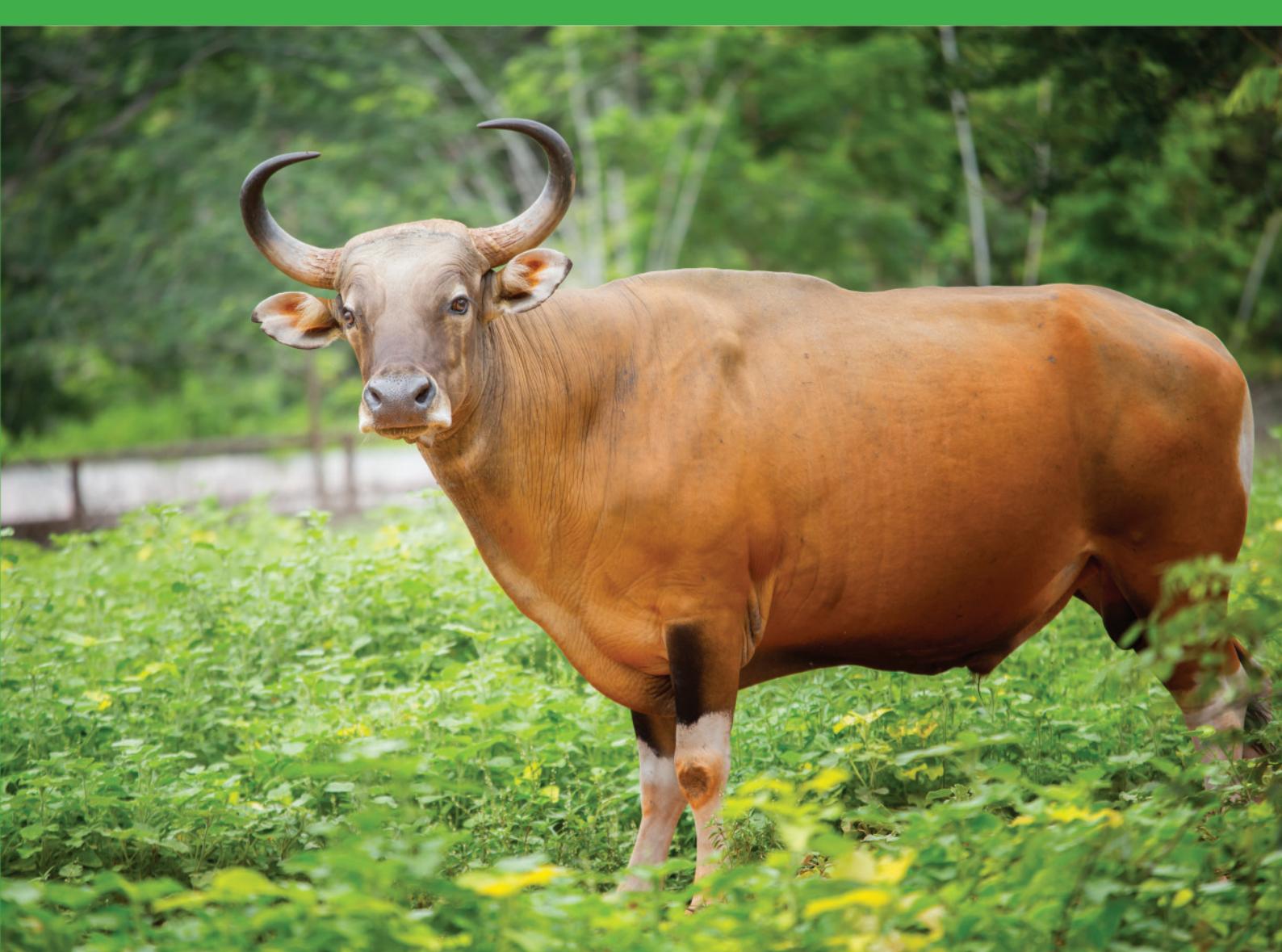




GLOBAL INVESTMENTS LIMITED



**DELIVERING  
RETURNS  
CONSISTENTLY**

Annual Report 2020

## **OUR VISION**

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

## **OUR MISSION**

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

### **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.

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## 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.

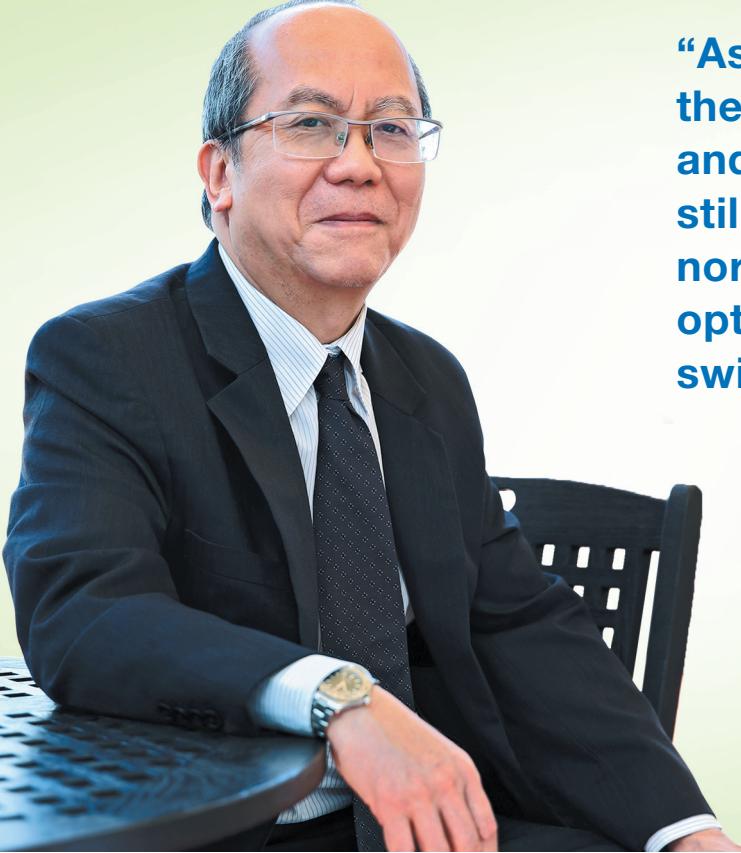
### **ACQUISITION GROWTH STRATEGY**

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



**"As countries emerge from their respective lockdowns and societies adapted and still adjusting to a new normal, a sense of relief and optimism prevail as the world switched gear in 2021."**

**BOON SWAN FOO**  
*Chairman*

### 2020 MARKET REVIEW

2020 will be remembered as a pandemic ravaged year that brought immense suffering to humanity. For investors, it was a volatile year that saw extreme fluctuations across asset classes.

The equity markets started the year in a buoyant mood and paid little attention to early reports of the coronavirus in China. Equity indexes continued to rise for the first two months of 2020. However, as the virus spread throughout the world and the World Health Organization (WHO) declared it as a pandemic in March 2020, market sentiment nosedived. The seriousness and severity of the pending health crisis dawned on the markets as countries closed borders and went into lockdown.

The US S&P 500 Index fell 33% from February to March as investors fled the market. Subsequent lockdowns across the world triggered the deepest recession since World War II. For a brief moment, oil price plunged into negative territory, a phenomenal unheard of in history as world economies came to a standstill.

In response, world leaders acted quickly and forcefully to roll out emergency stimulus packages, providing critical liquidity and financial support for individuals and businesses. In the US, the Federal Reserve (Fed) cut rates from the 1.5%-1.75% range to near-zero in March, undoing prior years of rate hikes in two policy meetings.

As intense as the plunge was, the equity meltdown in March marked the beginning of what would turn out to be a V-shape rebound. Supported by low interest rates and record amount of liquidity, equity indexes rebounded from the March low and recovered all their losses by 3<sup>rd</sup> quarter 2020. Towards the end of 2020, the much-awaited approval of vaccines spurred investor sentiment even further and catapulted US equities to record highs by the end of the year.

## CHAIRMAN'S STATEMENT

### 2021 INVESTMENT OUTLOOK

As countries emerged from their respective lockdowns and societies adapted and still adjusting to a new normal, a sense of relief and optimism prevails as the world switched gear in 2021.

Many consider the global economy in 2020 a write-off, with the International Monetary Fund (IMF) projecting global GDP contracted 3.5% in 2020. In 2021, it is projecting a rebound of 5.5%.

Taking a broad sweep across the world, the US economy contracted 3.5% in 2020 and IMF is projecting 5.1% growth in 2021. The unemployment rate slid from 11% in June to 6.7% in December 2020. Weekly jobless claims at end of January 2021 fell to a 2-month low and the number of individuals receiving benefits dropped sharply. Consumer confidence index also rebounded strongly from the low point last April. Although there is still some way to go before the US economy returns to pre-pandemic levels, we are hopeful that President Biden's rescue plan would accelerate the recovery process.

In Europe, EU leaders were quick to coordinate an expanded €1,850 billion pandemic emergency purchase program (PEPP). After pre-maturely declaring victory against the virus, a resurgence forced many European countries back into lockdowns. Many European nations are expecting lockdowns to last through the 1<sup>st</sup> quarter of 2021. Furthermore, delayed vaccine rollout may hamper recovery efforts.

On the positive side, unemployment rate in Europe has not worsened significantly since the start of the pandemic, owing to the swift implementation of the stimulus packages and the job retention schemes. Pent-up consumer demand and accumulated excess savings could provide a strong boost to consumption once restrictions ease. All things considered, Europe's recovery ultimately hinges on its ability to execute mass-vaccinations across the diverse bloc.

The Chinese economy grew by 2.3% last year and was the only major economy to expand last year. Despite the country's lockdown, domestic consumption demonstrated remarkable resilience. Chinese consumers, for example, pushed online retail sales to 10.9% growth as they pivoted to the virtual economy whereas overall retail sales contracted. With the pandemic under control in the 2<sup>nd</sup> half of 2020, all engines of the Chinese economy fired up as the country shifted into growth mode. Most indicators such as industrial output, fixed asset investments, car sales and domestic tourism pointed to China moving past the worst of the pandemic.

The upbeat developments nonetheless belied the challenges confronting the Chinese government. The trade war and Trump's plan to dismantle Chinese firms required immediate attention. At the 2020 Central Economic Work Conference last December, the Chinese government made supply chain independence and development of a domestic-focused economy the key priorities in coming years.

It introduced the Dual Circulation Strategy (DCS) which will form the backbone of the 14th Five Year Plan (2021-2025) to be unveiled sometime in March 2021. It will place a greater emphasis on Domestic Circulation or the domestic economy as the main growth engine but will not abandon the International Circulation or the external market altogether. The DCS is essentially a hedging strategy from China in light of what they perceive to be a more adversarial and hostile US and global environment. This would mark the beginning of a multi-decade transformation of China's economy. If successful, China would emerge as a stronger and more resilient economy.

We bear in mind key risk factors as we navigate the new year:

- The current inequitable distribution of vaccines between rich and poor countries risks prolonging the global pandemic. While the market has high hopes for major economies to be immunised by the middle of this year, some poor nations remained shut out of the vaccination program. In the extreme scenario, the world risks backsliding into another global downturn unless poor nations are equally protected from the virus.
- In geopolitics, risks remain that the US-China relation could turn for the worse even under the new Biden Administration. The US demonstrated its willingness to push China's red lines, while China has grown more assertive since President Biden took office. Any missteps by either side could cause the strained relation to spiral out of control.
- North Korea continues to be a flashpoint as the country descended into economic distress brought on by the pandemic and natural disasters. In the Middle East, Iran/US tension escalated following the assassination of a key Iranian nuclear scientist and Iran's resumption of its nuclear enrichment program.
- In Europe, uncertainties remain over the execution of post-Brexit UK-EU trade deal, particularly in a year of leadership transition as Germany heads for elections in the fall of 2021.
- Finally, the extremely stretched market valuations present a risk. In an environment where assets are priced on the basis of improving growth and earnings with little room for disappointment, the mere thought of moderating earnings, policy tightening, or tapering due to inflation concerns could trigger sharp corrections.

# CHAIRMAN'S STATEMENT

## 2020 PERFORMANCE

GIL's net profit after tax for FY2020 was S\$14.3 million as compared to S\$19.7 million recorded in the previous year. Net asset value (NAV) was S\$311.9 million in FY2020. After adjusting for dividends and treasury shares in FY2020, NAV per share increased 7.1%. Based on closing share price of 14.2 Singapore cents on 31 December 2020, the full year dividend paid in FY2020 of 0.9 Singapore cents per share represented an annual dividend yield of 6.3%.

As with previous years, we applied the Scrip Dividend Scheme to dividend distribution during FY2020. We are pleased that approximately 59.4% of the FY2019 final dividend and 62.8% of the total FY2020 interim dividend were distributed as scrip dividend.

## CORPORATE DEVELOPMENT

In 2020, GIL has once again been placed on the SGX Fast Track scheme. The 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.

Pursuant to the amendments to Rule 705(2) of the Listing Manual of SGX, we announced half yearly financial results on 12 August 2020. Additionally, we announced the NAV as at the end of the first and third quarter of 2020.

## BOARD MATTERS

As part of our Board renewal process, we welcomed Mr Lay Charlie Nhuc Hiang to our Board on 26 June 2020. Mr Lay is an economist of an international investment bank who understands the investment business well. We believe the appointment of Mr Lay, with his expertise and as a first-time director of listed company will bring a fresh perspective and greater diversity to the Board.

Mr Tan Wee Peng Kelvin has decided not to put himself forward as a director and will step down from the Board at the 2021 Annual General Meeting (AGM) to make way for election of new directors as part of the board renewal process. We thank him for his contribution and wish him all the best.

In compliance with the Corporate Governance Code 2018, Mr Ronald Seah Lim Siang, who has been with us for more than 10 years, will step down from the Board by end of 2021. He has served diligently in the capacity of Lead Independent Director, Chairman of the Audit and Risk Management Committee and as a member of our Nomination and Governance Committee and has contributed tremendously to our Board. I would like to thank him for his dedication and contribution to the Company and wish him all the best.

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.

Boon Swan Foo  
*Chairman*  
**Global Investments Limited**  
5 March 2021

## FINANCIAL HIGHLIGHTS

Net Profit After Tax  
**S\$14.3**  
Million

Total Income  
**S\$18.8**  
Million

Earnings Per Share  
**0.87**  
Singapore Cents

Return On Equity  
**4.5%**

Dividend Paid  
**S\$14.6**  
Million

Dividend Yield  
**6.3%**

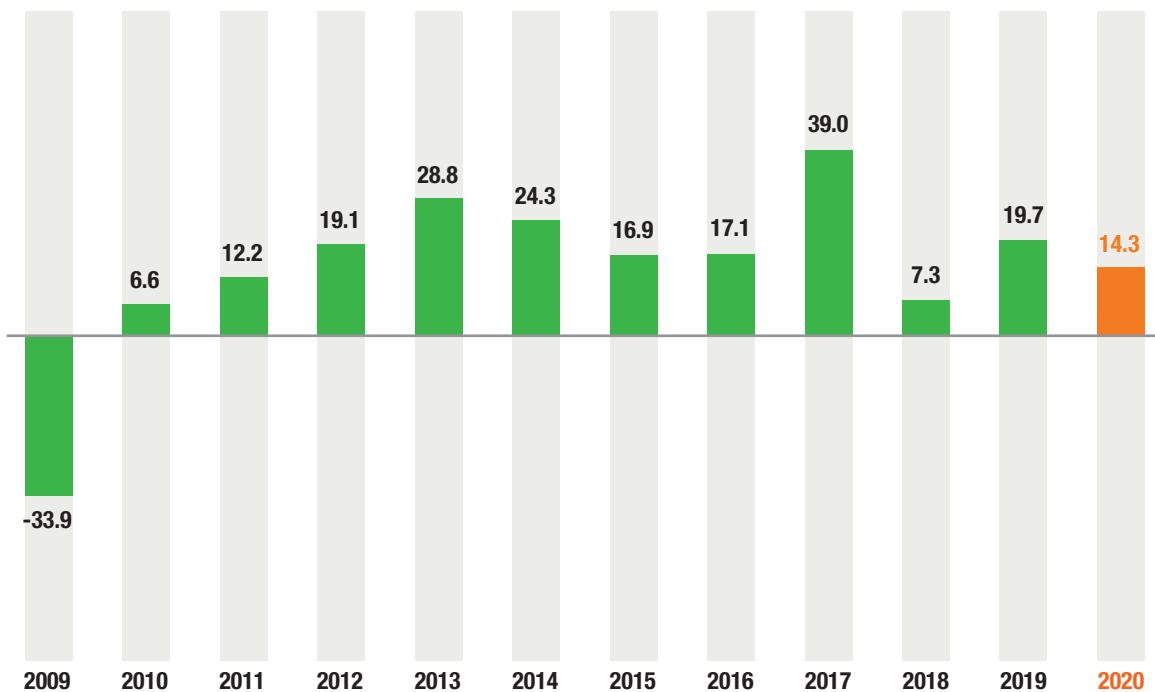
Net Asset Value (NAV)  
**S\$311.9**  
Million

Dividend Paid Per Share  
**0.90**  
Singapore Cents

## FINANCIAL HIGHLIGHTS

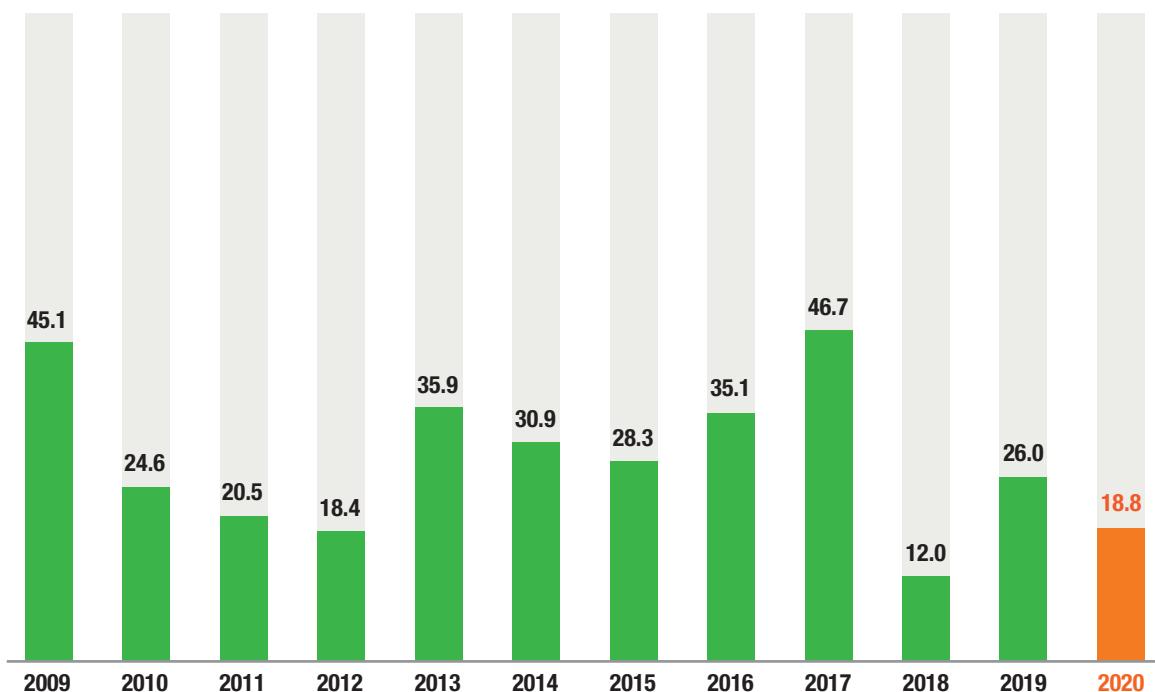
**Net Profit After Tax**

(S\$ million)



**Total Income**

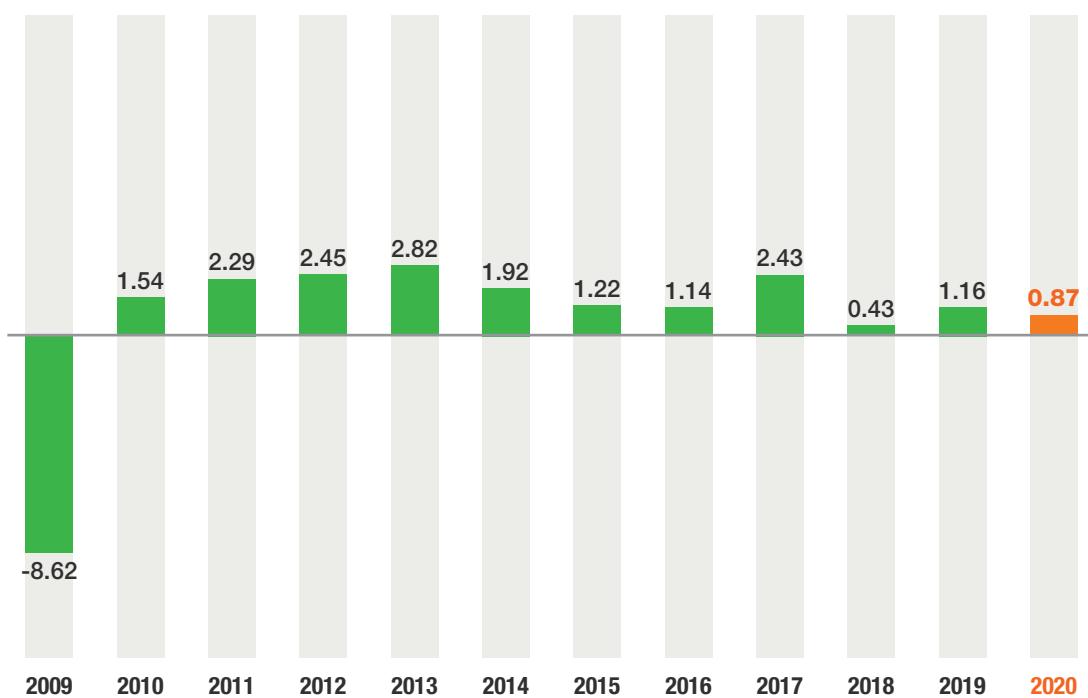
(S\$ million)



## FINANCIAL HIGHLIGHTS

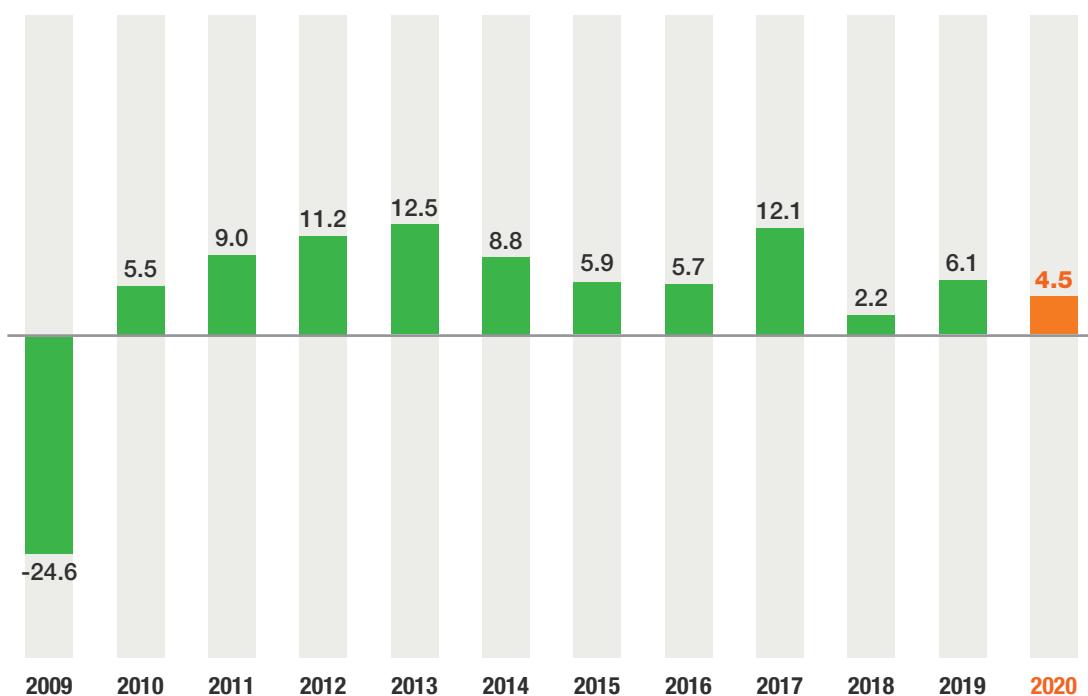
### Earnings Per Share

(Singapore cents)

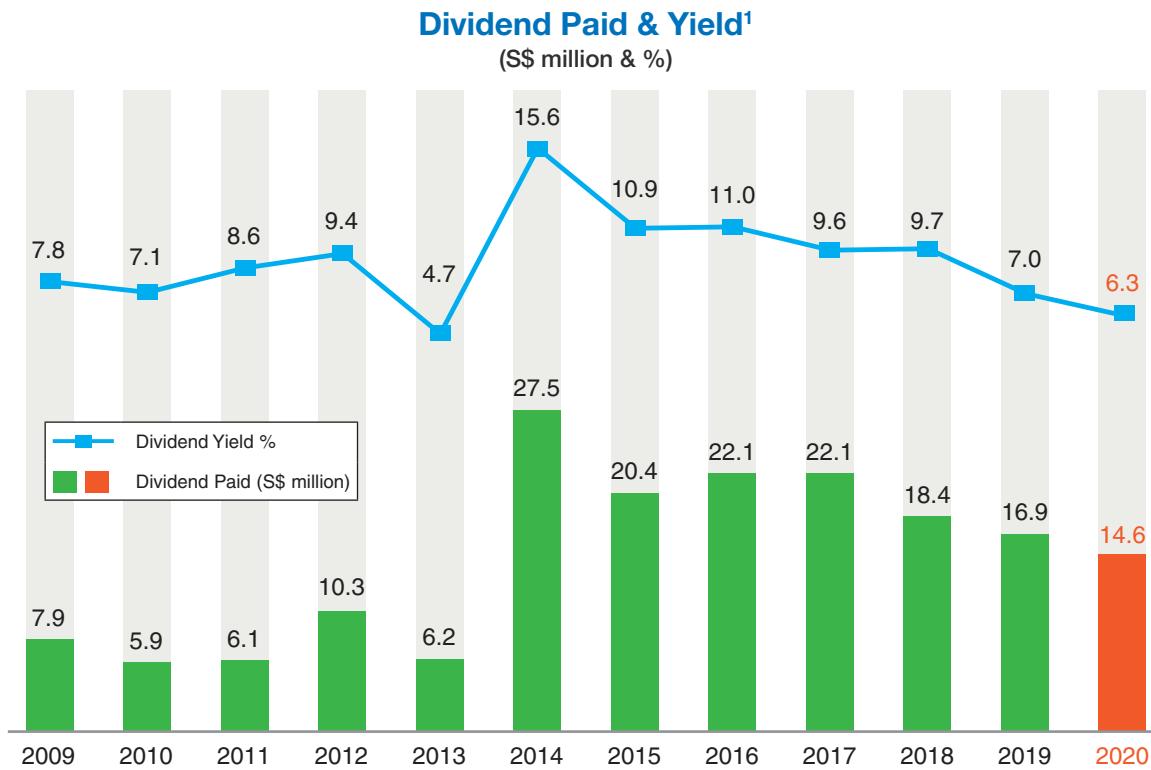


### Return On Equity

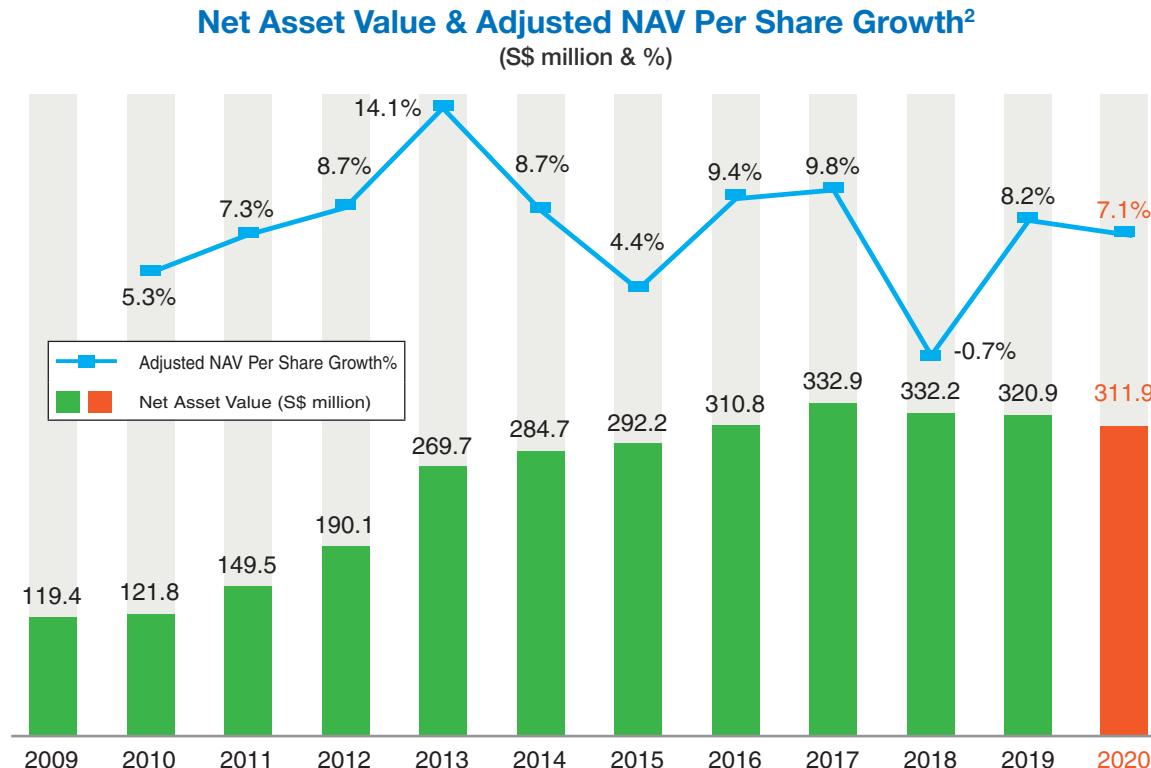
(%)



## FINANCIAL HIGHLIGHTS



<sup>1</sup> 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.



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

## 2020 AT A GLANCE

### AWARDS AND ACCOLADES

- GIL will remain on the SGX Fast Track until the next review in 2021. 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.
- GIL's Singapore Governance and Transparency Index (SGTI) 2020 ranking was 20th out of 577 listed companies. GIL's base SGTI score was 81 points and was given a bonus score of 24 points. The Company achieved an overall SGTI score of 105 points compared to last year's 106 points.

### 2020 DIVIDENDS

- Interim dividend for FY2020 of 0.40 Singapore cents per share was paid on 7 October 2020.
- The Scrip Dividend Scheme was applied to the interim dividend payment and approximately 62.8% of the total interim dividend amount was issued as new shares under the scheme. The Company transferred 30,970,355 treasury shares for the allotment of shares at an issue price of 13.30 Singapore cents per share.
- For the final dividend of 2020, the Directors have recommended a payout of 0.40 Singapore cents per share. This payment is subject to approval of shareholders at the Annual General Meeting.
- 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 2020, the full year dividend paid of 0.90 Singapore cents per share represented an annual dividend yield of 6.3%.

### RETIREMENT OF DIRECTORS

- Mr Tan Kok Wee who had served on the Board for more than 9 years, retired from the Board at the 2020 AGM.

### APPOINTMENT OF NEW DIRECTOR

- Mr Lay Charlie Nhuc Hiang was appointed as a Non-executive and Independent Director and the Chairman of Remuneration Committee on 26 June 2020.

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

- Mr Ronald Seah Lim Siang was appointed as the Chairman of the Audit and Risk Management Committee on 26 June 2020 and relinquished his position as the Chairman of Remuneration Committee.
- Mr Boon Swan Foo was appointed as a member of the Nomination and Governance Committee on 26 June 2020.

### TAX RESIDENT OF SINGAPORE FOR 2020

- Dividend payments by the Company for FY2020 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 2020 S\$'000	Group for the year ended 31 December 2019 S\$'000
<b>INCOME</b>		
Dividend income	1,599	1,664
Interest income	14,924	14,396
Net foreign exchange gain	1,577	–
Net gain on financial assets at fair value through profit or loss	666	9,896
<b>Total Income</b>	<b>18,766</b>	<b>25,956</b>
<b>EXPENSES</b>		
Management fees	(2,320)	(2,333)
Incentive fees	–	(1,326)
Net foreign exchange loss	–	(426)
Other operating expenses	(2,007)	(2,020)
<b>Total expenses</b>	<b>(4,327)</b>	<b>(6,105)</b>
<b>Profit before tax</b>	<b>14,439</b>	<b>19,851</b>
Income tax expense	(120)	(104)
<b>Profit after tax</b>	<b>14,319</b>	<b>19,747</b>
<b>Total comprehensive income for the year attributable to shareholders</b>	<b>14,319</b>	<b>19,747</b>
Basic earnings per share (cents per share)	0.87	1.16
Diluted earnings per share (cents per share)	0.87	1.16

For the year ended 31 December 2020, the Company and its subsidiaries (the Group) reported a net profit after tax of S\$14.3 million as compared to S\$19.7 million recorded last year.

#### INCOME

The Group reported an income of S\$18.8 million for the year, 27.7% lower than the S\$26.0 million recorded last year. The lower income was mainly contributed by a lower net fair value gain on financial assets at fair value through profit or loss of S\$0.7 million versus S\$9.9 million last year. The Group also recorded a net foreign exchange gain of S\$1.6 million during the year as compared to a loss of S\$0.4 million last year.

#### EXPENSES

Expenses for the current year was lower at S\$4.3 million as compared to S\$6.1 million recorded last year. This was mainly due to the absence of incentive fee of S\$1.3 million and a net foreign exchange loss of S\$0.4 million recorded last year.

OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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## OPERATING AND FINANCIAL REVIEW

### STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2020 S\$'000	Company As at 31 December 2020 S\$'000	Group As at 31 December 2019 S\$'000	Company As at 31 December 2019 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	214,336	214,336	198,679	198,679
	214,336	214,336	198,679	198,679
<b>Current assets</b>				
Cash and cash equivalents	26,908	26,908	40,945	40,945
Financial assets at fair value through profit or loss	68,244	68,244	79,896	79,896
Other assets	3,963	3,963	4,143	4,143
	99,115	99,115	124,984	124,984
Total assets	313,451	313,451	323,663	323,663
<b>LIABILITIES</b>				
Other liabilities	1,577	1,577	2,765	2,765
Total liabilities	1,577	1,577	2,765	2,765
<b>Net assets attributable to shareholders</b>	<b>311,874</b>	<b>311,874</b>	<b>320,898</b>	<b>320,898</b>
<b>EQUITY</b>				
Share capital	270,837	270,837	270,837	270,837
Treasury shares	(12,978)	(12,978)	(4,203)	(4,203)
Capital reserve	68	68	2	2
Retained earnings	53,947	53,947	54,262	54,262
<b>Total equity</b>	<b>311,874</b>	<b>311,874</b>	<b>320,898</b>	<b>320,898</b>

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

The financial assets at fair value through profit or loss as at 31 December 2020 was S\$282.6 million and comprise the entire portfolio of investments held by the Group. This was S\$4.0 million higher than the carrying value of the portfolio of investments of S\$278.6 million as at 31 December 2019. The increase was mainly due to the net purchase of financial assets during the year.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased to S\$26.9 million as at 31 December 2020 compared to S\$40.9 million as at 31 December 2019. This was mainly due to the purchase of treasury shares and investments as well as the payment of FY2019 final dividend and FY2020 interim dividend during the year.

### NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 December 2020 was 19.15 Singapore cents after the payment of 2019 final dividend and 2020 interim dividend, 0.50 and 0.40 Singapore cents per share respectively. If the 2019 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2019, the net asset value per share as at 31 December 2019 would have been 18.37 Singapore cents instead of 18.95 Singapore cents per share. After adjusting for the 2020 interim dividend, the net asset value per share as at 31 December 2020 would have been 19.67 Singapore cents and the increase in net asset value per share would be 7.1%.

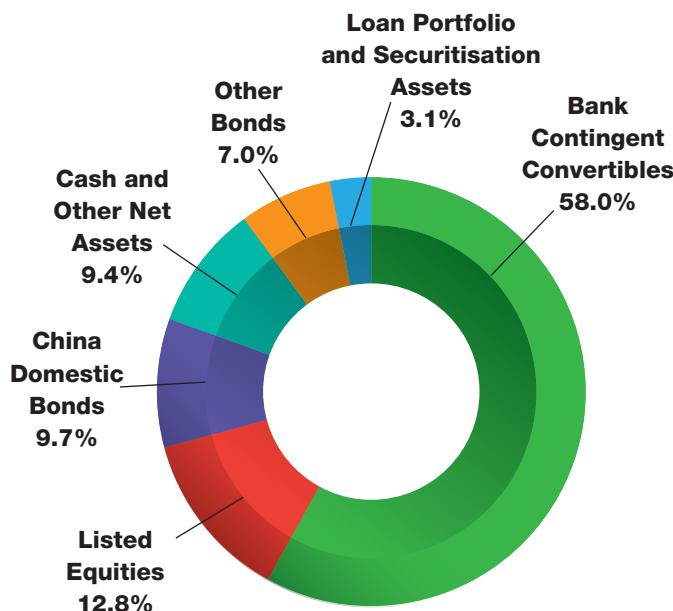
### RETURN ON EQUITY

The Group achieved a lower return on equity (computed based on net profit after tax over the average total equity) of 4.5% in 2020 as compared to 6.1% in 2019 due to lower profit after tax.

## PORTFOLIO COMPOSITION

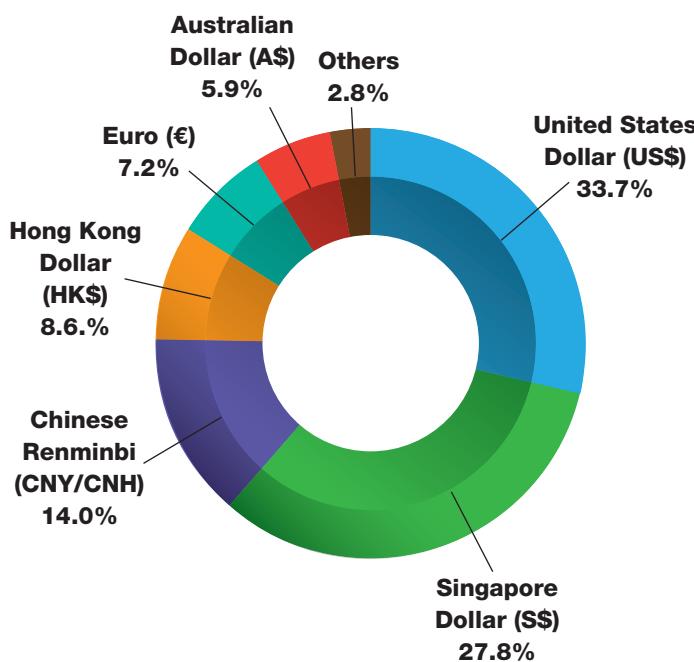
### Breakdown by Asset Class and Investment

as at 31 December 2020



### Breakdown by Currency

as at 31 December 2020



### INVESTMENT DESCRIPTION

As at 31 December 2020, NAV was S\$311.88 million or S\$0.1915 per share compared to S\$320.90 million or S\$0.1895 per share as at 31 December 2019. After adjusting for the 2020 interim dividend, the NAV per share as at 31 December 2020 would have been S\$0.1967. The NAV per share growth was 7.1%.

### PORTFOLIO OVERVIEW

The bank contingent convertibles portfolio increased to 58.0% in 2020 compared to 43.4% in 2019. This was due to the net purchase of bank contingent convertibles, along with an overall increase in valuation of bank contingent convertibles for the year.

The other bonds portfolio decreased to 7.0% in 2020 compared to 13.0% in 2019, as a result of a net sale of bonds, slightly offset by an increase in bond prices.

Loan portfolio and securitisation assets decreased to 3.1% in 2020 from 4.8% in 2019 due to multiple redemptions throughout the year.

The China domestic bonds portfolio decreased to 9.7% in 2020 compared to 12.2% in 2019, as a result of net redemptions during the year.

The listed equities portfolio decreased to 12.8% in 2020 compared to 13.4% in 2019. As at 31 December 2020, 64.9% of the listed equities comprised shares listed in Hong Kong, up from 64.1% in 2019.

### OUTLOOK

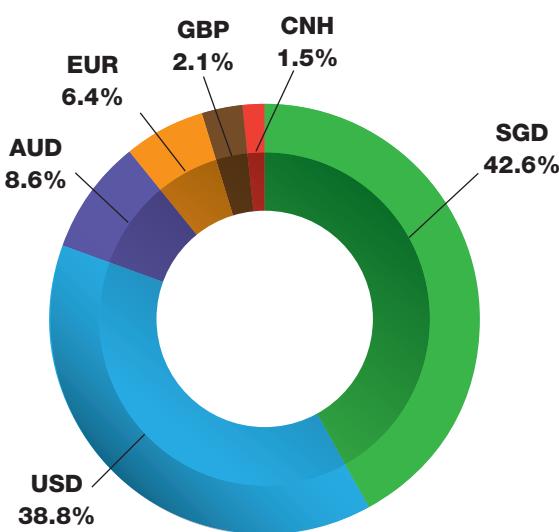
Positive news from the COVID-19 vaccine rollout, and political developments in the US, fuelled risk-on sentiments among investors which saw equity markets and commodity prices reaching new highs compared to pre-pandemic levels. However, despite the bullish market sentiments, uncertainties continue to persist over adequacy of vaccine supply for the emerging economies and efficient vaccine distribution program for developed economies.

Many countries are seeing a resurgence in COVID-19 infections with the onset of winter in the Northern hemisphere, which is dampening expectations for a continued robust economic recovery in 2021. Going forward, ensuring continued vaccine supply and distribution will remain key. 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.

## BANK CONTINGENT CONVERTIBLES

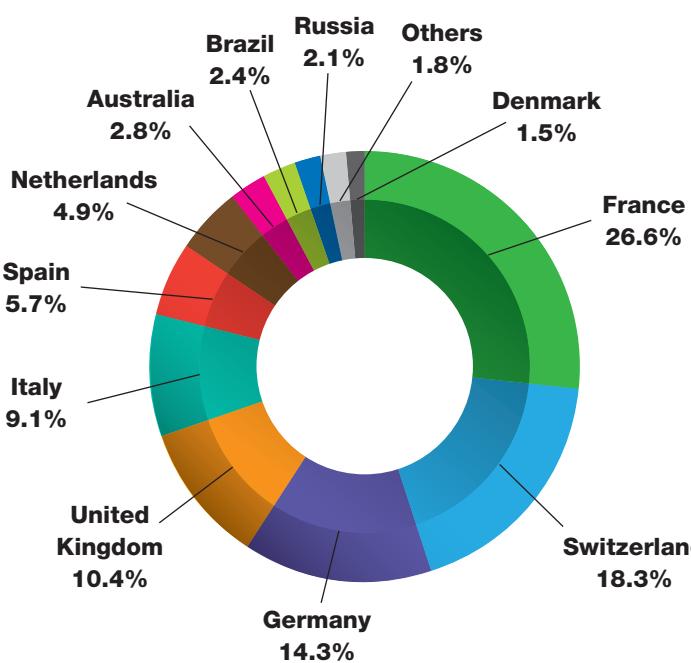
### Portfolio Distribution by Currency

as at 31 December 2020



### Portfolio Distribution by Country of Issuer

as at 31 December 2020



### INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bank contingent convertibles (CoCos) with a carrying value of \$180.68 million as at 31 December 2020.

### ASSETS OVERVIEW

As at 31 December 2020, the weighted average coupon<sup>1</sup> was 5.7% and the weighted average maturity<sup>2</sup> was 4.42 years. The portfolio has a weighted average rating<sup>3</sup> of Ba2.

### OUTLOOK

While credit spreads on the CoCo market have tightened significantly into the end of 2020, it was still not back at the pre-pandemic lows last seen in February 2020. Furthermore, with the extension of the terms of the targeted longer-term refinancing operations as well as the expansion of the pandemic emergency purchase programme, the ECB has clearly indicated its stand to assure favourable financing conditions for the duration of the pandemic.

However, downside risks were still substantial, relating to rising non-performing loans, deleveraging in the banking sector and rising unemployment depressing the wage and inflation outlook. Nonetheless, investors recognised that bank balance sheets were strong enough to withstand the likely asset quality deterioration.

The Bank of America Merrill Lynch Contingent Capital Index increased to 10.2% and 8.3% in USD and SGD terms respectively in for the year 2020.

<sup>1</sup> Calculation of weighted average coupon is based on carrying value.

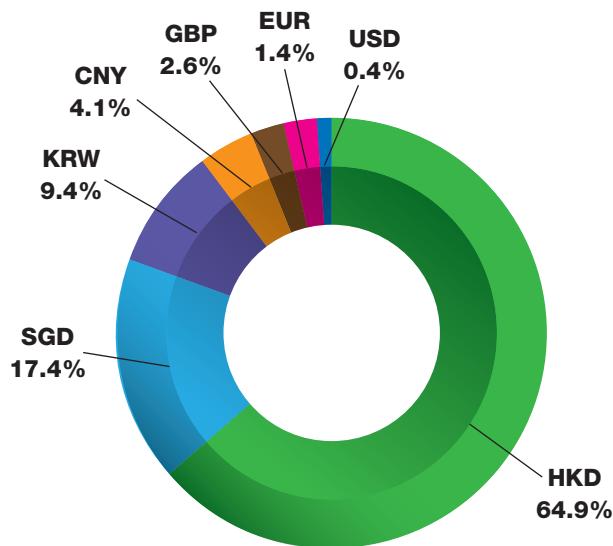
<sup>2</sup> Calculation of weighted average maturity assumes maturity at the first call date for perpetual securities, if available.

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

## LISTED EQUITY

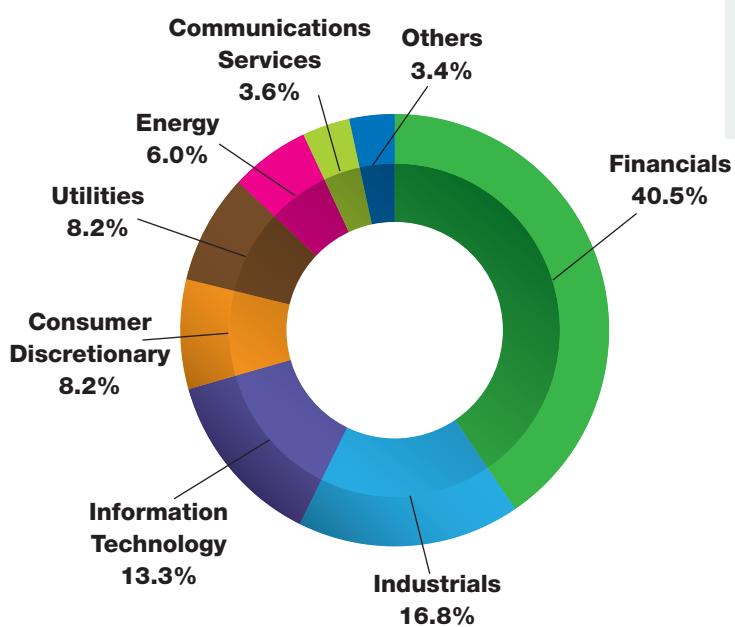
### Portfolio Distribution by Currency

as at 31 December 2020



### Portfolio Distribution by Sector

as at 31 December 2020



### INVESTMENT DESCRIPTION

GIL is invested in a portfolio of equities listed on different stock exchanges with a carrying value of \$39.99 million as at 31 December 2020.

### ASSET OVERVIEW

As of 31 December 2020, the 3 highest weighting sector exposures by GICS classifications were Financials (40.5%), Industrials (16.8%) and Information Technology (13.3%). The largest foreign currency exposure was in Hong Kong Dollars (64.9%), followed by Singapore Dollars (17.4%).

### OUTLOOK

Towards the end of year, most Asian economies had emerged from their respective lockdowns, with China and Korea leading the recovery in Asia equities. China was the only major economy to register positive growth. Korea, on the other hand, implemented effective virus containment policies and injected massive stimulus to keep its economy running. Asia recovery is expected to be broad-based, with most economies forecast to experience strong growth in 2021.

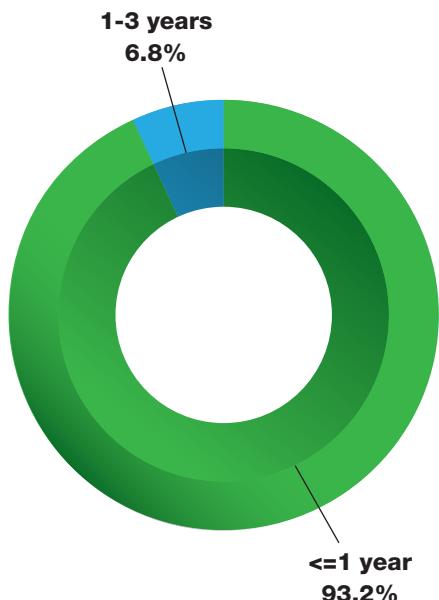
With vaccination programs scheduled to roll out in 2021, global economy is projected to show improving momentum. US/China relation remains a key risk as both countries have not demonstrated readiness to warm up to each other, post-US election.

The MSCI AC Asia ex Japan Index increased by 22.47% and 20.35% in USD and SGD terms respectively for the year of 2020.

## CHINA DOMESTIC BONDS

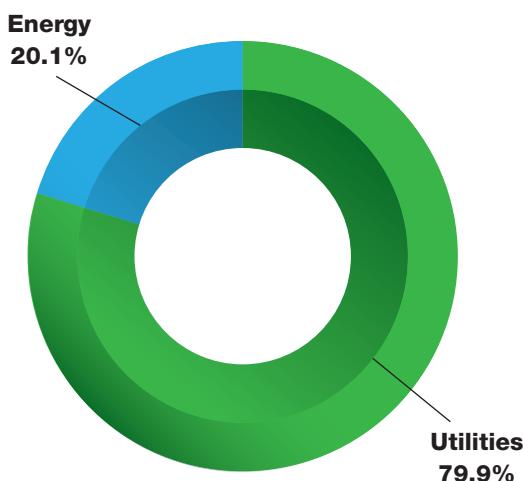
### Portfolio Distribution by Year to Maturity

as at 31 December 2020



### Portfolio Distribution by Sector

as at 31 December 2020



#### INVESTMENT DESCRIPTION

GIL is invested in a portfolio of China domestic bonds with a carrying value of \$30.32 million as at 31 December 2020.

#### ASSETS OVERVIEW

As at 31 December 2020, the weighted average coupon<sup>1</sup> was 3.4% and the weighted average maturity was 0.47 years. The China domestic bonds are rated by China rating agencies and the weighted average domestic rating<sup>2</sup> is AAA. None of the securities have an issue rating from international credit rating agencies.

#### OUTLOOK

As the Chinese economy stabilised from the COVID-19 pandemic, investors increased allocation significantly into equities, which saw bond yields moved higher and credit spreads tightened. A number of high-profile defaults including state-owned enterprises and a major automotive company drove a divergence in credit spread movement, with higher quality issuers seeing more spread tightening. Going forward, the PBOC may shift to a less accommodative monetary policy stance in 2021 to preserve policy room, on the back of China's economic recovery. The tapering of monetary support may be in the form of slowing money and credit supply instead of interest-rate hikes.

The Bloomberg Barclays China Aggregate Index increased by 2.9% and 7.8% in CNY and SGD terms respectively in 2020.

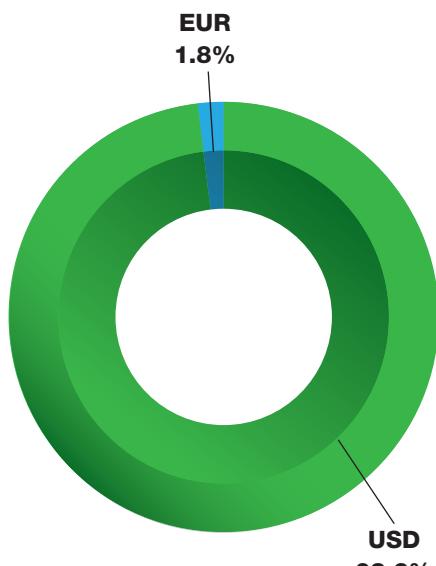
<sup>1</sup> Calculation of weighted average coupon is based on carrying value.

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

## OTHER BONDS

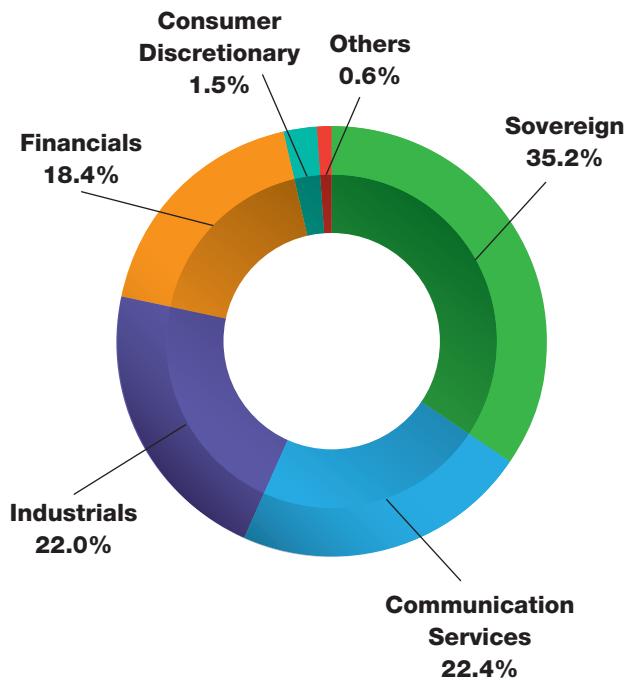
### Portfolio Distribution by Currency

as at 31 December 2020



### Portfolio Distribution by Sector

as at 31 December 2020



### INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bonds denominated in various currencies with a carrying value of \$21.87 million as at 31 December 2020.

### ASSETS OVERVIEW

As at 31 December 2020, the weighted average coupon<sup>1</sup> was 9.8%. The weighted average maturity of the bond portfolio was 10.94 years. Currently, 29.7% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating<sup>2</sup> of B2.

### OUTLOOK

High yield bond prices saw a strong recovery from the pandemic amid positive vaccine news, a dovish Fed, progress on a new economic relief package, and better than feared earnings. With the exception of emerging markets, high-yield spreads are still higher than lows last seen in February 2020. Going into 2021, given prospects for more vaccine options, ongoing central banks' support, likely additional fiscal support, and improving economic activity, there should be room for further tightening.

The Bloomberg Barclays Global High Yield Index rose by 7.0% and 5.1% in USD and SGD terms respectively in 2020.

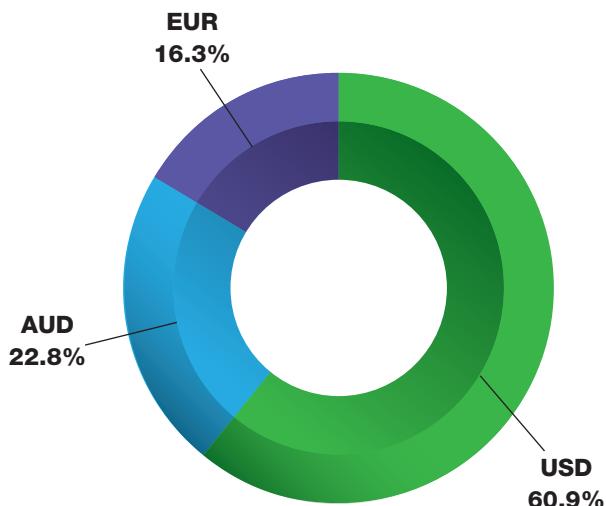
<sup>1</sup> Calculation of weighted average coupon is based on carrying value.

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

## LOAN PORTFOLIO & SECURITISATION ASSETS

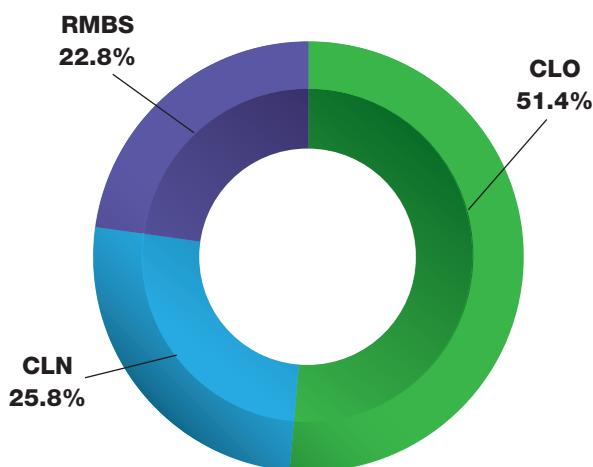
### Portfolio Distribution by Currency

as at 31 December 2020



### Portfolio Distribution by Security Type

as at 31 December 2020



### INVESTMENT DESCRIPTION

GIL has invested in a portfolio of securitised assets denominated in USD, AUD 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). The securitised assets are issued by securitisation vehicles that either hold or reference a portfolio of collateral, which currently includes senior secured corporate debt and mortgage loans. The portfolio has a carrying value of \$9.73 million as at 31 December 2020.

### ASSETS OVERVIEW

As at 31 December 2020, the weighted average coupon<sup>1</sup> was 5.8% and the weighted average maturity was 11.64 years. Currently, 25.8% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating<sup>2</sup> of Ba3.

### OUTLOOK

Given the market recovery and vaccine progress, loan upgrades are expected to improve while downgrades remain muted. As a result, the upgrade-to-downgrade ratio is expected to improve further. Going forward, spreads are at risk of consolidating in the first half of next year as markets remain vulnerable to shocks due to uncertainties around vaccine distribution and economic recovery. However, central bank support and low net supply across spread products will further support the CLO market.

The Palmer Square CLO Debt Index returned 6.8% in USD terms and 5.1% in SGD terms in 2020.

In Australian public RMBS market, issuances totalled AUD31.5 billion in 2020, a decrease compared to previous year's issuance of AUD44.0 billion. While primary issuances in March and April were impacted by the pandemic, the market quickly recovered following government support, with a surge in issuances in the 4th quarter of the year. Similarly, spreads also tightened from the March and April levels, with bank RMBS spreads in general even tighter than pre-pandemic levels. Issuances are expected to increase in 2021, while investors' demand will remain strong amidst a low yield environment and Australian RMBS providing attractive relative value.

<sup>1</sup> Calculation of weighted average coupon is based on carrying value.

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

## 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 Independent<sup>1</sup> Directors, namely Mr Ronald Seah Lim Siang, Mr Abdul Jabbar Bin Karam Din, Mr Tan Wee Peng Kelvin and Mr Lay Charlie Nhuc Hiang.

GIL has no employees or executive officers.



**Mr Boon Swan Foo**  
Chairman, Non-executive,  
Non-independent Director



**Ms Tan Mui Hong**  
Non-executive,  
Non-independent Director



**Mr Ronald Seah Lim Siang**  
Lead Independent Director



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



**Mr Tan Wee Peng Kelvin**  
Independent Director



**Mr Lay Charlie Nhuc Hiang**  
Independent Director

<sup>1</sup> 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.

## BOARD OF DIRECTORS

### **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 was a Senior Advisor to Temasek Holdings/Temasek International Advisors Pte Ltd. Mr Boon was also an advisor to the Dean's Council of Harvard's Kennedy School of Government (U.S.A); Motorola Inc. Research Visionary Board (U.S.A); Commercialisation Advisory Board of Imperial College (U.K) and Advanced Institute of Science & Technology (Japan).

Mr Boon is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Chartered Association of Certified Accountant (UK)-ACCA. He holds an MBA from the National University of Singapore and has completed Harvard's Advanced Management Program. Presently, he is a Professor of Practice of the Singapore University of Technology and Design.

**Present directorships in other listed companies as at 23 February 2021:**

- Orica Limited (Non-executive director)

**Other principal commitments<sup>2</sup> as at 23 February 2021:**

- Singapore Consortium Investment Management Limited (Executive Chairman)

<sup>2</sup> 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 first appointed as Deputy Chairman and Manager Nominated Director on 30 April 2010 and subsequently retired on 5 Nov 2013. She was appointed as a Non-executive and Non-independent Director 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 was awarded Singapore's National Day Public Service Medal in 2012.

### **Present directorships in other listed companies as at 23 February 2021:**

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

### **Other principal commitments as at 23 February 2021:**

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

### **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 as an Independent Director on the boards of Yanlord Land Group Ltd and M&C REIT Management Limited and M&C Business Trust Management Limited. He is also the Independent Director and Chairman of Telechoice International Ltd and Nucleus Connect Pte Ltd. Mr Seah previously served on the board of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange.

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.

### **Present directorships in other listed companies as at 23 February 2021:**

- Managers of CDL Hospitality Trusts – M&C Business Trust Management Limited and M&C REIT Management Limited (Non-executive Director)
- Telechoice International Limited (Non-executive Director)
- Yanlord Land Group (Non-executive Director)

### **Other principal commitments as at 23 February 2021:**

- Soft Capital SG (Sole proprietor)

## 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.

**Present directorships in other listed companies as at 23 February 2021:**

- Chip Eng Seng Corporation Ltd (Non-executive Director)

**Other principal commitments as at 23 February 2021:**

- Rajah & Tann Singapore LLP (Partner)

**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 Chairman of Audit Committee of several SGX-listed companies, namely IREIT Global Group Pte. Ltd., Unusual Ltd., and Viking Offshore and Marine Ltd.

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.

**Present directorships in other listed companies as at 23 February 2021:**

- IREIT Global Group Pte Ltd (Non-executive Director)
- Unusual Limited (Non-executive Director)
- Viking Offshore and Marine Limited (Non-executive Director)

**Other principal commitments as at 23 February 2021:**

- National University of Singapore Business School (Adjunct Associate Professor)
- Institute of Singapore Chartered Accountants (Council Member/Secretary)

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

Mr Lay Charlie Nhuc Hiang was appointed to the Board on 26 June 2020.

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

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

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

**Present directorships in other listed companies as at 23 February 2021:**

Nil

**Other principal commitments as at 23 February 2021:**

Commerzbank (Senior Economist and FX Strategist)

# SUSTAINABILITY REPORT

## MANAGING SUSTAINABILITY

### ABOUT REPORT

This sustainability report covers data and information from 1 January 2020 to 31 December 2020 and has been prepared in compliance with Sustainability Reporting Guide issued by SGX-ST and the Global Reporting Initiative (GRI) Standards: Core Option. 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.

### BOARD STATEMENT

The Board is pleased to present our Sustainability Report for 2020. It outlines the Company's approach towards attaining high environmental, social and governance (ESG) standards for the long-term sustainability of GIL.

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

The SGX Regco has placed GIL on the SGX Fast Track list since 2019 in recognition of our efforts in upholding high standards of corporate governance standard and maintaining a good compliance track record.

GIL was ranked 20<sup>th</sup> among 577 listed companies under Singapore Governance and Transparency Index- General Category in 2020.

### VISION

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

### MISSION

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

### CORE VALUES

#### Good Corporate Governance

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

#### 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

### 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 to assess and 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. Please refer to our stakeholder engagement platforms under Section 2.13 of the Corporate Governance Statement.

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 key factors in promoting shareholders' trust	Refer to investment strategies at page 3 Refer to corporate governance statement at page 27
Manager 	Ensuring the health, safety and welfare of the Manager's employees Training and education Ethics and 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 technologically and digitally savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility	Staff training and development programme. Employees of the Manager are encouraged to attend 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 entail lower compliance risk	Engage with the service providers to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations in countries where we have invested  Annual assessment of service providers
Community 	Environmental sustainability Community development Socially responsible investing	Climate change Local employment	Low carbon economies bring new areas of investment, opportunity and business growth	Sustainable sourcing Age friendly employment policy  Reduce carbon footprint, engage in socially responsible investing and environmental conservation initiatives.

# SUSTAINABILITY REPORT

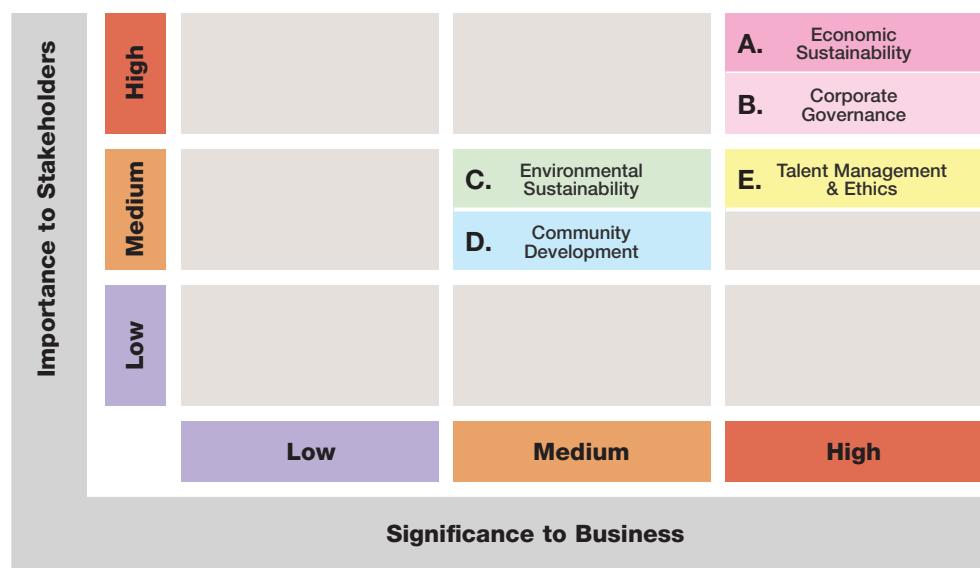
## THE 5 CATEGORIES OF MATERIAL FACTORS

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

A. Economic Sustainability	B. Corporate Governance	C. Environmental Sustainability	D. Community Development	E. Talent Management & Ethics
1) Economic Performance	2) Corporate Governance Statement	4) Promoting a Sustainable Environment	6) Socially Responsible Investing	8) Training and Education
	3) Risk Management	5) Sustainable Sourcing	7) Age-Friendly Workplace	9) 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.



OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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# SUSTAINABILITY REPORT

## A. 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 dividend and achieve capital growth for its investors.

Please refer to Operating and Financial Review on page 12-13.

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

#### 2.1 THE BOARD'S CONDUCT OF AFFAIRS

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

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

##### 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 2018 Code and has appointed the Manager to manage GIL's day-to-day business and internal affairs pursuant to the Management Agreement. The Board meets at least four times per year, or more frequently if 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 the Company.
- Determine GIL's dividend policy, the amount and timing of all dividends.
- Monitor the Company's operations in relation to, and in compliance with relevant regulatory and legal requirements.
- 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

## 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 to:

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

If a Director believes that he or she may have a conflict of interest or duty in relation to a particular matter, 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](http://www.globalinvestmentslimited.com).

*Provision 1.2: Directors understand the company's business as well as their directorship duties.*

## Induction, Orientation and Training

In line with best practices in corporate governance and the 2018 Code, new Directors will receive a letter of appointment, which provides details on the key terms of their appointment, duties and obligations, as 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.

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 in Practice Note 2.3 of the Listing Manual of the SGX-ST.

In FY2020, Mr Lay Charlie Nhuc Hiang was appointed as a Non-executive and Independent Director. Mr Lay has attended the training programmes conducted by the Singapore Institute of Directors (SID).

The Directors receive updates on relevant regulatory changes from authorities including the SGX-ST 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.

Dedicated training sessions were conducted for Directors in FY2020 internally as well as by external advisors covering the following:

- (i) Compliance and financial reporting under the International Financial Reporting Standards
- (ii) Review of Risk Management, Internal Control and Corporate Governance
- (iii) Trends in Private Equity
- (iv) Alibaba/Ant Financial
- (v) Board Diversity

Directors also attended external seminars and talks individually in FY2020 to update and enhance their skills and knowledge.

## SUSTAINABILITY REPORT

*Provision 1.3: Matters that requires its Board's approval.*

The matters requiring the Board's specific approval include<sup>1</sup>:

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

*Provision 1.4: Board Committees are formed with clear written terms of reference.*

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**)

<sup>1</sup> Some of the matters may require shareholders' approval

## SUSTAINABILITY REPORT

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

Directors	Date of Appointment	Date of last re-election	ARMC	NGC	RC
Mr Boon Swan Foo (Chairman, Non-executive and Non-Independent Director)	20 December 2011	19 June 2020	-	Member	-
Mr Ronald Seah Lim Siang (Lead Independent Director)	30 April 2010	25 April 2019	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 and Non-Independent Director)	1 July 2019	19 June 2020	Member	-	-
Mr Lay Charlie Nhuc Hiang (Independent Director)	26 June 2020	n/a	-	-	Chairman

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

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

For FY2020, the attendance of the Directors of the Board and Board committee meetings is as below:

	Board Meetings	ARMC Meetings	NGC Meetings	RC Meetings	Annual General Meeting
Total Number of Meetings	8	4	7	2	1
Directors	Number of meetings attended				
Mr Boon Swan Foo <sup>1</sup>	8	4*	5	2*	✓
Mr Ronald Seah Lim Siang <sup>2</sup>	8	4	7	1	✓
Mr Tan Kok Wee <sup>3</sup>	5	2	2	1*	✓
Mr Abdul Jabbar Bin Karam Din	8	4*	7	2	✓
Mr Tan Wee Peng Kelvin	8	4	6*	2	✓
Ms Tan Mui Hong	8	4	7*	2*	✓
Mr Lay Charlie Nhuc Hiang <sup>4</sup>	3	2*	5*	1	✓

<sup>1</sup> Mr Boon Swan Foo was appointed as a member of NGC on 26 June 2020.

<sup>2</sup> Mr Ronald Seah Lim Siang relinquished his position as Chairman of the RC and was appointed as Chairman of the ARMC on 26 June 2020.

<sup>3</sup> Mr Tan Kok Wee retired as a Director at the conclusion of 2020 AGM on 19 June 2020.

<sup>4</sup> Mr Lay Charlie Nhuc Hiang was appointed as Chairman of the RC on 26 June 2020.

\* Refers to meeting attended by invitation

## SUSTAINABILITY REPORT

*Provision 1.6: Complete, adequate and timely information prior to making informed decision.*

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 regulatory updates as well as updates on global events and risks, financial results, risk reports, current asset review and related materials one week before the meetings to enable the Directors to make informed decisions and obtain further information if necessary.

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

*Provision 1.7: Separate and independent access to Management, the company secretary, and external advisers.*

The Directors always have independent access to the Manager and Company Secretary. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. In the absence of the Company Secretary, an Assistant Company Secretary attends the Board meetings.

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

Having considered the adequacy and timeliness of the information made available by the Manager, the Directors are satisfied with the access to the information provided by the Manager during FY2020.

### 2.2 BOARD COMPOSITION AND GUIDANCE

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

*Provision 2.1: Independence of director*

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

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

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

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

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

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

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

# SUSTAINABILITY REPORT

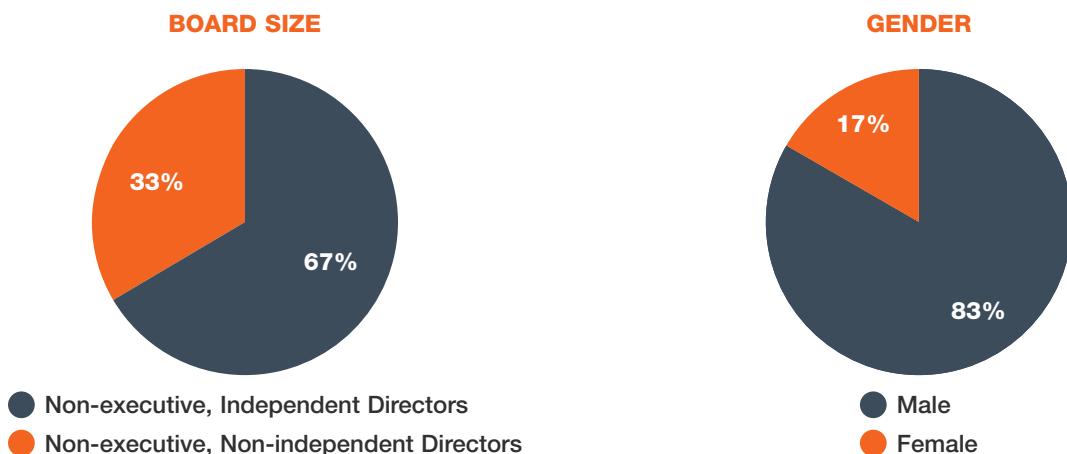
## Board Diversity Policy

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
- Enhance quality and responsible decision-making capability
- Ensure sustainable development
- Enhance reputation

While all appointments to the Board will continue to be made on merit, the Company pledges its commitment to promote diversity as a key attribute of a well-functioning and effective Board by harnessing the variety of skills and distinguishing qualities of the members of the Board. Criteria such as skill sets, industry experience, cultural and geographical background, age, ethnicity, race and gender will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. Qualifications and experience of the Board members 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](http://www.globalinvestmentslimited.com).



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

The Independent Directors met regularly without the presence of the Manager.

## 2.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

## SUSTAINABILITY REPORT

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

The role of the Chairman is to, among others:

- Ensure the Board provides leadership and vision
- 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 Annual General Meeting
- Guide the ongoing effectiveness and development of the Board and individual Directors

*Provision 3.3: Lead independent director.*

GIL's Chairman, Mr Boon Swan Foo is considered non-independent because he is a controlling shareholder that holds 16.91% of the shares in GIL as at 2 March 2021. 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 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 or the staff or officers of the Manager have failed to resolve, or is inappropriate

### 2.4 BOARD MEMBERSHIP

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

*Provision 4.1: Nominating Committee (NC) to make recommendations on relevant matters.*

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

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

## SUSTAINABILITY REPORT

For FY2020, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee's terms of reference and concluded that the NGC had adequately fulfilled its duties.

### *Provision 4.2: Composition of the NC.*

The NGC comprises the three Directors, of which two are independent.

Name	Appointment	Directorship
Mr Abdul Jabbar Bin Karam Din	Chairman	Independent Director
Mr Ronald Seah Lim Siang	Member	Lead Independent Director
Mr Boon Swan Foo	Member	Non-executive and Non-independent Director

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

#### **Process for Selection and Appointment of Directors**

The NGC reviews and recommends the size and composition of the Board 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.

The Company 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.

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.

#### **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.

#### **Succession Planning**

During the process for the selection, appointment and re-appointment of Directors, the NGC reviews the range of expertise, skills, attributes, composition of the Board and Board Committees and the need for progressive renewal of the Board as well as each director's competencies, commitment, contribution and performance. The NGC specifically looks out for directors who possess the core competencies such as legal, accounting or finance, investment, risk management, business or management, strategy planning and customer-based experience or knowledge. When the need for a new director arises, the NGC carries out the following process: it identifies GIL's needs, conducts an external search and then prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NGC may seek advice from external consultants.

#### **Board Renewal**

Ms Tan Mui Hong was appointed to the Board on 1 July 2019 and was re-elected during the 2020 AGM.

Mr Tan Kok Wee had retired during the 2020 AGM.

Mr Lay Charlie Nhuc Hiang was appointed as a Non-executive and Independent Director of GIL on 26 June 2020. Mr Lay will submit himself for shareholders' election during the 2021 AGM.

The Board reviewed candidates recommended by fellow Directors and engaged the Singapore Institute of Directors' Board Appointment Service to assist in the sourcing of potential candidates as Independent Director. Potential candidates were interviewed before their appointments were finalised.

## SUSTAINABILITY REPORT

### 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.

*Provision 4.4: The NC determines annually, the independence of Directors.*

### Board Independence

The 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 shareholders<sup>2</sup>.

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.

### Assessment of Independence of Directors

The NGC annually reviews the independent status of Directors in accordance with the definitions and guidelines set out in the 2018 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 2018 Code <sup>1</sup>	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 <sup>2</sup>
Mr Boon Swan Foo	20 Dec 2011	No	No	No	No	No
Mr Ronald Seah Lim Siang	30 Apr 2010	Yes <sup>3</sup>	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
Mr Lay Charlie Nhuc Hiang	26 June 2020	Yes	Yes	Yes	Yes	No

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

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

<sup>2</sup> 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.

<sup>3</sup> By 2022, approval in separate resolutions by majority of (i) all shareholders; and (ii) shareholders, excluding the Directors and the chief executive officer of the issuer, 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.

<sup>2</sup> 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

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

For FY2020, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in Practice Guidance 2 of the 2018 Code.

The independence of director who has served on the Board beyond nine years will be vigorously reviewed. The said director will recuse himself from the discussion in respect of his own independence. The factors considered in reviewing independence of 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 and the Company's management.
- 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) in 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 Ronald Seah Lim Siang (Mr Seah) who have served the Board for more than 9 years.

The NGC opined that Mr Seah had exercised independent judgment in discharging his responsibilities. Having considered the view of the NGC, the Board has determined that Mr Seah is to be considered as independent.

*Provision 4.5: The NC ensures that new directors are aware of their duties and obligations and decides if a director is able to and has been adequately carrying out his or her duties.*

### 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".

# SUSTAINABILITY REPORT

## Multiple Directorships

Directors with multiple board appointments are exposed to a wider organisational practice and diverse operating environments and will be able to enhance the Board's performance by contributing knowledge and information acquired from different corporations or industries. Directors with multiple directorships must also ensure that sufficient time and attention is given to the affairs of each company which they are appointed as a director. The NGC reviews the performance and commitment of Directors holding multiple appointments by taking into consideration the Director's number of listed company board representations and other principal commitments. While the Board acknowledges that the effectiveness of each Director is best addressed by a qualitative assessment of the Directors' contributions, the Board has determined the maximum number of listed company board representations to which any Director may hold concurrently to be six<sup>3</sup>. Given the full attendance of all Directors at Board and Board committee meetings during FY2020, 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 for FY2020.

## 2.5 BOARD PERFORMANCE

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

*Provision 5.1: Performance criteria and process for the evaluation of the effectiveness of the Board, Board Committees, contribution by the Chairman and each individual Director.*

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

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

### **Board and Board Committee Performance Evaluation**

Each Board member is invited to complete a Board and Board committee Performance Questionnaire and to submit it directly to the NGC for evaluation. The questionnaire assesses 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.

### **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.

<sup>3</sup> This would include analogous positions such as the board of a manager of a listed fund.

## SUSTAINABILITY REPORT

### 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 or her 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 FY2020, 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 committee.

### 2.6 PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

*Provision 6.1: Remuneration Committee (RC) to review and make recommendations to the Board on remuneration framework and packages.*

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 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 FY2020, the RC had conducted a self-review against the responsibilities set out in the Remuneration Committee's terms of reference and concluded that the RC had been adequately fulfilling its duties.

<sup>4</sup> Provision 6.4 is not applicable because the Company did not engage any remuneration consultant in FY2020.

## SUSTAINABILITY REPORT

*Provision 6.2: The RC comprises at least three directors. All members are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

GIL has a RC comprising entirely of three Non-executive and Independent Directors.

The RC comprises the following Directors:

Name	Appointment	Directorship
Mr Lay Charlie Nhuc Hiang	Chairman	Independent Director
Mr Tan Wee Peng Kelvin	Member	Independent Director
Mr Abdul Jabbar Bin Karam Din	Member	Independent Director

*Provision 6.3: The RC to consider and ensure all aspects of remuneration are fair.*

### 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.

### Remuneration of the Manager

GIL compensates the Manager for its services in accordance with the terms of the Management Agreement. Any changes in the fee structure will be subject to the approval of shareholders by Ordinary Resolution in general meeting, 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.

### 2.7 LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company<sup>5</sup>.**

*Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution.*

As at 31 December 2020, the Board comprises 6 Directors, with a Non-independent Chairman, one Non-independent Director and 4 Independent Directors. There are no Executive Directors.

<sup>5</sup> Provision 7.1 is not applicable because there are no executive directors in GIL Board.

## SUSTAINABILITY REPORT

Fee structure for Non-executive Directors for FY2020:

	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) Deputy Chairman of the Board	Not applicable
c) Lead Independent Director	S\$5,000
d) Chairman of ARMC	S\$18,000
e) Member of ARMC	S\$10,000
f) Chairman of NGC	S\$10,000
g) Member of NGC	S\$6,000
h) Chairman of RC	S\$10,000
i) Member of RC	S\$6,000

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

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

### Remuneration of the Manager

The Manager is entitled to a Base fee of 1.0% of Net Investment Value up to S\$1.5 billion or 1.5% of Net Investment Value in excess of S\$1.5 billion. The Manager is also entitled to the incentive fee, fixed fee, acquisition fee, divestment fee, 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 Company believes in making full and frank disclosure of the entire formula on the Manager's fee structure, as fully set out at page 105.

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

### 2.8 DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.<sup>6</sup>**

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

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

<sup>6</sup> Provisions 8.1(b) and 8.2 are not applicable as GIL has no employees and is managed by the Manager. No immediate family members of the Directors are employed by GIL or the Manager.

## SUSTAINABILITY REPORT

A total of Directors' fees up to S\$380,200 was approved by the shareholders at the 2020 AGM under the existing remuneration framework. The aggregate fees paid quarterly in arrears to the Non-executive Directors for the financial year ended 2020 was S\$379,065.

The remuneration of Directors for FY2020 is as follows:

Directors	Base Remuneration Fees (\$\$)	Fees for Chairmanship of the Board and Various Board Committees and Membership of Various Board Committees and allowances (\$\$)	Total Directors' Fees (\$\$)
Mr Boon Swan Foo	45,000	25,298	70,298
Mr Ronald Seah Lim Siang	45,000	25,331	70,331
Mr Tan Kok Wee	21,025	11,306	32,331
Mr Abdul Jabbar Bin Karam Din	45,000	16,200	61,200
Mr Tan Wee Peng Kelvin	45,000	16,200	61,200
Ms Tan Mui Hong	45,000	10,200	55,200
Mr Lay Charlie Nhuc Hiang	23,238	5,267	28,505

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

### 2.9 RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

GIL adopts the Committee of Sponsoring Organisations of the Treadway Commission Model and the International Organization for Standardization on Risk Management (ISO 31000:2018) guidelines for assessing the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal control and compliance systems.

The ARMC assists the Board in the oversight of risk management in GIL. It reviews the effectiveness of the overall risk management system in meeting sound corporate governance principles. GIL's risk management process is an ongoing process and 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 of the portfolio to the ARMC. Key risks at the process level will be identified via risk self-assessment exercises. Risk awareness and ownership of risk treatments are also continuously fostered across the Company.

## SUSTAINABILITY REPORT

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

GIL does not have any employees and in this externally managed model, it relies on the Manager to establish, implement and maintain a sound system of internal controls to safeguard shareholders' investments and GIL's assets and to report to the ARMC on the adequacy and effectiveness of these systems of internal controls and risk management on a regular basis. The ARMC reviews the effectiveness of the system of internal controls at least annually.

While GIL does not have a CEO/CFO, for FY2020, 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 2020.

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.

### 2.10 AUDIT COMMITTEE

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

*Provision 10.1: Duties of Audit Committee.*

#### Audit & Risk Management Committee

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

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

1. Retain external counsel, accountants, or 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 controls, the audit process, the compliance monitoring process and risk management.

## SUSTAINABILITY REPORT

### Specific Responsibilities

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

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

The ARMC meets as required and normally at least four times a year. It reviews its effectiveness and performance against its terms of reference, and reports its findings to the Board at least annually. The ARMC meets with the external auditors at least semi-annually or more frequently if required.

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

- Reviewed and recommended to the Board the release of the half and full year financial statements.
- Reviewed and recommended to the Board the Compliance Plan 2020.
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2020.

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

### *Provision 10.2: Composition of Audit Committee.*

The ARMC comprises 3 Directors below, of which two, including the Chairman of the ARMC are Independent Directors. All three members of the ARMC including the Chairman of the ARMC, possess relevant accounting or related financial management expertise or experience.

The ARMC comprises the following Directors:

Name	Appointment	Directorship
Mr Ronald Seah Lim Siang	Chairman	Lead Independent Director
Mr Tan Wee Peng Kelvin	Member	Independent Director
Ms Tan Mui Hong	Member	Non-executive and Non-independent Director

## SUSTAINABILITY REPORT

To ensure ARMC members keep abreast of changes to accounting standards and important accounting issues, continuing education is provided to update and enhance their skills and knowledge. Information on training and updates can be found in the section of “Induction, Orientation and Training” under Provision 1.2.

Key audit matters	How ARMC reviewed the matters
Valuation of financial instruments not quoted in an active market.	The ARMC had discussed with the Manager and the external auditor on the valuation techniques and inputs used to determine the fair value of the CLOs, a CLN and ABS which do not have an active market. The ARMC considered that the fair value of these financial instruments appropriate.

### External Audit

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

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

*Provision 10.3: The Audit Committee does not comprise former partner or directors of the company's existing auditing firm or auditing corporation.*

None of the members nor the Chairman of the ARMC are former partners or directors of, nor have any financial interest in the external auditors.

### Independence of the External Auditors

For the purposes of the FY2020 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 FY2020, the fees paid to the external auditor for audit services were as follows:

	Fees (\$\$)
Audit Services	108,000
<b>Total</b>	<b>108,000</b>

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

*Provision 10.4: Internal audit function.*

The Manager has its own outsourced internal auditor, RSM Risk Advisory Pte Ltd (RSM), which conducts audit on certain areas of the Manager's scope of work under the Management Agreement with GIL such as operations, setting of risk parameters and adherence to risk limits, monitoring of risk limit breaches, adequacy of compliance policies and periodic monitoring framework. RSM adopts and meets the International Standards for the Professional Practice of Internal Auditing. The Manager's internal auditor has access to GIL's documents, records and properties. RSM reports the findings from the audit of the Manager's scope of work under the Management Agreement to the Manager's ARMC. The Manager's officers also meet with RSM and the Board to ensure that GIL's internal procedures and policies are compliant with all applicable laws and regulations.

## SUSTAINABILITY REPORT

*Provision 10.5: The Audit Committee meets with the external auditors, and with the internal auditors without the presence of Management, at least annually.*

The ARMC meets with GIL's external auditors without the presence of the Manager at least annually. The ARMC is also entitled to meet with the Manager's internal auditor, without the presence of the Manager as and when it deems necessary.

### 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 or her concern or complaint by email to the Chairman of the ARMC at: [chairmanARMC@globalinvestmentslimited.com](mailto: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](http://www.globalinvestmentslimited.com).

### 2.11 SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

GIL supports active shareholder participation at AGMs. Notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information is 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.

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

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

## SUSTAINABILITY REPORT

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

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. The external auditors are also invited to address relevant queries from shareholders.

Due to COVID-19 pandemic, the 2020 AGM was held by electronic means. The Board of Directors had addressed all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on SGXNET and during the AGM via live webcast. All Directors attended the virtual AGM in 2020.

*Provision 11.4: The company's Constitution allow for absentia voting at general meetings.*

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

*Provision 11.5: Publication of minutes of general meetings on corporate website.*

The detailed results of voting from the AGM showing the number of votes cast for and against each resolution and the respective percentage are displayed instantaneously at the AGM. An announcement of the detailed results of voting from the AGM showing the number of votes cast for and against each resolution and the respective percentage will be published on SGXNET and GIL's website on the same day. The minutes of general meetings, which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Manager, are available on GIL's website.

*Provision 11.6: Dividend policy.*

GIL's dividend policy is to pay out most of the profit after tax 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](http://www.globalinvestmentslimited.com).

### 2.12 ENGAGEMENT WITH SHAREHOLDERS

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

*Provision 12.1: Avenues for communication between the Board and all shareholders.*

GIL is committed to maintaining high standards of disclosure and corporate transparency with members of the investment community and investing public. The Board has adopted policies and procedures that comply with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the 2018 Code.

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

GIL regularly holds a briefing session for both media and analysts together when announcing the full-year results. Key management personnel of the Manager will be present at the briefing. The presentation material and/or a webcast of the briefing is available on the website of GIL at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

## SUSTAINABILITY REPORT

*Provision 12.2: The company has in place an investor relations policy.*

GIL has developed an Investor Relations Policy which is designed to ensure the delivery of timely, relevant and pertinent information to shareholders. The Manager facilitates regular and effective communication in an open and non-discriminatory approach on changes to GIL as well as its performance or business developments which would be likely to materially affect the price or value of the share.

The Company endeavours to respond to shareholder queries promptly and effectively, within a week of receiving such queries. It also maintains a register of all queries and responses given by GIL.

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

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

GIL's Investor Relations Policy can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

### 2.13 ENGAGEMENT WITH STAKEHOLDERS

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

*Provision 13.1: Engagement with material stakeholder groups.*

#### Stakeholder Engagement Platform

Stakeholders	Engagement Platform/Activities
Manager	<ul style="list-style-type: none"> <li>• Board meeting</li> <li>• Email</li> <li>• Tele-conference</li> <li>• Annual performance review</li> <li>• Annual audit</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual general meeting or special general meeting</li> <li>• Company website <a href="https://globalinvestmentslimited.com">https://globalinvestmentslimited.com</a> with regular updates on the Company's profile and policies, financial results and announcements</li> <li>• Email: ir@globalinvestmentslimited.com</li> <li>• Hotline: +65 6908 4477</li> <li>• Analysts briefing</li> <li>• SGXNet announcements</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• MASNET</li> <li>• SGX StarGate</li> <li>• Seminars and courses</li> <li>• Survey</li> </ul>
Suppliers/Service Providers	<ul style="list-style-type: none"> <li>• Email and phone calls</li> <li>• Regular meetings</li> <li>• Annual assessment</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Philanthropy</li> <li>• Management of ESG issues</li> </ul>

# SUSTAINABILITY REPORT

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

## Securities Transactions

GIL's Share Trading Policy states that Directors and officers of the Group and Directors, officers and employees of the Manager are prohibited from dealings in shares on considerations of a short-term nature; when in possession of unpublished price-sensitive information and during the period commencing one month before the announcement of GIL's financial results for each of the half year and full year 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 until they leave the Board. There is no limit imposed on the number of shares purchased.

GIL's Share Trading Policy can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

## Code of Conduct

GIL has a Code of Conduct that applies to all Executive and Non-executive Directors, officers and employees of the Group.

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

GIL's Code of Conduct can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

## Interested Person Transaction Policy

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

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

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

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

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

## SUSTAINABILITY REPORT

In the event GIL becomes aware of an IPT with an interested person that has not been approved prior to its consummation, the matter will be reviewed by the Board, which will consider all 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](http://www.globalinvestmentslimited.com).

GIL's Interested Person Transactions for financial year ended 2020 can be found under "Additional SGX-ST Listing Manual Disclosures".

### **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, which requires, among other things, that Directors or staff report and whistle-blow any instances or suspicion of corruption, and to ensure that there are no instances of inappropriate receipt or giving of benefits by GIL representatives in their interactions with external parties including regulators and third-party service providers.

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

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

GIL's Anti-Corruption Policy can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

### **Ensuring Privacy of Personal Data**

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

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

GIL's Personal Data Protection Policy can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

# SUSTAINABILITY REPORT

## Protection of Creditors' Rights

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

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

*Provision 13.3: Corporate website.*

The Company maintains a corporate website ([www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com)). Please see Provision 12.1 for further details.

## 3. RISK MANAGEMENT

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

GIL's Risk Management framework is set out in "Risk Management and Internal Control" section of the Corporate Governance Statement on page 41.

GIL's Financial Risk Management can be found in "Note 4: Financial Risk Management" under the section of "Notes To The Financial Statements" of the Financial Report.

## C. ENVIRONMENTAL SUSTAINABILITY

### 4. PROMOTING A SUSTAINABLE ENVIRONMENT

GIL currently does not employ any staff. We encourage staff of our Manager 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, we continue 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 for our Manager.

#### Conservation of electricity

Our 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

### 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 recycle but to reduce paper wastage. The Manager's printers are always set for double-sided printing and the monthly consumption of paper-related waste products is closely monitored. The Manager also encourages its staff to avoid printing hard copies of their documents.

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

### Managing our environmental footprint

Our 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% reduction of energy consumption yearly.

### Environmental Data

	2017	2018	2019	2020
Energy Consumption (kWh)	66,012	63,601	47,930	30,890
Percentage change	-	-3.7%	-24.6%	-35.6%

The energy consumption reduced by more than 35% due to implementation of work from home policy and age management policy.

As GIL's operations do not involve water consumption, and water is mainly used by Manager's employees working in the office, it will not be disclosing its water consumption data. Nonetheless, the Manager will continue to stress the importance of water conservation and remind its staff to be mindful of water wastage in the office and in their daily life.

### 5. SUSTAINABLE SOURCING

The Manager 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. Only purchasing products with these certifications is GIL's way of making certain that its suppliers are playing their part in protecting the environment.

# SUSTAINABILITY REPORT

## D. COMMUNITY DEVELOPMENT

### 6. SOCIALLY RESPONSIBLE INVESTING

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

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

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

### 7. AGE FRIENDLY WORKPLACE

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.

The Manager has also adopted age management policies and practices to encourage employment of mature employees and to better integrate mature employees into the Company. Mature employees are given option to work from home on a permanent basis.

## E. TALENT MANAGEMENT AND ETHICS

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

2020 was a challenging year. The world was profoundly affected by the outbreak of COVID-19 pandemic. The Manager has implemented work from home policy and various safety and distancing measures to ensure the health and safety of the employees. The Manager has complied with the regulatory requirements imposed by the relevant authorities during the Circuit Breaker period.

### 8. TRAINING AND EDUCATION

Regular staff training and development are key priorities for the Manager in order to make certain that the Company keeps a diverse pool of retained talent.

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

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

## SUSTAINABILITY REPORT

### **Employees' Training Hours**

	2018	2019	2020
Total hours of training	331.50	351.30	357.1
Average hours of training per employee	23.68	29.69	23.8
<b>By Gender</b>			
Female	160.00	221.80	213.85
Male	171.50	129.50	143.25

### **9. ETHICS AND INTEGRITY**

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

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

In 2020, the Manager's employees have attended e-learning course "Investment Management – Ethics, Rules and Regulations" offered by IMAS.

# SUSTAINABILITY REPORT

## 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?
<b>Organisational profile</b>		
<b>G102-1</b>	Name of the organisation	Global Investments Limited
<b>G102-2</b>	Activities, brands, products and services	Refer to page 2 Corporate Profile
<b>G102-3</b>	Location of headquarters	Corporate Information
<b>G102-4</b>	Countries of operation	Refer to page 2, Corporate profile
<b>G102-5</b>	Ownership and legal form	Public limited company listed on the Singapore Exchange
<b>G102-6</b>	Markets served	Refer to page 2, Corporate profile
<b>G102-7</b>	Scale of the organisation	Refer to page 2, Corporate profile
<b>G102-8</b>	Information on employee and other workers	NA as GIL has no employees
<b>G102-9</b>	Supply chain	Refer to page 51, Sustainable Sourcing
<b>G102-10</b>	Significant changes to the organisation during the reporting period	There were no significant changes to our organisational profile during the reporting period
<b>G102-11</b>	Precautionary approach or principle	Refer to page 41-42, Risk Management and Internal Control
<b>G102-12</b>	External initiatives	Refer to page 24, About Report
<b>G102-13</b>	Membership of associations	Refer to page 53, Ethics and Integrity
<b>Strategy</b>		
<b>G102-14</b>	Statement from senior decision maker	Refer to page 4-6, Chairman's Statement
<b>G102-15</b>	Key impacts, risks, and opportunities	Refer to page 25, Materiality Assessment
<b>Ethics and integrity</b>		
<b>G102-16</b>	Values, principles, standards, and norms of behaviour	Refer to page 53, Ethics and integrity
<b>G102-17</b>	Mechanisms for advice and concerns about ethics	Refer to page 45
<b>Governance</b>		
<b>G102-18</b>	Governance structure	Refer to page 27-30
<b>G102-19</b>	Delegating authority	Refer to page 29-30, Delegation of Authority to Board Committees
<b>G102-20</b>	Executive-level responsibility for economic, environmental, and social topics	All GRI aspects identified are applicable to all entities and employees of the Manager
<b>G102-21</b>	Consulting stakeholders on economic, environmental, and social topics	Refer to page 25
<b>G102-22</b>	Composition of the highest governance body and its committees	Restatements of information, where applicable, are noted within the relevant data sets
<b>G102-23</b>	Chair of the highest governance body	Refer to page 30
<b>G102-24</b>	Nominating and selecting the highest governance body	Refer to page 34, Process for Selection, Appointment and Re-election of Directors
<b>G102-25</b>	Conflicts of interest	Refer to page 28, Conflicts of Interest Policy

OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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## SUSTAINABILITY REPORT

<b>General disclosures</b>	<b>Disclosure requirements</b>	<b>Where have we disclosed this?</b>
<b>G102-26</b>	Role of highest governance body in setting purpose, values, and strategy	Refer to page 27, Board's Role
<b>G102-27</b>	Collective knowledge of highest governance body	Refer to page 28, 29 and 31
<b>G102-28</b>	Evaluating the highest governance body's performance	Refer to page 37-38
<b>G102-29</b>	Identifying and managing economic, environmental and social impacts	Refer to page 25
<b>G102-30</b>	Effectiveness of risk management processes	Refer to page 41-42
<b>G102-31</b>	Review of economic, environmental, and social topics	Refer to page 25-26, Materiality Assessment
<b>G102-32</b>	Highest governance body's role in sustainability reporting	Refer to page 24, Board Statement
<b>G102-33</b>	Communicating critical concerns	Refer to page 45
<b>G102-34</b>	Nature and total number of critical concerns	Nil
<b>G102-35</b>	Remuneration policies	Refer to page 39, Remuneration
<b>G102-36</b>	Process for determining remuneration	Refer to page 39-40
<b>Stakeholder Engagement</b>		
<b>G102-40</b>	List of stakeholder groups	Refer to page 47
<b>G102-41</b>	Collective bargaining agreements	NA
<b>G102-42</b>	Identifying and selecting stakeholders	Refer to page 47
<b>G102-43</b>	Approach to stakeholder engagement	Refer to page 48-50
<b>G102-44</b>	Key topics and concerns raised	Refer to page 25-26, Materiality Assessment
<b>Reporting Practice</b>		
<b>G102-45</b>	Entities included in the consolidated financial statements	Refer to page 98, Controlled Entities
<b>G102-46</b>	Defining report content and topic Boundaries	Refer to page 24, About Report
<b>G102-47</b>	List of material topics	Refer to page 25-26, Materiality Assessment
<b>G102-48</b>	Restatements of information	Restatements of information, where applicable, are noted within the relevant data set
<b>G102-49</b>	Changes in reporting	There are no significant changes in scope and aspect boundaries
<b>G102-50</b>	Reporting period	Refer to page 24, About Report
<b>G102-51</b>	Date of most recent report	Refer to page 24, About Report
<b>G102-52</b>	Reporting cycle	Refer to page 24, About Report
<b>G102-53</b>	Contact point for questions regarding the report	Refer to page 24, About Report
<b>G102-54</b>	Claims of reporting in accordance with the GRI Standards	Refer to page 24, About Report
<b>G102-55</b>	GRI content index	Refer to page 54-56
<b>G102-56</b>	External assurance	This report has not been externally assured

# SUSTAINABILITY REPORT

## Topic-Specific Disclosures

Topic-Specific Disclosures	Disclosure requirements	Where have we disclosed this?
<b>Economic Sustainability</b>		
<b>G103-1-1</b>	Explanation of the material topic and its Boundary	Refer to page 4-6, Chairman's Statement
<b>G103-1-2</b>	The management approach and its components	Refer to page 4-6, Chairman's Statement
<b>G201-1</b>	Direct economic value generated and distributed	Refer to page 7-10, Financial Highlights
<b>G202-2</b>	Proportion of senior management hired from the local community	GIL has no employees. 86% of the Manager's employees are local
<b>G419-1</b>	Non-compliance with laws and regulations in the social and economic area	Nil
<b>Corporate Governance</b>		
<b>G205-2</b>	Communication and training about anti-corruption policies and procedures	Refer to page 49, Compliance, Anti-corruption and Engagement with local and foreign regulators
<b>G418</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
<b>Environmental Sustainability</b>		
<b>G203-2</b>	Significant indirect economic impacts	Refer to page 46, Dividend Policy and page 52, Socially Responsible Investing
<b>G302-1</b>	Energy consumption within the organization	Refer to page 51, Managing our Environmental Footprint
<b>G302-4</b>	Reduction of energy consumption	Refer to page 51
<b>G305-1</b>	Direct (Scope 1) GHG emissions	Refer to page 51, Managing our Environmental Footprint
<b>G305-5</b>	Reduction of GHG emissions	Refer to page 51
<b>Training and Education</b>		
<b>G404-1</b>	Average hours of training per year per employee	NA as GIL has no employees
<b>Supply Chain and Responsible Procurement</b>		
<b>G103-1-3</b>	Evaluation of the management approach	Refer to page 51, Sustainable Sourcing
<b>G308-1</b>	New suppliers that were screened using environmental criteria	Refer to page 51, Sustainable Sourcing
<b>Community Development</b>		
<b>G413-1</b>	Operations with local community engagement, impact assessments, and development programmes	Refer to page 52, Contribution to the Community Development

Global Investments Limited  
And Its Subsidiaries

## **2020 FINANCIAL REPORT**

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## DIRECTORS' STATEMENT

The Directors are pleased to present the audited financial statements of Global Investments Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 December 2020.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 63 to 101 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 2020 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2020; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### 2. DIRECTORS

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

Boon Swan Foo (Chairman)  
 Ronald Seah Lim Siang  
 Abdul Jabbar Bin Karam Din  
 Tan Wee Peng Kelvin  
 Tan Mui Hong  
 Lay Charlie Nhuc Hiang

(Appointed on 26 June 2020)

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

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

### 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of Director	Holdings in the name of Director		Holdings in which Director is deemed to have an interest	
	As at 31 December 2020	As at 1 January 2020	As at 31 December 2020	As at 1 January 2020
Boon Swan Foo	273,793,565	256,306,749	–	–
Ronald Seah Lim Siang	141,076	67,000	–	–
Total	273,934,641	256,373,749	–	–

The Directors' interest as at 21 January 2021 were the same as those as at 31 December 2020.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debenture of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## DIRECTORS' STATEMENT

### 5. SHARE OPTION SCHEME

The Company does not have a share option scheme.

### 6. AUDIT COMMITTEE

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

### 7. AUDITORS

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

On behalf of the Board of Directors:



Tan Mui Hong  
Director



Ronald Seah Lim Siang  
Director

10 March 2021

# 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 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the 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 2020 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 2020, the Group has investment portfolio which is measured at fair value through profit or loss amounting to S\$282.58 million, representing 90.2% 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 2020, financial assets comprising mainly of collateralised loan obligations (CLO), a credit linked note (CLN) and asset backed securities (ABS) with carrying value of S\$9.73 million measured at fair value 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 subjectivity and management's judgement, this is identified as a key audit matter.

Our audit of the fair valuation of Level 3 investments using valuation techniques included assessment of the key internal controls over the investment valuation process and verification of inputs and assumptions used in the valuation model against external sources of information, including consideration of impact arising from the COVID-19 pandemic. 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 maintaining 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

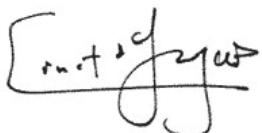
We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 and Regulatory Requirements

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

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



Ernst & Young LLP  
Public Accountants and Chartered Accountants

Singapore

10 March 2021

OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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## STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31 December 2020 S\$'000	Company As at 31 December 2020 S\$'000	Group As at 31 December 2019 S\$'000	Company As at 31 December 2019 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss	9	214,336	214,336	198,679	198,679
		<b>214,336</b>	<b>214,336</b>	<b>198,679</b>	<b>198,679</b>
<b>Current assets</b>					
Cash and cash equivalents	10	26,908	26,908	40,945	40,945
Financial assets at fair value through profit or loss	9	68,244	68,244	79,896	79,896
Other assets	11	3,963	3,963	4,143	4,143
		<b>99,115</b>	<b>99,115</b>	<b>124,984</b>	<b>124,984</b>
<b>Total Assets</b>		<b>313,451</b>	<b>313,451</b>	<b>323,663</b>	<b>323,663</b>
<b>LIABILITIES</b>					
Other liabilities	12	1,577	1,577	2,765	2,765
<b>Total Liabilities</b>		<b>1,577</b>	<b>1,577</b>	<b>2,765</b>	<b>2,765</b>
<b>Net assets attributable to shareholders</b>		<b>311,874</b>	<b>311,874</b>	<b>320,898</b>	<b>320,898</b>
<b>EQUITY</b>					
Share capital	13	270,837	270,837	270,837	270,837
Treasury shares	13	(12,978)	(12,978)	(4,203)	(4,203)
Capital reserve	14	68	68	2	2
Retained earnings	15	53,947	53,947	54,262	54,262
<b>Total Equity</b>		<b>311,874</b>	<b>311,874</b>	<b>320,898</b>	<b>320,898</b>

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 2020 S\$'000	For the year ended 31 December 2019 S\$'000
<b>INCOME</b>			
Dividend income		1,599	1,664
Interest income		14,924	14,396
Net foreign exchange gain		1,577	–
Net gain on financial assets at fair value through profit or loss	9	666	9,896
<b>Total Income</b>		<b>18,766</b>	<b>25,956</b>
<b>EXPENSES</b>			
Management fees	17	(2,320)	(2,333)
Incentive fees	17	–	(1,326)
Net foreign exchange loss		–	(426)
Other operating expenses	5	(2,007)	(2,020)
<b>Total expenses</b>		<b>(4,327)</b>	<b>(6,105)</b>
<b>Profit before tax</b>		<b>14,439</b>	<b>19,851</b>
Income tax expense	6	(120)	(104)
<b>Profit after tax</b>		<b>14,319</b>	<b>19,747</b>
<b>Total comprehensive income for the year attributable to shareholders</b>		<b>14,319</b>	<b>19,747</b>
<b>Basic earnings per share (cents per share)</b>	21	<b>0.87</b>	<b>1.16</b>
<b>Diluted earnings per share (cents per share)</b>	21	<b>0.87</b>	<b>1.16</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<b>Changes in Equity for the year ended 31 December 2020</b>	<b>Note</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
As at 1 January 2020		270,837	(4,203)	2	54,262	320,898
<b>Total comprehensive income for the year</b>						
Profit for the year		—	—	—	14,319	14,319
		—	—	—	14,319	14,319
Transactions with equity holders in their capacity as equity holders:						
Purchase of treasury shares	13	—	(17,624)	—	—	(17,624)
Transfer of treasury shares	13	—	8,849	66	—	8,915
Dividends	7	—	—	—	(14,634)	(14,634)
Total transactions with equity holders		—	(8,775)	66	(14,634)	(23,343)
As at 31 December 2020		270,837	(12,978)	68	53,947	311,874
<b>Changes in Equity for the year ended 31 December 2019</b>	<b>Note</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
As at 1 January 2019		270,837	—	—	51,376	322,213
<b>Total comprehensive income for the year</b>						
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	13	—	(13,595)	—	—	(13,595)
Transfer of treasury shares	13	—	9,392	2	—	9,394
Dividends	7	—	—	—	(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

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2020 S\$'000	For the year ended 31 December 2019 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating costs paid		(6,108)	(4,528)
Interest income received		15,082	14,572
Dividend income received		1,446	1,553
Income tax paid		(123)	(104)
<b>Net cash flows from operating activities</b>		<b>10,297</b>	<b>11,493</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of financial assets		(64,401)	(24,971)
Redemption/maturity of financial assets		55,396	25,955
Net proceeds from disposal of financial assets		6,153	14,548
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(2,852)</b>	<b>15,532</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Dividends paid		(5,719)	(7,466)
Purchase of treasury shares		(17,482)	(13,595)
<b>Net cash flows used in financing activities</b>		<b>(23,201)</b>	<b>(21,061)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(15,756)</b>	<b>5,964</b>
Cash and cash equivalents at beginning of year		40,945	35,363
Effects of exchange rate changes on cash and cash equivalents		1,719	(382)
<b>Cash and cash equivalents at end of year</b>	10	<b>26,908</b>	<b>40,945</b>

## 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 10 March 2021.

### 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.

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 2021.

## 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 2020. 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. 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 gain on financial assets 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 area measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

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

#### *Derecognition*

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

### 2.7 Financial liabilities

#### *Initial recognition and measurement*

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

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

#### *Subsequent measurement*

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

#### *Derecognition*

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

### 2.8 Impairment of financial assets

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

#### **2.9 *Impairment of non-financial assets***

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

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

#### **2.10 *Cash and cash equivalents***

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

#### **2.11 *Provisions***

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 2.12 Derivative financial instruments and hedging activities

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

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

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- iii. hedges of a net investment in a foreign operation (net investment hedge).

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

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

##### (a) Fair value hedges

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

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

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

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

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

##### (b) Cash flow hedges

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

## 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 (Cont'd)

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

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

##### (c) Net investment hedges

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

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

As at 31 December 2020 and 31 December 2019, 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*

The Group, as lessee, 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### 2.16 Leases (Cont'd)

##### Lease liabilities

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

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 2020, these financial assets comprised of CLO, CLN and ABS with carrying value of S\$9.73 million (2019: S\$15.48 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (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.

#### *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 2020 and 31 December 2019. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Fixed rate instruments <sup>1</sup>				
- China domestic bonds	30,316	38,976	30,316	38,976
- Other bonds	21,808	41,698	21,808	41,698
- Bank contingent convertibles	180,680	139,163	180,680	139,163
Variable rate instruments <sup>2</sup>				
- Loan portfolio and securitisation assets	9,725	15,478	9,725	15,478
- Other bonds	60	158	60	158
	<b>242,589</b>	<b>235,473</b>	<b>242,589</b>	<b>235,473</b>

<sup>1</sup> Fixed rate instruments include S\$133.15 million (2019: S\$99.34 million) of other bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 1 month to 27 years (2019: 2 months to 28 years). Interest on fixed rate financial instruments is fixed until the maturity of the instrument or till its next call date.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (a) *Interest rate risk (Cont'd)*

##### *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	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Loan portfolio and securitisation assets	105	157	105	157
China domestic bonds	(136)	(374)	(136)	(374)
Other bonds	(681)	(1,385)	(681)	(1,385)
Bank contingent convertibles	(5,645)	(4,623)	(5,645)	(4,623)
	<b>(6,357)</b>	<b>(6,225)</b>	<b>(6,357)</b>	<b>(6,225)</b>

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (b) Foreign currency risk (Cont'd)

The tables below set out the Group's and the Company's currency exposure arising from monetary items as at 31 December 2020 and 31 December 2019.

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
<b>2020</b>							
<b>Assets</b>							
Cash and cash equivalents	6,025	8,020	900	8,449	176	89	23,659
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	5,920	–	–	1,585	2,220	–	9,725
- China domestic bonds	–	30,316	–	–	–	–	30,316
- Other bonds	21,482	1	–	385	–	–	21,868
- Bank contingent convertibles	70,142	2,713	–	11,509	15,475	3,797	103,636
- Listed equities	149	1,638	25,935	547	–	4,783	33,052
Other assets	1,555	815	–	68	429	93	2,960
	<b>105,273</b>	<b>43,503</b>	<b>26,835</b>	<b>22,543</b>	<b>18,300</b>	<b>8,762</b>	<b>225,216</b>
<b>Liabilities</b>							
Other liabilities	(9)	–	–	–	–	–	(9)
	<b>(9)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9)</b>
<b>Net exposure</b>	<b>105,264</b>	<b>43,503</b>	<b>26,835</b>	<b>22,543</b>	<b>18,300</b>	<b>8,762</b>	<b>225,207</b>
<b>2019</b>							
<b>Assets</b>							
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
	<b>102,980</b>	<b>61,611</b>	<b>27,633</b>	<b>20,214</b>	<b>18,902</b>	<b>6,701</b>	<b>238,041</b>
<b>Liabilities</b>							
Other liabilities	(9)	–	–	–	–	–	(9)
	<b>(9)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9)</b>
<b>Net exposure</b>	<b>102,971</b>	<b>61,611</b>	<b>27,633</b>	<b>20,214</b>	<b>18,902</b>	<b>6,701</b>	<b>238,032</b>

## 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
<b>2020</b>							
<b>Assets</b>							
Cash and cash equivalents	6,025	8,020	900	8,449	176	89	23,659
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	5,920	-	-	1,585	2,220	-	9,725
- China domestic bonds	-	30,316	-	-	-	-	30,316
- Other bonds	21,482	1	-	385	-	-	21,868
- Bank contingent convertibles	70,142	2,713	-	11,509	15,475	3,797	103,636
- Listed equities	149	1,638	25,935	547	-	4,783	33,052
Other assets	1,555	815	-	68	429	93	2,960
	<b>105,273</b>	<b>43,503</b>	<b>26,835</b>	<b>22,543</b>	<b>18,300</b>	<b>8,762</b>	<b>225,216</b>
<b>Liabilities</b>							
Other liabilities	(9)	-	-	-	-	-	(9)
	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9)</b>
<b>Net exposure</b>	<b>105,264</b>	<b>43,503</b>	<b>26,835</b>	<b>22,543</b>	<b>18,300</b>	<b>8,762</b>	<b>225,207</b>
<b>2019</b>							
<b>Assets</b>							
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
	<b>102,980</b>	<b>61,611</b>	<b>27,633</b>	<b>20,214</b>	<b>18,902</b>	<b>6,701</b>	<b>238,041</b>
<b>Liabilities</b>							
Other liabilities	(9)	-	-	-	-	-	(9)
	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9)</b>
<b>Net exposure</b>	<b>102,971</b>	<b>61,611</b>	<b>27,633</b>	<b>20,214</b>	<b>18,902</b>	<b>6,701</b>	<b>238,032</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (b) Foreign currency risk (Cont'd)

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
United States Dollar	(5,263)	(5,149)	(5,263)	(5,149)
Chinese Renminbi	(2,175)	(3,081)	(2,175)	(3,081)
Hong Kong Dollar	(1,342)	(1,382)	(1,342)	(1,382)
Euro	(1,127)	(1,011)	(1,127)	(1,011)
Australian Dollar	(915)	(945)	(915)	(945)
Others	(438)	(335)	(438)	(335)

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (c) Credit risk (Cont'd)

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Cash and cash equivalents	26,908	40,945	26,908	40,945
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	9,725	15,478	9,725	15,478
- China domestic bonds	30,316	38,976	30,316	38,976
- Other bonds	21,868	41,856	21,868	41,856
Bank contingent convertibles	180,680	139,163	180,680	139,163
Other assets	3,753	3,934	3,753	3,934
<b>Total</b>	<b>273,250</b>	<b>280,352</b>	<b>273,250</b>	<b>280,352</b>

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Europe	166,681	126,215	166,681	126,215
Australia	7,437	9,084	7,437	9,084
North America	15,086	21,648	15,086	21,648
Asia	62,444	101,459	62,444	101,459
Others	21,602	21,946	21,602	21,946
<b>Total</b>	<b>273,250</b>	<b>280,352</b>	<b>273,250</b>	<b>280,352</b>

There was no impairment expense recognised for financial assets as at 31 December 2020 and 31 December 2019.

At 31 December 2020 and 31 December 2019, 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (d) *Market risk (Cont'd)*

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

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

The table below sets out the Group and the Company's exposure to market price risks as at 31 December 2020 and 31 December 2019. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Fair value through profit or loss				
- Listed equities	39,991	43,102	39,991	43,102
	39,991	43,102	39,991	43,102

#### *Sensitivity analysis - market price risk*

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Fair value through profit or loss				
- Listed equities	(3,999)	(4,310)	(3,999)	(4,310)

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (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 2020 and 31 December 2019 into relevant maturity groupings based on the contractual non-discounted cash flows.

2020 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	1,516	61	1,577
<b>Total Liabilities</b>	<b>1,516</b>	<b>61</b>	<b>1,577</b>
2020 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	1,516	61	1,577
<b>Total Liabilities</b>	<b>1,516</b>	<b>61</b>	<b>1,577</b>
2019 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	2,624	141	2,765
<b>Total Liabilities</b>	<b>2,624</b>	<b>141</b>	<b>2,765</b>
2019 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	2,624	141	2,765
<b>Total Liabilities</b>	<b>2,624</b>	<b>141</b>	<b>2,765</b>

#### (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 2020	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	-	-	9,725	9,725
- China domestic bonds	30,316	-	-	30,316
- Other bonds	21,418	450	-	21,868
- Bank contingent convertibles	180,680	-	-	180,680
- Listed equities	39,991	-	-	39,991
	272,405	450	9,725	282,580

Company As at 31 December 2020	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	-	-	9,725	9,725
- China domestic bonds	30,316	-	-	30,316
- Other bonds	21,418	450	-	21,868
- Bank contingent convertibles	180,680	-	-	180,680
- Listed equities	39,991	-	-	39,991
	272,405	450	9,725	282,580

## 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 2019	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
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
 <b>Company</b>				
As at 31 December 2019				
Company As at 31 December 2019	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
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

There were no transfer of financial assets between levels during the financial year ended 31 December 2020 and 2019.

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 2020 and 31 December 2019, 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\$9.73 million (2019: S\$15.48 million).

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2020 and 31 December 2019.

Group	Level 3 S\$'000
At 1 January 2020	15,478
Additions	-
Disposals/redemptions	(5,064)
Net loss on financial assets at fair value through profit or loss	(689)
At 31 December 2020	<u>9,725</u>
Total loss for the year included in profit or loss for assets held at the end of the year	<u>(689)</u>

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	<u>15,478</u>
Total gain for the year included in profit or loss for assets held at the end of the year	<u>658</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Financial risk management (Cont'd)

#### (g) Fair value measurements (Cont'd)

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

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

As at 31 December 2020, S\$7.21 million (2019: S\$10.85 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\$0.36 million (2019: S\$0.54 million).

CLN amounting to S\$2.51 million (2019: S\$4.63 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 changes 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 credit-linked note (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 2020 and 31 December 2019 are disclosed in the following tables.

Investments	Number of investments	Total portfolio size <sup>1</sup> S'\$000	Carrying amount of securities rated B3/B-/B- <sup>2</sup> and above S'\$000	Carrying amount of securities rated below B3/B-/B- <sup>2</sup> or unrated S'\$000	Carrying amount as at 31 December 2020 S'\$000
<b>Group</b>					
Asset backed securities	4	1,431,014	2,220	–	2,220
EUR-denominated CLO note	1	648,464	1,585	–	1,585
USD-denominated CLO/CLN notes	2	5,362,204	3,409	2,511	5,920

<sup>1</sup> 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 2020.

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

OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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## 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 <sup>1</sup> S\$'000	Carrying amount of securities rated B3/B-/B- <sup>2</sup> and above S\$'000	Carrying amount of securities rated below B3/B-/B- <sup>2</sup> or unrated S\$'000	Carrying amount as at 31 December 2019 S\$'000
<b>Group</b>					
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

<sup>1</sup> 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.

<sup>2</sup> 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 2020 was nil (2019: S\$1.47 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

### 5. Other operating expenses

	Group	
	For the year ended 31 December 2020 S\$'000	For the year ended 31 December 2019 S\$'000
<b>Operating expenses</b>		
Professional fees	1,170	1,151
Investor relations expenses	247	266
Directors' fees	379	390
Other expenses	211	213
<b>Total other operating expenses</b>	<b>2,007</b>	<b>2,020</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Income tax expense

	Group	
	For the year ended 31 December 2020 S\$'000	For the year ended 31 December 2019 S\$'000
<b>Income tax expense</b>		
Current tax	120	<u>104</u>
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	<u>14,439</u>	<u>19,851</u>
Withholding tax	120	104
Income tax expense	<u>120</u>	<u>104</u>

For the financial years ended 31 December 2020 and 31 December 2019, 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.

### 7. Dividends paid and declared

For the financial year ended 31 December 2020, the Directors have recommended the payment of a final dividend of 0.40 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 22 April 2021. This dividend will be paid on and about 10 June 2021.

The Company distributed a 2020 interim dividend of 0.40 Singapore cents per share amounting to S\$6.56 million on 7 October 2020. S\$2.44 million was paid in cash and S\$4.12 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2019 final dividend of 0.50 Singapore cents per share amounting to S\$8.07 million was distributed on 5 August 2020. S\$3.28 million was paid in cash and S\$4.80 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2019 interim dividend of 0.50 Singapore cents per share amounting to S\$8.43 million was distributed 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.

For the financial year ended 31 December 2020, 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 2021.

Dividends paid in 2020 and 2021 are exempt from tax (one-tier) when received in the hands of shareholders.

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Investments in subsidiaries

	Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
<b>Equity investments at cost</b>		
At beginning of financial year	–	–
Return of capital	–	–
Impairment	–	–
<b>At end of financial year</b>	–	–

Further details of the subsidiaries are included in Note 18.

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

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

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
<b>Non-current</b>				
Loan portfolio and securitisation assets	9,725	13,545	9,725	13,545
China domestic bonds	2,063	19,538	2,063	19,538
Other bonds	21,868	30,470	21,868	30,470
Bank contingent convertibles	180,680	135,126	180,680	135,126
	214,336	198,679	214,336	198,679
<b>Current</b>				
Loan portfolio and securitisation assets	–	1,933	–	1,933
China domestic bonds	28,253	19,438	28,253	19,438
Other bonds	–	11,386	–	11,386
Bank contingent convertibles	–	4,037	–	4,037
Listed equities	39,991	43,102	39,991	43,102
	68,244	79,896	68,244	79,896
<b>Total financial assets at fair value through profit or loss</b>	<b>282,580</b>	<b>278,575</b>	<b>282,580</b>	<b>278,575</b>

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

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Realised	1,752	719	1,752	719
Unrealised	(1,086)	9,177	(1,086)	9,177
<b>Total gain</b>	<b>666</b>	<b>9,896</b>	<b>666</b>	<b>9,896</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Cash and cash equivalents

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Cash at bank	9,967	8,133	9,967	8,133
Short-term deposits	16,941	32,812	16,941	32,812
<b>Total cash and cash equivalents</b>	<b>26,908</b>	<b>40,945</b>	<b>26,908</b>	<b>40,945</b>

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between two days and one year (2019: one day and three months) and earn interest on short-term deposit rates varying 0.02% to 2.70% (2019: 0.65% to 3.25%).

### 11. Other assets

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Interest receivables	3,683	3,807	3,683	3,807
Prepayment	15	15	15	15
Deposit	37	36	37	36
Other receivables	173	144	173	144
Right-of-use-assets	55	141	55	141
<b>Total other assets</b>	<b>3,963</b>	<b>4,143</b>	<b>3,963</b>	<b>4,143</b>

The carrying value of other assets as at 31 December 2020 and 31 December 2019 approximates their fair value due to the short-term nature.

### 12. Other liabilities

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Base management fees payable to SICIM	606	620	606	620
Lease liabilities	61	141	61	141
Other payables	910	2,004	910	2,004
<b>Total other liabilities</b>	<b>1,577</b>	<b>2,765</b>	<b>1,577</b>	<b>2,765</b>

As at 31 December 2019, other payables include the incentive fee payable to the Manager of S\$1.3 million charged for 2H 2019. No incentive fee was payable for FY2020.

The carrying value of other liabilities as at 31 December 2020 and 31 December 2019 approximates their fair value due to the short-term nature.

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Share capital

Group and Company	2020		2019	
	No. of shares '000	Amount S\$'000	No. of shares S\$'000	Amount S\$'000
<b>Issued ordinary shares</b>				
At beginning and end of financial year	1,723,842	270,837	1,723,842	270,837
<b>Treasury shares</b>				
At beginning of financial year	(30,313)	(4,203)	–	–
Purchase of treasury shares	(131,097)	(17,624)	(101,458)	(13,595)
Transfer of treasury shares	66,496	8,849	71,145	9,392
At end of financial year	(94,914)	(12,978)	(30,313)	(4,203)
<b>Issued ordinary shares net treasury shares</b>	<b>1,628,928</b>	<b>257,859</b>	<b>1,693,529</b>	<b>266,634</b>

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

All shares issued rank pari passu with previously issued shares. Details of the dividends can be found in Note 7.

On 7 October 2020, 30,970,355 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend scheme.

On 5 August 2020, 35,525,430 treasury shares were transferred for the purpose of allotment of shares pursuant to the Scrip Dividend Scheme.

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.

### 14. Capital reserve

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
At beginning of financial year	2	–	2	–
Transfer of treasury shares	66	2	66	2
<b>At end of financial year</b>	<b>68</b>	<b>2</b>	<b>68</b>	<b>2</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Retained earnings

	Group		Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of financial year	54,262	51,376	54,262	51,376
Net profit for the year	14,319	19,747	14,319	19,747
Dividends paid	(14,634)	(16,861)	(14,634)	(16,861)
<b>At end of financial year</b>	<b>53,947</b>	<b>54,262</b>	<b>53,947</b>	<b>54,262</b>

### 16. Net asset value

	Group		Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Total net asset value (S\$'000)	311,874	320,898	311,874	320,898
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,628,928	1,693,529	1,628,928	1,693,529
<b>Net asset value per ordinary share (S\$ per share)</b>	<b>0.1915</b>	<b>0.1895</b>	<b>0.1915</b>	<b>0.1895</b>

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

### 17. Related party transactions

#### *Directors' remuneration*

Directors are reimbursed for reasonable out-of-pocket expenses incurred in the course of attending meetings of the Board or Board committees and for any expenses reasonably incurred in their capacity as Directors of the Company or any of its subsidiaries.

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

	Remuneration Per Annum
1. Base remuneration fee	S\$45,000 per Director
2. Fees for chairmanship of the Board and various Board committees as well as membership in various Board committees	
a) Chairman of the Board	S\$22,000
b) Lead Independent Director	S\$5,000
c) Base fee for membership of ARMC	S\$10,000 per member
d) Chairman of ARMC	S\$18,000
e) Base fee for membership of NGC	S\$6,000 per member
f) 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 2020 amounted to S\$0.38 million (2019: S\$0.39 million).

OVERVIEW	SUSTAINABILITY	FINANCIAL	ADDITIONAL INFORMATION	OTHERS
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## NOTES TO THE FINANCIAL STATEMENTS

### 17. Related party transactions

#### *Intercompany receivables/payables*

As at 31 December 2020 and 31 December 2019, there were no intercompany receivables/payables from/to the subsidiaries.

#### *The Manager*

The following transactions were carried out with SICIM:

	Group	
	2020 S\$'000	2019 S\$'000
<b>Transactions with SICIM</b>		
Base management fees	2,320	2,333
Incentive fees	–	1,326
Fixed management fees	650	650
Other fees and reimbursement of expenses	378	347
Divestment fees	595	256
<b>Total</b>	<b>3,943</b>	<b>4,912</b>

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
<b>Balances with SICIM</b>				
Accrued base management fees	606	620	606	620
Accrued fixed management fees	163	164	163	164
Accrued incentive fees	–	1,326	–	1,326
Accrued other fees and reimbursement of expenses	97	77	97	77
Accrued divestment fees	235	77	235	77
<b>Total payable to the Manager</b>	<b>1,101</b>	<b>2,264</b>	<b>1,101</b>	<b>2,264</b>

#### *Transactions with other related parties*

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

	Group		Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Professional fees	3	–	3	–
	3	–	3	–

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Controlled entities

The following table sets out the entities that were controlled by the Group as at 31 December 2020.

Name of entity	Principal activities	Country of incorporation	% of equity held by the Group	% of equity held by the Group	Reporting date
			2020	2019	
BBSFF Operating Lease Limited <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Rail Fund No. 1 Limited <sup>1</sup>	Investments in operating lease assets	Cayman Islands	100%	100%	31 December

<sup>1</sup> Not required to be audited under the laws of the country of incorporation.

## 19. SEGMENT REPORTING

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, 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 2020.

	Loan Portfolio and Securitisation Assets				Other Bonds				Bank Contingent Convertibles				Listed Equities								
	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Total \$S'000	
For the year ended 31 December 2020	212	20	(375)	164	2,571	340	632	(987)	-	507	13,316	60	162	538	984	(9)	(982)	(306)	-	1,919	18,766
Total segment income																					
Segment profit/(loss) before tax	212	20	(375)	164	2,571	340	632	(987)	-	507	13,316	60	162	538	984	(9)	(982)	(306)	-	(2,408)	14,439
Included segment items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,599
Dividend income																					
Interest income	99	157	327	159	1,325	72	341	1,098	-	816	8,968	70	105	233	958	-	-	-	-	-	196
Net gain/(loss) on financial assets at fair value through profit or loss	113	(134)	(710)	4	1,235	267	290	(2,076)	-	(319)	4,465	(10)	57	298	78	(46)	(2,538)	(306)	-	-	666
Net foreign exchange gain/(loss)	-	(3)	8	1	11	1	1	(7)	-	10	(117)	-	-	7	(52)	1	(7)	-	-	-	1,723
As at 31 December 2020																					1,577
Total segment assets	1,604	2,526	3,461	2,225	30,971	385	125	10,109	-	11,866	164,693	1,774	5,212	9,736	1,588	38,356	149	-	-	27,154	313,451
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,577)	(1,577)

	Loan Portfolio and Securitisation Assets				Other Bonds				Bank Contingent Convertibles				Listed Equities								
	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Europe \$S'000	Asia \$S'000	North America \$S'000	Australia \$S'000	Others \$S'000	Total \$S'000	
For the year ended 31 December 2019	66	233	1,431	211	1,006	(61)	600	306	27	3,086	12,774	84	225	775	2,019	135	2,409	(13)	141	503	25,956
Total segment income																					
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	(5,55)	19,851
Included segment items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,664
Dividend income	65	273	706	293	2,050	80	497	1,295	47	808	6,388	70	104	251	956	-	-	-	-	-	503
Interest income	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 gain/(loss) on financial assets at fair value through profit or loss	13	-	(3)	-	(27)	(1)	(1)	(9)	(2)	(2)	-	(6)	-	(2)	-	1	-	(5)	-	(2)	(426)
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)

<sup>1</sup> Relates to corporate function and the assets comprise mainly uninvested cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Leases

#### Group as a lessee

During the financial year ended 31 December 2020, the Group had total cash outflow for leases of S\$94,674 (2019:S\$102,000).

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 11) recognised and the movements during the period:

	2020 S\$'000	2019 S\$'000
Balance at beginning of period	141	–
Additions	–	141
Rental rebate adjustment	(7)	–
Depreciation	(79)	–
Balance at end of period	55	141

Set out below are the carrying amounts of lease liabilities (recorded in 'Other liabilities' in Note 12) and the movements during the period:

	2020 S\$'000	2019 S\$'000
Balance at beginning of period	141	–
Additions	–	141
Rental rebate adjustment	(7)	–
Interest	10	–
Payment	(83)	–
Balance at end of period	61	141

### 21. Earnings per share

#### (a) *Basic*

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

	2020	2019
Earnings used in calculation of basic earnings per share (S\$'000)	14,319	19,747
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,647,158	1,695,474
<b>Basic earnings per share (cents per share)</b>	<b>0.87</b>	<b>1.16</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Earnings per share

(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.

	2020	2019
Earnings used in calculation of diluted earnings per share (S\$'000)	14,319	19,747
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,647,158	1,695,474
<b>Diluted earnings per share (cents per share)</b>	<b>0.87</b>	<b>1.16</b>

### 22. Remuneration of auditors

	Group	
	2020 S\$'000	2019 S\$'000
Amounts payable/paid to auditors for:		
Audit services	108	108

Fee payable to the auditors for non-audit services in 2020 is Nil (2019: Nil).

### 23. Events occurring after Balance Sheet Date

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

### 24. Standards issued but not yet effective

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 January 2021 or later periods and which the Group has not early adopted:

- SFRS(I) 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- COVID-19 Related Rent Concessions (Amendments to SFRS(I) 16)
- Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

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

## ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

### 1. INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Rule 920) S\$'000	
SICIM	Manager and an associate of GIL's Directors and controlling shareholder.	Base management fees	2,320
		Incentive fees	-
		Fixed management fees	650
		Other fees and reimbursement of expenses	378
		Divestment fees	595

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

### 2. INVESTMENTS

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

31 December 2020

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Net Book Value million	Carrying Value S\$' million	Underlying Earnings S\$' million	Unrealised Gain/(Loss) S\$' million
Societe Generale 6.125%	Bank contingent convertibles	Nil	S\$21.8	S\$21.8	23.1	1.2	1.3
Commerzbank 4.875%	Bank contingent convertibles	Nil	S\$10.5	S\$10.5	11.0	0.5	0.5
UBS Group 5.875%	Bank contingent convertibles	Nil	S\$10.0	S\$10.0	10.5	0.6	0.5
UBS Group 6.875%	Bank contingent convertibles	Nil	US\$6.0	US\$6.0	8.9	0.6	0.7
ABN Amro Bank 4.75%	Bank contingent convertibles	Nil	S\$8.8	S\$8.8	8.8	0.4	-
Commerzbank 4.2%	Bank contingent convertibles	Nil	S\$7.5	S\$7.5	7.4	0.3	(0.1)
Unicredit SPA 8%	Bank contingent convertibles	Nil	US\$4.8	US\$4.8	7.1	0.4	0.4
Societe Generale 8%	Bank contingent convertibles	Nil	US\$4.0	US\$4.0	6.2	0.4	0.5
Kingdom of Bahrain 7.5%	Other bonds	Nil	US\$3.9	US\$3.9	6.2	0.4	0.9
Jinneng Group 6.16%	China domestic bonds	Nil	¥30.0	¥30.0	6.1	0.4	(0.2)

## ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

**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/(Loss) 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

### 3. MATERIAL CONTRACTS

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

### 4. LAND AND BUILDINGS

GIL does not own any land or buildings.

## SHAREHOLDER INFORMATION

As at 2 March 2021

Number of issued shares	- 1,618,978,437 (excluding treasury shares)
Number of Treasury Shares	- 104,864,009 or 6.48% *
Class of Shares	- Ordinary shares
Voting Rights	- 1 vote per share (excluding treasury shares)

### SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	273,793,565	-

### DISTRIBUTION OF SHAREHOLDINGS

Range of Holdings	Number of Shareholders	Percentage (%) * %	Number of Shares	Percentage (%) * %
1 – 99	395	5.89	15,576	0.00
100 – 1,000	572	8.53	456,301	0.03
1,001 – 10,000	1,392	20.76	7,294,807	0.45
10,001 – 1,000,000	4,188	62.46	509,803,608	31.49
1,000,001 and above	158	2.36	1,101,408,145	68.03
<b>Total</b>	<b>6,705</b>	<b>100.00</b>	<b>1,618,978,437</b>	<b>100.00</b>

### TOP 20 SHAREHOLDERS

(as shown in the register of members and depository register)

No.	Name	Number of Shares held	Percentage (%) * %
1	BOON SWAN FOO	273,793,565	16.91
2	DBS NOMINEES (PRIVATE) LIMITED	142,807,705	8.82
3	GOH SI HUI (WU SIHUI)	68,866,460	4.25
4	CITIBANK NOMINEES SINGAPORE PTE LTD	48,477,189	2.99
5	RAFFLES NOMINEES (PTE.) LIMITED	43,625,396	2.69
6	PHILLIP SECURITIES PTE LTD	40,333,781	2.49
7	GOH SI KAI (WU SIKAI)	29,721,878	1.84
8	SEE BENG LIAN JANICE	23,346,491	1.44
9	SNG KAY BOON TERENCE	17,752,016	1.10
10	DB NOMINEES (SINGAPORE) PTE LTD	16,573,739	1.02
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,035,858	0.87
12	ATMA SINGH S/O NAND SINGH	12,672,625	0.78
13	YIM CHEE CHONG	12,060,477	0.74
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	11,942,862	0.74
15	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	11,478,034	0.71
16	FRED BAEY LIAN CHOO @BAUY LIAN CHOO OR HELEN BAEY-CHIN SIAU MOI	10,506,768	0.65
17	SEE YONG KIAT	8,435,540	0.52
18	OCBC SECURITIES PRIVATE LIMITED	8,419,712	0.52
19	HSBC (SINGAPORE) NOMINEES PTE LTD	6,982,180	0.43
20	WEE HIAN KOK	6,919,070	0.43
<b>Total</b>		<b>808,751,346</b>	<b>49.94</b>

Based on information available as at 2 March 2021, approximately 83.08% \* of the issued shares of GIL are held by the public and therefore, Listing Rule 723 has been complied with.

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

## MANAGEMENT AGREEMENT

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

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

The fee structure of SICIM is summarised below.

<b>Fee Structure</b>	
Base fee	1.0% of Net Investment Value up to S\$1.5 billion and 1.5% of Net Investment Value in excess of S\$1.5 billion.
Incentive fee <sup>1</sup>	<ul style="list-style-type: none"> <li>• 20.0% of excess Share Return over Benchmark Return after recovering any Deficit carried forward from previous periods.</li> <li>• 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.</li> <li>• Benchmark Return is computed based on AMCIF multiplied by an annualised return of 8%.</li> </ul>
Fixed fee	<ul style="list-style-type: none"> <li>• Fixed fee of S\$0.65 million per annum.</li> <li>• Third party expenses reimbursed by GIL.</li> </ul>
Acquisition fee	<ul style="list-style-type: none"> <li>• 1.0% of: <ul style="list-style-type: none"> <li>- Total risk capital invested by GIL in the investment; and</li> <li>- 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).</li> </ul> </li> </ul>
Divestment fee	<ul style="list-style-type: none"> <li>• Only for assets acquired after 25 November 2009.</li> <li>• 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero.</li> </ul> <p style="margin-left: 20px;"><b>Note:</b> 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"> <li>• 0.5% of senior debt raised.</li> <li>• 0.7% of subordinated or mezzanine debt raised.</li> </ul> <p style="margin-left: 20px;"><b>Note:</b> 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	The Board has the sole discretion to pay up to 100% of SICIM's fees in the form of shares rather than cash.

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

Fees that are paid and payable to the Manager and its associates are disclosed in Note 17 of the financial statements included within this report. The details of the incentive fees are found on page 106.

## COMPUTATION OF INCENTIVE FEE

		1H 2020	2H 2020
	Number of Days in the Relevant Half Year	182	184
	ATPIF	\$0.142606	\$0.139353
	ANIF	1,723,842,446	1,723,842,446
A	AMCIF = (ATPIF *ANIF)	S\$245,830,276	S\$240,222,616
B	Average SAI in the preceding Half Year	S\$0.3555	S\$0.3508
C	Average SAI in the Relevant Half Year	<b>S\$0.3508</b>	<b>S\$0.3718</b>
D	Benchmark rate of return for the Half Year	3.90119822%	3.94490328%
E	Deficit from previous period	-	S\$12,840,403
	<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\$3,250,077)	S\$14,380,487
	Benchmark Return for the Relevant Half Year		
	= A * D + I * J	S\$9,590,326	S\$9,476,550
	Share Return-Benchmark Return - Deficit	(S\$12,840,403)	(S\$7,936,466)
	Deficit Carried Forward	(S\$12,840,403)	(S\$7,936,466)
	Manager Incentive Fee @ 20%	-	-

## GLOSSARY

Term	Meaning
ABS	Asset-Backed Securities
AGM	Annual General Meeting
AMCIF	Average Market Capitalisation for Incentive Fee in respect of a Half Year: ATPIF x ANIF
ANIF	The average closing number of the Company's Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year, provided that for the purposes of computing the incentive fee when it shall first become payable, it shall mean the average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Relevant Half Year.
ARMC	Audit and Risk Management Committee
ATPIF	In relation to a Half Year, the average of the daily Volume Weighted Average Price over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year.
Board	GIL's Board of Directors
Benchmark Return	For the Shares that are included in AMCIF for a Half Year: <ul style="list-style-type: none"><li>● the AMCIF; multiplied by</li><li>● BRI.</li></ul> To the extent that additional Shares are issued during the Relevant Half Year, the Benchmark Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued, multiplied by the issue price of such Shares; multiplied by the BRI.
BRI	An annualised return of 8%.
CDP	The Central Depository (Pte) Limited
CLN	Credit Linked Note
CLO	Collateralised Loan Obligation
Constitution	The constitution of the Company for the time being in force, as amended or modified from time to time.
Deficit	For a Half Year, an amount determined at the end of that Half Year as the Total Benchmark Return less Total Share Return for the Relevant Half Years for that Half Year. If this amount is a positive number, then it is the Deficit. If it is a negative number, the Deficit is zero.
FY	Financial year ending 31 December
Group	GIL and its subsidiaries
Half Year	Each period of six consecutive months respectively ending on 30 June and 31 December save in respect of the first half year ended 30 June 2010
Management Agreement	The novation and amendment and restatement agreement entered into amongst the Company, STAM and SICIM dated 1 April 2016 and which came into effect on 29 April 2016, which novates, amends and restates the management agreement between the Company and STAM dated 24 September 2009.
Manager or SICIM	Singapore Consortium Investment Management Limited

## GLOSSARY

Term	Meaning
Net Investment Value	<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> $\text{AMC} = (\text{ATP} \times \text{AN})$ <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
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"> <li>(a) the beginning of the first half year ended 30 June 2010;</li> <li>(b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and</li> <li>(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.</li> </ul>
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.
2018 Code	Singapore Code of Corporate Governance 2018
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 means 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 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting of Global Investments Limited (**Company**) will be convened and held by way of electronics means on Thursday, **22 April 2021** at **10.00 a.m.** to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final tax exempt one-tier dividend of 0.40 Singapore cents per ordinary share for the financial year ended 31 December 2020. **(Resolution 2)**
3. To note the retirement of Mr Tan Wee Peng Kelvin.
4. To elect Mr Lay Charlie Nhuc Hiang who is retiring under Regulation 107 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. **(Resolution 3)**
5. To re-elect Mr Abdul Jabbar Bin Karam Din 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. **(Resolution 4)**
6. To approve the payment of Directors' fees of up to S\$380,200.00 for the financial year ending 31 December 2021 (2020: S\$380,200.00). **(Resolution 5)**
7. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

### SPECIAL BUSINESS

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

#### Proposed Share Issue Mandate **(Resolution 7)**

8. 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**), authority be and is hereby given to the Directors to:
  - (1) i. issue Shares in the capital of the Company (**Shares**) whether by way of rights, bonus or otherwise; and/or
    - ii. make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible or exchangeable into Shares
 

at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
  - (2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

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

## NOTICE OF 2021 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 (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- b. (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
  - (i) New Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) Any subsequent bonus issue, consolidation or sub-division of Shares.
- c. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing manual of the SGX-ST (**Listing Manual**) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- d. unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company (**AGM**) or the date by which the next AGM is required by law to be held, whichever is the earlier.

### **Proposed Renewal of the Share Buyback Mandate**

**(Resolution 8)**

9. 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) on the SGX-ST 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) effected otherwise than on the SGX-ST, in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act and as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual,

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

## NOTICE OF 2021 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 earliest of:

- (i) the date on which the next AGM 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.

(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 (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:-

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

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

(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

(Resolution 9)

10. 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
- (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.

## NOTICE OF 2021 ANNUAL GENERAL MEETING

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

By Order of the Board

Lin Moi Heyang  
Company Secretary  
26 March 2021

### **EXPLANATORY NOTES:**

**Agenda item 3** - Mr Tan Wee Peng Kelvin will retire from office without seeking re-election. Accordingly, Mr Tan Wee Peng Kelvin will relinquish his position as the member of Audit and Risk Management Committee and Remuneration Committee.

**Resolutions 3 and 4** - Mr Lay Charlie Nhuc Hiang will, upon re-election, continue to serve as Chairman of the Remuneration Committee. He will, upon re-election, also be appointed as a member of the Audit and Risk Management Committee. Mr Lay is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Abdul Jabbar Bin Karam Din will, upon re-election, continue to serve as Chairman of the Nomination and Governance Committee and a member of the Remuneration Committee. Mr Jabbar is considered an independent director.

Key information of Mr Lay and Mr Jabbar as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Additional Information On Directors Seeking Re-election" in the Annual Report 2020.

**Resolution 7** seeks to authorise the Directors of the Company from the date of the AGM until the next AGM to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of total number of Shares of the Company (excluding treasury shares and subsidiary holdings), of which the total number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM. If ordinary resolution 7 is passed, Shares issued pursuant to the Scrip Dividend Scheme will not be treated as Shares issued pursuant to the Share Issue Mandate.

**Resolution 8** is to renew the Share Buyback Mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions set out in the Resolution. Please refer to the Addendum to this Notice for more details.

**Resolution 9**, if passed, will provide the Directors, from the date of the AGM, the authority to issue Shares (including but not limited to Shares held in treasury) pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of all or part of the cash amount of that qualifying dividend. Shares issued pursuant to the Scrip Dividend Scheme will not be subject to the limits on the aggregate number of Shares that may be issued pursuant to the Share Issue Mandate.

### **Notes:**

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person.
2. A member will be able to participate in the AGM proceedings by watching a "live" webcast (the "Live AGM Webcast") via their mobile phones, tablets or computers. In order to do so, Members must pre-register at the Company's pre-registration website at the URL <https://conveneagm.sg/GIL2021AGM> by on 19 April 2021 10.00 a.m. (**Registration Deadline**) for verification of their status as shareholders (or the corporate representatives of such shareholders).
3. Following the verification, authenticated members will receive an email by 20 April 2021, and will be able to access the Live AGM Webcast by clicking on the link in the email and entering the user ID and password.

Members or their corporate representatives who have pre-registered by the Registration Deadline but do not receive an email may contact the Share Registrar for assistance at [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com) or at +65 6536 5355 during operating hours from 9:00 a.m. to 4:00 p.m.

Members or their corporate representatives must not forward the email to other persons who are not members and who are not entitled to participate in the AGM proceedings to avoid any technical disruptions or overload to the Live AGM Webcast.

## NOTICE OF 2021 ANNUAL GENERAL MEETING

4. Members may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM via the Company's pre-registration website at the URL <https://conveneagm.sg/GIL2021AGM> by the Registration Deadline.
5. The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on SGXNET and the Company's website prior to the AGM. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them during the AGM.
6. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of AGM.
7. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at AGM. The proxy form (Proxy Form) for the AGM may be accessed at the URL <https://globalinvestmentslimited.com/category/meetings/> and is available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

8. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **5.00 p.m. on 12 April 2021**.
9. The Chairman of the AGM, as proxy, need not be a Member of the Company.
10. The duly executed Proxy Form must be submitted to the Company in the following manner:
  - a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - b) if submitted electronically, by sending a scanned pdf copy by email to [RSVP@boardroomlimited.com](mailto:RSVP@boardroomlimited.com).

in either case not less than **72 hours** before the time appointed for the AGM.

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Due to the current COVID-19 situation in Singapore, shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

11. The Annual Report 2020 and the Addendum to the Notice of AGM Relating to the Proposed Renewal of the Share Buyback Mandate have been published on the Company's website at the URL <https://globalinvestmentslimited.com/category/meetings/> and may be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

### PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof), processing of the Pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary, addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof) and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lay Charlie Nhuc Hiang	Abdul Jabbar Bin Karam Din
Date of Appointment	26 June 2020	7 January 2019
Date of last re-appointment	-	25 April 2019
Age	51	52
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 Mr Lay's qualification and experience will enhance the composition of the Board and benefit the Company.	The Board has approved that Mr Jabbar stands for re-election after considering the recommendation of the Nomination and Governance Committee and reviewing Mr Jabbar's qualifications and work experience.
Whether appointment is executive, and if so, the area of responsibility	Non-executive and Independent Director	Non-executive and Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of Remuneration Committee and member of the Audit and Risk Management Committee	Chairman of Nomination and Governance Committee and member of Remuneration Committee Member
Professional qualifications	<p>1. Masters in Economics from Australian National University</p> <p>2. Bachelor of Economics and Honours Degree from Flinders University of South Australia</p>	Bachelor of Laws (Honours) from National University of Singapore
Working experience and occupation(s) during the past 10 years	<p>Apr 2011 to present- Senior Economist and FX Strategist of Commerzbank AG</p> <p>2009 to Apr 2011- Head of Regional Research/ Head of Singapore Office of Forest Pte Ltd</p>	Partner of Rajah & Tann Singapore LLP
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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	Nil	Nil

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lay Charlie Nhuc Hiang	Abdul Jabbar Bin Karam Din
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments* Including Directorships</b> (*Principal Commitments has the same meaning defined in the Code of Corporate Governance 2018)		
Past (for the last 5 years)	Listed companies Nil  Non-listed companies Nil	Listed companies Nil  Non-listed companies <ul style="list-style-type: none"> <li>● 5ASR Pte. Ltd.</li> <li>● HP Retail Pte. Ltd.</li> <li>● Huakee Capital Management Pte. Ltd.</li> <li>● IP Holding Asia Singapore Pte. Ltd.</li> <li>● LGB (Vietnam) Pte. Ltd.</li> <li>● LGB Corporation Pte. Ltd.</li> <li>● LGB Investments Pte. Ltd.</li> <li>● One NT Pte. Ltd.</li> <li>● OUE Lippo Hospitals International Pte. Ltd.</li> <li>● Pirie Investments Pte. Ltd.</li> <li>● Temperantia Pte. Ltd.</li> <li>● The Toro Company (Asia) Pte. Ltd.</li> <li>● Globalwafers Singapore Pte. Ltd. (fka. SunEdison Semiconductor Limited)</li> </ul>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lay Charlie Nhuc Hiang	Abdul Jabbar Bin Karam Din
Present		
	<p><i>Listed companies</i> Nil</p> <p><i>Non-listed companies</i> Nil</p> <p><i>Other principal commitments</i></p> <ul style="list-style-type: none"> <li>• Commerzbank (Senior Economist/ FX Strategist)</li> </ul>	<p><i>Listed companies</i> Chip Eng Seng Corporation Ltd</p> <p><i>Non-listed companies</i></p> <ul style="list-style-type: none"> <li>• Acist Asia Pte. Ltd.</li> <li>• Aghaby Operations Pte. Ltd.</li> <li>• Aghaby Investments Pte. Ltd.</li> <li>• Aghaby Holdings Pte. Ltd.</li> <li>• Bracco Diagnostics Asia Pte Ltd</li> <li>• Gratus Holding Pte. Ltd.</li> <li>• Hartford Steam Boiler (Singapore) Pte Ltd</li> <li>• ISCA Cares Limited</li> <li>• Ivy Mobile Technologies Pte. Ltd.</li> <li>• Petroleo Pte. Ltd.</li> <li>• R &amp; T Corporate Services Pte. Ltd.</li> <li>• RTA Collab Capital Pte. Ltd.</li> <li>• The Ray of Hope Initiative Limited</li> </ul> <p><i>Other principal commitments</i></p> <ul style="list-style-type: none"> <li>• Rajah &amp; Tann Singapore LLP (Partner)</li> </ul>
	<b><i>Disclosure applicable to the appointment of Director only.</i></b>	
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	Nil	Chip Eng Seng Corporation Ltd (Non-Executive Director)
<b>Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual</b>		

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

## 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 Abdul Jabbar Bin Karam Din (Independent Director)  
 Mr Tan Wee Peng Kelvin (Independent Director)  
 Ms Tan Mui Hong (Non-independent Director)  
 Mr Lay Charlie Nhuc Hiang (Independent Director)

### Registered Office:

51 Cuppage Road #10-04  
 Singapore 229469

26 March 2021

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 26 March 2021 (**Notice of AGM**) in respect of the proposed renewal of the mandate (**Share Buyback Mandate**) to purchase or otherwise acquire issued and fully paid up ordinary shares (**Shares**) in the capital of Global Investments Limited (**Company**).
- 1.2 Any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate will be made in accordance with, and in the manner prescribed by the Constitution of the Company (**Constitution**), the listing manual (**Listing Manual**) of Singapore Exchange Securities Trading Limited (**SGX-ST**) and the Companies Act 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 SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Addendum. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.
- 1.4 If you have sold or transferred your ordinary shares in the capital of the Company, please immediately forward this Addendum, together with the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

## 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 held on 5 December 2011 and subsequently the Shareholders have approved the renewal of the mandate every year.

At the AGM held on 19 June 2020 (**2020 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 2020 AGM dated 28 May 2020.

The 2020 Share Buyback Mandate was expressed to take effect on the date of the 2020 AGM and will expire on the conclusion of the forthcoming 2021 Annual General Meeting (**2021 AGM**). Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the 2021 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 2021 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 2021 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 2021 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;
- (c) the reasons for the proposed share buy-back;

## ADDENDUM

- (d) the consequences, if any, of share buy-backs by the Company that will arise under the 2018 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 shares 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 4 March 2021 (the Latest Practicable Date), the Company holds 107,764,009 treasury shares and there are no subsidiary holdings.

As at the Latest Practicable Date, the issued capital of the Company comprised 1,616,078,437 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 1,616,078,437 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 2021 AGM, not more than 161,607,843 Shares (representing 10% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date and disregarding the 107,764,009 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 2020 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\$0.149, 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 161,607,843 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$24,079,569. 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 2020 is as follows:

As at 31 December 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	311,874	287,794	311,874	287,794
Treasury Shares (S\$'000)	(12,978)	(37,058)	(12,978)	(37,058)
NAV (S\$'000)	311,874	287,794	311,874	287,794
Current Assets (S\$'000)	99,115	75,035	99,115	75,035
Current Liabilities (S\$'000)	1,577	1,577	1,577	1,577
Cash & Cash Equivalents (S\$'000)	26,908	2,828	26,908	2,828
Net Profit (S\$'000)	14,319	14,319	14,319	14,319
Number of Shares, excluding Treasury Shares ('000)	1,628,928	1,467,320	1,628,928	1,467,320
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.15	19.61	19.15	19.61
Basic EPS (Cents per Share)	0.87	0.96	0.87	0.96

#### Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.171, 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 161,607,843 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$27,634,942. 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 2020 is as follows:-

As at 31 December 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	311,874	284,239	311,874	284,239
Treasury Shares (S\$'000)	(12,978)	(40,613)	(12,978)	(40,613)
NAV (S\$'000)	311,874	284,239	311,874	284,239
Current Assets (S\$'000)	99,115	71,480	99,115	71,480
Current Liabilities (S\$'000)	1,577	1,577	1,577	1,577
Cash & Cash Equivalents (S\$'000)	26,908	300	26,908	300
Net Profit (S\$'000)	14,319	14,319	14,319	14,319
Number of Shares, excluding Treasury Shares ('000)	1,628,928	1,467,320	1,628,928	1,467,320
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.15	19.37	19.15	19.37
Basic EPS (Cents per Share)	0.87	0.96	0.87	0.96

## ADDENDUM

### 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\$0.149, 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 161,607,843 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$24,079,569. 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 2020 is as follows:-

As at 31 December 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	311,874	287,794	311,874	287,794
Treasury Shares (S\$'000)	(12,978)	(12,978)	(12,978)	(12,978)
NAV (S\$'000)	311,874	287,794	311,874	287,794
Current Assets (S\$'000)	99,115	75,035	99,115	75,035
Current Liabilities (S\$'000)	1,577	1,577	1,577	1,577
Cash & Cash Equivalents (S\$'000)	26,908	2,828	26,908	2,828
Net Profit/(Loss) (S\$'000)	14,319	14,319	14,319	14,319
Number of Shares, excluding Treasury Shares ('000)	1,628,928	1,467,320	1,628,928	1,467,320
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.15	19.61	19.15	19.61
Basic EPS (Cents per Share)	0.87	0.96	0.87	0.96

#### Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.171, 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 161,607,843 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$27,634,942. 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 2020 is as follows:-

As at 31 December 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	311,874	284,239	311,874	284,239
Treasury Shares (S\$'000)	(12,978)	(12,978)	(12,978)	(12,978)
NAV (S\$'000)	311,874	284,239	311,874	284,239
Current Assets (S\$'000)	99,115	71,480	99,115	71,480
Current Liabilities (S\$'000)	1,577	1,577	1,577	1,577
Cash & Cash Equivalents (S\$'000)	26,908	300	26,908	300
Net Profit/(Loss) (S\$'000)	14,319	14,319	14,319	14,319
Number of Shares, excluding Treasury Shares (S\$'000)	1,628,928	1,467,320	1,628,928	1,467,320
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.15	19.37	19.15	19.37
Basic EPS (Cents per Share)	0.87	0.96	0.87	0.96

## ADDENDUM

**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 2020, 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.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in compliance with Rule 1207(19) of the Listing Manual, the Company would not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company’s half year and full year financial statements.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 83.05% 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 81.17% 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.

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### 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;
- (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.

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### 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.**

**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:-

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Name	Total Interest (Direct and Indirect)			
	Before the Share Buyback <sup>[1]</sup>	%	After the Share Buyback <sup>[2]</sup>	%
<b>Directors</b>				
Boon Swan Foo	273,793,565	16.942	273,793,565	18.824
Ronald Seah Lim Siang	141,076	0.009	141,076	0.010
Abdul Jabbar Bin Karam Din	–	–	–	–
Tan Wee Peng Kelvin	–	–	–	–
Tan Mui Hong	–	–	–	–
Lay Charlie Nhuc Hiang	–	–	–	–
<b>Substantial Shareholder(s)</b>				
Boon Swan Foo	273,793,565	16.942	273,793,565	18.824

**Note(s):**

<sup>[1]</sup> Based on the total number of 1,616,078,437 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

<sup>[2]</sup> Based on the total number of 1,454,470,594 issued Shares (excluding treasury shares), assuming that the Company purchases the maximum number of 161,607,843 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 161,607,843 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 273,793,565 Shares representing approximately 16.942% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date and representing approximately 18.824% of the total number of issued Shares (excluding treasury shares) assuming that the Company purchases and cancels the maximum number of 161,607,843 Shares under the Share Buyback Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.**

### 2.11 Share purchases in the previous 12 months

The Company had bought back 131,402,000 Shares at a total consideration of S\$17,689,255 in the last 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were S\$0.10848 and S\$0.14600 respectively.

## ADDENDUM

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

#### 3.1 Directors' and Substantial Shareholder(s)' Interest

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholder(s) in Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholder(s) are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Boon Swan Foo	273,793,565	16.942	—	—
Ronald Seah Lim Siang	141,076	0.009	—	—
Abdul Jabbar Bin Karam Din	—	—	—	—
Tan Wee Peng Kelvin	—	—	—	—
Tan Mui Hong	—	—	—	—
Lay Charlie Nhuc Hiang	—	—	—	—
<b>Substantial Shareholder(s) (5% or more)</b>				
Boon Swan Foo	273,793,565	16.942	—	—

**Notes:**

<sup>(1)</sup> Based on the total number of 1,616,078,437 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 8 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 2020 annual report of the Company

Yours faithfully  
For and on behalf of  
Global Investments Limited

**Boon Swan Foo**  
Chairman

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## NOMINATION AND GOVERNANCE COMMITTEE

Abdul Jabbar Bin Karam Din (Chairman)  
Boon Swan Foo  
Ronald Seah Lim Siang

## AUDIT AND RISK MANAGEMENT COMMITTEE

Ronald Seah Lim Siang (Chairman)  
Tan Mui Hong  
Tan Wee Peng Kelvin

## REMUNERATION COMMITTEE

Lay Charlie Nhuc Hiang (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

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50 Raffles Place #32-01  
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Singapore 048623  
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## AUDITOR

Ernst & Young LLP  
Public Accountants and Chartered Accountants  
One Raffles Quay  
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Singapore 048583

Telephone: +65 6535 7777  
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Audit Partner: Adrian Koh  
Date of Appointment: 29 April 2016

## THE MANAGER & FUND ADMINISTRATOR

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

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