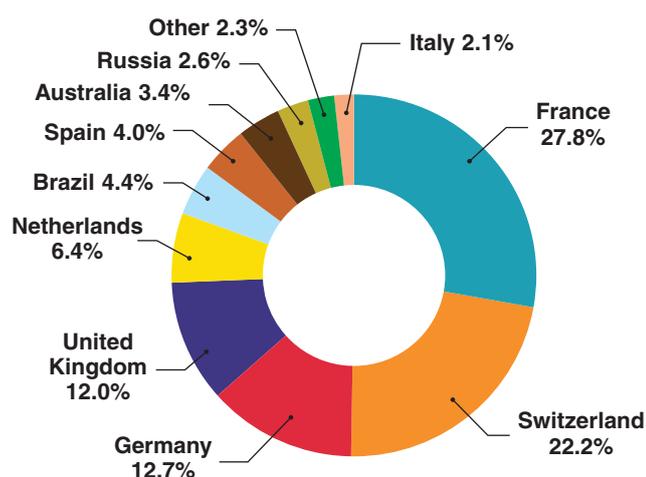
² Calculation of weighted average rating is based on carrying value and the lower of Moody’s, S&P and Fitch issue ratings.

BANK CONTINGENT CONVERTIBLES

Portfolio Distribution by Currency as at 31 December 2019



Portfolio Distribution by Country of Issuer as at 31 December 2019



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bank contingent convertibles (CoCos) with a carrying value of \$139.16 million as at 31 December 2019.

ASSETS OVERVIEW

As at 31 December 2019, the approximate weighted average coupon¹ was 5.8% and the approximate weighted average maturity² was 5.09 years. The portfolio has a weighted average rating³ of Ba3.

OUTLOOK

Lower forward guidance of net interest margins was offset by ongoing improvements in asset quality and capital build. Extension risk concerns have been reduced with issuers proactively pre-financing AT1s before they come to first call, as spreads tightened below reset spreads over the course of 2019. Potential risk weighted asset inflation continued to be a headwind for investors within the sector, driven by regulatory developments.

The restarting of quantitative easing by ECB and the negative sovereign yield curves in Europe are likely to provide technical support for the CoCos asset class against political risk from Brexit related developments and a weakening economic outlook in 2020.

The Bank of America Merrill Lynch Contingent Capital Index declined 17.4% and 15.8% in USD and SGD terms respectively in for 2019.

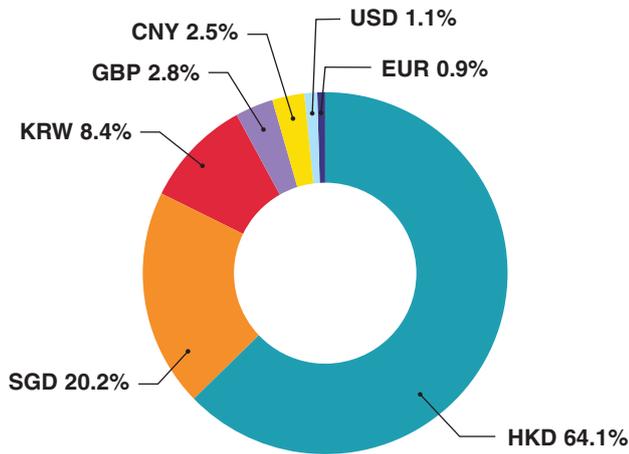
¹ Calculation of weighted average coupon is based on carrying value.

² Calculation of weighted average maturity assumes maturity at the first call date for perpetual securities, if available.

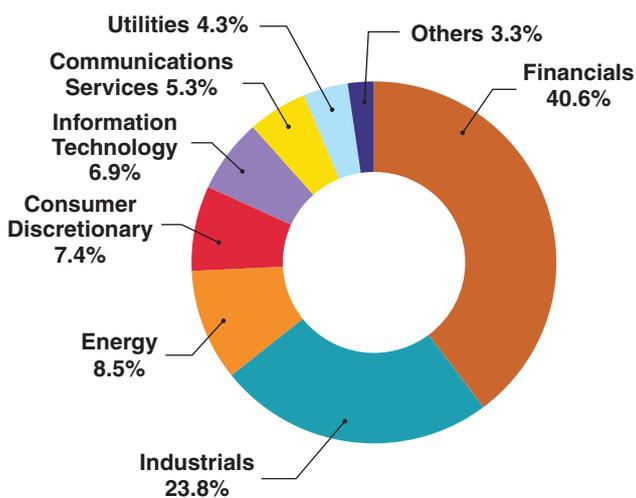
³ Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings.

LISTED EQUITY

Portfolio Distribution by Currency as at 31 December 2019



Portfolio Distribution by Sector as at 31 December 2019



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of equities listed on different stock exchanges with a carrying value of \$43.10 million as at 31 December 2019.

ASSET OVERVIEW

As of 31 December 2019, the 3 highest weighting sector exposures by GICS classifications were Financials (40.6%), Industrials (23.8%) and Energy (8.5%). The largest foreign currency exposure was in Hong Kong Dollars (64.1%), followed by Singapore Dollars (20.2%).

OUTLOOK

Easing of trade tensions between US and China following the “Phase One” trade agreement drove bullish sentiments. Both China and global manufacturing Purchasing Manager Indices also rose, reflecting effects of a virtuous cycle following more positive sentiments. However, yet another uncertainty has surfaced with the outbreak of COVID-19. Short-term selling pressure is expected as severity and extent of this epidemic is still unclear. Also, with the US presidential elections happening this year, there is further uncertainty in terms of economic policies and trade relations.

The MSCI AC Asia ex Japan Index increased by 15.4% and 13.8% in USD and SGD terms respectively for 2019.

BUSINESS REVIEW¹

The IMF downgraded its projections for global economic growth to 2.9% in 2019 and 3.3% in 2020 in its latest World Economic Outlook report released in January 2020. The revised forecasts reflected downward revisions of -0.1% for both 2019 and 2020 as compared to its October report. The IMF highlighted that global growth remained subdued with early signs of stabilization in manufacturing activity and global trade growth, aided by broad-based shift earlier in the year toward accommodative monetary policy and fiscal easing in some countries. Service sector activity on the other hand weakened somewhat but remained in expansionary territory, supported by still-resilient consumer spending.

The US economy expanded 2.3% in 2019, slower than the 2.9% growth in 2018. The ISM Manufacturing Purchasing Manager Index (PMI) decreased to 47.8 in December 2019 as compared to 55.0 in December 2018, while the ISM Non-Manufacturing PMI Index decreased to 54.9 as compared to 58.0. Meanwhile, the annual core inflation rate as measured by the core Personal Consumption Expenditures index was 1.6% in December 2019 as compared to 1.9% in December 2018. The US unemployment rate was 3.5% and the participation rate was 63.2% in December 2019, which were lower and higher when compared to 3.9% and 63.0% in December 2018, respectively. The Fed maintained the target federal fund rate at their latest meeting in January within the range of 1.50%-1.75%, signalling no plans to change rates in 2020. Fed minutes cited a continued benign inflation environment, labour market strength and moderate rising economic activity as considerations for the pause in federal fund rate cuts. Growth outlook for 2020 was 2.0%, indicating expectations of a continued slowdown from 2019.

Eurozone real GDP growth slowed to 1.2% y-o-y in 2019, as compared to 1.9% in 2018. The Markit Eurozone Composite PMI decreased to 50.9 in December 2019 as compared to 51.1 in December 2018. The Consumer Confidence Indicator declined to -8.1 in December 2019 as compared to -7.7 in December 2018, while inflation as measured by the Harmonized Indices of Consumer Prices (HICP) decreased to 1.3% y-o-y from 1.5% y-o-y

over the same period. The European Central Bank (ECB) kept interest rates on main refinancing operations and marginal lending facility unchanged at 0% and 0.25% respectively at its January monetary policy meeting. Given continued muted inflation data, the ECB reiterated its intention to maintain favourable liquidity conditions and an ample degree of monetary accommodation for as long as necessary. For 2020, GDP was forecasted to grow by 1.1% as risks surrounding the euro area remained tilted to the downside.

China's economy grew 6.1% in 2019, as it slowed further versus a 6.6% growth in 2018. The Caixin Manufacturing PMI increased to 51.5 in December 2019 as compared to 49.7 in December 2018 while the Caixin Services PMI decreased to 52.5 from 53.9 over the same period. Retail sales growth dropped slightly to 8.0% y-o-y in December 2019 as compared to 8.2% in December 2018. Exports expanded by 7.9% y-o-y in December 2019 as compared to the contraction of 4.4% in December 2018 while imports similarly trended upwards with an increase of 16.5% y-o-y as compared to the 7.6% contraction. China's Consumer Price Index increased 4.5 % y-o-y in December 2019, up from 1.9% in December 2018. As of December 2019, China's foreign exchange reserves increased to US\$3,108 billion from US\$3,073 billion in December 2018. The central government continued to emphasise stability of growth and suggested that China's monetary policy would remain accommodative amid a slowing economy. Although the Phase One trade deal with the US eased trade tensions and increased business optimism, existing tariffs will remain in place and further monetary easing in the form of additional reserve requirement ratio (RRR) cuts may be required to support domestic consumption.

Recession risks, which had been elevated by the recent acute outbreak of COVID-19, could be partially offset by additional global monetary easing, a trade truce between the US and China, better prospects for an orderly Brexit, and early signs of a rebound in the global PMIs. The supportive stance of fiscal policy in major economies such as China, Europe, and Japan are also likely to contribute to an improved outlook of a continued economic expansion despite ongoing late cycle concerns.

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

BOARD OF DIRECTORS

The Board consists of six directors, comprising Mr Boon Swan Foo, the Non-executive and Non-independent Chairman, Ms Tan Mui Hong, the Non-executive and Non-independent Director, and four Independent¹ Directors, namely Mr Ronald Seah Lim Siang, Mr Tan Kok Wee, Mr Abdul Jabbar Bin Karam Din and Mr Tan Wee Peng Kelvin. GIL has no employees or executive officers. In FY2019, the Board met 8 times.



Mr Boon Swan Foo

Chairman, Non-executive, Non-independent Director

Mr Boon Swan Foo was appointed as Manager Nominated Director and Chairman on 25 November 2009 and subsequently became Non-executive Director and Chairman of the Company on 20 December 2011.

Mr Boon is the Executive Chairman of Singapore Consortium Investment Management Limited (SICIM). He serves on the boards of overseas companies which are significant and major players in their respective markets, namely; China Huadian Corporation, a power generation company, China Baowu Steel Group Corporation Limited, the world's second largest steel producer and Orica Limited, an Australian-based multinational corporation that is one of the world's largest providers of commercial explosives and blasting systems.

Mr Boon served as Chief Executive Officer and Deputy Chairman of ST Engineering Ltd from October 1997 to May 2001, and was the Managing Director of Agency for Science, Technology and Research (A*STAR) from January

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

Mr Boon Swan Foo was the director of Intouch Holdings Plc, a telecommunications and satellite holding company listed on the Stock Exchange of Thailand from September 2007 to November 2016. Mr Boon served on the board of MIH Holdings Limited (South Africa), an investment holding and internet company from April 2011 to October 2013. Mr Boon also served on the board of Dongfeng Motor Corporation (China), an automobile manufacturer from July 2011 to January 2018 and China National Offshore Oil Corporation, a national oil company from February 2012 to August 2019.

Mr Boon served as the Senior Advisor to Temasek Holdings/Temasek International Advisors Pte Ltd from January 2005 to April 2017. Mr Boon was 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. Presently, he is a Professor of Practice of the Singapore University of Technology and Design.

Mr Boon's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments² as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

¹ An "independent" director is one who has no relationship with GIL, its Related Corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of GIL.

² The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active Related Corporations, those appointments should not normally be considered principal commitments.

BOARD OF DIRECTORS



Ms Tan Mui Hong

Non-executive, Non-independent Director

Ms Tan Mui Hong was appointed to the Board on 1 July 2019.

Ms Tan is the Executive Director and Chief Executive Officer of Singapore Consortium Investment Management Limited. She has more than 30 years of extensive experience in managing fund management 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 to 2015.

Ms Tan was the President and CEO of ST Asset Management Ltd (STAM) and Chairman of STAM's Investment Committee from 2002 to 2019, during which STAM's assets under management (AUM) 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 Monetary Authority of Singapore) 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 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, as well as a member of the Investors' Education Advisory Committee of Securities Investors Association (Singapore).

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 and has completed the Advanced Management Program at Harvard Business School. She is also a member of CFA Institute. She was awarded Singapore's National Day Public Service Medal in 2012.

Ms Tan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements"

BOARD OF DIRECTORS



Mr Ronald Seah Lim Siang
Lead Independent Director

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

Mr Seah serves on the boards of Yanlord Land Group Ltd and Telechoice International Ltd. He is a director of M&C REIT Management Limited and M&C Business Trust Management Limited, and is also Chairman of Nucleus Connect Pte Ltd.

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

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

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

Mr Seah's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".



Mr Tan Kok Wee
Independent Director

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

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

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

Mr Tan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

BOARD OF DIRECTORS



Mr Abdul Jabbar Bin Karam Din
Independent Director

Mr Abdul Jabbar Bin Karam Din was appointed to the Board on 7 January 2019.

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

Mr Jabbar is a director of Chip Eng Seng Corporation Ltd which is listed on the SGX-ST. Mr Jabbar also 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 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.

Mr Jabbar's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".



Mr Tan Wee Peng Kelvin
Independent Director

Mr Tan Wee Peng Kelvin was appointed to the Board on 15 March 2019.

Mr Tan is currently an Independent Director and Chair of Audit Committee of several SGX-listed companies, namely IREIT Global Group Pte. Ltd., Sabana Real Estate Investment Management Pte. Ltd., Unusual Ltd., Viking Offshore and Marine Ltd and USP Group Limited.

Mr Tan is an Adjunct Associate Professor with the National University of Singapore Business School. He is a Fellow of the Institute of Singapore Chartered Accountants of Singapore and also serves on its Council as Secretary.

Mr Tan graduated with a Bachelor of Accountancy (First Class Honours) from the National University of Singapore in 1987 and a Master of Business Administration from the same university in 1997. He also attended the Program for Management Development at the Harvard Business School.

Mr Tan's list of present and past directorships over a period of approximately the last three years and principal commitments as at 18 March 2020 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

SUSTAINABILITY REPORT 2019

MANAGING SUSTAINABILITY

BOARD STATEMENT

This sustainability report has been prepared in compliance with Practice Note 7.6 of the Sustainability Reporting Guide issued by SGX-ST and the Global Reporting Initiative (GRI) Standards: Core Option.

The Board considers sustainability issues in determining GIL's strategic direction and policies.

The Board determines the material environment, social and governance (ESG) factors and sets targets to improve the ESG factors after taking advice from the Manager. The Manager was assigned to implement a performance tracking system for regular review and monitoring of the material ESG factors.

The Manager reports annually to the Board on the management and monitoring of the material ESG factors. Any key issues related to sustainability framework will be raised by the Manager during board meetings.

VISION

GIL strives to be the fund of choice in consistently delivering long-term benefits for all stakeholders 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.

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.

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 potential risks while seeking reasonable return to ensure that all investment decisions we made are in the best interest of our shareholders.

SUSTAINABILITY REPORT 2019

MATERIALITY ASSESSMENT

The assessment of materiality of ESG factors is conducted in accordance with the Materiality Determination Process Tools (Sustainability Reporting Guide, Practice Note 7.6 of the SGX-ST Mainboard Listing Rules). The Board and the Manager conducted an evaluation of GIL's risk and investment strategies. The assessment was to identify the economic, environmental, social and governance risks, and opportunities which will have a positive and/or negative impact on GIL's business.

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.

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 Corporate governance Risk Management Privacy of Personal Data	The macroeconomic environment. Lack of internal control system and proper risk management.	Refer to investment policy at page 3 Good corporate governance and transparency are the key factors in promoting shareholders' trust	Refer to investment strategies at page 3 Refer to corporate governance statement at page 29
 Manager	Ensuring the health, safety and welfare of the Manager's employees Training and education Ethics & Integrity	Failure to attract and retain talent with high ethics and integrity impedes GIL's growth and expansion. Employees risk obsolescence if they are not well-equipped with changing skillsets.	Develop a team of technology and digital savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility.	Staff training and development program Employees of the Manager are encouraged to attend relevant courses.
 Regulators	Corporate governance Compliance with laws Risk Management	Lack of internal control system and proper risk management The evolving regulatory and reporting landscape give rise to compliance risks	Engage with government authorities and agencies to keep abreast of changes in regulations	Engage with government authorities and agencies to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations Given the geographical diversity of GIL investments, we closely monitor developments in laws and regulations in countries where we have invested.
 Suppliers/ Service provider	Risk Management Compliance with laws	Lack of internal control system and proper risk management 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 entails 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. Annual assessment of service providers
 Community	Environmental sustainability Contribution to the community Socially Responsible Investing	Climate change	Low carbon economies bring new areas of investment, opportunity and business growth	Sustainable sourcing Measure carbon footprint, engage in socially responsible investing and environmental conservation initiatives.

SUSTAINABILITY REPORT 2019

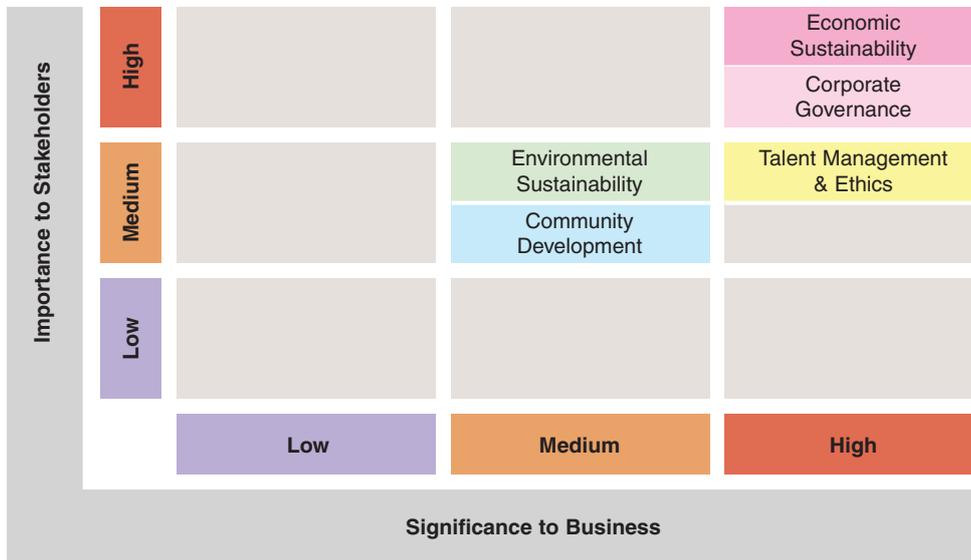
THE 5 CATEGORIES OF MATERIAL FACTORS

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

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

Economic Sustainability	Corporate Governance	Environmental Sustainability	Community Development	Talent Management & Ethics
Economic Performance	Corporate Governance Statement	Promoting a Sustainable Environment	Socially Responsible Investing	Health and Safety
	Risk Management	Sustainable Sourcing	Contribution to the Community	Training and Education
				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.



GIL Materiality Matrix

SUSTAINABILITY REPORT 2019

ECONOMIC SUSTAINABILITY

1. ECONOMIC PERFORMANCE

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

Please refer to Operating and Financial Review section.

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.

2. 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 interest of shareholders.

GIL has adhered to the principles and practice guidance as outlined in the Singapore Code of Corporate Governance 2018 (the **Singapore Code**) and explained deviations from the Singapore Code, where appropriate.

Board Matters

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

Principle 1: The Board's Conduct of Affairs

Board's Role

Responsibility for corporate governance and oversight of the business and internal affairs of GIL rests with the Board. The Board has adopted the Singapore 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 required. 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 GIL
- Determine GIL's dividend policy, the amount and timing of all dividends
- Monitor GIL's operations in relation to, and in compliance with relevant regulatory and legal requirements
- 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

SUSTAINABILITY REPORT 2019

Matters for Board Approval

The matters requiring the Board's specific approval include¹:

- 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
- Change in name of GIL
- Transactions with Related Corporations or interested persons
- Dividend policy and payout
- Scrip Dividend Scheme
- Material acquisition and disposal of assets/investments
- Investments and divestments above the discretionary limit of the Manager
- Corporate or financial restructuring
- Appointment and removal of Directors
- Remuneration of Directors
- Appointment and remuneration of auditors
- Announcement of financial statements and reports
- Material financial/funding arrangements
- 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

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 as a whole, 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, on the one hand, and the interests of GIL or his or her duties to GIL, on the other hand, the Board requires that the director:

- 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, the director should immediately consult with the Chairman.

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

Delegation of Authority 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 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:

- (i) The Audit and Risk Management Committee (ARMC)
- (ii) The Nomination and Governance Committee (NGC)
- (iii) The Remuneration Committee (RC)

¹ Some of these matters also require shareholder approval

SUSTAINABILITY REPORT 2019

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

Directors	Date of Appointment	Date of last re-election	ARMC	NGC	RC
Mr Boon Swan Foo (Chairman, Non-executive Director)	20 December 2011 ¹	27 April 2017	–	–	–
Mr Ronald Seah Lim Siang ² (Lead Independent Director)	30 April 2010	25 April 2019		Member	Chairman
Mr Tan Kok Wee (Independent Director)	30 April 2010	27 April 2017	Chairman	Member	–
Mr Abdul Jabbar Bin Karam Din (Independent Director)	7 January 2019	25 April 2019	–	Chairman	Member
Mr Tan Wee Peng Kelvin (Independent Director)	15 March 2019	25 April 2019	Member	–	Member
Ms Tan Mui Hong (Non-executive Director)	1 July 2019	n/a	Member	–	–

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

² Mr Ronald Seah Lim Siang was appointed as Lead Independent Director on 25 April 2019.

Board and Board Committee Meeting

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.

As part of the GIL's sustainability effort for environmental conservation, GIL's Directors are provided with electronic devices to minimise printing of the Board and Board committee papers.

SUSTAINABILITY REPORT 2019

For FY2019, a total of 8 Board meetings, 5 ARMC meetings, 3 NGC meetings and 3 RC meetings were held.

Directors' attendance at Board and Board committee meetings in FY2019

	Board Meetings		ARMC Meetings		NGC Meetings		RC Meetings	
Total Number of Meetings	8		5		3		3	
Directors	Number of meetings							
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Adrian Chan Pengee	3	3	2	2	1	1	1	1
Mr Jason See Yong Kiat	3	3	n/a ¹	2*	n/a ¹	1*	n/a ¹	1*
Mr Boon Swan Foo ²	8	8	n/a ¹	5*	3	3	n/a ¹	3*
Mr Ronald Seah Lim Siang ³	8	8	5	5	2	3	3	3
Mr Tan Kok Wee ⁴	8	8	5	5	2	3	2	3
Mr Abdul Jabbar Bin Karam ⁵ Din	8	8	2	5	3	3	3	3
Mr Tan Wee Peng Kelvin ⁶	6	6	4	4	n/a ¹	2	2	2
Ms Tan Mui Hong ⁷	4	4	1	5	n/a ¹	3	n/a ¹	3*

¹ "n/a" denotes where a director is not a Board committee Member.

² Mr Boon Swan Foo relinquished his position as a member of NGC on 12 November 2019.

³ Mr Ronald Seah Lim Siang relinquished his position as a member of ARMC and was appointed as a member of NGC on 12 November 2019.

⁴ Mr Tan Kok Wee relinquished his position as a member of RC and was appointed as a member of NGC on 25 April 2019.

⁵ Mr Abdul Jabbar Bin Karam Din relinquished his position as a member of ARMC and was appointed as the Chairman of NGC on 25 April 2019.

⁶ Mr Tan Wee Peng Kelvin was appointed as a member of ARMC and RC on 15 March 2019.

⁷ Ms Tan Mui Hong was appointed as a member of ARMC on 12 November 2019.

* refers to meeting attended by invitation

Induction, Orientation and Training

In line with best practices in corporate governance and the Singapore Code, new Directors will receive a letter of appointment, which provides details on the key terms of their appointment, duties and obligations as appropriate. 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 listed company will be sent for training on the roles and responsibilities of a listed company director as prescribed by the SGX-ST.

In FY2019, Mr Abdul Jabbar Bin Karam Din, Mr Tan Wee Peng Kelvin and Ms Tan Mui Hong were appointed as the new Directors under the Board renewal process.

The Directors receive updates on relevant regulatory changes from authorities including the SGX-ST, MAS and 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 updates 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 were made based on GIL's risk tolerance.

SUSTAINABILITY REPORT 2019

Dedicated training sessions (approximately 8 hours) were conducted for Directors in FY2019 internally as well as by external advisors covering the following:

- (i) Updates and changes in Singapore Financial Reporting Standards (International)
- (ii) Risk management, internal controls and corporate governance
- (iii) The future of Hong Kong
- (iv) Outlook of Asia's economic growth and fixed income markets in 2020
- (v) Investment trends including green financing, US-China trade war effect and global economic growth

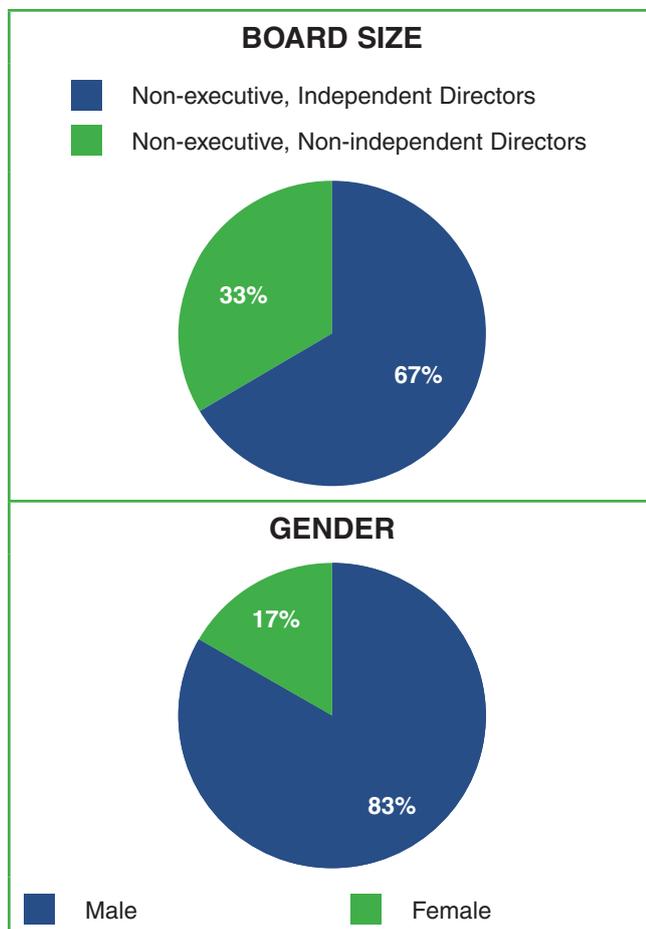
Directors also attended external seminars and talks individually in FY2019 to update and enhance their skills and knowledge.

Principle 2: Board Composition and Guidance

Board Size and Competency

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

The Board currently consists of 6 members, 4 of whom are Non-executive, Independent Directors and 2 of whom are Non-executive, Non-independent Directors.



Board Diversity Policy

GIL has adopted a Board Diversity Policy which 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 within GIL
- Enhance quality and responsible decision-making capability
- Ensure the sustainable development of GIL
- Enhance the reputation of GIL

While all appointments to the Board will continue to be made on merit, GIL 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. Criteria such as skill sets, regional and industry experience, cultural and geographical background, age, tenure, ethnicity, race and gender will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. Details of the Board members' qualifications and experience are set out in the section of "Overview - Board of Director".

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

SUSTAINABILITY REPORT 2019

Board Independence

The Nomination and Governance Committee (NGC) oversees the size and composition of the Board and its committees and advises the Board on good governance standards and appropriate corporate governance policies. The NGC ensures that the Board has a strong and independent element to exercise objective judgment on corporate affairs independently, in particular, from the Manager and its substantial shareholders².

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 independent.

By 2022, approval in separate resolutions by majority of (i) all shareholders; and (ii) shareholders, excluding the Directors and the chief executive officer, and associates of such Directors and chief executive officer will be required for Director who has served on the Board beyond 9 years to continue their appointment as an Independent Director for a term of 3 years.

Assessment of Independence of Directors

As at 31 December 2019, the Board has 6 Directors, 4 of whom (the majority) are Independent Directors. The NGC annually reviews the independent status of Directors in accordance with the definitions and guidelines set out in the Singapore Code to ensure no individual will dominate the decision making of the Board.

Directors	Date of Appointment	Independence status under the Practice Guidance 2 of Singapore 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	Immediate family relationship ²
Mr Boon Swan Foo	20 Dec 2011	No	No	No	No	No
Mr Ronald Seah Lim Siang	30 Apr 2010	Yes	Yes	Yes	No	No
Mr Tan Kok Wee	30 Apr 2010	Yes	Yes	Yes	No	No
Mr Abdul Jabbar Bin Karam Din	7 Jan 2019	Yes	Yes	Yes	Yes	No
Mr Tan Wee Peng Kelvin	15 Mar 2019	Yes	Yes	Yes	Yes	No
Ms Tan Mui Hong	1 Jul 2019	No	Yes	Yes	Yes	No

¹ 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.

Review of Independence

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

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

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.

SUSTAINABILITY REPORT 2019

For FY2019, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in Practice Guidance 2 of the Singapore Code.

The Singapore Code requires that the independence of a director who has served on the Board beyond 9 years be vigorously reviewed. The independence of a Director who has served on the Board beyond nine years will be placed under scrutiny. The said Director will recuse himself from the discussion in respect of his own independence. The factors considered in reviewing independence of a Director who has served beyond nine years includes whether the Director has:

- a) made decisions on matters with the interest of the Company at heart without undue reliance, influence or consideration of the Company's interested parties such as the Chairman, the Manager, other Non-independent Directors, controlling shareholders and/or their associates.
- b) expressed his individual viewpoints, objectively scrutinised and debated issues constructively during meetings of the Board and Board Committees.
- c) constructively questioned and sought clarification on issues when necessary.
- d) avoided apparent conflicts of interest by abstaining from deliberation on matters in which he has an interest in.
- e) encountered any circumstances that could have materially interfered with his exercise of unfettered and independent judgment.

Based on the above criteria, the NGC had carried out enhanced assessment on the independence of Mr Tan Kok Wee (**Mr Tan**) and Mr Ronald Seah Lim Siang (**Mr Seah**) who have served the Board for more than 9 years.

The NGC opined that both Mr Seah and Mr Tan had exercised independent judgment in discharging their responsibilities. Having considered the view of the NGC, the Board has determined that Mr Tan and Mr Seah are to be considered as independent.

Board Renewal

Mr Abdul Jabbar Bin Karam Din and Mr Tan Wee Peng Kelvin were each appointed as a Director of GIL on 7 January 2019 and 15 March 2019. They were both re-elected during the AGM on 25 April 2019. Ms Tan Mui Hong was appointed to the Board on 1 July 2019. Ms Tan will submit herself for shareholders' election during the 2020 AGM.

The Manager Nominated Director, Mr Jason See Yong Kiat, and the Lead Independent Director, Mr Adrian Chan Pengee had retired during the 2019 AGM.

The Company had engaged the Singapore Institute of Directors' Board Appointment Service to assist in the sourcing of potential candidates as Independent Directors. The Board had also reviewed candidates recommended by fellow Directors and conducted few interviews before finalizing the appointment of the new Independent Directors.

Mr Tan Kok Wee, the Independent Director who had served the Board for more than 9 nine years, will retire during the 2020 AGM without submitting himself for re-election.

Non-executive Director's Role

The Non-executive 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 RC which comprises 3 Independent Directors reviews the performance of the Manager in meeting its obligation to GIL or the shareholders. The Independent Directors are also encouraged to meet regularly without the presence of the Manager, to review the Manager's and GIL's performance.

SUSTAINABILITY REPORT 2019

Principle 3: Chairman and Chief Executive Officer

The Role of Chairman

The role of the Chairman is to, among others,:

- Ensure the Board provides leadership and vision
- 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 direct board discussions to effectively use the time available to address critical issues
- Ensure Board minutes properly reflect Board decisions
- Chair meetings of shareholders, including the AGM
- Guide the ongoing effectiveness and development of the Board and individual Directors

There is no Chief Executive Officer given that GIL has appointed the Manager.

Appointment of Lead Independent Director

Under Provision 3.3 of the Singapore Code, companies are required to appoint an independent non-executive director to be the lead independent director (Lead Independent Director) in situations where the chairman is conflicted, and especially when the Chairman is not independent.

The Chairman, Mr Boon Swan Foo, is considered non-independent because he holds 15.25% of the shares in GIL (excluding treasury shares) as at 6 March 2020. 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 assure effective corporate governance in managing the affairs of the Board and GIL.

Mr Ronald Seah Lim Siang has been appointed as the Lead Independent Director in place of Mr Adrian Chan Pengee on 25 April 2019.

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

Principle 4: Board Membership

Nomination and Governance Committee (NGC)

The NGC comprises the three Independent Directors below including the Lead Independent Director:

Directors	Appointment
Mr Abdul Jabbar Bin Karam Din	Chairman
Mr Tan Kok Wee	Member
Mr Ronald Seah Lim Siang	Member

SUSTAINABILITY REPORT 2019

The Role of Nomination and Governance Committee

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, the Deputy Chairman (if any) and other Directors of the Board
- To review training and professional development programs 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 performance against corporate governance policies on an annual basis or as otherwise deemed appropriate

For FY2019, 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.

Process for Selection and Appointment of Directors

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

GIL engages external consultant to assist in the sourcing of potential candidates when necessary. The NGC may also review candidates recommended by Board members. The shortlisted candidates will be interviewed by the NGC Chairman and Board Chairman before seeking final approval of the Board.

Process for Re-Election of Directors

Under GIL's Constitution the Directors to retire by rotation in each subsequent AGM shall be those who have been longest in office since their last re-election or appointment, and a retiring director 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 retires from their office by rotation at each AGM.

At 2020 AGM, Mr Boon Swan Foo will retire under Regulation 103 of the Company's Constitution and will be eligible for re-election while Ms Tan Mui Hong will submit herself for re-election under Regulation 107 of the Constitution. GIL has adopted a Board Diversity Policy in its selection and retention of Directors.

GIL's Board Diversity Policy is stated under Principle 2: Board Composition and Guidance and can be found on GIL's website at: www.globalinvestmentslimited.com.

Succession Planning

In FY2019, 3 new Directors were appointed.

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 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.

SUSTAINABILITY REPORT 2019

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 six³. Given the full attendance of all Directors at Board and Board committee meetings during FY2019, 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 FY2019.

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 is appointed to the Board currently.

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" and "Additional SGX-ST Listing Manual Disclosures".

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

Principle 5: Board Performance

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.

Board and Board Committee Performance Evaluation

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

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.

SUSTAINABILITY REPORT 2019

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 more open and frank discussion. Upon completion of the abovementioned process by the Manager, the NGC will assess the results of the questionnaire and report on key findings and recommendations to the Board. The NGC will supplement the evaluation of the Board committees' performance with self-reviews conducted by each of the Board committees against the responsibilities set out in their respective 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 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, determine whether it is necessary to appoint new directors or to seek resignation of Directors.

For FY2019, the Board, taking into consideration the key findings of the NGC, is satisfied that the Board and its committees, the Chairman and each individual Director have adequately fulfilled their responsibilities. No external facilitator has been engaged for evaluation of the Board and Board committees.

Complete, adequate information in a timely manner

The Manager provides the Board with complete, adequate and timely information in advance of Board meetings and on an on-going basis, so as to enable the Board to make informed decisions to discharge their duties and responsibilities. The Board has access to monthly management accounts and is provided with such explanation and information as the Board may require from time to time. 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 and related materials one week before the meetings to enable the Directors to make informed decisions and obtain further information if necessary.

Access to Company Secretary

The Directors have independent access to the Manager and Company Secretary at all times. 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, the Assistant Company Secretary attends the board meetings.

Independent Professional Advice

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 FY2019.

SUSTAINABILITY REPORT 2019

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

Remuneration Committee (RC)

GIL has a RC comprising entirely of three Independent and Non-executive Directors. The responsibilities of the RC include overseeing a framework for remuneration, recommending policies and guidelines for Directors' remuneration, and reviewing the performance and fees payable to the Manager.

The RC comprises the following Directors:

Directors	Appointment
Mr Ronald Seah Lim Siang	Chairman
Mr Tan Wee Peng Kelvin	Member
Mr Abdul Jabbar Bin Karam Din	Member

The key terms of reference of the RC are:

1. To recommend specific remuneration packages for each director as well as for the key management personnel (if any)
2. To cover all aspects of the remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind
3. To review the performance of the Manager on an annual basis
4. To review the fees payable to the Manager, as and when necessary
5. To recommend any long-term incentive schemes (if applicable)
6. To recommend the incentive scheme framework and policies together with the amounts awarded (if applicable)

For FY2019, the RC had conducted a self-review against the responsibilities set out in the terms of reference and concluded that the RC had been adequately fulfilling its duties.

The RC regularly reviews and evaluates the remuneration structure of the Board and Manager to ensure that the overall level and structure of remuneration align with the long-term interests and risk management policies of GIL.

Principle 7: Level and Mix of Remuneration

Remuneration of Non-executive Directors

The remuneration of Non-executive Directors will be reviewed and recommended by the RC, taking into account factors such as effort and time spent and responsibilities of the Directors, 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 interests of the Directors with the interests of the shareholders.

As at 31 December 2019, the Board comprises 6 Directors, with a Non-independent Chairman, one Non-independent Director and 4 Independent Directors. There are no executive directors.

SUSTAINABILITY REPORT 2019

Fee structure for Non-executive Directors for FY2019

		Remuneration Per Annum
1.	Base fee	S\$45,000
2.	Fees for chairmanship of the Board and various Board committees as well as membership in various Board committees	
a)	Chairman	S\$22,000
b)	Lead Independent Director	S\$5,000
c)	Chairman of ARMC	S\$18,000
d)	Member of ARMC	S\$10,000
e)	Chairman of NGC	S\$10,000
f)	Member of NGC	S\$6,000
g)	Chairman of RC	S\$10,000
h)	Member of RC	S\$6,000

Remuneration of the Manager

GIL has no employees or executive officers and has appointed the Manager to manage GIL. GIL compensates the Manager for its services in accordance with the terms of the Management Agreement. Any changes in the fee structure will be subject to the approval of shareholders by Ordinary Resolution in general meeting, and for the purposes of such approval, the Manager and its associates, if they hold any shares at the time of such meeting, will abstain from voting the relevant resolution.

The Manager is entitled to a Base fee of 1.0% of Net Investment Value up to S\$1.5 billion and 1.5% of Net Investment Value in excess of S\$1.5 billion. The Manager is also entitled to the incentive fee, fixed fee, acquisition fee, divestment fee, debt raising fee, shared services fees, additional services fees and is reimbursed by GIL for third party expenses. 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 RC regularly reviews and evaluates the remuneration structure of the Board and Manager, and is confident that the overall level and structure of remuneration align with the long-term interests and risk management policies of GIL. The remuneration structure of the Manager had been subject to detailed review by an independent financial adviser and approved by the Board and separately by the shareholders at the SGM in 2016. On 7 Jan 2019, the Company has transferred its domicile from Bermuda to Singapore and the Management Agreement has been amended to reflect the changes arising from the re-domiciliation.

The Company believes in making full and frank disclosure of the entire formula on the Manager's fee structure, as fully set out at "Management Agreement" section.

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

Principle 8: Disclosure on 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 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.

A total of Directors' fees up to S\$365,620.00 was approved by the shareholders at the 2019 AGM under the existing remuneration framework. The aggregate fees paid quarterly in arrears to the Non-executive Directors for the financial year ended 2019 was S\$365,620.00.

SUSTAINABILITY REPORT 2019

The remuneration of Non-executive Directors for FY2019 is as follows:

Directors	Base Remuneration Fees (S\$)	Fees for Chairmanship of the Board Various, Board Committees and Membership of Various Board Committees and allowances (S\$)	Total Directors' Fees ¹ (S\$)
Mr Boon Swan Foo	45,000	31,502	76,502
Mr Ronald Seah Lim Siang	45,000	29,467	74,467
Mr Tan Kok Wee	45,000	28,700	73,700
Mr Abdul Jabbar Bin Karam Din	44,260	17,729	61,989
Mr Tan Wee Peng Kelvin	36,000	13,000	49,000
Ms Tan Mui Hong ²	22,685	1,570	24,255
Mr Adrian Chan Pengee	14,178	15,784	29,962

¹ Director's Fees are paid quarterly in arrears and pro-rated if appointment is during the financial year.

² The Director's Fees for Ms Tan Mui Hong for FY 2019 has not been paid. Payment of Ms Tan Mui Hong's Director's Fees is subject to Shareholders' approval under Resolution 5 of the Notice of 2020 AGM.

Remuneration of Key Management Personnel / Employee Share Scheme / Employees Immediately Related to a Director or CEO

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

GIL compensates the Manager for providing the above services as set out in the terms of the Management Agreement through the Manager Fee structure as disclosed under Principle 7.

The breakdown of Manager fees, other fees and reimbursement of expenses paid to the Manager in 2019 and 2018 is set out in Note 19 (Related Party Transactions) to the Financial Statements.

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

Accountability and Audit

Principle 9: Risk Management and Internal Controls

Accountability of the Board of Directors and Management

The Board seeks to provide the shareholders with a balanced and understandable assessment of GIL's performance, position and prospects through its announcement of financial results, dividend guidance, 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.

The Manager provides the Board with information to enable the Board to make a balanced and informed assessment of GIL's performance, position and prospects. The Manager also submits 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.

The Board has formal policies and procedures on reporting and review of financial information. There are also policies and procedures established to ensure compliance with legislative and regulatory requirements. The Board has access to monthly management accounts and is provided with such explanation and information as the Board may require from time to time.

SUSTAINABILITY REPORT 2019

Risk Management

GIL has a formal risk management framework for the identification of key risks within the business. This framework defines five major classifications of risks - Strategic, Investment/Economic, Regulatory, Financial and Operational. Operational risks include possible lapses in internal controls and risks from external events such as legal risks as well as environmental risks. Investment/Economic risks are influenced by a variety of general economic and business conditions in the places where GIL has investments or where GIL's underlying assets and economic exposures are located. Such factors may affect the share price of GIL and its ability to meet dividend expectations. While appropriate risk mitigation measures within GIL's risk assessment framework are taken to address such inherent risk, the Board notes that 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 requires the continuous identification, assessment, monitoring and management of significant risks. The ARMC will report any material matters, including findings and recommendations pertaining to risk management, to the Board.

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

Internal Controls

GIL does not have any employees. 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 FY2019, 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 of 31 December 2019.

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.

SUSTAINABILITY REPORT 2019

Principle 10: Audit Committee

Audit & Risk Management Committee

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

The ARMC comprises 3 Directors below, of which two are Independent Directors. The Chairman of ARMC is independent:

Directors	Appointment
Mr Tan Kok Wee	Chairman
Mr Tan Wee Peng Kelvin	Member
Ms Tan Mui Hong	Member

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

1. Retain external counsel, accountants, or others to advise the ARMC or to assist in the conduct of an investigation
2. Seek any information it requires from external parties
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 control, the audit process, the compliance monitoring process and risk management.

Specific Responsibilities

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

1. **Financial Statements:** The ARMC reviews the significant financial reporting issues and judgments to ensure the integrity of the financial statements of GIL and any announcements relating to GIL's financial performance. The Manager makes representations to the Board in connection with GIL's financial statements on the proper accounting record and transaction.
2. **Internal Controls:** The ARMC reviews and reports to the Board at least annually the adequacy and effectiveness of GIL's internal control system, including financial, operational, compliance and information technology controls and risk management systems. It reviews the scope of the external auditors' review of internal controls and reviews reports on significant findings and recommendations.
3. **Internal Audit:** The ARMC reviews the effectiveness of the Manager's internal auditor's work on GIL.
4. **External Audit:** The ARMC reviews and advises the Board on the external auditors' annual plan, the proposed fees and their independence as well as the scope and results of the external audit. It establishes policies as appropriate with regards to, and reviews, the independence and objectivity of the external auditors.
5. **Compliance:** The ARMC considers the work plan for compliance activities and reviews the updates and effectiveness of the system for monitoring compliance with laws and regulations.
6. **Risk Management:** The ARMC considers the overall Risk Management Framework and reviews its effectiveness in meeting sound corporate governance principles. It keeps the Board informed of all significant business risks and reviews the status report from the Manager.

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

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

- Reviewed and recommended to the Board the release of the quarterly and full year financial statements
- Reviewed and recommended to the Board the Compliance Plan 2019
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2019

SUSTAINABILITY REPORT 2019

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

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

Key audit matters	How ARMC reviewed the matters
Valuation of financial instruments not quoted in an active market	<p>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 CLOs, a CLN, RMBS and ABS which do not have an active market.</p> <p>The ARMC considered that the fair value of these financial instruments appropriate.</p>

External Audit

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

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

Independence of the External Auditors

For the purposes of the FY2019 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 FY2019, the fees paid to the external auditor for audit services and non-audit services were as follows:

	Fees (S\$)
Audit Services	108,000
Total	108,000

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

Internal Audit

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.

SUSTAINABILITY REPORT 2019

Whistleblowing Policy

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

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

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

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

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

Shareholder Rights and Engagement

Principle 11: Shareholder Rights and Conduct of General Meetings

Shareholder Rights

GIL is committed to maintaining high standards of disclosure and corporate transparency with members of the investment community and investing public. The Board has adopted policies and procedures that comply with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the Singapore Code. GIL has developed 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 Shares.

Conduct of 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 and to indicate their attendance. GIL holds its AGM at a central location which is easily accessible by public transportation. GIL allows shareholders who hold shares through nominees to attend the AGMs without being constrained by the two-proxy rule, subject to availability of seats.

Absentia voting through mail, e-mail or facsimile is currently not allowed 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.

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. Shareholders attending the general meeting would have the opportunity to ask questions on proposed resolutions and the voting procedure would be communicated to the shareholders at the meeting. The Company conducts electronic poll voting where shareholders cast their vote on a one-share, one-vote basis using wireless hand-held device. The Company appoints independent scrutineer to count and validate the votes. 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.

SUSTAINABILITY REPORT 2019

The Chairman, the Chairman of each of the Board committees and all the Directors will be present in person or by phone to address relevant queries from shareholders. All Directors attended the AGM in person in 2019. The external auditors are also invited to address relevant queries from shareholders.

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, are available on GIL's website.

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

Dividend Policy

GIL's dividend policy is to pay out most of the profit after taking into consideration GIL's requirements for future growth. Scrip Dividend Scheme is applicable to the dividend where shareholders may elect to receive all or part of their dividend in the form of shares instead of cash.

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

Principle 12: Engagement with Shareholders

GIL discloses information on a timely basis through SGXNET and GIL's website, including quarterly financial results within 45 days after the end of each quarter, half year financial results presentation slides, and financial statements and financial results presentation slides for the full financial year within 60 days after the end of each financial year.

The corporate website provides shareholders and the investment community with key information, including annual reports, quarterly results, presentations and announcements to SGX, information on shares and dividends and shareholders' meetings. The Investors Relations Team of the Manager endeavours to respond to shareholder queries promptly and effectively, and usually does so within a week of receiving such queries. It also maintains a register of all queries and responses given by GIL.

GIL regularly holds a briefing session for both media and analysts together when announcing the full-year results. Key management personnel of the Manager will be present at the briefing. The presentation material and/or a webcast of the briefing is available on the website of GIL at www.globalinvestmentslimited.com. In FY2019, the briefing session that was held for both media and analysts was attended by the Chairman and key management personnel of the Manager.

Managing Stakeholder Relationships

Principle 13: Engagement with Stakeholders

Stakeholders and engagement platforms

Stakeholders	Engagement Platform/Activities
Manager	<ul style="list-style-type: none"> ● Board meeting ● Email ● Tele-conference ● Annual performance review ● Annual audit
Shareholders	<ul style="list-style-type: none"> ● Annual general meeting or special general meeting ● Company website https://globalinvestmentslimited.com with regular updates on the Company's profile and policies, financial results and announcements ● Email: contact@sicim.com.sg ● Hotline: +65 6908 4477 ● Analysts briefing ● SGXNet announcements

SUSTAINABILITY REPORT 2019

Stakeholders	Engagement Platform/Activities
Regulators	<ul style="list-style-type: none"> • MASNET • SGX StarGate • Seminars and courses • Survey
Suppliers/Service Providers	<ul style="list-style-type: none"> • Email and phone calls • Regular meetings • Annual assessment (material outsourcing)
Community	<ul style="list-style-type: none"> • Philanthropy • Management of ESG issues

Securities Transactions

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

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

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 Executive and Non-executive Directors, officers and employees (collectively Officers) of the Group.

The Code of Conduct sets out principles to guide Officers in carrying out their duties and responsibilities to the highest standards when dealing with shareholders, suppliers/ service providers, clients, competitors and other Officers. 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 Officers are required to act honestly and in good faith at all times as well as comply with applicable laws and regulations. GIL currently does not employ any staff internally and has appointed the Manager to manage GIL. The Manager adheres to the Investment Management Association of Singapore (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 Transactions 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 IPT:

1. The Directors will not vote on matters which involve IPT where a conflict of interest may arise
2. Any IPT must be conducted fairly and on a third party arm's length basis
3. Any fee payments made must be market-based and approved by a majority of the Independent Directors

SUSTAINABILITY REPORT 2019

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 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 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 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 of the 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, it 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. This Policy 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.

SUSTAINABILITY REPORT 2019

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

3. RISK MANAGEMENT

GIL's Risk Management Policy aims to establish a sound system of risk oversight, management and internal controls. One of GIL's strategic objectives is to manage risks effectively, while concurrently maximising the efficiency and effectiveness of its operations.

GIL's Financial Risk Management can be found in Note 4 (Financial Risk Management) to the Financial Statement.

ENVIRONMENTAL SUSTAINABILITY

4. PROMOTING A SUSTAINABLE ENVIRONMENT

GIL currently does not employ any staff. The Manager's staff are encouraged to be an integral part of its efforts to employ an eco-friendly and sustainable value chain process. While our business does not rely heavily on natural resources, the Manager continues to undertake initiatives to reduce its environmental footprint through conservation of energy and proper management of paper and electronic waste by imposing environmental conservation targets.

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% on electricity usage. Not only does this aid in conservation efforts, it is also more cost-efficient.

In addition, the Manager's staff consistently make sure lights, air conditioners and other electronic appliances are always switched off when not in use.

SUSTAINABILITY REPORT 2019

Disposal of hardware and paper

Improper disposal of electronic devices can lead to many harmful effects to the environment. Proper disposal of hardware reduces the amount of electronic waste accumulated at landfill sites and reduces the amount of raw materials needed to build new devices. Hence, the Manager ensures that all decommissioned phones, desktops and notebooks are sold to recycling vendors who either resell, 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 exercise proper disposal but to reduce paper wastage. Printers are always set for double-sided printing and the monthly consumption of paper-related waste products is closely monitored. GIL also avoids printing unnecessary documents.

Managing our environmental footprint

The most direct environmental impact stems from the carbon emissions from the Manager's office through the consumption of purchased electricity. GIL is committed to minimise our environmental impact and has set a target of achieving a 2% improvement in carbon emissions.

Environmental Data

	2017	2018	2019
Energy Consumption (kWh)	66,012	63,601	47,930
Carbon emissions from purchased electricity (kgCO ₂ e) ¹	28,471	27,431	20,672
Improvement	–	3.8%	32.7%

¹ Based on relevant grid emission factor conversion of Singapore

5. SUSTAINABLE SOURCING

GIL procures products from eco-friendly suppliers, or suppliers who have obtained the Singapore Green Label Certification 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 examines manufacturers for 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 making certain that its suppliers are playing their part in protecting the environment.

COMMUNITY DEVELOPMENT

6. 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 in areas such as human rights, labour, environment and anti-corruption.

Sustainability is one of the characteristics which GIL seeks in potential investments. Sustainable investing involves systematic consideration of all facets of corporate activity including the materiality of environmental factors and climate change on a company's operations, as well as the company's performance from a social and governance standpoint. 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.

GIL takes part in investments that contribute to the well-being of the global community. We are glad to support companies which promote clean technology, focus on green industry and specialize in environmental protection business.

SUSTAINABILITY REPORT 2019

7. CONTRIBUTION TO THE COMMUNITY

GIL believes in giving back to the Community who have supported us in our growth by being able to support the community in times of need.

In year 2019, GIL contributed to ISCA Cares, a charity set up to provide a platform for the accountancy profession to come together to support worthy causes and give back to society. Since 2015, ISCA Cares has awarded many student beneficiaries with bursaries.

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 the Manager and prudent selection of its Directors.

8. HEALTH AND SAFETY

The sustainable healthy lifestyle

The Directors are encouraged to attend various workshops to maintain a healthy lifestyle.

Sedentary lifestyle is shown to boost the risk of developing various disease including cardiovascular disease, cancers, diabetes and obesity.

Even though our Directors are not exposed to any high-risk activities in their daily operations, they recognise that prolonged sitting is not conducive to good health.

9. TRAINING AND EDUCATION

Regular staff training and development remain key priorities for our Manager in order to ensure it keeps a diverse pool of retained talent.

The Manager strongly advocates its employees to sit for the Module 3 (Rules & Regulations for Fund Management) of the Capital Market and Financial Advisory Services examination (Module 3 Examination).

The Manager's staff are also encouraged to register for courses to improve their competencies in their respective field.

Employee Training Hours

	2017	2018	2019
Total Hours of training	781.80	331.50	351.30
Average Hours of training per employee	52.12	23.68	29.69
By Gender			
Female	393.55	160.00	221.80
Male	388.25	171.50	129.50

SUSTAINABILITY REPORT 2019

10. ETHICS AND INTEGRITY

The Manager is a member of the 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 everyone embraces the virtue of integrity and put organisational interest ahead of individual interest in their day-to day activities beyond the basic compliance indices set out by the regulators.

In 2019, the Directors attended “ACCA Ethics Film Festival” to raise their awareness on the ethics issues and challenges and to better appreciate the importance of upholding ethical standards in the finance industry.

About the Report

This report focuses on the sustainability strategy and practices of GIL and excludes the entities that are controlled by the Group as the entities are investment holding companies. It will be printed annually together with the Annual Report. The annual cum sustainability report will be printed in limited copies as part of our environmental conservation efforts. The electronic copies are available at: www.globalinvestmentslimited.com

Reporting Period & Standards

This report covers data and information from 1 January 2019 to 31 December 2019 and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Feedback

We welcome feedback.

Investor Relations

Telephone: +65 6908 4477

Facsimile: +65 6908 4478

Email: ir@globalinvestmentslimited.com

SUSTAINABILITY REPORT 2019

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

General standard disclosures

General disclosures	Disclosure requirements	Where have we disclosed this?
Organisational profile		
G102-1	Name of the organisation	Global Investments Limited
G102-2	Activities, brands, products and services	Refer to page 2 Corporate Profile
G102-3	Location of headquarters	Corporate Information
G102-4	Countries of operation	Refer to page 2, Corporate profile
G102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
G102-6	Markets served	Refer to page 2, Corporate profile
G102-7	Scale of the organisation	Refer to page 2, Corporate profile
G102-8	Information on employee and other workers	NA as GIL has no employees
G102-9	Supply chain	Refer to page 51, Sustainable Sourcing
G102-10	Significant changes to the organisation during the reporting period	There were no significant changes to our organisational profile during the reporting period
G102-11	Precautionary approach or principle	Refer to page 42-43, Risk Management and Internal Controls
G102-12	External initiatives	We have applied the GRI Sustainability Reporting Guidelines in the preparation of our Annual Report.
G102-13	Membership of associations	Refer to page 53, Ethics and Integrity
Strategy		
G102-14	Statement from senior decision maker	Refer to page 4-6, Chairman's Statement
G102-15	Key impacts, risks, and opportunities	Refer to page 27-28, Materiality Assessment
Ethics and integrity		
G102-16	Values, principles, standards, and norms of behaviour	Refer to page 53, Ethics and integrity
G102-17	Mechanisms for advice and concerns about ethics	Refer to page 46-50
Governance		
G102-18	Governance structure	Refer to page 29-39, Board Matters
G102-19	Delegating authority	Refer to page 30, Delegation of Authority to Board committees
G102-20	Executive-level responsibility for economic, environmental, and social topics	All GRI aspects identified are applicable to all entities and employees of the Manager.
G102-21	Consulting stakeholders on economic, environmental, and social topics	We consider all GRI aspects applicable to GIL to be relevant to all stakeholder groups identified on page 27.
G102-22	Composition of the highest governance body and its committees	Refer to page 22-25 and 30-31
G102-23	Chair of the highest governance body	Refer to page 22-25, Board of Directors
G102-24	Nominating and selecting the highest governance body	Refer to page 37, Process for Selection, Appointment and Re-election of Directors
G102-25	Conflicts of interest	Refer to page 30, Conflicts of Interest Policy

SUSTAINABILITY REPORT 2019

General disclosures	Disclosure requirements	Where have we disclosed this?
G102-26	Role of highest governance body in setting purpose, values, and strategy	Refer to page 29, Board's Role
G102-27	Collective knowledge of highest governance body	Refer to page 30 and 32, Matters for Board's Approval, Induction, Orientation and Training
G102-28	Evaluating the highest governance body's performance	Refer to page 38-39
G102-29	Identifying and managing economic, environmental and social impacts	Refer to page 27-28, Materiality Assessment
G102-30	Effectiveness of risk management processes	Refer to page 42-45, Risk Management and Internal Controls
G102-31	Review of economic, environmental, and social topics	Refer to page 26, Board Statement
G102-32	Highest governance body's role in sustainability reporting	Refer to page 26, Board Statement
G102-33	Communicating critical concerns	Refer to page 46-47, Shareholders Rights and Engagement
G102-34	Nature and total number of critical concerns	Nil
G102-35	Remuneration policies	Refer to page 40-42, Remuneration
G102-36	Process for determining remuneration	Refer to page 40-42, Remuneration
Stakeholder Engagement		
G102-40	List of stakeholder groups	Refer to page 47-48 Managing Stakeholder Relationship
G102-41	Collective bargaining agreements	NA
G102-42	Identifying and selecting stakeholders	Refer to page 47-48 Managing Stakeholder Relationship
G102-43	Approach to stakeholder engagement	Refer to page 47-48 Managing Stakeholder Relationship
G102-44	Key topics and concerns raised	Refer to page 27-28, Materiality Assessment
Reporting Practice		
G102-45	Entities included in the consolidated financial statements	Refer to page 98, Controlled Entities
G102-46	Defining report content and topic Boundaries	Refer to page 53, About the Report
G102-47	List of material topics	Refer to page 27-28, Materiality Assessment
G102-48	Restatements of information	Restatements of information, where applicable, are noted within the relevant data set.
G102-49	Changes in reporting	There are no significant changes in scope and aspect boundaries.
G102-50	Reporting period	Refer to page 53, About the Report
G102-51	Date of most recent report	Refer to page 53, About the Report
G102-52	Reporting cycle	Refer to page 53, About the Report
G102-53	Contact point for questions regarding the report	Refer to page 53, About the Report
G102-54	Claims of reporting in accordance with the GRI Standards	Refer to page 53, About the Report, page
G102-55	GRI content index	Refer to page 54-56
G102-56	External assurance	This report has not been externally assured

SUSTAINABILITY REPORT 2019

Topic-Specific Disclosures

Topic-Specific Disclosures	Disclosure requirements	Where have we disclosed this?
Economic Sustainability		
G103-1-1	Explanation of the material topic and its Boundary	Refer to page 4-6, Chairman's Statement
G103-1-2	The management approach and its components	Refer to page 4-6, Chairman's Statement
G201-1	Direct economic value generated and distributed	Refer to page 7-10, Financial Highlights
G202-2	Proportion of senior management hired from the local community	93% of the Manager's employees are local
G419-1	Non-compliance with laws and regulations in the social and economic area	Nil
Corporate Governance		
G205-2	Communication and training about anti-corruption policies and procedures	Refer to page 49, Compliance, Anti-corruption and Engagement with local and foreign regulators
G418	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
Environmental Sustainability		
G203-2	Significant indirect economic impacts	Refer to page 47, Dividend Policy and page 51, Socially Responsible Investing
G302-1	Energy consumption within the organization	Refer to page 51-53, Managing our Environmental Footprint
G302-4	Reduction of energy consumption	Refer to page 51-53
G305-1	Direct (Scope 1) GHG emissions	Refer to page 51, Managing our Environmental Footprint
G305-5	Reduction of GHG emissions	Refer to page 51
Training and Education		
G404-1	Average hours of training per year per employee	NA as GIL has no employees
Supply Chain and Responsible Procurement		
G103-1-3	Evaluation of the management approach	Refer to page 51, Sustainable Sourcing
G308-1	New suppliers that were screened using environmental criteria	Refer to page 51, Sustainable Sourcing
Community Development		
G413-1	Operations with local community engagement, impact assessments, and development programs	Refer to page 52, Contribution to the Community

Contents

Global Investments Limited And Its Subsidiaries **2019 FINANCIAL REPORT**

58 STATEMENT BY DIRECTORS

59 INDEPENDENT AUDITOR'S REPORT

62 STATEMENT OF FINANCIAL POSITION

63 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

64 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

65 CONSOLIDATED STATEMENT OF CASH FLOWS

66 NOTES TO THE FINANCIAL STATEMENTS

Statement By Directors

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 62 to 102 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 2019 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2019; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:



Tan Mui Hong
Director
Global Investments Limited



Tan Kok Wee
Director
Global Investments Limited

18 March 2020

Independent Auditor's Report

To the Shareholders of Global Investments Limited

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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in shareholders' equity and consolidated cash flows of the Group 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 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 2019, the Group has investment portfolio which is measured at fair value through profit or loss amounting to S\$278.58 million, representing 86.1% of the Group's total assets.

The valuation for financial assets carried at fair value uses inputs which have been classified using the fair value hierarchy are disclosed in Note 4(g) to the financial statements. As at 31 December 2019, financial assets comprising mainly of collateralised loan obligations (CLO), a credit linked note (CLN) and asset backed securities (ABS) with carrying value of S\$15.48 million were fair valued using broker quotes or valuation techniques based on inputs which are not quoted in active markets, categorised within Level 3 in the fair value hierarchy. As disclosed in Note 4(g) to the financial statements, there is currently no active market for financial assets CLO, CLN and ABS. Accordingly, management relies on information such as collateral performance and cash flows of underlying portfolio when determining fair value. As the valuation involved a higher degree of management's subjectivity and judgement, this is identified as a key audit matter.

Our audit of the fair valuation of Level 3 investments 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. In addition, we involved our own internal valuation specialists to evaluate the appropriateness of the valuation models, the inputs used by the management and the reasonableness of certain key assumptions used. We further considered the adequacy of the related disclosures in the financial statements. The Group's disclosures related to fair value of Level 3 investments are included in Note 4(g).

Independent Auditor's Report

To the Shareholders of Global Investments Limited

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 maintain a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 skepticism 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 controls.
- Obtain an understanding of internal controls 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 Group's internal controls.
- 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 Group'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 Group to cease to continue as a going concern.

Independent Auditor's Report

To the Shareholders of Global Investments Limited

- 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 controls that we identify during our audit.

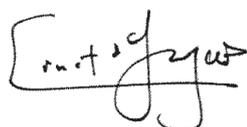
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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 Adrian Koh.



Ernst & Young LLP
Public Accountants and Chartered Accountants

Singapore

18 March 2020

Statement Of Financial Position

	Note	Group As at 31 December 2019 S\$'000	Company As at 31 December 2019 S\$'000	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000
ASSETS					
Non-current assets					
Financial assets at fair value through profit or loss	10	198,679	198,679	220,523	220,523
		198,679	198,679	220,523	220,523
Current assets					
Cash and cash equivalents	11	40,945	40,945	35,363	35,363
Financial assets at fair value through profit or loss	10	79,896	79,896	63,299	63,299
Other assets	12	4,143	4,143	4,244	4,244
		124,984	124,984	102,906	102,906
Total Assets		323,663	323,663	323,429	323,429
LIABILITIES					
Other liabilities	13	2,765	2,765	1,216	1,216
Total Liabilities		2,765	2,765	1,216	1,216
Net assets attributable to shareholders		320,898	320,898	322,213	322,213
EQUITY					
Share capital	14	266,634	266,634	270,837	270,837
Capital reserve	15	2	2	–	–
Retained earnings	17	54,262	54,262	51,376	51,376
Total Equity		320,898	320,898	322,213	322,213

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 2019 S\$'000	For the year ended 31 December 2018 S\$'000
INCOME			
Dividend income		1,664	1,643
Interest income		14,396	14,876
Net foreign exchange gain (net of hedges)		–	11,078
Net gain/(loss) on financial assets at fair value through profit or loss	10	9,896	(22,429)
Other income	5	–	6,838
Total Income		25,956	12,006
EXPENSES			
Management fees	19	(2,333)	(2,205)
Incentive fees	19	(1,326)	–
Net foreign exchange loss (net of hedges)		(426)	–
Other operating expenses	6	(2,020)	(2,388)
Total expenses		(6,105)	(4,593)
Profit before tax		19,851	7,413
Income tax expense	7	(104)	(87)
Profit after tax		19,747	7,326
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Loss	16	–	(11,115)
Other comprehensive income for the year after tax		–	(11,115)
Total comprehensive income for the year attributable to shareholders		19,747	(3,789)
Basic earnings per share (cents per share)	23	1.16	0.43
Diluted earnings per share (cents per share)	23	1.16	0.43

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

Consolidated Statement Of Changes In Shareholders' Equity

Changes in Equity for the year ended 31 December 2019	Note	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total S\$'000
As at 1 January 2019		270,837	–	–	51,376	322,213
Total comprehensive income for the year						
Profit for the year		–	–	–	19,747	19,747
		–	–	–	19,747	19,747
Transactions with equity holders in their capacity as equity holders:						
Purchase of treasury shares	14	–	(13,595)	–	–	(13,595)
Transfer of treasury shares	14	–	9,392	2	–	9,394
Dividends	8	–	–	–	(16,861)	(16,861)
Total transactions with equity holders		–	(4,203)	2	(16,861)	(21,062)
As at 31 December 2019		270,837	(4,203)	2	54,262	320,898

Changes in Equity for the year ended 31 December 2018	Note	Share capital S\$'000	Capital reserve S\$'000	Available-for-sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Total S\$'000
As at 1 January 2018		563,537	(65,846)	7,631	11,115	(183,545)	332,892
Adjustment due to adoption of IFRS 9		–	–	(7,631)	–	9,303	1,672
As at 1 January 2018 (restated)		563,537	(65,846)	–	11,115	(174,242)	334,564
Total comprehensive income for the year							
Profit for the year		–	–	–	–	7,326	7,326
Other comprehensive income		–	–	–	(11,115)	–	(11,115)
		–	–	–	(11,115)	7,326	(3,789)
Transactions with equity holders in their capacity as equity holders:							
Share capital reduction	14	(302,534)	65,846	–	–	236,688	–
Issuance of new shares pursuant to Scrip Dividend Scheme	14	9,834	–	–	–	–	9,834
Dividends	8	–	–	–	–	(18,396)	(18,396)
Total transactions with equity holders		(292,700)	65,846	–	–	218,292	(8,562)
As at 31 December 2018		270,837	–	–	–	51,376	322,213

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

Consolidated Statement Of Cash Flows

	Note	For the year ended 31 December 2019 S\$'000	For the year ended 31 December 2018 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating costs paid		(4,528)	(5,462)
Interest income received		14,572	14,299
Dividend income received		1,553	1,571
Settlement of forward contracts		–	2,357
Other income received		–	6,838
Income tax paid		(104)	(87)
Net cash flows from operating activities		11,493	19,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets		(24,971)	(142,505)
Redemption/maturity of financial assets		25,955	41,196
Net proceeds from disposal of financial assets		14,548	37,780
Net cash flows generated from/(used in) investing activities		15,532	(63,529)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(7,466)	(8,562)
Purchase of treasury shares		(13,595)	–
Net cash flows used in financing activities		(21,061)	(8,562)
Net increase/(decrease) in cash and cash equivalents		5,964	(52,575)
Cash and cash equivalents at beginning of year		35,363	88,090
Effects of exchange rate changes on cash and cash equivalents		(382)	(152)
Cash and cash equivalents at end of year	11	40,945	35,363

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 incorporated in Bermuda and 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.

Upon the registration in Singapore, the address of its registered office is 51 Cuppage Road #10-04 Singapore 229469.

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 18 March 2020.

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

Following the re-domiciliation, the Group has adopted SFRS(I) for the financial year ended 31 December 2019. The Group previously issued financial statements for periods up to and including the financial year ended 31 December 2018 in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRIC) interpretations applicable to companies reporting under IFRS. SFRS(I) comprise standards and interpretations that are equivalent to IFRS. Financial statements that have been prepared in accordance and complied with IFRS are deemed also to have also complied with SFRS(I).

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

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 2020.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

2.2 Consolidation

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

2.2 Consolidation (Cont'd)

(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.

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 ABS (comprising Australian Residential Mortgage Backed Securities (RMBS), Australian Credit Card ABS and China Auto ABS), collateralised loan obligation (CLO) notes and a credit linked note (CLN) to be an interest in unconsolidated structured entities as it does not have any power over these entities such that its involvement will vary its returns from these entities.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

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.

(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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

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.

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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

2.6 *Financial assets (Cont'd)*

Initial recognition and measurement (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 the 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 amount 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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

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

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.

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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

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.

2.12 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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

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

(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.

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 2019 and 31 December 2018, the Group does 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.

Notes To The Financial Statements

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 appropriate.

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

On 1 January 2019, the Group adopted SFRS(I) 16 Leases, which is effective for annual periods beginning on or after 1 January 2019.

The cumulative effect of initial application of SFRS(I) 16 have been applied retrospectively. The Group has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 16 adoption was assessed to be immaterial. The comparative information was prepared in accordance with the requirements of SFRS(I) 1-17.

(i) Leases – Operating leases (Applicable before 1 January 2019)

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 conveys 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 or 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.

Notes To The Financial Statements

2. Summary of significant accounting policies (Cont'd)

2.16 Leases (Cont'd)

Lease liabilities (Cont'd)

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.

The Group's lease liabilities are included in other liabilities.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term lease of office unit (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 equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or 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.

Notes To The Financial Statements

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

Fair value of securities not quoted in an active market (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 2019, these financial assets comprised of CLO, CLN and ABS with carrying value of S\$15.48 million (2018: S\$18.88 million). 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 and variable rate debt securities that expose the Group to fair value interest rate risk. The Group also holds a portfolio of variable rate ABS and CLO/CLN notes that expose the Group to cash flow interest rate risk.

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

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(a) Interest rate risk (Cont'd)

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 2019 and 31 December 2018. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Assets				
Financial assets at fair value through profit or loss				
Fixed rate instruments ¹				
- China domestic bonds	38,976	55,620	38,976	55,620
- Other bonds	41,698	42,358	41,698	42,358
- Bank contingent convertibles	139,163	113,485	139,163	113,485
Variable rate instruments ²				
- Loan portfolio and securitisation assets	15,478	18,881	15,478	18,881
- Other bonds	158	4,034	158	4,034
- Bank contingent convertibles	–	1,965	–	1,965
	235,473	236,343	235,473	236,343

¹ Fixed rate instruments include S\$99.34 million (2018: S\$75.05 million) of other bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 2 months to 28 years (2018: 2 months to 29 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.

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Assets				
Financial assets at fair value through profit or loss				
Loan portfolio and securitisation assets	157	199	157	199
China domestic bonds	(374)	(834)	(374)	(834)
Other bonds	(1,385)	(1,528)	(1,385)	(1,528)
Bank contingent convertibles	(4,623)	(4,177)	(4,623)	(4,177)
	(6,225)	(6,340)	(6,225)	(6,340)

Notes To The Financial Statements

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 2019 and 31 December 2018.

Group	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
2019							
Assets							
Cash and cash equivalents	12,943	14,418	–	6,927	28	–	34,316
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	7,904	1,933	–	1,473	4,168	–	15,478
- China domestic bonds	–	38,976	–	–	–	–	38,976
- Other bonds	24,027	3,639	–	1,649	–	–	29,315
- Bank contingent convertibles	56,044	539	–	9,695	14,305	1,846	82,429
- Listed equities	455	1,073	27,633	392	–	4,850	34,403
Other assets	1,607	1,033	–	78	401	5	3,124
	102,980	61,611	27,633	20,214	18,902	6,701	238,041
Liabilities							
Other liabilities	(9)	–	–	–	–	–	(9)
	(9)	–	–	–	–	–	(9)
Net exposure	102,971	61,611	27,633	20,214	18,902	6,701	238,032

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(b) Foreign currency risk (Cont'd)

Group	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
2018							
Assets							
Cash and cash equivalents	7,403	2,924	350	8,147	27	–	18,851
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	12,537	2,000	–	–	4,344	–	18,881
- China domestic bonds	–	55,620	–	–	–	–	55,620
- Other bonds	22,637	3,578	–	1,790	3,934	–	31,939
- Bank contingent convertibles	49,970	–	–	9,766	15,784	1,569	77,089
- Listed equities	468	776	32,035	408	442	4,684	38,813
Other assets	1,759	1,233	–	63	472	4	3,531
	<u>94,774</u>	<u>66,131</u>	<u>32,385</u>	<u>20,174</u>	<u>25,003</u>	<u>6,257</u>	<u>244,724</u>
Liabilities							
Other liabilities	(118)	–	–	–	–	–	(118)
	<u>(118)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(118)</u>
Net exposure	<u>94,656</u>	<u>66,131</u>	<u>32,385</u>	<u>20,174</u>	<u>25,003</u>	<u>6,257</u>	<u>244,606</u>

Company	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
2019							
Assets							
Cash and cash equivalents	12,943	14,418	–	6,927	28	–	34,316
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	7,904	1,933	–	1,473	4,168	–	15,478
- China domestic bonds	–	38,976	–	–	–	–	38,976
- Other bonds	24,027	3,639	–	1,649	–	–	29,315
- Bank contingent convertibles	56,044	539	–	9,695	14,305	1,846	82,429
- Listed equities	455	1,073	27,633	392	–	4,850	34,403
Other assets	1,607	1,033	–	78	401	5	3,124
	<u>102,980</u>	<u>61,611</u>	<u>27,633</u>	<u>20,214</u>	<u>18,902</u>	<u>6,701</u>	<u>238,041</u>
Liabilities							
Other liabilities	(9)	–	–	–	–	–	(9)
	<u>(9)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(9)</u>
Net exposure	<u>102,971</u>	<u>61,611</u>	<u>27,633</u>	<u>20,214</u>	<u>18,902</u>	<u>6,701</u>	<u>238,032</u>

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(b) Foreign currency risk (Cont'd)

Company	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
2018							
Assets							
Cash and cash equivalents	7,403	2,924	350	8,147	27	–	18,851
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	12,537	2,000	–	–	4,344	–	18,881
- China domestic bonds	–	55,620	–	–	–	–	55,620
- Other bonds	22,637	3,578	–	1,790	3,934	–	31,939
- Bank contingent convertibles	49,970	–	–	9,766	15,784	1,569	77,089
- Listed equities	468	776	32,035	408	442	4,684	38,813
Other assets	1,759	1,233	–	63	472	4	3,531
	<u>94,774</u>	<u>66,131</u>	<u>32,385</u>	<u>20,174</u>	<u>25,003</u>	<u>6,257</u>	<u>244,724</u>
Liabilities							
Other liabilities	(118)	–	–	–	–	–	(118)
	<u>(118)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(118)</u>
Net exposure	<u>94,656</u>	<u>66,131</u>	<u>32,385</u>	<u>20,174</u>	<u>25,003</u>	<u>6,257</u>	<u>244,606</u>

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.

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
United States Dollar	(5,149)	(4,733)	(5,149)	(4,733)
Chinese Renminbi	(3,081)	(3,307)	(3,081)	(3,307)
Hong Kong Dollar	(1,382)	(1,619)	(1,382)	(1,619)
Euro	(1,011)	(1,009)	(1,011)	(1,009)
Australian Dollar	(945)	(1,250)	(945)	(1,250)
Others	(335)	(313)	(335)	(313)

Notes To The Financial Statements

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 arises from the Group's investment in debt securities (comprising China domestic bonds, other bonds and bank contingent convertibles) and loan portfolio and securitisation assets (comprising ABS, CLN and CLO notes). 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:

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash and cash equivalents	40,945	35,363	40,945	35,363
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	15,478	18,881	15,478	18,881
- China domestic bonds	38,976	55,620	38,976	55,620
- Other bonds	41,856	46,392	41,856	46,392
- Bank contingent convertibles	139,163	115,450	139,163	115,450
Other assets	3,934	4,174	3,934	4,174
Total	280,352	275,880	280,352	275,880

Notes To The Financial Statements

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:

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Europe	126,215	97,962	126,215	97,962
Australia	9,084	14,708	9,084	14,708
North America	21,648	27,277	21,648	27,277
Asia	101,459	114,555	101,459	114,555
Others	21,946	21,378	21,946	21,378
Total	280,352	275,880	280,352	275,880

There was no impairment expense recognised for financial assets as at 31 December 2019 and 31 December 2018.

At 31 December 2019 and 31 December 2018, 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.

Notes To The Financial Statements

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 2019 and 31 December 2018. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Fair value through profit or loss				
- Listed equities	43,102	47,479	43,102	47,479
	43,102	47,479	43,102	47,479

Sensitivity analysis - market price risk

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

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Fair value through profit or loss				
- Listed equities	4,310	4,748	4,310	4,748

(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 2019 and 31 December 2018 into relevant maturity groupings based on the contractual non-discounted cash flows.

2019 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
LIABILITIES			
Other liabilities	2,624	141	2,765
Total Liabilities	2,624	141	2,765

2019 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
LIABILITIES			
Other liabilities	2,624	141	2,765
Total Liabilities	2,624	141	2,765

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(e) Liquidity risk (Cont'd)

2018 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
LIABILITIES			
Other liabilities	1,216	–	1,216
Total Liabilities	1,216	–	1,216
<hr/>			
2018 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
LIABILITIES			
Other liabilities	1,216	–	1,216
Total Liabilities	1,216	–	1,216

(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.

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(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).

Group As at 31 December 2019	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Assets				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	15,478	15,478
- China domestic bonds	38,976	–	–	38,976
- Other bonds	39,440	2,416	–	41,856
- Bank contingent convertibles	139,163	–	–	139,163
- Listed equities	43,102	–	–	43,102
	260,681	2,416	15,478	278,575
Company				
As at 31 December 2019				
Assets				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	15,478	15,478
- China domestic bonds	38,976	–	–	38,976
- Other bonds	39,440	2,416	–	41,856
- Bank contingent convertibles	139,163	–	–	139,163
- Listed equities	43,102	–	–	43,102
	260,681	2,416	15,478	278,575

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(g) Fair value measurements (Cont'd)

(i) Classification of financial instruments (Cont'd)

Group As at 31 December 2018	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Assets				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	18,881	18,881
- China domestic bonds	55,620	–	–	55,620
- Other bonds	41,955	4,437	–	46,392
- Bank contingent convertibles	115,450	–	–	115,450
- Listed equities	47,479	–	–	47,479
	260,504	4,437	18,881	283,822

Company As at 31 December 2018	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Assets				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	18,881	18,881
- China domestic bonds	55,620	–	–	55,620
- Other bonds	41,955	4,437	–	46,392
- Bank contingent convertibles	115,450	–	–	115,450
- Listed equities	47,479	–	–	47,479
	260,504	4,437	18,881	283,822

During the financial year ended 31 December 2019, there was no transfer of financial assets between levels. During the financial year ended 31 December 2018, the Group transferred financial assets amounting to S\$4.44 million of other bonds from Level 1 to Level 2 due to adjustment made to broker prices.

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, China domestic bonds, other 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.

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(g) Fair value measurements (Cont'd)

(i) Classification of financial instruments (Cont'd)

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 2019 and 31 December 2018, the listed equity was still suspended with no observable price and a nil carrying value.

(ii) Loan Portfolio and Securitisation Assets

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\$15.48 million (2018: S\$18.88 million).

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2019 and 31 December 2018.

Group	Level 3 S\$'000
At 1 January 2019	18,881
Additions	1,473
Disposals/redemptions	(5,534)
Net gain on financial assets at fair value through profit or loss	658
At 31 December 2019	15,478
Total gain for the year included in profit or loss for assets held at the end of the year	658

Group	Level 3 S\$'000
At 1 January 2018	–
Adjustment due to adoption of IFRS 9	31,460
At 1 January 2018 (restated)	31,460
Additions	5,844
Disposals/redemptions	(17,686)
Net loss on financial assets at fair value through profit or loss	(737)
At 31 December 2018	18,881
Total loss for the year included in profit or loss for assets held at the end of the year	(737)

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(g) Fair value measurements (Cont'd)

(iii) 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 2019, S\$10.85 million (2018: S\$14.21 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\$0.54 million (2018: S\$0.71 million).

ABS/CLN amounting to S\$4.63 million (2018: S\$4.67 million) were valued based on internal valuation with discounted cash flows as the valuation techniques using significant unobservable inputs (Level 3). The unobservable inputs used in the discounted cash flows include default rate, prepayment rate, recovery rate and credit spreads. The movement in fair value arising from reasonably possible charges to the significant unobservable inputs was assessed as not significant.

(h) Interest in unconsolidated structured entities

The Group is invested in a portfolio of ABS comprising Australian RMBS, Australian Credit Card ABS and Chinese Auto ABS. The Group also invested in a portfolio of USD and Euro denominated CLO and a CLN. The CLO investments are in mezzanine notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt. The CLN investment references a portfolio of trade finance obligations and corporate loans, with the obligors mainly domiciled in Asia. These securitisation vehicles are structured entities which are managed by third party collateral managers and trustees. These structured entities finance their assets through the issuance of notes or tranches which will be paid coupons and principal from the interest and principal received from the underlying loan portfolio.

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2019 and 31 December 2018 are disclosed in the following tables.

Investments	Number of investments	Total portfolio size ¹ S\$'000	Carrying amount of securities rated B3/B-/B- ² and above S\$'000	Carrying amount of securities rated below B3/B-/B- ² or unrated S\$'000	Carrying amount as at 31 December 2019 S\$'000
Group					
Asset backed securities	6	5,018,128	6,101	–	6,101
EUR-denominated CLO note	1	604,718	1,473	–	1,473
USD-denominated CLO/CLN notes	2	5,503,006	5,207	2,697	7,904

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 2019.

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

Notes To The Financial Statements

4. Financial risk management (Cont'd)

(h) Interest in unconsolidated structured entities (Cont'd)

Investments	Number of investments	Total portfolio size ¹ S\$'000	Carrying amount of securities rated B3/B-/B- ² and above S\$'000	Carrying amount of securities rated below B3/B-/B- ² or unrated S\$'000	Carrying amount as at 31 December 2018 S\$'000
Group					
Asset backed securities	6	5,822,662	6,344	–	6,344
USD-denominated CLO/CLN notes	3	6,441,591	9,867	2,670	12,537

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 2018.

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 2019 was S\$1.47 million (2018: S\$5.84 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

5. Other income

Other income for the financial year ended 31 December 2018 relates to settlement proceeds of S\$6.84 million received from previously announced litigation.

6. Other operating expenses

	Group	
	For the year ended 31 December 2019 S\$'000	For the year ended 31 December 2018 S\$'000
Operating expenses		
Professional fees	1,151	1,439
Investor relations expenses	266	376
Directors' fees	390	366
Other expenses	213	207
Total other operating expenses	2,020	2,388

Notes To The Financial Statements

7. Income tax expense

	Group	
	For the year ended 31 December 2019 S\$'000	For the year ended 31 December 2018 S\$'000
Income tax expense		
Current tax	104	87
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	19,851	7,413
Withholding tax	104	87
Income tax expense	104	87

For the financial years ended 31 December 2019 and 31 December 2018, 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 13X of the Singapore Income Tax Act. The tax exemption status will allow the Company to enjoy tax exemption on specified income in respect of any designated investment.

8. Dividends paid and declared

For the financial year ended 31 December 2019, the Directors have recommended the payment of a final dividend of 0.50 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 29 June 2020. This dividend will be paid on and about 13 August 2020.

The Company distributed a 2019 interim dividend of 0.50 Singapore cents per share amounting to S\$8.43 million on 10 October 2019. S\$3.55 million was paid in cash and S\$4.88 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2018 final dividend of 0.50 Singapore cents per share amounting to S\$8.43 million was distributed on 21 June 2019. S\$3.91 million was paid in cash and S\$4.51 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2018 interim dividend of 0.50 Singapore cents per share amounting to S\$8.48 million was distributed on 12 October 2018. S\$4.90 million was paid in cash and S\$3.58 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

For the financial year ended 31 December 2019, 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 2020.

Dividends paid in 2019 and 2020 are exempt from tax (one-tier) when received in the hands of shareholders.

Notes To The Financial Statements

9. Investments in subsidiaries

	Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Equity investments at cost		
At beginning of financial year	–	54,296
Return of capital	–	(46,949)
Impairment	–	(7,347)
At end of financial year	–	–

Further details of the subsidiaries are included in Note 20.

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

During the financial year ended 31 December 2018, a return of capital was made through the off-setting of inter-company balance. This transaction was non-cash in nature.

10. Financial assets at fair value through profit or loss

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Non-current				
Loan portfolio and securitisation assets	13,545	18,881	13,545	18,881
China domestic bonds	19,538	39,800	19,538	39,800
Other bonds	30,470	46,392	30,470	46,392
Bank contingent convertibles	135,126	115,450	135,126	115,450
	198,679	220,523	198,679	220,523
Current				
Loan portfolio and securitisation assets	1,933	–	1,933	–
China domestic bonds	19,438	15,820	19,438	15,820
Other bonds	11,386	–	11,386	–
Bank contingent convertibles	4,037	–	4,037	–
Listed equities	43,102	47,479	43,102	47,479
	79,896	63,299	79,896	63,299
Total financial assets at fair value through profit or loss	278,575	283,822	278,575	283,822

Notes To The Financial Statements

10. Financial assets at fair value through profit or loss (Cont'd)

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

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Realised	719	(84)	719	(84)
Unrealised	9,177	(22,345)	9,177	(22,345)
Total gain/(loss)	9,896	(22,429)	9,896	(22,429)

11. Cash and cash equivalents

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Cash at bank	8,133	17,499	8,133	17,499
Short-term deposits	32,812	17,864	32,812	17,864
Total cash and cash equivalents	40,945	35,363	40,945	35,363

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between one day and three months (2018: one day and two months) and earn interest on short-term deposit rates varying 0.65% to 3.25% (2018: 0.33% to 5.49%).

12. Other assets

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Interest receivables	3,807	4,048	3,807	4,048
Prepayment	15	15	15	15
Deposit	36	37	36	37
Other receivables	144	144	144	144
Right-of-use-assets	141	–	141	–
Total other assets	4,143	4,244	4,143	4,244

The carrying value of other assets as at 31 December 2019 and 31 December 2018 approximates their fair value due to the short-term nature.

Notes To The Financial Statements

13. Other liabilities

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Base management fees payable to SICIM	620	474	620	474
Lease liabilities	141	–	141	–
Other payables	2,004	742	2,004	742
Total other liabilities	2,765	1,216	2,765	1,216

As at 31 December 2019, other payables include the incentive fee payable to the Manager of S\$1.3 million charged for 2H 2019.

The carrying value of other liabilities as at 31 December 2019 and 31 December 2018 approximates their fair value due to the short-term nature.

14. Share capital

Group and Company

	2019		2018	
	No. of shares '000	Amount S\$'000	No. of shares S\$'000	Amount S\$'000
Issued ordinary shares				
At beginning of financial year	1,723,842	270,837	1,652,575	563,537
Shares issued pursuant to Scrip Dividend Scheme	–	–	71,267	9,834
Share premium reduction	–	–	–	(302,534)
At end of financial year	1,723,842	270,837	1,723,842	270,837
Treasury shares				
At beginning of financial year	–	–	–	–
Purchase of treasury shares	(101,458)	(13,595)	–	–
Transfer of treasury shares	71,145	9,392	–	–
At end of financial year	(30,313)	(4,203)	–	–
Issued ordinary shares net treasury shares	1,693,529	266,634	1,723,842	270,837

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of the shares held. Each shareholder is entitled to one vote for each share held on all matters submitted to a vote of shareholders.

All shares issued rank pari passu with previously issued shares. Details of the dividends can be found in Note 8.

On 10 October 2019, 36,413,936 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend scheme.

On 21 June 2019, 34,731,270 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

On 31 December 2018, with the passing of the Ordinary Resolution in respect of the proposed share premium reduction at the Special General Meeting, the Company's share premium was reduced by S\$302.53 million.

On 12 October 2018, the Company issued and allotted 27,547,408 new ordinary shares at an issue price of S\$0.130 per share to eligible shareholders who have elected to participate in the Scrip Dividend Scheme.

On 24 April 2018, the Company issued and allotted 43,720,395 new ordinary shares at an issue price of S\$0.143 per share to eligible shareholders who have elected to participate in the Scrip Dividend Scheme.

Notes To The Financial Statements

15. Capital reserve

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
At beginning of financial year	–	(65,846)	–	(65,846)
Share premium reduction	–	65,846	–	65,846
Transfer of treasury shares	2	–	2	–
At end of financial year	2	–	2	–

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.

On 1 January 2012, the Company changed its functional currency from USD to SGD. The capital reserve represents the cumulative foreign currency translation differences on share capital denominated in SGD up to the date of change in functional currency. On 31 December 2018, the losses in the capital reserve was set-off against the reduction in share premium.

16. Translation Reserve

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
At beginning of financial year	–	11,115	–	–
Translation loss	–	(11,115)	–	–
At end of financial year	–	–	–	–

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

17. Retained earnings

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
At beginning of financial year	51,376	(183,545)	51,376	(172,430)
Adjustment due to adoption of IFRS 9	–	9,303	–	9,303
At beginning of financial year (Restated)	51,376	(174,242)	51,376	(163,127)
Net profit for the year	19,747	7,326	19,747	(3,789)
Dividends paid	(16,861)	(18,396)	(16,861)	(18,396)
Share premium reduction	–	236,688	–	236,688
At end of financial year	54,262	51,376	54,262	51,376

Notes To The Financial Statements

18. Net asset value

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Total net asset value (S\$'000)	320,898	322,213	320,898	322,213
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,693,529	1,723,842	1,693,529	1,723,842
Net asset value per ordinary share (S\$ per share)	0.1895	0.1869	0.1895	0.1869

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.

19. 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) Chairman of NGC	S\$10,000
g) Base fee for membership of RC	S\$6,000 per member
h) Chairman of RC	S\$10,000

The total directors' fees for year ended 31 December 2019 amounted to S\$0.39 million (2018: S\$0.37 million (US\$0.27 million)).

Notes To The Financial Statements

19. Related party transactions (Cont'd)

Intercompany receivables/payables

As at 31 December 2019 and 31 December 2018, there were no intercompany receivables/payables from/to the subsidiaries.

The Manager

The following transactions were carried out with SICIM:

	Group	
	2019 S\$'000	2018 S\$'000
Transactions with SICIM		
Base management fees	2,333	2,205
Incentive fees	1,326	–
Fixed management fees	650	650
Other fees and reimbursement of expenses	347	479
Divestment fees	256	354
Total	4,912	3,688

	Group		Company	
	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Balances with SICIM				
Accrued base management fees	620	474	620	474
Accrued fixed management fees	164	164	164	164
Accrued incentive fees	1,326	–	1,326	–
Accrued other fees and reimbursement of expenses	77	82	77	82
Accrued divestment fees	77	127	77	127
Total payable to the Manager	2,264	847	2,264	847

Transactions with other related parties

During the financial year ended 31 December 2019 and 31 December 2018, there were no transactions with other related parties.

Notes To The Financial Statements

20. Controlled entities

The following table sets out the entities that were controlled by the Group as at 31 December 2019.

Name of entity	Principal activities	Country of incorporation	% of equity held by the Group		Reporting date
			2019	2018	
BBSFF Operating Lease Limited ¹	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Rail Fund No. 1 Limited ¹	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
BBSFF Loan Portfolio & Securitisation Limited ^{1,2}	Holding company	Cayman Islands	–	100%	31 December
GIL (Labuan) Company Limited ^{1,2}	Investment in operating lease assets	Malaysia	–	100%	31 December

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

² Struck-off on during the financial year.

Notes To The Financial Statements

21. Segment Reporting

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, China domestic bonds, other bonds, bank contingent convertibles and listed equities. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2019.

	Loan Portfolio and Securitisation Assets			China Domestic Bonds			Other Bonds			Bank Contingent Convertibles			Listed Equities			Others' (mainly Singapore) S\$'000	Total S\$'000					
	Europe S\$'000	Asia S\$'000	North America S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000							
2019																						
For the year ended 31 December 2019																						
Total segment income	66	233	1,431	211	1,005	(61)	600	306	27	3,086	12,774	84	225	775	2,019	135	2,409	(13)	141	503	25,956	
Segment profit/(loss) before tax	79	233	1,427	211	978	(62)	599	297	25	3,084	12,768	84	223	775	2,020	135	2,404	(13)	139	(5,555)	19,851	
Included segment items																						
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61	1,585	-	18	-	1,664
Interest income	65	273	706	293	2,060	80	497	1,295	47	808	6,388	70	104	251	956	-	-	-	-	503	14,396	
Net gain/(loss) on financial assets at fair value through profit or loss	1	(40)	725	(82)	(1,055)	(141)	103	(989)	(20)	2,278	6,386	14	121	524	1,063	74	824	(13)	123	-	9,896	
Net foreign exchange gain/(loss) (net of hedges)	13	-	(3)	-	(27)	(1)	(1)	(9)	(2)	(2)	(6)	-	(2)	-	1	-	(5)	-	(2)	(380)	(426)	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2019																						
Total segment assets	1,490	4,654	5,297	4,178	39,933	1,666	14,001	14,890	-	12,189	123,059	1,784	1,461	4,906	9,757	1,632	41,032	455	-	41,279	323,663	
Total segment liabilities	-	-	-	-	(77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,688)	(2,765)

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

Notes To The Financial Statements

21. Segment Reporting (Cont'd)

	Loan Portfolio and Securitisation Assets			China Domestic Bonds			Other Bonds			Bank Contingent Convertibles			Listed Equities			Others ¹ (mainly Singapore) S\$'000	Total S\$'000					
	Europe S\$'000	Asia S\$'000	North America Australia S\$'000	Europe S\$'000	Asia S\$'000	North America Australia Others S\$'000	Europe S\$'000	Asia S\$'000	North America Australia Others S\$'000	Europe S\$'000	Asia S\$'000	North America Australia Others S\$'000	Europe S\$'000	Asia S\$'000	North America Australia Others S\$'000							
2018																						
For the year ended 31 December 2018																						
Total segment income	432	(65)	1,413	(51)	1,919	478	(887)	115	(147)	567	(372)	38	(39)	(479)	924	(1,047)	(8,454)	(259)	(171)	18,091	12,006	
Segment profit/(loss) before tax	432	(65)	1,412	(51)	1,919	478	(887)	115	(147)	567	(375)	37	(39)	(479)	923	(1,047)	(8,454)	(259)	(171)	13,504	7,413	
Included segment items																						
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80	1,511	-	52	-	1,643
Interest income	247	83	1,674	303	2,244	555	460	1,286	219	799	5,130	70	103	424	1,002	-	-	-	-	-	277	14,876
Net gain/(loss) on financial assets at fair value through profit or loss	214	(173)	(251)	(358)	(201)	(80)	(1,192)	(1,229)	(363)	(273)	(5,745)	(32)	(148)	(875)	(176)	(1,127)	(9,938)	(259)	(223)	-	(22,429)	
Net foreign exchange gain/(loss) (net of hedges)	(29)	25	(10)	4	(124)	3	(155)	58	(3)	41	243	-	6	(28)	98	-	(27)	-	-	-	10,976	11,078
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,838	6,838
As at 31 December 2018																						
Total segment assets	-	4,704	10,052	4,348	56,817	1,807	15,789	15,886	3,985	9,914	96,153	1,771	1,340	6,367	11,463	1,560	45,028	468	442	35,535	323,429	
Total segment liabilities	(116)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-	-	(1,089)	(1,216)

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

Notes To The Financial Statements

22. Leases

Group as a lessee

During the financial year ended 31 December 2019, the Group had total cash outflow for leases of S\$102,000 (2018:S\$102,000), and recognised as expense relating to short-term leases and recorded in 'Other operating expenses' in Note 6.

In December 2019, the Group has entered into a new lease agreement for its office unit. Set out below are the carrying amounts of right-of-use assets (recorded in 'Other assets' in Note 12) recognised and the movements during the period:

	2019 S\$'000	2018 S\$'000
Balance at beginning of period	–	–
Additions	141	–
Balance at end of period	141	–

Set out below are the carrying amounts of lease liabilities (recorded in 'Other liabilities' in Note 13) and the movements during the period:

	2019 S\$'000	2018 S\$'000
Balance at beginning of period	–	–
Additions	141	–
Balance at end of period	141	–

23. 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.

	2019	2018
Earnings used in calculation of basic earnings per share (S\$'000)	19,747	7,326
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,695,474	1,688,873
Basic earnings per share (cents per share)	1.16	0.43

(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.

	2019	2018
Earnings used in calculation of diluted earnings per share (S\$'000)	19,747	7,326
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,695,474	1,688,873
Diluted earnings per share (cents per share)	1.16	0.43

Notes To The Financial Statements

24. Remuneration of auditors

	Group	
	2019 S\$'000	2018 S\$'000
Amounts payable/paid to auditors for:		
Audit services	108	110

Fee payable to the auditors for non-audit services in 2019 is Nil (2018: Nil).

25. Events occurring after Balance Sheet Date

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

26. 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 Group's accounting periods beginning after 1 January 2020 or later periods and which the Group has not early adopted:

Amendments to SFRS(I) 3: Definition of a Business

In October 2018, there were amendments to the definition of a business in SFRS(I) 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

In October 2018, there were amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

Additional SGX-ST Listing Manual Disclosures

1. DIRECTORS

(A) DIRECTORS

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

		Date of Appointment	Date of last re-election
Mr Boon Swan Foo	Chairman	20 December 2011 ¹	27 April 2017
Mr Ronald Seah Lim Siang ²	Director	30 April 2010	25 April 2019
Mr Tan Kok Wee ²	Director	30 April 2010	27 April 2017
Mr Abdul Jabbar Bin Karam Din ²	Director	7 January 2019	25 April 2019
Mr Tan Wee Peng Kelvin ²	Director	15 March 2019	25 April 2019
Ms Tan Mui Hong	Director	1 July 2019	N/A

¹ Mr Boon Swan Foo was appointed as Manager Nominated Director and Chairman of the Board on 25 November 2009. On 20 December 2011, Mr Boon resigned as Manager Nominated Director and was re-appointed as a Non-executive Director and Chairman of the Board.

² The Directors are regarded as independent in accordance with the Singapore Code.

(B) DIRECTORS' REMUNERATION¹

Remuneration bands	Number of Directors for the year ended 31 December 2019	Number of Directors for the year ended 31 December 2018
Between S\$50,000 – S\$100,000	4	4
Below S\$50,000	3	0
Total	7	4

¹ For exact remuneration of directors, please refer to "Principle 8: Disclosure on Remuneration" of the Corporate Governance section.

Further information in relation to Directors' Remuneration is set out under Note 19 (Related Party Transactions).

(C) DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AS AT 21 JANUARY 2020

Director	Direct Interests Number of Shares held	Deemed Interests Number of Shares held	Total
Mr Boon Swan Foo	256,306,749	–	256,306,749
Mr Ronald Seah Lim Siang	67,000	–	67,000
Total	256,373,749	–	256,373,749

Additional SGX-ST Listing Manual Disclosures

2. SHARE OPTION SCHEME

GIL does not have a share option scheme.

3. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Rule 920) S\$'000
Transactions with SICIM:	
Base management fees	2,333
Incentive fees	1,326
Fixed management fees	650
Other fees and reimbursement of expenses	347
Divestment fees	256

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

4. INVESTMENTS

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

31 December 2019

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Net Book Value million	Carrying Value S\$' million	Income/ Underlying Earning S\$' million	Unrealised Gain S\$' million
UBS Group 5.875%	Bank contingent convertibles	Nil	S\$10.0	S\$10.0	10.5	0.6	0.5
Societe Generale 6.125%	Bank contingent convertibles	Nil	S\$10.0	S\$10.0	10.4	0.4	0.4
ABN Amro Bank 4.75%	Bank contingent convertibles	Nil	S\$8.8	S\$8.8	9.0	0.4	0.2
UBS Group 6.875%	Bank contingent convertibles	Nil	US\$6.0	US\$6.0	8.9	0.6	0.9
Commerzbank 4.2%	Bank contingent convertibles	Nil	S\$7.5	S\$7.5	7.6	0.3	0.1
Kingdom of Bahrain 7.5%	Other bonds	Nil	US\$3.9	US\$3.9	6.5	0.4	1.3
Barclays PLC 8%	Bank contingent convertibles	Nil	€4.0	€4.0	6.4	0.5	0.4
Commerzbank 4.875%	Bank contingent convertibles	Nil	S\$6.3	S\$6.3	6.4	0.3	0.1
Societe Generale 8%	Bank contingent convertibles	Nil	US\$4.0	US\$4.0	6.3	0.4	0.9
Banco Do Brasil 9%	Bank contingent convertibles	Nil	US\$4.0	US\$4.0	6.1	0.5	0.8

Additional SGX-ST Listing Manual Disclosures

4. INVESTMENTS (Cont'd)

31 December 2018

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
UBS Group 5.875%	Bank contingent convertibles	Nil	S\$10.0	S\$10.0	10.0	0.1	–
ABN Amro Bank 4.75%	Bank contingent convertibles	Nil	S\$8.8	S\$8.8	8.8	0.4	0.1
UBS Group 6.875%	Bank contingent convertibles	Nil	US\$6.0	US\$6.0	7.8	0.6	(0.3)
Commerzbank 4.2%	Bank contingent convertibles	Nil	S\$7.5	S\$7.5	7.4	0.1	(0.1)
Barclays PLC 8%	Bank contingent convertibles	Nil	€4.0	€4.0	6.6	0.6	0.4
TV Azteca 8.25%	Other bonds	Nil	US\$5.0	US\$5.0	6.5	0.6	(0.3)
Commerzbank 4.875%	Bank contingent convertibles	Nil	S\$6.3	S\$6.3	6.3	0.3	0.1
Jinneng Group 6.16%	China domestic bonds	Nil	¥30.0	¥30.0	6.1	0.3	0.2
Petrochina 3.85%	China domestic bonds	Nil	¥29.0	¥29.0	5.9	0.2	0.2
GD Power Development 2.94%	China domestic bonds	Nil	¥28.9	¥28.9	5.9	0.2	0.2

5. MATERIAL CONTRACTS

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

6. LAND AND BUILDINGS

GIL does not own any land or buildings.

7. APPOINTMENT OF AUDITORS

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

8. INTERNAL CONTROLS

Please refer to “Principle 9: Risk Management and Internal Controls” of the Sustainability Report section.

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

The present directorships / chairmanships other than those held in the Company, the past directorships / chairmanships over a period of approximately the last three years and the principal commitments as at 18 March 2020 of each of the Company's directors are as follows:

Boon Swan Foo

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
Orica Limited - Non-executive director	InTouch Plc (formerly known as Shin Corporation Plc) (Thailand) - Non-executive director
Unlisted	
Singapore Consortium Investment Management Limited - Executive chairman	Dongfeng Motor Corporation (China) - Non-executive director
Allgrace Investment Management Private Limited - Executive chairman	China National Offshore Oil Corporation (China) - Non-executive director
China Huadian Corporation (China) - Non-executive director	Singbridge International Singapore Pte Ltd - Non-executive director
China Baowu Steel Group Corporation Limited - Non-executive director	
Principal Commitments	
Singapore Consortium Investment Management Limited	Executive Chairman

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (Cont'd)

Tan Mui Hong

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
-	-
Unlisted	
Singapore Consortium Investment Management Limited - Executive director	ST Asset Management Ltd - Executive director
China-Singapore Suzhou Industrial Park Development Group Co., Ltd - Non-executive director	ST Trustee Ltd - Executive director
BBSFF Rail Fund No. 1 Ltd - Non-executive director	Singapore Technologies Capital Services Pte Ltd - Executive director
BBSFF Operating Lease Ltd - Non-executive director	Kellock Fund Investments III Pte. Ltd. - Executive director
	Kellock Fund Investments Pte. Ltd. - Executive director
	Kellock Fund Investments II Pte. Ltd. - Executive director
	Kellock Europe Fund Pte. Ltd. - Executive director
	BBSFF Asset Holdings Ltd (<i>Struck-off</i>) - Non-executive director
	BBSFF Loan Portfolio & Securitisation Limited (<i>Struck-off</i>) - Non-executive director
	BBSFF Alternative Assets Ltd (<i>Struck-off</i>) - Non-executive director
	BBSFF EU Rail Lessor Limited (<i>Struck-off</i>) - Non-executive director
	GIL Aircraft Lessor No. 1 Ltd (<i>Struck-off</i>) - Non-executive director
	BBSFF Securitisation Ltd (<i>Struck-off</i>) - Non-executive director
	SkillsFuture Singapore Agency - Non-executive director
	Learning Gateway Ltd - Non-executive director
Principal Commitments	
Singapore Consortium Investment Management Limited	Executive director and Chief Executive Officer

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (Cont'd)

Ronald Seah Lim Siang

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
Managers of CDL Hospitality Trusts – M&C Business Trust Management Limited and M&C REIT Management Limited - Non-executive director	PGG Wrightson Limited - Non-executive director
Telechoice International Limited - Non-executive director	
Yanlord Land Group - Non-executive director	
Unlisted	
Nucleus Connect Pte Ltd - Chairman	
Life Health Group Ltd - Non-executive director	
Life Clinic Ltd - Non-executive director	
LifeHub Ltd - Non-executive director	
Principal Commitments	
Soft Capital SG	Sole proprietorship – Business Consultancy Services

Tan Kok Wee

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

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (Cont'd)

Abdul Jabbar Bin Karam Din

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
Chip Eng Seng Corporation Ltd - Non-executive director	
Unlisted	
Acist Asia Pte Ltd - Non-executive director	5ASR Pte. Ltd. - Non-executive director
Aghaby Operations Pte. Ltd. - Non-executive director	HP Retail Pte. Ltd. - Non-executive director
Aghaby Investments Pte. Ltd. - Non-executive director	Huakee Capital Management Pte. Ltd. - Non-executive director
Aghaby Holding Pte. Ltd. - Non-executive director	IP Holding Asia Singapore Pte. Ltd. - Non-executive director
Bracco Diagnostics Asia Pte Ltd - Non-executive director	LGB (Vietnam) Pte. Ltd. - Non-executive director
Hartford Steam Boiler (Singapore) Pte Ltd - Non-executive director	LGB Corporation Pte. Ltd. - Non-executive director
ISCA Cares Limited - Non-executive director	LGB Investments Pte. Ltd. - Non-executive director
Ivy Mobile Technologies Pte Ltd - Non-executive director	One NT Pte. Ltd. - Non-executive director
R & T Corporate Services Pte Ltd - Non-executive director	Oue Lippo Hospitals International Pte. Ltd. - Non-executive director
The Ray of Hope Initiative Limited - Non-executive director	Pirie Investments Pte. Ltd. - Non-executive director
	Temperantia Pte. Ltd. - Non-executive director
	The Toro Company (Asia) Pte. Ltd. - Non-executive director
Principal Commitments	
Rajah & Tann Singapore LLP	Partner

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (Cont'd)

Tan Wee Peng Kelvin

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
IREIT Global Group Pte Ltd - Non-executive director	Transcorp Holdings Ltd. - Non-executive director
Sabana Real Estate Investment Management Pte Ltd - Non-executive director	Shanghai Turbo Enterprises - Non-executive director
Unusual Ltd - Non-executive director	Accrelist Ltd - Non-executive director
Viking Offshore and Marine Ltd - Non-executive director	
Managers of Eagle Hospitality Trust - Eagle Hospitality Business Trust Management Pte Ltd and Eagle Hospitality REIT Management Pte Ltd - Non-executive director	
USP Group Limited - Non-executive director	
Unlisted	
ISCA Pte Ltd - Non-executive director	GBE Holdings Pte Ltd - Non-executive director
ATT(S) Limited - Non-executive director	DBE Consulting Pte Ltd - Non-executive director
YK Management Pte Ltd - Non-executive director	Asia Business Development Pte Ltd - Non-executive director
Orient Straits Fund II-D - Non-executive director	ASERO Worldwide Pte Ltd - Non-executive director
Cloud.com Pte Ltd - Non-executive director	Citistate Capital Pte Ltd - Non-executive director
	M! Capital Ventures Pte Ltd - Non-executive director
	Great Wall Majestic Pte Ltd - Non-executive director
	Marshal Systems Pte Ltd - Non-executive director
	Aperio Technology Pte Ltd - Non-executive director
	Golden Equator Capital Pte Ltd - Non-executive director
	NL Consulting Pte Ltd - Non-executive director
	GBE Investments Pte Ltd - Non-executive director
Principal Commitments	
National University of Singapore Business School	Adjunct Associate Professor
Institute of Singapore Chartered Accountants	Council member/Secretary

Shareholder Information

As at 6 March 2020

Number of Issued Shares	:	1,723,842,446
Number of Issued Shares excluding Treasury Shares	:	1,680,572,252
Class of Shares	:	Ordinary shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	256,306,749	–

DISTRIBUTION OF SHAREHOLDINGS*

Range of Holdings	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1-99	334	4.85	12,855	0.00
100 – 1,000	562	8.17	461,300	0.03
1,001 – 10,000	1,423	20.67	7,656,048	0.46
10,001 – 1,000,000	4,388	63.75	547,895,117	32.60
1,000,001 and above	176	2.56	1,124,546,932	66.91
Total	6,883	100.00	1,680,572,252	100.00

* The information in this table does not take into account the 43,270,194 shares purchased by the Company from the market held as treasury shares.

Shareholder Information

As at 6 March 2020

TOP 20 SHAREHOLDER LIST

No.	Name	Number of Shares held	Percentage (%)**
1	BOON SWAN FOO	256,306,749	15.25
2	DBS NOMINEES (PRIVATE) LIMITED	112,837,589	6.71
3	GOH SI HUI (WU SIHUI)	64,468,054	3.84
4	GOH SI KAI (WU SIKAI)	64,466,439	3.84
5	CITIBANK NOMINEES SINGAPORE PTE LTD	48,288,578	2.87
6	RAFFLES NOMINEES (PTE.) LIMITED	44,660,851	2.66
7	PHILLIP SECURITIES PTE LTD	38,764,601	2.31
8	SEE BENG LIAN JANICE	21,755,382	1.29
9	SNG KAY BOON TERENCE	18,360,211	1.09
10	OCBC SECURITIES PRIVATE LIMITED	17,907,471	1.07
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	15,094,589	0.90
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,581,552	0.87
13	ATMA SINGH S/O NAND SINGH	13,914,409	0.83
14	DB NOMINEES (SINGAPORE) PTE LTD	12,822,010	0.76
15	YIM CHEE CHONG	11,710,287	0.70
16	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,403,934	0.56
17	UOB KAY HIAN PRIVATE LIMITED	8,006,315	0.48
18	SEE YONG KIAT	7,896,772	0.47
19	HSBC (SINGAPORE) NOMINEES PTE LTD	7,574,637	0.45
20	LIM TOW GHEE	7,105,600	0.42
	Total	795,926,030	47.37

Based on information available, as at 6 March 2020, the directors and substantial Shareholder collectively hold 15.26% of the issued Shares of GIL and the balance is held by the public. Therefore, Listing Rule 723 has been complied with.

** Percentage is calculated based on 1,680,572,252 shares (excluding treasury shares of the Company).

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 fee¹	<ul style="list-style-type: none"> • 20.0% of excess Share Return over Benchmark Return after recovering any Deficit carried forward from previous periods. • Share Return is an amount computed based on AMCIF multiplied by the movement in the Share Accumulation Index (SAI) which measures the accumulated SGX-ST traded value of the Company's Shares. Any dividend payment will have an impact on the calculation of the SAI. • Benchmark Return is computed based on AMCIF multiplied by an annualised return of 8%.
Fixed fee	<ul style="list-style-type: none"> • Fixed fee of S\$0.65 million per annum. • Third party expenses reimbursed by GIL.
Acquisition fee	<ul style="list-style-type: none"> • 1.0% of: <ul style="list-style-type: none"> – Total risk capital invested by GIL in the investment; and – Percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by SICIM in relation to the acquisition (but excluding debt provided by GIL).
Divestment fee	<ul style="list-style-type: none"> • Only for assets acquired after 25 November 2009. • 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero. <p>Note: If the divestment fee payable is greater than GIL's profit after divestment, the divestment fee shall equal GIL's profit after divestment.</p>
Debt raising fee	<ul style="list-style-type: none"> • 0.5% of senior debt raised. • 0.7% of subordinated or mezzanine debt raised. <p>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.</p>
Payment of fees	<ul style="list-style-type: none"> • 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 19 of the financial statements included within this report. The details of the incentive fees are found on page 114.

Computation Of Incentive Fee

		1H 2019	2H 2019
	Number of Days in the Relevant Half Year	181	184
	ATPIF	\$0.109125	\$0.133173
	ANIF	1,723,842,446	1,723,842,446
A	AMCIF = (ATPIF * ANIF)	S\$188,114,307	S\$229,569,270
B	Average SAI in the preceeding Half Year	S\$0.2533	S\$0.3204
C	Average SAI in the Relevant Half Year	S\$0.3204	S\$0.3555
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	S\$51,950,298	S\$9,436,196
	<u>New Shares Issuance</u>		
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\$49,832,096	S\$25,149,443
	Benchmark Return for the Relevant Half Year		
	= A * D + I * J	S\$7,317,995	S\$9,081,582
	Share Return-Benchmark Return - Deficit	(S\$9,436,196)	S\$6,631,665
	Deficit Carried Forward	S\$9,436,196	–
	Manager Incentive Fee @ 20%	–	S\$1,326,333

Glossary

Term	Meaning
ABS	Asset-Backed Securities
AGM	Annual General Meeting
AMCIF	In respect of a Half Year: $ATPIF \times ANIF$
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: <ul style="list-style-type: none"> the AMCIF; multiplied by BRI. <p>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.</p>
BRI	An annualised return of 8%.
CDP	The Central Depository (Pte) Limited
CLN	Credit linked note
CLO	Collateralised Loan Obligation
Company or GIL	Global Investments Limited and, where the context requires, its wholly-owned subsidiaries.
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.
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 2017 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	<p>Net Investment Value calculated in SGD in respect of a quarter means AMC where:</p> <p>AMC is the Average Market Capitalisation in respect of the relevant quarter calculated as follows:</p> $AMC = (ATP \times AN)$ <p>where:</p> <p>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</p> <p>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.</p> <p>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.</p>
NGC	Nomination and Governance Committee
Principal Commitments	All commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active Related Corporations, those appointments should not normally be considered principal commitments.
Relevant Half Years	<p>At any time during a Half Year means the preceding Half Years during the period commencing on the most recent of:</p> <ul style="list-style-type: none"> (a) the beginning of the first half year ended 30 June 2010; (b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and (c) the commencement of the Half Year following the most recent Half Year in respect of which the incentive fee was last accrued and became payable.
RC	Remuneration Committee
Related Corporations	Related Corporations in relation to a corporation means any corporation deemed to be related to it under section 6 of the Singapore Companies Act, i.e. a corporation that is the first-mentioned corporation's holding company, subsidiary or fellow subsidiary.
RMBS	Residential Mortgage-Backed Securities
SGX-ST	Singapore Exchange Securities Trading Limited
Shares	Ordinary shares in the capital of the Company
Shareholder	Holder of the Shares in the Company
SAI	Share accumulation index is formulated by the Manager to measure the accumulated SGX-ST traded value of Shares, with the initial value assigned to such index being the closing price of the trading day following the Commencement Date (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.

Glossary

Term	Meaning
Share Return	<p>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.</p> <p>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.</p>
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.
Singapore Code	Singapore Code of Corporate Governance 2018
STAM	ST Asset Management Ltd
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.

Notice Of 2020 Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2020 Annual General Meeting of Global Investments Limited (**Company**) will be held at Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616, on Wednesday, 29 June 2020 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 2019 and the Directors' Statement and the Auditors' Report thereon. | Ordinary Resolution 1 |
| 2. | To declare a final tax exempt one-tier dividend of 0.50 Singapore cents per ordinary share for the financial year ended 31 December 2019. | Ordinary Resolution 2 |
| 3. | To note the retirement of Mr Tan Kok Wee. | |
| 4. | To elect Ms Tan Mui Hong who is retiring under Regulation 107 of the Constitution of the Company and who, being eligible, is offering herself for re-election as a Director of the Company. | Ordinary Resolution 3 |
| 5. | To re-elect Mr Boon Swan Foo who is retiring under Regulation 103 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. | Ordinary Resolution 4 |
| 6. | To approve additional Director's fees of S\$24,255.00 for the financial year ended 31 December 2019. | Ordinary Resolution 5 |
| 7. | To approve the payment of Directors' fees of up to S\$380,200.00 for the financial year ending 31 December 2020 (2019: S\$365,620.00). | Ordinary Resolution 6 |
| 8. | To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 7 |

SPECIAL BUSINESS

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

Proposed Share Issue Mandate

- | | | |
|----|---|------------------------------|
| 9. | That, pursuant to Section 161 of the Companies Act, Chapter 50 (Companies Act), and the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:- | Ordinary Resolution 8 |
| | (a) issue shares in the capital of the Company (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; and/or | |
| | (c) (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, | |

Notice Of 2020 Annual General Meeting

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 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;
- (b) for the purpose of determining the aggregate number of shares that may be issued under this paragraph, 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 of this Resolution is passed, after adjusting for:
 - (i) New shares arising from the conversion or exercise of any convertible securities outstanding;
 - (ii) New shares arising from the conversion or exercise of convertible securities or employee share options on issue as at the time this Resolution is passed; and
 - (iii) Any subsequent 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 general meeting, such authority shall continue in force until the conclusion of the next annual general meeting (**AGM**) of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

Proposed Renewal of the Share Buyback Mandate

Ordinary
Resolution 9

10. That:

- (a) 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:-
 - (i) on-market purchase(s) transacted on the SGX-ST through the ready market of the SGX-ST and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) 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 may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual,

on the terms set out in the Addendum to this Notice of AGM, be authorised and approved generally and unconditionally (**Share Buyback Mandate**);

Notice Of 2020 Annual General Meeting

- (b) 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 earlier of:-
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which Share Buyback Mandate has been carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied,
- whichever is the earliest.

- (c) 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 (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not be more than:-

- (i) in the case of an on-market purchase(s) of a share, 5% above the average of the closing market prices of the shares over the last five 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-day period; and
 - (ii) in the case of an off-market purchase(s) of a share, 20% above the average of the closing market prices of the shares over the last five 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-day period; and
- (d) the Directors of the Company and each of them be and is 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

**Ordinary
Resolution 10**

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

- (a) 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

Notice Of 2020 Annual General Meeting

- (b) 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.

12. To transact any other business that may be transacted at an annual general meeting.

By Order of the Board

GLOBAL INVESTMENTS LIMITED

Lin Moi Heyang
Company Secretary
2 April 2020

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be lodged at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 at least 72 hours before the time set for the holding of the AGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the AGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

EXPLANATORY NOTES:

AGENDA ITEM 3:

Mr Tan Kok Wee will retire from office without seeking re-election. Accordingly, Mr Tan Kok Wee will relinquish his position as the Chairman of Audit and Risk Management Committee and a member of the Nomination and Governance Committee.

ORDINARY RESOLUTION 3:

The key information of Ms Tan Mui Hong can be found in Additional Information On Directors Seeking Re-election.

ORDINARY RESOLUTION 4:

The key information of Mr Boon Swan Foo can be found in Additional Information On Directors Seeking Re-election.

ORDINARY RESOLUTION 5:

The director fees approved during the Annual General Meeting on 25 April 2019 had not included the director fees of Ms Tan Mui Hong who was appointed on 1 July 2019.

Notice Of 2020 Annual General Meeting

ORDINARY RESOLUTION 8:

The ordinary resolution 8 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 percent 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 percent 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 of the Company.

If ordinary 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.

ORDINARY RESOLUTION 9:

The ordinary resolution 9 above is to authorise the Directors from the date of the AGM until the date of the next AGM, or the date by which the next AGM of the Company is required by law to be held or the date on which such authority is revoked or varied by the Shareholders in a general meeting, whichever is the earliest, to purchase up to 10 per cent (10%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings). Information relating to this proposed ordinary resolution 9 is set out in the Addendum to this Notice of AGM.

ORDINARY RESOLUTION 10:

The ordinary resolution 10, 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.

PERSONAL DATA PRIVACY

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

Measures to Minimise Risk of COVID-19

In view of the evolving COVID-19 situation, the following measures will be taken to minimise the risk of community spread of COVID-19:

1. All persons attending the AGM will be required to undergo a temperature check and sign a health declaration form (which may be used for the purpose of contact tracing, if required).
2. Any person with travel history to the list of countries/regions with severe outbreak of COVID-19 as declared by the Ministry of Health will be declined entry to the AGM.
3. Any person who has a fever or is exhibiting respiratory symptoms will be declined entry to the AGM.

Shareholders who are feeling unwell on the date of the AGM are advised not to attend the AGM. Shareholders are also advised to arrive at the AGM venue earlier to avoid delay in the registration process.

We reserve the right to take further precautionary measures at the AGM as may be required or recommended by the government agencies.

We seek the understanding and cooperation from all Shareholders to minimise the risk of community spread of COVID-19.

Additional Information On Directors Seeking Re-Election

Ms Tan Mui Hong, and Mr Boon Swan Foo (collectively, the **Retiring Directors**) are the Directors seeking re-election/ election at the forthcoming annual general meeting of the Company on 29 June 2020 (**AGM**).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	Tan Mui Hong	Boon Swan Foo
Date of Appointment	1 July 2019	20 December 2011
Date of last re-appointment	–	27 April 2017
Age	62	64
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the recommendation of the Nomination and 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.	The Board has considered the recommendation of the Nomination and Governance Committee and unanimously agreed that Mr Boon's experience and leadership was essential to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive Director, non-independent Director	Non-executive, non-independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Member of the Audit and Risk Management Committee	Chairman of Board
Professional qualifications	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Fellow of Chartered Association of Certified Accountant (UK)-ACCA. Masters of Business Administration from National University of Singapore

Additional Information On Directors Seeking Re-Election

	Tan Mui Hong	Boon Swan Foo
Working experience and occupation(s) during the past 10 years	<p>From May 2002 to June 2019, Ms Tan was the President and Chief Executive Officer of ST Asset Management Ltd (STAM) and Chairman of STAM's Investment Committee. Concurrently, Ms Tan was also the Executive Director of ST Trustees Ltd (established in 2005, holding a trust business licence from Monetary Authority of Singapore) which offers fiduciary trust services.</p> <p>Ms Tan is currently the Executive Director and Chief Executive Officer of Singapore Consortium Investment Management Limited.</p>	<p>Mr Boon was the Chairman of STAM from April 2010 to December 2011.</p> <p>Mr Boon was the Chief Executive Officer of Allgrace Investment Management Pte Ltd (October 2011 to Dec 2015) and Singapore Consortium Investment Management Limited (December 2015 to June 2019).</p>
Shareholding interest in the listed issuer and its subsidiaries	No	256,306,749 ordinary shares of GIL
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	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships for the last 5 years	See page 107	See page 106
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	Yes, Ms Tan was the Manager Nominated Director of Global Investments Limited from 30 April 2010 to 5 November 2013.	Yes, see page 106.

The Directors had responded negative to items (a) to (k) in Appendix 7.4.1 of the Listing Manual of the SGX-ST.

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 and Non-Executive Director)
Mr Ronald Seah Lim Siang (Lead Independent Director)
Mr Tan Kok Wee (Independent Director)
Mr Abdul Jabbar Bin Karam Din (Independent Director)
Mr Tan Wee Peng Kelvin (Independent Director)
Ms Tan Mui Hong (Non-independent Director)

Registered Office:

51 Cuppage Road #10-04
Singapore 229469

2 April 2020

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 8 set out in the Notice of Annual General Meeting dated 2 April 2020 (**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 the 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 of Singapore (Chapter 50), as amended or modified from time to time (**Singapore Companies Act**), and such other laws and regulations as may for the time being be applicable.
- 1.3 The Singapore Exchange Securities Trading Limited (**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 Global Investments Limited (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.

Addendum

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 (**SGM**) held on 5 December 2011 and subsequently the Shareholders have approved the renewal of the mandate every year.

At the AGM held on 25 April 2019 (**2019 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 2019 AGM dated 28 March 2019.

The 2019 Share Buyback Mandate was expressed to take effect on the date of the 2019 AGM and will expire on the conclusion of the forthcoming 2020 Annual General Meeting (**2020 AGM**). Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the 2020 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 the Company with greater flexibility in managing its capital and maximising returns to its Shareholders;
- (b) 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
- (c) 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 2020 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 2020 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 Singapore Companies Act, at any time during the period commencing from the date of the 2020 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.

Addendum

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 Singapore 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 Singapore Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Singapore Companies Act and the Constitution, as they consider fit 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 containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;

Addendum

- (c) the reasons for the proposed share buy-back;
- (d) the consequences, if any, of share buy-backs 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 Singapore 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 Singapore 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.

Addendum

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 Singapore 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 Singapore 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 Singapore 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, whether for employees, Directors or 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 purchase 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.

Addendum

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 Singapore 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 16 March 2020 (the Latest Practicable Date), the Company holds 50,722,394 treasury shares and there are no subsidiary holdings.

As at the Latest Practicable Date, the issued capital of the Company comprised 1,673,120,052 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 1,673,120,052 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 2020 AGM, not more than 167,312,005 Shares (representing 10% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date and disregarding the 50,722,394 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 2019 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.

Addendum

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\$0.137, 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 167,312,005 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$22,921,745. 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 2019 is as follows:-

As at 31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	320,898	297,976	320,898	297,976
Treasury Shares (S\$'000)	(4,203)	(27,125)	(4,203)	(27,125)
NAV (S\$'000)	320,898	297,976	320,898	297,976
Current Assets (S\$'000)	124,984	102,062	124,984	102,062
Current Liabilities (S\$'000)	2,765	2,765	2,765	2,765
Cash & Cash Equivalents (S\$'000)	40,945	18,023	40,945	18,023
Net Profit (S\$'000)	19,747	19,747	19,747	19,747
Number of Shares, excluding Treasury Shares ('000)	1,693,529	1,526,217	1,693,529	1,526,217
Financial Ratios				
NAV per Share (Cents per Share)	18.95	19.52	18.95	19.52
Basic EPS (Cents per Share)	1.16	1.29	1.16	1.29

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.157, 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 167,312,005 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$26,267,985. 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 2019 is as follows:-

Addendum

As at 31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	320,898	294,630	320,898	294,630
Treasury Shares (S\$'000)	(4,203)	(30,471)	(4,203)	(30,471)
NAV (S\$'000)	320,898	294,630	320,898	294,630
Current Assets (S\$'000)	124,984	98,716	124,984	98,716
Current Liabilities (S\$'000)	2,765	2,765	2,765	2,765
Cash & Cash Equivalents (S\$'000)	40,945	14,677	40,945	14,677
Net Profit (S\$'000)	19,747	19,747	19,747	19,747
Number of Shares, excluding Treasury Shares ('000)	1,693,529	1,526,217	1,693,529	1,526,217
Financial Ratios				
NAV per Share (Cents per Share)	18.95	19.30	18.95	19.30
Basic EPS (Cents per Share)	1.16	1.29	1.16	1.29

2.8.2 Purchases made entirely out of capital and cancelled

Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.137, 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 167,312,005 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$22,921,745. 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 2019 is as follows:-

As at 31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	320,898	297,976	320,898	297,976
Treasury shares (S\$'000)	(4,203)	(4,203)	(4,203)	(4,203)
NAV (S\$'000)	320,898	297,976	320,898	297,976
Current Assets (S\$'000)	124,984	102,062	124,984	102,062
Current Liabilities (S\$'000)	2,765	2,765	2,765	2,765
Cash & Cash Equivalents (S\$'000)	40,945	18,023	40,945	18,023
Net Profit (S\$'000)	19,747	19,747	19,747	19,747
Number of Shares, excluding Treasury Shares ('000)	1,693,529	1,526,217	1,693,529	1,526,217
Financial Ratios				
NAV per Share (Cents per Share)	18.95	19.52	18.95	19.52
Basic EPS (Cents per Share)	1.16	1.29	1.16	1.29

Addendum

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.157, 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 167,312,005 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$26,267,985. 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 2019 is as follows:-

As at 31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	320,898	294,630	294,630	320,898
Treasury shares (S\$'000)	(4,203)	(4,203)	(4,203)	(4,203)
NAV (S\$'000)	320,898	294,630	320,898	294,630
Current Assets (S\$'000)	124,984	98,716	124,984	98,716
Current Liabilities (S\$'000)	2,765	2,765	2,765	2,765
Cash & Cash Equivalents (S\$'000)	40,945	14,677	40,945	14,677
Net Profit (S\$'000)	19,747	19,747	19,747	19,747
Number of Shares, excluding Treasury Shares ('000)	1,693,529	1,526,217	1,693,529	1,526,217
Financial Ratios				
NAV per Share (Cents per Share)	18.95	19.30	18.95	19.30
Basic EPS (Cents per Share)	1.16	1.29	1.16	1.29

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 2019, 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 Singapore 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.

Addendum

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 two weeks and one month immediately preceding the announcement of the Company’s quarterly financial statements and the annual (full-year) results respectively.

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 84.68% 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 82.97% 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 individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, 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;

Addendum

- (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 their 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 of 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 Industry Council of Singapore (SIC) and/or their professional advisers at the earliest opportunity.

Addendum

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:-

Name	Total Interest (Direct and Indirect)			
	Before the Share Buyback ^[1]	%	After the Share Buyback ^[2]	%
Directors				
Boon Swan Foo	256,306,749	15.319	256,306,749	17.021
Ronald Seah Lim Siang	67,000	0.004	67,000	0.004
Tan Kok Wee	–	–	–	–
Abdul Jabbar Bin Karam Din	–	–	–	–
Tan Wee Peng Kelvin	–	–	–	–
Tan Mui Hong	–	–	–	–
Substantial Shareholder(s)				
Boon Swan Foo	256,306,749	15.319	256,306,749	17.021

Note(s):

^[1] Based on the total number of 1,673,120,052 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

^[2] Based on the total number of 1,505,808,047 issued Shares (excluding treasury shares), assuming that the Company purchases the maximum number of 167,312,005 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 167,312,005 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 256,306,749 Shares representing approximately 15.319% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date and representing approximately 17.021% of the total number of issued Shares (excluding treasury shares) assuming that the Company purchases and cancels the maximum number of 167,312,005 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.

Addendum

2.11 Share purchases in the previous 12 months

The Company had bought back 104,380,500 Shares at a total consideration of S\$14,192,399 in the last 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were S\$0.14300 and S\$0.12513 respectively.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors and Substantial Shareholder(s)

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:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Boon Swan Foo	256,306,749	15.319	–	–
Ronald Seah Lim Siang	67,000	0.004	–	–
Tan Kok Wee	–	–	–	–
Abdul Jabbar Bin Karam Din	–	–	–	–
Tan Wee Peng Kelvin	–	–	–	–
Tan Mui Hong	–	–	–	–
Substantial Shareholder(s) (5% or more)				
Boon Swan Foo	256,306,749	15.319	–	–

Notes:

⁽¹⁾ Based on the total number of 1,673,120,052 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 9 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.

Addendum

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the Company's registered office at 51 Cuppage Road, #10-04, Singapore 229469, from the date of this Addendum to the date of the AGM:

- (a) the Constitution; and
- (b) the 2019 annual report of the Company

Yours faithfully
For and on behalf of
Global Investments Limited

Boon Swan Foo
Chairman

**ANNUAL GENERAL MEETING
PROXY FORM**

GLOBAL INVESTMENTS LIMITED

Registered in Singapore
(Co Reg No. 201900747E)

IMPORTANT

1. Relevant intermediaries as defined in Section 181(1C) of the Companies Act, Chapter 50 of Singapore (Act) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For SRS investors who have used their SRS monies to buy GIL shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors who hold GIL shares through SRS Operators should contact their respective SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 2 April 2020.

I/We _____ (Name)

_____ (NRIC/Passport Number/Company Registration Number)

of _____ (Address)

being a member/members of Global Investments Limited (**Company** or **GIL**), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and / or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing the person, or either or both the persons, referred to above, the Chairman of the Annual General Meeting of the Company (**AGM**), as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf, at the AGM to be held at **Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616 on Wednesday, 29 June 2020 at 10.00 a.m.**, and at any adjournment thereof:

I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.

Voting will be conducted by poll.

ORDINARY BUSINESS

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 and the Directors' Statement and Auditors' Report thereon.			
2.	To declare a final tax exempt one-tier dividend of 0.50 Singapore cents per ordinary share.			
3.	To elect Ms Tan Mui Hong as a Director.			
4.	To re-elect Mr Boon Swan Foo as a Director.			
5.	To approve additional Director's fees of S\$24,255.00 for the financial year ended 31 December 2019.			
6.	To approve Directors' fees of up to S\$380,200.00 for the financial year ending 31 December 2020.			
7.	To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.			

SPECIAL BUSINESS

No.	Ordinary Resolutions	For	Against	Abstain
8.	To approve the proposed Share Issue Mandate.			
9.	To approve the proposed renewal of the Share Buyback Mandate.			
10.	To authorise the Directors to issue shares pursuant to the Scrip Dividend Scheme.			

Please note: If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not to be counted in computing the required majority on a poll. If you wish to exercise all your votes For or Against, please indicate an "X". Alternatively, please indicate the number of votes For or Against each resolution.

Dated this _____ day of _____ 2020.

Total Number of Shares held

Signature (s) of Member(s) or Common Seal

Important: Please read notes on the reverse side.



Notes:

1. a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
 - b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
- "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
2. A proxy need not be a member of the Company.
 3. The proxy form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its seal or signed by its attorney or officer duly authorised.
 4. A corporation which is a member may also authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
 5. The proxy form (together with the power attorney or other authority, if any, under which it is signed or a notarially certified copy (thereafter) must be deposited at the office of the Company's share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than seventy-two (72) hours before the time appointed for holding the AGM or the adjournment thereof, as applicable.
 6. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert the number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all shares held by the member.
 7. The Company shall be entitled to reject the proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
 8. It is the appointor(s)' responsibility to ensure that this proxy form is properly completed. Any decision to reject this proxy form on the grounds that it is incomplete, improperly completed or illegible will be final and binding and neither the Company, CDP nor Boardroom Corporate & Advisory Services Pte Ltd. accepts any responsibility for the consequences of such a decision.
 9. An investor who buys shares using SRS monies (**SRS Investor**) (as may be applicable) may attend and cast his vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.

Please affix
postage
stamp

Global Investments Limited

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623

CORPORATE INFORMATION

BOARD OF DIRECTORS

Boon Swan Foo (Chairman)
Ronald Seah Lim Siang (Lead Independent Director)
Tan Kok Wee
Tan Mui Hong
Abdul Jabbar Bin Karam Din
Tan Wee Peng Kelvin

NOMINATION AND GOVERNANCE COMMITTEE

Abdul Jabbar Bin Karam Din (Chairman)
Ronald Seah Lim Siang
Tan Kok Wee

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Kok Wee (Chairman)
Tan Mui Hong
Tan Wee Peng Kelvin

REMUNERATION COMMITTEE

Ronald Seah Lim Siang (Chairman)
Abdul Jabbar Bin Karam Din
Tan Wee Peng Kelvin

COMPANY SECRETARY

Lin Moi Heyang
Tang Pei Chan

ASSISTANT SECRETARY

Wong Yen Sim

REGISTERED OFFICE

51 Cuppage Road, #10-04
Singapore 229469

COMPANY REGISTRATION NUMBER

201900747E

SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6438 8710

AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Telephone: +65 6535 7777

Facsimile: +65 6532 7662

Audit Partner: Adrian Koh

Date of Appointment: 29 April 2016

THE MANAGER & FUND ADMINISTRATOR

Singapore Consortium Investment Management Limited
51 Cuppage Road, #10-04
Singapore 229469

Telephone: +65 6908 4477

Facsimile: +65 6908 4478

Email: contact@sicim.com.sg

Website: www.sicim.com.sg

INVESTOR RELATIONS

Telephone: +65 6908 4477

Facsimile: +65 6908 4478

Email: ir@globalinvestmentslimited.com

Website: www.globalinvestmentslimited.com

Global Investments Limited

Managed by

Singapore Consortium Investment Management Limited

51 Cuppage Road, #10-04

Singapore 229469

ir@globalinvestmentslimited.com

www.globalinvestmentslimited.com