

**CIRCULAR DATED 1 APRIL 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements made or opinions expressed, or reports contained, in this Circular. 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.

If you have sold or transferred your ordinary shares in the capital of Global Investments Limited (the “**Company**”), please immediately forward this Circular, together with the Notice of SGM 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.



**GLOBAL INVESTMENTS LIMITED**

(Company Registration No. 38267)

(A mutual fund company incorporated with limited liability in Bermuda)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) **THE PROPOSED AMENDMENTS TO BYE-LAWS 8, 47, 48, 58, 59(b), 90, 98 AND 100 OF THE BYE-LAWS OF THE COMPANY; AND**
- (3) **THE PROPOSED CHANGE IN THE MANAGER OF THE COMPANY (AN INTERESTED PERSON TRANSACTION)**

**Independent Financial Adviser  
to the Independent Directors of Global Investments Limited**

**Deloitte.**

**DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD**

(Company Registration No. 200200144N)

(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES:**

- |                                               |   |                                                                                                                                                                                                                       |
|-----------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Last date and time for lodgment of Proxy Form | : | 27 April 2016 at 10 30 a.m.                                                                                                                                                                                           |
| Date and time of SGM                          | : | 29 April 2016 at 10.30 a.m.<br>(or as soon as practicable immediately following the conclusion or adjournment of the 2016 Annual General Meeting of the Company to be convened on the same day and at the same venue) |
| Place of SGM                                  | : | Chancellor One & Two Meeting Room, Level 2,<br>Hotel Chancellor @ Orchard,<br>28 Cavenagh Road,<br>Singapore 229635                                                                                                   |

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

<b>“2015 AGM”</b>	The Annual General Meeting of the Company held on 30 April 2015
<b>“Acquisition”</b>	AIM’s acquisition of all the shares in the capital of SICIM on 29 December 2015 as more fully described in paragraph 4.2
<b>“Acquisition Fee”</b>	The acquisition fee payable by the Company to SICIM under the Amended and Restated Management Agreement in respect of new asset acquisitions by the Company as more fully described in Appendices B and C of this Circular
<b>“AIM”</b>	Allgrace Investment Management Private Limited
<b>“Amended and Restated Management Agreement”</b>	The Original Management Agreement as novated, amended and restated with effect from the Effective Date by the Novation Agreement as more fully described in paragraph 4.4 and Appendix B of this Circular
<b>“Base Fee”</b>	The base fee payable by the Company to SICIM under the Amended and Restated Management Agreement as more fully described in Appendices B and C of this Circular
<b>“Bermuda Companies Act”</b>	The Companies Act 1981 of Bermuda, as amended or modified from time to time
<b>“Board”</b>	The board of Directors of the Company at the date of this Circular and from time to time
<b>“Bye-laws”</b>	The bye-laws of the Company, as amended from time to time
<b>“CDP”</b>	The Central Depository (Pte) Limited
<b>“Commencement Date”</b>	Means the commencement date of the Original Management Agreement, being 25 November 2009
<b>“Company” or “GIL”</b>	Global Investments Limited
<b>“Debt Raising Fee”</b>	The debt raising fee payable by the Company to SICIM under the Amended and Restated Management Agreement as more fully described in Appendices B and C of this Circular
<b>“Delegated Services”</b>	Certain services under the Original Management Agreement, including administrative, risk management, compliance and corporate secretarial services, the performance of which STAM delegated to AIM as more fully described in paragraph 4.2
<b>“Depositor”</b>	Has the meaning ascribed to it in Section 81SF of the SFA
<b>“Directors”</b>	The directors of the Company at the date of this Circular and from time to time
<b>“Divestment Fee”</b>	The divestment fee payable by the Company to SICIM under the Amended and Restated Management Agreement as more fully described in Appendices B and C of this Circular

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## DEFINITIONS

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<b>“Effective Date”</b>	The effective date of the Novation Agreement, being the date on which Shareholders have approved, by way of an Ordinary Resolution, the change in the manager of the Company from STAM to SICIM
<b>“Existing Asset Portfolio”</b>	Any assets or investments owned by the Group as at the Commencement Date
<b>“Fixed Fee”</b>	The fixed fee payable by the Company to SICIM under the Amended and Restated Management Agreement as more fully described in Appendices B and C of this Circular
<b>“Group”</b>	The Company and its subsidiaries
<b>“Half Year”</b>	Each period of six consecutive months respectively ending on 30 June and 31 December save in respect of the period from the Commencement Date to 30 June 2010
<b>“IFA”</b>	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser to the Independent Directors in relation to the proposed appointment of SICIM as the manager of the Company in place of STAM and the entry into of the Novation Agreement
<b>“IFA Letter”</b>	The letter dated 1 April 2016 from the IFA to the Independent Directors in relation to the proposed appointment of SICIM as the manager of the Company in place of STAM and the entry into of the Novation Agreement, reproduced as Appendix E of this Circular
<b>“Incentive Fee”</b>	The incentive fee payable by the Company to SICIM under the Amended and Restated Management Agreement as more fully described in Appendices B and C of this Circular
<b>“Independent Directors”</b>	The independent directors of the Company from time to time and at the date of this Circular being Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee
<b>“Latest Practicable Date”</b>	The latest practicable date prior to the printing of this Circular, being 15 March 2016
<b>“Listing Manual”</b>	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“Listing Rules”</b>	The listing rules of the SGX-ST as set out in the Listing Manual, as amended or modified from time to time
<b>“Manager Nominated Director”</b>	A Director nominated by the manager of the Company appointed or to be appointed to the Board in accordance with the Original Management Agreement or the Amended and Restated Management Agreement, as the case may be
<b>“Market Day”</b>	A day on which the SGX-ST is open for trading in securities
<b>“Market Purchase”</b>	Has the meaning ascribed to it in paragraph 2.3.3
<b>“MAS”</b>	The Monetary Authority of Singapore
<b>“Notice of SGM”</b>	The notice convening the SGM enclosed with this Circular

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## DEFINITIONS

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<b>“Novation Agreement”</b>	The novation and amendment and restatement agreement dated 1 April 2016 made between the Company, STAM and SICIM, as more fully described in paragraph 4.3
<b>“Off-Market Purchase”</b>	Has the meaning ascribed to it in paragraph 2.3.3
<b>“Ordinary Resolution”</b>	A resolution proposed and passed as such by a simple majority consisting of more than 50% of the total number of votes cast for and against such resolution at a meeting of Shareholders duly convened
<b>“Original Management Agreement”</b>	The management agreement dated 24 September 2009 made between the Company and STAM
<b>“Quarter”</b>	Each period of three consecutive months respectively ending on 31 March, 30 June, 30 September and 31 December
<b>“Register of Members”</b>	The register of members of the Company
<b>“Related Corporation”</b>	In relation to a corporation means any corporation deemed to be related to it under Section 6 of the Singapore Companies Act
<b>“Representative”</b>	Has the meaning ascribed to it in Section 2(1) of the SFA
<b>“SFA”</b>	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGM”</b>	The special general meeting of the Company to be held on 29 April 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the 2016 Annual General Meeting of the Company to be convened on the same day and at the same venue) to approve the matters set out in the Notice of SGM
<b>“SGX-ST”</b>	Singapore Exchange Securities Trading Limited
<b>“Share Purchase Mandate”</b>	The mandate given by the Shareholders at the 2015 AGM to enable the Company to purchase or otherwise acquire its issued Shares
<b>“Shareholders”</b>	Registered holders of Shares
<b>“Shares”</b>	Ordinary shares of par value \$0.01 each in the capital of the Company
<b>“SICIM”</b>	Singapore Consortium Investment Management Limited, the proposed new manager of the Company
<b>“SICIM Associates”</b>	SICIM, 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
<b>“Singapore Companies Act”</b>	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

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## DEFINITIONS

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“ <b>Special Resolution</b> ”	A resolution that has been passed by at least 75 per cent. of the votes cast by Shareholders entitled to vote on the particular resolution before a general meeting or a resolution in writing signed, in accordance with the provisions of the Bye-laws, by all the Shareholders entitled to vote thereon and constituting the necessary majority required
“ <b>STAM</b> ”	ST Asset Management Ltd., the current manager of the Company
“ <b>Substantial Shareholder</b> ”	A person who has an interest or interests in one or more voting shares of the Company and the total votes attached to that voting share, or those voting shares, is not less than five per cent. of the total votes attached to all the voting shares in the Company (excluding treasury shares)
“ <b>Take-over Code</b> ”	Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“ <b>\$</b> ” or “ <b>dollar</b> ” and “ <b>cents</b> ”	Singapore dollars and cents, respectively
“ <b>%</b> ” or “ <b>per cent.</b> ”	Per centum or percentage

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Singapore Companies Act, the Bermuda Companies Act, the SFA or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Singapore Companies Act, the Bermuda Companies Act, the SFA or the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

**Forward-Looking Statements.** All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as “intend”, “project”, “plan”, “potential”, “strategy”, “forecast” and similar expressions or verbs such as “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company, STAM nor SICIM undertakes any obligation to update publicly or revise any forward-looking statements.

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## LETTER TO SHAREHOLDERS

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GLOBAL INVESTMENTS  
LIMITED

Penboss Building  
50 Parliament Street  
Hamilton HM 12  
Bermuda

[www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com)

### Board of Directors

Mr Boon Swan Foo (Chairman and Non-Executive Director)

Mr Adrian Chan Pengee (Independent Director)

Mr Ronald Seah Lim Siang (Independent Director)

Mr Tan Kok Wee (Independent Director)

Mr See Yong Kiat (Manager Nominated Director)

1 April 2016

To: The Shareholders of  
Global Investments Limited

Dear Sir/Madam

- (1) **The Proposed Renewal of the Share Purchase Mandate (Ordinary Resolution);**
- (2) **The Proposed Amendments to Bye-laws 8, 47, 48, 58, 59(b), 90, 98 and 100 of the Bye-laws of the Company (Special Resolution); and**
- (3) **The Proposed Change in the Manager of the Company (Ordinary Resolution).**

### 1. INTRODUCTION

1.1 **SGM.** The Board of Directors of the Company (the “**Board**”) is convening the Special General Meeting (the “**SGM**”) to be held on 29 April 2016 to seek approval of the shareholders of the Company (the “**Shareholders**”) for:

- (a) by way of Ordinary Resolution, the proposed renewal of the mandate (the “**Share Purchase Mandate**”) given by the Shareholders at the Annual General Meeting of the Company held on 30 April 2015 (the “**2015 AGM**”) to enable the Company to purchase or otherwise acquire its issued and fully paid-up ordinary shares of par value \$0.01 each in the capital of the Company (the “**Shares**”);
- (b) by way of Special Resolution, the proposed amendments to Bye-laws 8, 47, 48, 58, 59(b), 90, 98 and 100 of the Bye-laws of the Company (the “**Bye-laws**”); and
- (c) by way of Ordinary Resolution, the proposed change in the manager of the Company from ST Asset Management Ltd. (“**STAM**”) to Singapore Consortium Investment Management Limited (“**SICIM**”), to be effected through the Novation Agreement described in paragraph 4.3 and the Amended and Restated Management Agreement described in paragraph 4.4 and Appendices B and C of this Circular.

As SICIM is indirectly wholly-owned by Mr Boon Swan Foo, the Chairman of the Company, the proposed appointment of SICIM as manager of the Company and the entry into of the Novation Agreement (including the fees to be paid to SICIM) will be an interested person transaction requiring approval of Shareholders under Chapter 9 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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- 1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the proposals to be tabled at the SGM.
- 1.3 **Directors' recommendations.** The directors of the Company (the "**Directors**") recommend that Shareholders vote in favour of the proposed renewal of the Share Purchase Mandate, the proposed amendments to the Bye-laws and the proposed change in the manager of the Company. Further details relating to the Directors' recommendations are set out in paragraph 8.

## 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 2.1 Background

The Share Purchase Mandate was originally approved by Shareholders at a Special General Meeting held on 5 December 2011 and Shareholders have approved the renewal of the mandate at each subsequent Annual General Meeting.

At the 2015 AGM, the Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate. The authority and limitations on the Share Purchase Mandate were set out in the Addendum Relating to the Proposed Change of Auditors and the Proposed Renewal of the Share Purchase Mandate dated 2 April 2015 and Ordinary Resolution 5 set out in the notice of the 2015 AGM dated 2 April 2015.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 5 at the 2015 AGM and will expire on the conclusion of the 2016 Annual General Meeting of the Company to be held immediately before the SGM. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the SGM.

The Company has not made any purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate.

### 2.2 Rationale for Proposed Renewal of the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in line with international practice, the Share Purchase Mandate will 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 Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (c) the Share Purchase Mandate will provide the Company the flexibility to undertake Share repurchases at any time, subject to market conditions, during the period when the Share Purchase 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 and/or earnings per Share 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 Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10 per cent. limit described in paragraph 2.3, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10 per cent. 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.



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## LETTER TO SHAREHOLDERS

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### 2.3 Authority and Limits of the Share Purchase Mandate

The authority relating to, and limitations placed on, purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the SGM, 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 Purchase Mandate is limited to that number of Shares representing not more than 10 per cent. of the issued Shares as at the date of the SGM (subject to any proportionate adjustments as may result from any capital subdivision and/or consolidation of the Company).

#### 2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the SGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (i) the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Company in a general meeting by way of an Ordinary Resolution; or
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever occurs the earliest.

#### 2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) 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; and/or
- (ii) off-market purchases ("**Off-Market Purchases**"), other than on a securities exchange, in accordance with an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Memorandum of Association of the Company, the Bye-laws, the listing manual of the SGX-ST (the "**Listing Manual**") and the Companies Act 1981 of Bermuda, as amended or modified from time to time (the "**Bermuda Companies Act**") 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 acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

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## LETTER TO SHAREHOLDERS

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- (c) the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares; and (3) (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:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances;
- (III) the reasons for the proposed share buy-back;
- (IV) the consequences, if any, of share buy-backs by the Company that will arise under the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) or other applicable take-over rules;
- (V) whether the share buy-back, if made, could affect the listing of the Shares on the SGX-ST;
- (VI) details of any share buy-back made by the Company in the previous 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
- (VII) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.4 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 subject to, and in accordance with, the Listing Manual and the Bye-laws. The purchase price to be paid for the Shares as determined by the Directors, in the case of a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme, must not exceed:

- (a) in the case of a Market Purchase, 105 per cent. of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120 per cent. of the Average Closing Price of the Shares,

in each case, excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses of the purchase or acquisition (the “**Maximum Price**”).

For these purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five day period;

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## LETTER TO SHAREHOLDERS

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“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) 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

Shares purchased or acquired by the Company, in its capacity as a mutual fund company under Bermuda law, are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation). Accordingly, the issued share capital of the Company, but not the Company’s authorised share capital, will be diminished by the nominal value of those Shares purchased or acquired by the Company. The Company will be able to issue Shares equal in aggregate par value to the aggregate par value of those Shares purchased and cancelled as if those Shares had never been issued. Shares purchased or acquired by the Company will be automatically delisted by the SGX-ST and all certificates issued to the former holder (if applicable) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

### 2.5 Source of Funds

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

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 Purchase Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.

### 2.6 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the Company and the Group arising from purchases or acquisitions of Shares pursuant to the Share Purchase Mandate, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2015, are based on the assumptions set out below.

#### 2.6.1 Purchase or Acquisition out of Capital or Profits

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

There will be no impact on the amount available for the distribution of cash dividends by the Company where purchases or acquisitions of Shares by the Company are made out of the Company’s capital.

Where purchases or acquisitions of Shares by the Company are made out of profits (if any), the amount available for the distribution of cash dividends by the Company will be correspondingly reduced.

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## LETTER TO SHAREHOLDERS

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### 2.6.2 Number of Shares Acquired or Purchased

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

### 2.6.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 144,643,383 Shares at the maximum price of S\$0.137 for one Share (being the price equivalent to 105 per cent. of the Average Closing Price of the Shares for the last five Market Days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 144,643,383 Shares is approximately S\$19,816,144 (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 144,643,383 Shares at the maximum price of S\$0.156 for one Share (being the price equivalent to 120 per cent. of the Average Closing Price of the Shares for the last five Market Days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 144,643,383 Shares is approximately S\$22,564,368 (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

## 2.7 Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.6.2 and 2.6.3, the financial effects of the:

- (a) purchase or acquisition of 144,643,383 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases; and
- (b) purchase or acquisition of 144,643,383 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases,

on the consolidated financial statements of the Company and the Group for the financial year ended 31 December 2015 would have been as follows:

LETTER TO SHAREHOLDERS

(a) **Market Purchase**

	Group		Company	
	Before Share purchase	After Share purchase	Before Share purchase	After Share purchase
	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	121,631	121,631
Loans and receivables	57,727	57,727	-	-
Available-for-sale financial assets	96,425	96,425	74,355	74,355
Financial assets at fair value through profit or loss	53,946	53,946	53,946	53,946
	208,098	208,098	249,932	249,932
<b>Current assets</b>				
Cash and cash equivalents	29,110	9,294	13,228	300
Available-for-sale financial assets	52,083	52,083	46,674	46,674
Other assets	4,437	4,437	4,339	4,339
	85,630	65,814	64,241	51,313
<b>Total Assets</b>	293,728	273,912	314,173	301,245
<b>Liabilities</b>				
Intercompany payables	-	-	20,465	27,353
Other liabilities	1,514	1,514	1,494	1,494
<b>Total Liabilities</b>	1,514	1,514	21,959	28,847
<b>Net assets attributable to shareholders</b>	292,214	272,398	292,214	272,398
<b>Equity</b>				
Share capital	535,837	516,021	535,837	516,021
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	3,591	3,591	(2,948)	(2,948)
Translation reserve	14,026	14,026	-	-
Accumulated losses	(195,394)	(195,394)	(174,829)	(174,829)
<b>Total Equity</b>	292,214	272,398	292,214	272,398
No. of issued and paid-up shares (in thousands)	1,446,434	1,301,790	1,446,434	1,301,790
Weighted average number of shares (in thousands)	1,385,890	1,241,247	1,385,890	1,241,247
Net profit	16,901	16,901	17,018	17,018
Basic earnings per share (cents per share)	1.22	1.36	1.23	1.37
Net asset value per ordinary share (S\$ per share)	0.202	0.209	0.202	0.209

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(b) Off-Market Purchase

	Group		Company	
	Before Share purchase	After Share purchase	Before Share purchase	After Share purchase
	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000	As at 31 December 2015 \$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	121,631	121,631
Loans and receivables	57,727	57,727	-	-
Available-for-sale financial assets	96,425	96,425	74,355	74,355
Financial assets at fair value through profit or loss	53,946	53,946	53,946	53,946
	208,098	208,098	249,932	249,932
<b>Current assets</b>				
Cash and cash equivalents	29,110	6,546	13,228	300
Available-for-sale financial assets	52,083	52,083	46,674	46,674
Other assets	4,437	4,437	4,339	4,339
	85,630	63,066	64,241	51,313
<b>Total Assets</b>	293,728	271,164	314,173	301,245
<b>Liabilities</b>				
Intercompany payables	-	-	20,465	30,101
Other liabilities	1,514	1,514	1,494	1,494
<b>Total Liabilities</b>	1,514	1,514	21,959	31,595
<b>Net assets attributable to shareholders</b>	292,214	269,650	292,214	269,650
<b>Equity</b>				
Share capital	535,837	513,273	535,837	513,273
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	3,591	3,591	(2,948)	(2,948)
Translation reserve	14,026	14,026	-	-
Accumulated losses	(195,394)	(195,394)	(174,829)	(174,829)
<b>Total Equity</b>	292,214	269,650	292,214	269,650
No. of issued and paid-up shares (in thousands)	1,446,434	1,301,790	1,446,434	1,301,790
Weighted average number of shares (in thousands)	1,385,890	1,241,247	1,385,890	1,241,247
Net profit	16,901	16,901	17,018	17,018
Basic earnings per share (cents per share)	1.22	1.36	1.23	1.37
Net asset value per ordinary share (S\$ per share)	0.202	0.207	0.202	0.207

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## LETTER TO SHAREHOLDERS

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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 2015, and is not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10 per cent. of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10 per cent. of the issued Shares or at all. **IN PARTICULAR, THE DIRECTORS DO NOT INTEND TO EXERCISE THE SHARE PURCHASE MANDATE UP TO THE MAXIMUM LIMIT AND TO SUCH AN EXTENT IF SUCH EXERCISE WOULD MATERIALLY AND ADVERSELY AFFECT 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.**

### 2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

### 2.9 Listing Rules

Listing Rule 886(1) specifies that a listed company shall notify 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 notification currently requires, *inter alia*, the inclusion of the date of purchase, details of the total number of shares purchased and the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

While the Listing Rules do 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 Purchase 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 addition, as per Listing Rule 1207(19)(c), 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 full-year results and the period of two weeks immediately preceding the announcement of the Company’s first quarter, second quarter and third quarter results.

Pursuant to Listing Rule 723, the Company has to ensure that at least 10 per cent. of the Shares are at all times held by the “public” (the public being persons other than directors, the chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiary companies and associates of the aforesaid persons, as defined in the Listing Manual). As at the Latest Practicable Date, approximately 88.68 per cent. of the issued Shares are 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 through Market Purchases up to the full 10 per cent. limit pursuant to the Share Purchase 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. Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

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### 2.10 Take-over Implications

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, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned for the purchase of voting rights, all with each other. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20 per cent. but not more than 50 per cent. of the voting rights of the first-mentioned company;
- (c) 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;
- (d) partners; and
- (e) an individual, his close relatives, his related trusts, and any person who is accustomed to act in accordance with his instructions, companies controlled by any of the aforementioned and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned for the purchase of voting rights, all with each other.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

#### 2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent. or more, or if the voting rights of such Directors and their concert parties fall between 30 per cent. and 50 per cent. of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1 per cent. in any period of six months.



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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. or more, or, if such Shareholder holds not less than 30 per cent. but not more than 50 per cent. of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1 per cent. in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

As at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer, as a result of the relevant increase in the percentage of their shareholding interest in the Company (if applicable), in the event the Company purchases and cancels the maximum number of 144,643,383 Shares under the Share Purchase Mandate. Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder (together with persons acting in concert with them) 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 144,643,383 Shares under the Share Purchase 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 163,638,946 Shares representing approximately 11.31% of the total number of issued Shares as at the Latest Practicable Date and representing approximately 12.57% of the total number of issued Shares assuming that the Company purchases and cancels the maximum number of 144,643,383 Shares under the Share Purchase Mandate.

The Share Purchase 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 Purchase 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 advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity as to whether they would incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.**

### 2.11 Details of Previous Share Purchases

The Company has not undertaken any purchase or acquisition of its own Shares in the 12 months immediately preceding the Latest Practicable Date.

## 3. THE PROPOSED AMENDMENTS TO THE BYE-LAWS

### 3.1 Rationale

On 31 July 2013, the SGX-ST announced the introduction of new Listing Rules to promote greater transparency in the voting process at general meetings and support listed companies and trusts in enhancing their shareholder engagement. These new rules include, *inter alia*, the voting by poll for all resolutions. It is proposed that the Bye-laws be amended to be in line with the new Listing Rules requiring voting by poll for all resolutions.

It is proposed that the Bye-laws also be amended: (a) for compliance with the current Appendix 2.2 of the Listing Manual, and (b) to change the references to certain provisions of the Singapore Companies Act to those of the SFA as the relevant provisions of the SFA apply in place of those provisions of the Singapore Companies Act.

### **3.2 Summary of the proposed amendments to the Bye-laws**

The following is a summary of the proposed amendments to the Bye-laws, which are proposed pursuant to Special Resolution 2 and are in compliance with Rule 730(2) of the Listing Manual.

#### **Bye-laws 47, 48 and 90**

On 31 July 2013, the SGX-ST announced that the Listing Rules would be amended, with effect from 1 August 2015, to require issuers to conduct the voting of all resolutions by poll, in order to enhance transparency of the voting process and encourage greater shareholder participation.

Bye-law 47 currently provides, *inter alia*, that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records unless a poll is (before or on the declaration of the result of the show of hands (including a count of votes received in the form of electronic records)) demanded. It is proposed that Bye-law 47 be amended to be in line with the new Listing Rules. Consequential amendments are also proposed to Bye-laws 48 and 90.

#### **Bye-laws 8, 47, 58 and 59(b)**

Listing Rule 730(2) provides that if an issuer amends its articles of association or other constituent documents, they must be made consistent with all the Listing Rules prevailing at the time of amendments. It is proposed that Bye-laws 8, 47, 58 and 59(b) be amended to comply with the current Appendix 2.2 of the Listing Manual, ("Appendix 2.2"), in particular, paragraphs 5, 8(a), 9(l) and 9(n).

Bye-law 8 relates to modification of rights and is being amended to comply with paragraph 5 of Appendix 2.2, which provides that the repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

In addition to the amendments to Bye-law 47 described above, Bye-law 47(b) is being amended to insert the word "ordinary" before "shares" to align with paragraph 8(a) of Appendix 2.2 which provides that a holder of ordinary shares shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid.

With respect to the amendments to Bye-law 58, it is proposed that this be amended such that the office of a director shall be vacated in the event that such director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, and without limiting the foregoing, on occurrence of such event, the director must immediately resign from the board. The proposed amendments to Bye-law 58 are to comply with paragraph 9(n) of Appendix 2.2

Bye-law 59(b) relates to the appointment or removal of an alternate director and is being amended to align with paragraph 9(l) of Appendix 2.2 which provides, among other things, that a director may appoint a person approved by a majority of his co-directors to act as his alternate.

#### **Bye-laws 98 and 100**

With effect from 19 November 2012, amendments were made to the SFA, including the adoption of Sections 133, 135, 136, 137 and 137F of the SFA. These sections apply in place of the sections of the Singapore Companies Act which were referred to in Bye-law 98. It is proposed that Bye-law 98 be amended to refer to the relevant provisions of the SFA instead of the provisions in the Singapore Companies Act. A consequential amendment is also proposed to Bye-law 100.

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### 3.3 Appendices and Resolutions

The amendments to the Bye-laws proposed to be made pursuant to Special Resolution 2 are set out in Appendix A of this Circular.

## 4. THE PROPOSED CHANGE IN THE MANAGER OF THE COMPANY

### 4.1 Introduction

The Company was listed on the SGX-ST on 20 December 2006 as an investment fund managed by Babcock & Brown Global Investments Management Pty Limited (“**BBGIM**”). On 25 November 2009, STAM was appointed as manager of the Company in place of BBGIM pursuant to the management agreement dated 24 September 2009 (the “**Original Management Agreement**”) between the Company and STAM.

### 4.2 Rationale for Proposed Change in the Manager

STAM has informed the Company that its business strategy has changed and that its current focus is on the management of funds of its related companies. As part of its winding down of the management of the funds of its external clients, STAM has notified the Company of its desire to relinquish its appointment as the manager of the Company and has proposed that SICIM be appointed as the new manager of the Company by way of the Novation Agreement.

Pursuant to STAM’s nomination, SICIM has put up a proposal to the independent directors of the Company (the “**Independent Directors**”) to offer its services as the new manager of the Company. In its proposal, SICIM has agreed to accept all the terms of the Original Management Agreement and to the novation of the rights and obligations of STAM under the Original Management Agreement to SICIM.

The Independent Directors have accepted SICIM’s proposal and are agreeable to the appointment of SICIM as the new manager of the Company, subject to the approval of the Shareholders. The Independent Directors believe that the appointment of SICIM as the new manager of the Company would be in the best interests of Shareholders, and did not consider other candidates to replace STAM, taking into consideration the following:

- (a) SICIM’s in-depth knowledge of the Company.

Mr Boon Swan Foo is the sole owner, Chairman and Chief Executive Officer of Allgrace Investment Management Private Limited (“**AIM**”). Mr Boon’s involvement with the Company started in November 2009, where pursuant to a consultancy agreement between Mr Boon and STAM, he provided investment advisory services to STAM in relation to the management of the assets of the Company in his capacity as Representative of STAM. In addition, he was appointed as a Manager Nominated Director and Chairman of the Company on 25 November 2009. He subsequently became non-executive Director and non-independent Chairman of the Company with effect from 20 December 2011.

Mr Boon remained as a Representative and consultant of STAM until July 2013, when the aforesaid consultancy agreement between Mr Boon and STAM was novated to AIM. AIM was established by Mr Boon on 18 October 2011. Since 16 July 2012, STAM had also delegated the performances of certain services under the Original Management Agreement to AIM, including administrative, risk management, compliance and corporate secretarial services (the “**Delegated Services**”).

On 29 December 2015, AIM acquired all the shares in the capital of SICIM which resulted in the transfer of all of the assets, staff and business operations of AIM to SICIM (the “**Acquisition**”). Pursuant to the Acquisition, AIM’s rights and obligations under the respective agreements in relation to the Delegated Services were novated to SICIM and the Delegated Services have been performed by SICIM since 29 December 2015.

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- (b) The experience and expertise of SICIM's officers.

As mentioned above, the officers of SICIM (who were previously the officers of AIM) have been performing the Delegated Services since 16 July 2012. Further, the key officers of SICIM have the experience and the expertise in managing assets similar to the assets of the Company, further details of which are set out in Appendix D of this Circular. Through their frequent interaction with the officers of SICIM and review of the Delegated Services performed by SICIM, the Independent Directors acknowledge the skills and competencies of SICIM's officers and believe that SICIM has the experience and expertise to take over the management of the Company from STAM.

- (c) SICIM's holding of a capital markets services licence issued by the Monetary Authority of Singapore (the "MAS") to carry on business in fund management for retail investors.
- (d) SICIM having agreed to accept all the terms of the Original Management Agreement.
- (e) SICIM's intention to appoint STAM as its consultant upon the effective date of its appointment as the new manager of the Company for a period of six months, to ensure a smooth transition. STAM's fees for acting as SICIM's consultant will be solely borne by SICIM.
- (f) Continuity in the management of the Company.

Based on all of the above factors, there would be continuity in management of the assets of the Company with minimal disruption which is the key factor in the decision of the Independent Directors to appoint SICIM as the new manager of the Company in place of STAM.

- (g) Alignment of interest.

Mr Boon Swan Foo is the single largest Shareholder, holding 11.31% of the Shares of the Company as at the Latest Practicable Date. SICIM is indirectly wholly-owned by Mr Boon Swan Foo, who is also the Chairman and Chief Executive Officer of SICIM. Thus there would be alignment of the interest between SICIM and the Shareholders.

### 4.3 Novation Agreement

On 1 April 2016, the Company, STAM and SICIM entered into a novation and amendment and restatement agreement (the "**Novation Agreement**") pursuant to which, from the Effective Date:

- (a) the Company appoints SICIM in place of STAM and releases and discharges STAM from all obligations, claims and demands whatsoever under or in respect of the Original Management Agreement and the liability of STAM thereunder;
- (b) SICIM assumes the rights and benefits and undertakes the obligations of STAM under the Original Management Agreement; and
- (c) the Company and SICIM agree to amend and restate the Original Management Agreement.

### 4.4 Amended and Restated Management Agreement

The Novation Agreement provides that with effect from the Effective Date, the Original Management Agreement shall be amended and restated on the terms of the schedule to the Novation Agreement (the "**Amended and Restated Management Agreement**"). The Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the scope of the services to be provided by the manager and the fees payable to the manager of the Company.

Further details of the Amended and Restated Management Agreement are set out in Appendix B of this Circular and further details of the fees payable under the Amended and Restated Management Agreement are set out in Appendix C of this Circular.

#### **4.5 Details of the proposed manager of the Company**

SICIM was incorporated in 1996 by a consortium of the asset management arms of six of the largest banks in Singapore. It was set up with the aim of carrying on business in fund management for retail investors and in particular to manage the Singapore Index Fund, an open-ended equity index tracking fund constituted in the same year.

The original owners of SICIM were OCBC Asset Management Limited, DBS Asset Management Ltd, Keppel Bank of Singapore Limited, OUB Asset Management Ltd, Tat Lee Bank Limited and UOB Asset Management Ltd. The Singapore Index Fund is registered with the MAS as a collective investment scheme and has been listed on the SGX-ST since 1996.

SICIM is currently wholly-owned by AIM following the Acquisition. Prior to 29 December 2015, SICIM was owned by Nikko Asset Management International Limited, UOB Asset Management Ltd and Oversea-Chinese Banking Corporation Limited in equal proportions.

Following the Acquisition, SICIM's principal place of business is now at 51 Cuppage Road, #10-04, Singapore 229469, and it currently has a staff-strength of 16 officers, including seven Representatives.

The board of directors of SICIM comprises Mr Boon Swan Foo, Mr Richard Rokmat Magnus, Ms Tan Hui Keng Martha, Mr See Yong Kiat and Mr Frederick Lai Yao Long.

Further details relating to SICIM are set out in Appendix D of this Circular.

#### **4.6 Investment policy**

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

#### **4.7 Approval from the Bermuda Monetary Authority**

Approval from the Bermuda Monetary Authority for the proposed change in the manager of the Company from STAM to SICIM was obtained on 10 February 2016.

#### **4.8 Requirement for Shareholder's Approval**

Listing Rule 748(4) provides that an investment fund must seek shareholders' approval for any change of the investment manager.

In addition, SICIM is indirectly wholly-owned by Mr Boon Swan Foo, the Chairman of the Company and is regarded by the SGX-ST as an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. Accordingly, the proposed appointment of SICIM as manager of the Company and the entry into of the Novation Agreement will be an interested person transaction under Chapter 9 of the Listing Manual.

The amount at risk to the Company is the fees and expenses payable by the Company to SICIM pursuant to the Amended and Restated Management Agreement, as set out in Appendices B and C of this Circular.

Under Chapter 9 of the Listing Manual, where the Company proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than \$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the Company's latest audited net tangible assets, Shareholders' approval is required in respect of the transaction.

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The audited net tangible assets of the Company were approximately S\$292.21 million as at 31 December 2015. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than \$100,000) entered into with the same interested person during the current financial year, equal to or in excess of approximately S\$14.61 million, being 5.0% of the Company's latest audited net tangible assets as at 31 December 2015, such a transaction would be subject to Shareholders' approval.

As the Amended and Restated Management Agreement commences on the Effective Date and continues until the date it is terminated in accordance with the terms of the Amended and Restated Management Agreement (as described in paragraphs 7 and 8 of Appendix B of this Circular), the fees and expenses which SICIM may be entitled to receive under the Amended and Restated Management Agreement are likely to be equal to or exceed the 5.0% threshold under Chapter 9 of the Listing Manual and hence requires the approval of Shareholders in accordance with Listing Rule 906(1)(a).

### 5. THE OPINION OF THE IFA

Deloitte & Touche Corporate Finance Pte Ltd (the "IFA") has been appointed as the independent financial adviser to the Independent Directors in relation to the proposed appointment of SICIM as the manager of the Company on the terms of the Amended and Restated Management Agreement and the entry into of the Novation Agreement.

Taking into consideration the factors set out in the IFA Letter, and subject to the assumptions and qualifications contained therein, the IFA is of the opinion that the appointment of SICIM as the manager of the Company on the terms of the Amended and Restated Management Agreement, and the terms of the Novation Agreement, are based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced as Appendix E of this Circular. Shareholders are advised to read the IFA Letter carefully before proceeding to vote on Ordinary Resolution 3.

### 6. STATEMENT OF THE AUDIT COMMITTEE

Having considered the opinion of the IFA as set out in the IFA Letter and the rationale for the proposed change in the manager of the Company set out in paragraph 4.2, the audit committee of the Company is satisfied that the appointment of SICIM as the manager of the Company on the terms of the Amended and Restated Management Agreement, and the terms of the Novation Agreement, are based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 7. SPECIAL GENERAL MEETING

The SGM will be held at Chancellor One & Two Meeting Room, Level 2, Hotel Chancellor @ Orchard, 28 Cavenagh Road, Singapore 229635 on 29 April 2016 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the 2016 Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of SGM.

### 8. DIRECTORS' RECOMMENDATIONS

#### 8.1 The Proposed Renewal of the Share Purchase Mandate

Having considered the rationale for the proposed renewal of the Share Purchase Mandate as set out in paragraph 2.2, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 1 set out in the Notice of SGM.

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## LETTER TO SHAREHOLDERS

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### 8.2 The Proposed Amendments to the Bye-laws

After having considered the rationale for the proposed amendments to the Bye-laws as set out in paragraph 3.1, the Directors are of the opinion that the proposed amendments to the Bye-laws are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Special Resolution 2 set out in the Notice of SGM.

### 8.3 The Proposed Change in the Manager of the Company

Having considered the opinion of the IFA as set out in the IFA Letter and the rationale for the proposed change in the manager of the Company set out in paragraph 4.2, the Independent Directors are of the opinion that the proposed change in the manager of the Company on the terms set out in the Amended and Restated Management Agreement and the entry into of the Novation Agreement, are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 3 set out in the Notice of SGM.

## 9. ABSTENTION FROM VOTING

SICIM is indirectly wholly-owned by Mr Boon Swan Foo, who is also the Chairman and Chief Executive Officer of SICIM. Mr See Yong Kiat is a non-executive director of SICIM. Mr Boon and Mr See will abstain from making any recommendation on Ordinary Resolution 3 set out in the Notice of SGM.

In addition, Mr Boon will abstain and has undertaken to ensure that his associates will abstain from voting their Shares in respect of Ordinary Resolution 3. Mr Boon will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 3 unless that Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 3.

Save as disclosed above, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the proposed renewal of the Share Purchase Mandate, the proposed change in the manager of the Company and the proposed amendments to the Bye-laws.

## 10. ACTION TO BE TAKEN BY SHAREHOLDERS

### 10.1 Appointment of proxies

Shareholders (other than The Central Depository (Pte) Limited (“CDP”)) entitled to attend and vote at a meeting of the Company holding two (2) or more Shares but who are unable to attend the SGM may appoint not more than two (2) proxies to attend and vote at the SGM on their behalf. Such Shareholders should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event to be deposited at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for the holding of the SGM. The completion and return of the Proxy Form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members and who are entitled to attend and vote at a general meeting of the Company will receive a Proxy Form together with this Circular. A proxy need not be a Shareholder.

### 10.2 Depositors

Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend and vote as CDP’s proxies. Such Depositors who are individuals but are unable to attend the SGM personally and wish to appoint a nominee(s) to attend and vote on their behalf as CDP’s proxies, and such Depositors who are not individuals, should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event to be deposited at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32- 01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for the holding of

## LETTER TO SHAREHOLDERS

the SGM. The completion and return of the Proxy Form by a Depositor will not prevent him from attending and voting in person at the SGM as a proxy of CDP in place of his nominee(s) if he subsequently wishes to do so.

### 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the proposed amendments to the Bye-laws, the proposed change in the manager of the Company, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

### 12. CONSENT

Deloitte & Touche Corporate Finance Pte Ltd, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter containing its advice to the Independent Directors and references thereto, in the form and context in which they appear in this Circular.

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

13.1 **Directors.** As at the Latest Practicable Date, the interests of the Directors in Shares as recorded in the Register of Directors' shareholdings are as follows:

Directors	Number of Shares					
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	Total Interest	% <sup>(1)</sup>
Mr Boon Swan Foo	163,638,946	11.31	-	-	163,638,946	11.31
Mr Adrian Chen Pengee	-	-	30,383 <sup>(2)</sup>	0.002	30,383	0.002
Mr Ronald Seah Lim Siang	-	-	-	-	-	-
Mr Tan Kok Wee	-	-	-	-	-	-
Mr See Yong Kiat	-	-	-	-	-	-

**Notes:**

(1) Based on the total number of 1,446,433,831 issued Shares as at the Latest Practicable Date.

(2) Mr Adrian Chan Pengee is deemed to be interested in the 30,383 Shares held by his wife.

13.2 **Substantial Shareholders.** As at the Latest Practicable Date, the interests of the Substantial Shareholders in Shares as notified to the Company are as follows:

Substantial Shareholder	Number of Shares					
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	Total Interest	% <sup>(1)</sup>
Mr Boon Swan Foo	163,638,946	11.31	-	-	163,638,946	11.31

**Note:**

(1) Based on the total number of 1,446,433,831 issued Shares as at the Latest Practicable Date.



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## LETTER TO SHAREHOLDERS

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### 14. EXISTING INTERESTED PERSON TRANSACTIONS

Details of the existing interested person transactions entered into by the Company in the current financial year (excluding transactions below S\$100,000) and up to the Latest Practicable Date are set out below:

	<b>Aggregate value of all interested person transactions (\$'000)</b>
Transactions with STAM:	
Base management fees	1,948
Incentive fees	2,840
Fixed management fees	650
Other fees and reimbursement of expenses	298
Divestment fees	861
Reimbursement of expenses from STAM	36

### 15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the Company's registered office at Penboss Building, 50 Parliament Street, Hamilton HM 12, Bermuda and at the office of STAM, the manager of the Company, at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891, from the date of this Circular to the date of the SGM:

- (a) the Memorandum of Association and Bye-laws;
- (b) the 2015 annual report of the Company;
- (c) the written consent of the IFA; and
- (d) the Novation Agreement (incorporating the Amended and Restated Management Agreement).

Yours faithfully  
For and on behalf of  
Global Investments Limited

**Adrian Pengee Chan**  
Director

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**APPENDIX A**  
**The Proposed Amendments to the Bye-laws**

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The amendments which are proposed to be made to Bye-laws 8, 47, 48, 58, 59(b), 90, 98 and 100 are set out below. For ease of reference, and where appropriate, the full text of the existing clause in the Bye-laws which are proposed to be amended have been reproduced. The amendments showing the changes are underlined or denoted with strikethroughs.

**(a) Existing Bye-law 8**

- “8. (a) Subject to the Companies Act and the Listing Rules, if, at any time the capital of the Company, is divided into different classes of shares, preference capital, other than redeemable preference capital, may be repaid and the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied:
- (i) in such manner (if any) as may be provided by those rights; or
  - (ii) in the absence of any such provision, with the consent in writing of the holders of seventy-five per cent (75%) in nominal value of the issued shares in that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise.
- (b) To every such separate meeting, the provisions of these Bye-laws relating to general meetings shall *mutatis mutandis* apply, except that the necessary quorum at such meetings:
- (i) other than an adjourned meeting and subject to the provisos below, shall be two (2) persons together holding or representing by proxy at least one-third (1/3) in nominal value of the issued shares of the class in question; and
  - (ii) at an adjourned meeting, shall be one (1) person holding shares of the class in question or his proxy,

provided however, that if the Company or a class of Shareholders shall have only one (1) Shareholder, then one (1) Shareholder present in person or by proxy shall constitute the necessary quorum, and further provided always that where the necessary majority for such a Special Resolution is not obtained at such meeting, consent in writing if obtained from the holders of three-quarters (3/4) in nominal value of the issued shares of the class concerned within two (2) months of such meeting shall be as valid and effective as a Special Resolution obtained at such meeting.”

**Proposed amendments to existing Bye-law 8**

That the existing Bye-law 8 be amended by inserting the text shown in underline and by deleting the text shown in strikethroughs in the manner set out below:-

- “8. (a) Subject to the Companies Act and the Listing Rules, if, at any time the capital of the Company, is divided into different classes of shares, preference capital, other than redeemable preference capital, may be repaid and the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied:
- (i) in such manner (if any) as may be provided by those rights; or
  - (ii) in the absence of any such provision, with the consent in writing of the holders of seventy-five per cent (75%) in nominal value of the issued shares in that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise provided always that where the necessary majority for such a Special Resolution is not obtained at such meeting, consent in writing if obtained from the holders of three-quarters (3/4) in nominal value of the issued shares of the class concerned within two (2) months of such meeting shall be as valid and effective as a Special Resolution obtained at such meeting.

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- (b) To every such separate meeting, the provisions of these Bye-laws relating to general meetings shall *mutatis mutandis* apply, except that the necessary quorum at such meetings:
- (i) other than an adjourned meeting and subject to the provisos below, shall be two (2) persons together holding or representing by proxy at least one-third (1/3) in nominal value of the issued shares of the class in question; and
  - (ii) at an adjourned meeting, shall be one (1) person holding shares of the class in question or his proxy,
- provided however, that if the Company or a class of Shareholders shall have only one (1) Shareholder, then one (1) Shareholder present in person or by proxy shall constitute the necessary quorum, ~~and further provided always that where the necessary majority for such a Special Resolution is not obtained at such meeting, consent in writing if obtained from the holders of three-quarters (3/4) in nominal value of the issued shares of the class concerned within two (2) months of such meeting shall be as valid and effective as a Special Resolution obtained at such meeting.~~

**(b) Existing Bye-law 47**

- “47. (a) Save where a greater majority is required by the Companies Act or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.
- (b) A holder of shares shall be entitled to be present and to vote at any general meeting (in respect of any share or shares upon which all calls due to the Company have been paid).
- (c) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by count of votes received in the form of Electronic Records, unless a poll is demanded pursuant to Bye-law 47(d). Every Shareholder present in person or by proxy or by telephone or electronic means shall have one vote and shall cast such vote by raising his hand or where voting is by way of Electronic Record in such manner as the chairman of the meeting may direct. The chairman of the meeting shall determine which proxy shall be entitled to vote where a Shareholder (other than the Depository) is represented by two (2) proxies.
- (d) If a poll is demanded (before or on the declaration of the result of the show of hands (including a count of votes received in the form of Electronic Records) or on the withdrawal of any other demand for a poll) by:
- (i) the chairman of the meeting; or
  - (ii) at least three (3) Shareholders present in person or represented by proxy; or
  - (iii) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10th) of the total voting rights of all the Shareholders having the right to vote at such meeting; or
  - (iv) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been Paid up equal to not less than one tenth (1/10th) of the total sum Paid up on all such shares conferring such right; or
  - (v) where the Depository is a Shareholder by at least three (3) proxies representing the Depository.
- (e) The demand for a poll may be withdrawn by the person or any of the persons making it at any time prior to the declaration of the result where it is carried out.

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**APPENDIX A**  
**The Proposed Amendments to the Bye-laws**

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- (f) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, (including a count of the votes received in the form of Electronic Records) been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such resolution.
- (g) If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.”

**Proposed amendments to existing Bye-law 47**

That the existing Bye-law 47 be amended: (i) by inserting the text shown in underline and by deleting the text shown in strikethroughs; and (ii) by inserting immediately after the said Bye-law 47(g), a new Bye-law 47(h), the text of which is shown in underline, all in the manner set out below:-

- “47. (a) Save where a greater majority is required by the Companies Act or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.
- (b) A holder of ordinary shares shall be entitled to be present and to vote at any general meeting (in respect of any share or shares upon which all calls due to the Company have been paid).
- (c) Subject to Bye-law 47(h), at At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by count of votes received in the form of Electronic Records, unless a poll is demanded pursuant to Bye-law 47(d). For a vote by a show of hands or by count of votes received in the form of Electronic Records, every Every Shareholder present in person or by proxy or by telephone or electronic means shall have one vote and shall cast such vote by raising his hand or where voting is by way of Electronic Record in such manner as the chairman of the meeting may direct. Without limiting the effect of Bye-law 87(f), the The chairman of the meeting shall determine which proxy shall be entitled to vote where a Shareholder (other than the Depository) is represented by two (2) proxies.
- (d) ~~If a~~ A poll is ~~may be~~ demanded (before or on the declaration of the result of the show of hands (including a count of votes received in the form of Electronic Records) or on the withdrawal of any other demand for a poll) by:
- (i) the chairman of the meeting; or
  - (ii) at least three (3) Shareholders present in person or represented by proxy; or
  - (iii) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10th) of the total voting rights of all the Shareholders having the right to vote at such meeting; or
  - (iv) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been Paid up equal to not less than one tenth (1/10th) of the total sum Paid up on all such shares conferring such right; or
  - (v) where the Depository is a Shareholder by at least three (3) proxies representing the Depository.
- (e) The demand for a poll may be withdrawn by the person or any of the persons making it at any time prior to the declaration of the result where it is carried out.

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- (f) Unless a poll is so demanded (and the demand is not withdrawn) or is so required, a declaration by the chairman that a resolution has, on a show of hands, (including a count of the votes received in the form of Electronic Records) been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such resolution.
- (g) If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.
- (h) For so long as the shares of the Company are listed on the Designated Stock Exchange, if required by the listing rules of the Designated Stock Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange)."

**(c) Existing Bye-law 48**

- "48. (a) A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three (3) months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
- (b) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- (c) On a poll, votes may be cast either personally or by proxy or attorney and (where the Shareholder is a body corporate) by its representative(s) (including by way of Electronic Records).
- (d) A person entitled to more than one vote on a poll need not use all their votes or cast all the votes the person uses in the same way.
- (e) If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded."

**Proposed amendments to existing Bye-law 48**

That the existing Bye-law 48 be amended by inserting the text shown in underline in the manner set out below:-

- "48. (a) A poll demanded on the election of a chairman, or taken or demanded on a question of adjournment, shall be taken forthwith. A poll which is demanded or required on any other question shall be taken in such manner and either forthwith or at such time (being not later than three (3) months after the date of the demand or the date of the meeting where the poll is required) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll whether taken immediately or otherwise.
- (b) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- (c) On a poll, votes may be cast either personally or by proxy or attorney and (where the Shareholder is a body corporate) by its representative(s) (including by way of Electronic Records).
- (d) A person entitled to more than one vote on a poll need not use all their votes or cast all the votes the person uses in the same way.

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- (e) If a poll is duly demanded or is to be taken, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded or is required.”

**(d) Existing Bye-law 58**

“58. Subject to Bye-law 57, the office of a Director shall be vacated upon the happening of any of the following events:

- (a) If, a Director resigns the Director’s office by notice in writing delivered to the Registered Office or tendered at a meeting of the Directors;
- (b) If, a Director becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health;
- (c) If, a Director becomes bankrupt under the laws of any country or compounds with the Director’s creditors;
- (d) If, a Director is prohibited by law from being a Director;
- (e) If, a Director ceases to be a Director by virtue of the Companies Act or any provision of the Statutes or is removed from office pursuant to these Bye-laws; or
- (f) If, a Director is absent for more than six (6) consecutive months without the permission of the other Directors from meetings of the Directors held during that period and the Directors resolve that the Director’s office be vacated.

(A) Notwithstanding any other provisions in these Bye-laws and for so long as the shares of the Company are listed on the Designated Stock Exchange, a Director shall resign or retire from the Board if so required by the rules or regulations of the Designated Stock Exchange, including the rules relating to the Bye-laws of the Company.”

**Proposed amendments to existing Bye-law 58**

That the existing Bye-law 58 be amended: (i) by inserting the text shown in underline and by deleting the text shown in strikethrough; and (ii) by inserting immediately after the said Bye-law 58(f), a new Bye-law 58(g), the text of which is shown in underline, all in the manner set out below:-

“58. Subject to Bye-law 57, the office of a Director shall be vacated upon the happening of any of the following events:

- (a) If, a Director resigns the Director’s office by notice in writing delivered to the Registered Office or tendered at a meeting of the Directors;
- (b) If, a Director becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health;
- (c) If, a Director becomes bankrupt under the laws of any country or compounds with the Director’s creditors;
- (d) If, a Director is prohibited by law from being a Director;
- (e) If, a Director ceases to be a Director by virtue of the Companies Act or any provision of the Statutes or is removed from office pursuant to these Bye-laws;~~or~~
- (f) If, a Director is absent for more than six (6) consecutive months without the permission of the other Directors from meetings of the Directors held during that period and the Directors resolve that the Director’s office be vacated; or

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(g) If, a Director is disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds. Without limiting the foregoing, on the occurrence of such event, the Director must immediately resign from the board.

(A) Notwithstanding any other provisions in these Bye-laws and for so long as the shares of the Company are listed on the Designated Stock Exchange, a Director shall resign or retire from the Board if so required by the rules or regulations of the Designated Stock Exchange, including the rules relating to the Bye-laws of the Company.”

(e) **Existing Bye-law 59(b)**

“59. (b) Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal signed by such Director with either the Secretary at the Registered Office or at a meeting of the Directors. Such appointment or removal shall, unless previously approved by the Directors, become effective upon being approved by a majority of the Directors. The office of Alternate Director shall continue until the date on which the relevant Director ceases to be a Director.”

**Proposed amendments to existing Bye-law 59(b)**

That the existing Bye-law 59(b) be amended by inserting the text shown in underline and by deleting the text shown in strikethrough in the manner set out below:-

“59. (b) Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal signed by such Director with either the Secretary at the Registered Office or at a meeting of the Directors. Such appointment or removal shall, unless previously approved by ~~the a majority of the other~~ a majority of the other Directors, become effective upon being approved by a majority of the other Directors. The office of Alternate Director shall continue until the date on which the relevant Director ceases to be a Director.”

(f) **Existing Bye-law 90**

“90. Any resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of a simple majority of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-law 42(b) and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-law 47.”

**Proposed amendments to existing Bye-law 90**

That the existing Bye-law 90 be amended by deleting the text shown in strikethrough in the manner set out below:-

“90. Any resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of a simple majority of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-law 42(b)~~and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-law 47.~~”

(g) **Existing Bye-law 98**

“98. (a) For so long as the shares of the Company are listed on the Designated Stock Exchange, each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the Secretary of the particulars of the shares beneficially owned by him at the time of his appointment and of any change in such particulars.

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- (b) For so long as the shares of the Company are listed on the Designated Stock Exchange, each Shareholder shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give the Secretary a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within two (2) business days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of this Bye-law, the term “substantial shareholder” shall have the same meaning ascribed to it in Sections 81(1) and 81(2) of the Companies Act, Chapter 50 of Singapore (“**Singapore Companies Act**”), the term “**interest**” or “**interests**” shall have the same meaning ascribed to it in Section 7 of the Singapore Companies Act and the term “**percentage level**” shall have the meaning ascribed to it in Section 83(3) of the Singapore Companies Act. The requirement to give notice under this Bye-law shall not apply to the Depository.
- (c) For so long as the shares of the Company are listed on the Designated Stock Exchange, the provisions of Section 92 of the Singapore Companies Act, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.”

**Proposed amendments to existing Bye-law 98**

That the existing Bye-law 98 be amended by inserting the text shown in underline and by deleting the text shown in strikethroughs in the manner set out below:-

“98. Without limiting the effect of the Singapore Securities and Futures Act (“SFA”):-

- (a) For so long as the shares of the Company are listed on the Designated Stock Exchange, each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the ~~Secretary~~Company of the particulars of the shares ~~in the Company or related corporation of the Company, which he holds, or in which he has an interest and the nature and extent of that interest~~beneficially owned by him at the time of his appointment and of any change in such particulars.
- (b) For so long as the shares of the Company are listed on the Designated Stock Exchange, where: ~~(a) each~~ the Shareholder is or (if he has ceased to be one) had been shall, ~~(a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, (b) there is upon~~ a change in the percentage level of his interest or interests of the substantial shareholder in the Company in voting shares in the Company, and/or (c) ~~the Shareholder ceases upon ceasing~~ to be a substantial shareholder of the Company, such person shall give the ~~Secretary~~Company a notice in writing of (i) the particulars of the voting shares in the Company in which he has or had an interest or interests and the nature and extent of that interest or interests ~~beneficially owned by him~~, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within two (2) business days after (aa) becoming aware that he is or (if he has ceased to be one) had been a substantial shareholder, (bb) ~~the date~~becoming aware of a change in the percentage level of his interests, or (cc) becoming aware that he has ceased to be a substantial shareholder~~the date of cessation~~, as the case may be. Such notice shall be in such form and shall contain such information as the Monetary Authority of Singapore may prescribe. For the purposes of this Bye-law, the term “substantial shareholder” shall have the same meaning ascribed to it in Sections ~~2(4) and 2(5)~~81(1) and 81(2) of the ~~SFA~~Companies Act, Chapter 50 of Singapore (“**Singapore Companies Act**”), the term “**interest**” or “**interests**” shall have the same meaning ascribed to it in Section ~~47~~ of the ~~SFA~~Singapore Companies Act and the term “**percentage level**” shall have the meaning ascribed to it in Section ~~136(3)~~83(3) of the ~~SFA~~Singapore Companies Act. The requirement to give notice under this Bye-law shall not apply to the Depository.



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**APPENDIX A**  
**The Proposed Amendments to the Bye-laws**

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- (c) For so long as the shares of the Company are listed on the Designated Stock Exchange, the provisions of Section 92137F of the ~~SFA~~~~Singapore Companies Act~~, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.”

**(h) Existing Bye-law 100**

“100. For so long as the shares of the Company are listed on the Designated Stock Exchange, the provisions of Sections 138, 139 and 140 of the Singapore Securities and Futures Act (Chapter 289) and the Singapore Code on Take-overs and Mergers (except for Section 215 of the Singapore Companies Act) shall apply, *mutatis mutandis*, to all take-over offers for the Company.”

**Proposed amendments to existing Bye-law 100**

That the existing Bye-law 100 be amended by inserting the text shown in underline and by deleting the text shown in strikethrough in the manner set out below:-

“100. For so long as the shares of the Company are listed on the Designated Stock Exchange, the provisions of Sections 138, 139 and 140 of the ~~Singapore Securities and Futures Act (Chapter 289)~~SFA and the Singapore Code on Take-overs and Mergers (except for Section 215 of the Singapore Companies Act) shall apply, *mutatis mutandis*, to all take-over offers for the Company.”

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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Some of the salient terms of the Amended and Restated Management Agreement are set out below.

1. **Effective Date.** The Amended and Restated Management Agreement does not become effective until and unless Shareholders have approved, by way of an Ordinary Resolution, the change in the manager of the Company from STAM to SICIM.
2. **Services to be provided.** SICIM's duties and responsibilities as the manager of the Company (the "**Services**"), which are substantially the same as STAM's duties and responsibilities under the Original Management Agreement, includes:
  - (a) managing the Company's assets and authorised investments as agent;
  - (b) reviewing and monitoring the Company's assets and authorised investments and regularly conferring with the Company regarding the investment and management of the Company's assets and investments;
  - (c) providing consultation and management services generally in relation to the Company's assets and authorised investments;
  - (d) if requested by the Board and subject to the mutual agreement of the Company and SICIM as to the identity of such person, (i) procuring the appointment of an officer or employee of SICIM or a SICIM Associate as the Company's nominee on the board of directors of any investee entity, (ii) seconding any officer or employee of SICIM or a SICIM Associate to any investee entity and/or (iii) facilitating the involvement of an officer or employee of SICIM in the management of an investee entity on an interim basis;
  - (e) identifying and implementing appropriate risk management policies and procedures in respect of the Company's assets and authorised investments and reporting on the adequacy and effectiveness of those policies and procedures on a regular basis to the Board;
  - (f) assisting with the implementation of Board decisions;
  - (g) performing or procuring the performance of all reasonable accounting, tax, audit, information technology and compliance (including corporate secretarial) services for the Company (but not any investee entity);
  - (h) providing to the Company and each investee entity at the request of the Company or such investee entity suitably qualified and experienced persons to perform the Services for the Company or such investee entity;
  - (i) managing the Company's relations with its investors and the public;
  - (j)
    - (i) immediately after its appointment, obtaining professional tax advice from the Company's tax advisers on proposals or measures for the Company to adopt a business structure or organisation that optimises and maximises tax and cost efficiencies, and implementing any Board decision regarding such proposals or measures;
    - (ii) as and when SICIM becomes aware of a change in the tax laws and/or regulatory regime in Singapore or the place of domicile of the Company, obtaining professional tax advice on proposals or measures for the Company to adopt a business structure or organisation that optimises and maximises tax and cost efficiencies, and implementing any Board decision regarding such proposals or measures; and
    - (iii) ensuring compliance by the Company with good corporate governance practices on an on-going basis;
  - (k) preparing and arranging the audit of the Company's annual reports and preparing accounts and quarterly financial statements;

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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- (l) assisting with the preparation and issue of notices of meetings of Shareholders and papers, reports and agendas relating to such meetings;
- (m) opening, closing, operating and managing the Company's bank accounts including making deposits and withdrawals;
- (n) assisting in the resolution of complaints by and disputes with Shareholders and litigation involving the Company (other than litigation involving SICIM or a SICIM Associate);
- (o) procuring all technical, business, management and other resources in respect of the Company's investments and assets;
- (p) assisting with the preparation and filing of all annual, quarterly and current reports the Company is required to file with the applicable regulators;
- (q) carrying out or assisting with all other day to day management, secretarial, accounting, administrative, liaison, representative and reporting functions for the Company;
- (r) save where it would result in a breach of any insider trading laws or similar securities laws in Singapore or the place of domicile of the Company, providing:
  - (i) recommendations on investment opportunities for the Company, including any opportunities identified by the Company and opportunities involving SICIM Associates, or in which SICIM Associates may have interests;
  - (ii) recommendations on opportunities for the Company to exit its investments; and
  - (iii) recommendations on restructuring of any of the Company's investments;
- (s) implementing any Board decision regarding any recommendation made by SICIM in accordance with paragraph 2(r);
- (t) in implementing any Board decision regarding a Company's authorised investment or acquisition of an authorised investment, and in forming any recommendation referred to in paragraphs 2(r) and 2(u), SICIM must, to the extent necessary, provide in relation to any transaction, whether it be an origination, acquisition, divestment, refinancing, or restructure of an asset or economic exposure of the Company, the following services:
  - (i) planning and implementation of due diligence with respect to the transaction by appropriate advisers in relation to legal, tax, accounting, regulatory, insurance, technical, engineering, environmental, human resource and financial model audit matters;
  - (ii) arranging the provision of any expert and/or specialist reports;
  - (iii) developing an investment strategy for the transaction;
  - (iv) developing a cash flow financial model for the transaction which could be utilised for the adoption of appropriate commercial, tax, accounting and financing parameters, and showing the impact of the transaction on the Company;
  - (v) carrying out preliminary economic and risk analysis and valuation of the transaction as they impact on the Company, assisted and advised by appropriate advisers;
  - (vi) providing advice on valuation metrics, sensitivity analysis, price range, bid tactics and offer structure for the transaction;
  - (vii) identifying suitable corporate structures for the transaction with regard to commercial, tax, accounting and financing parameters, as assisted and advised by appropriate advisers;

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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- (viii) identifying suitable funding structures with regard to an investment or economic exposure;
- (ix) developing appropriate acquisition and negotiating strategies and tactics for the transaction;
- (x) developing marketplace competitor analysis for the transaction as an input to transaction decision-making; and
- (xi) negotiating and preparing any pre-bid agreement in respect of a transaction.

In each case SICIM will not be required to provide tax or accounting advice as part of these services;

- (u) save where it would result in a breach of any insider trading laws or similar securities laws in Singapore or the place of domicile of the Company, providing in relation to the on-going business of the Company and any transaction:
  - (i) recommendations in relation to mergers and acquisitions (including the arrangement, reconstruction or take-over of a corporation or any of its assets or liabilities);
  - (ii) recommendations in relation to equity and debt raisings (including capital markets issues);
  - (iii) assistance in the preparation of materials in relation to equity and debt raisings; and
  - (iv) general financial and commercial advice.

In each case SICIM will not be required to provide tax or accounting advice as part of these services;

- (v) providing to the Company any and all services that are necessary or incidental to those services that SICIM is obliged to provide pursuant to the Amended and Restated Management Agreement; and
- (w) providing the Company such other services and upon such other terms as may be agreed from time to time between the Company and SICIM.

All of the above duties and responsibilities are subject to the oversight and supervision of the Board.

- 3. Fees.** Under the terms of the Amended and Restated Management Agreement, the Company will compensate SICIM for providing the Services set out in paragraph 2 through the Base Fee, the Fixed Fee and the Incentive Fee. The Base Fee, the Fixed Fee and the Incentive Fee (if any) will be payable in arrear. The Base Fee and the Fixed Fee are payable for each Quarter ending on 31 March, 30 June, 30 September and 31 December of each year. The Incentive Fee (if any) is payable half yearly for each Half Year ending on 30 June and 31 December.

An Acquisition Fee will also be payable to SICIM in relation to any new acquisition by the Company. Similarly, a Divestment Fee will be payable to SICIM in relation to any divestment by the Company, other than in relation to the Existing Asset Portfolio (in respect of which no Divestment Fee will be payable under any circumstance).

In addition, a Debt Raising Fee will be payable to SICIM for senior debt and subordinated or mezzanine debt raised at the Company level and/or at any investee entities' level for which the relevant creditor has recourse to the Company, including debt raised from any member of SICIM Associates.

Any changes to the fee structure under the Amended and Restated Management Agreement will be subject to the approval of Shareholders by Ordinary Resolution in general meeting, and for the purposes of such approval, SICIM and SICIM Associates, if they hold any Shares at the time of such meeting, will abstain from voting on the relevant resolution.

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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4. **Expenses.** Other than as compensated by the Fixed Fee, SICIM shall bear all of the ordinary day-to-day expenses incidental to providing the Services under the Amended and Restated Management Agreement, including general overhead expenses and the compensation of its directors, officers and employees who discharge the obligations of SICIM under the Amended and Restated Management Agreement. For the avoidance of doubt, any third party expenses incurred by SICIM incidental to providing the Services shall be borne by the Company.

The Company shall bear all expenses related to its operations and administration, transactional costs and expenses of making, holding, hedging, mortgaging, transferring, or disposing of any of its assets and investments, including but not limited to costs and expenses in connection with:

- (a) distributing and/or promoting any offering documents, information memorandum or other disclosure documents;
- (b) borrowing arrangements and guarantees (including hedging costs) in connection with the Company;
- (c) compliance with the Listing Rules (including but not limited to annual listing fees charged by the SGX-ST);
- (d) company secretarial expenses including but not limited to those in connection with convening meetings of the Board, Shareholders or holders of any other securities issued by the Company, or which are required by the constitution (including the Bye-laws) of the Company or applicable law, implementing resolutions and communications with Shareholders or holders of any other securities issued by the Company, fees charged by the share transfer agent or registrar;
- (e) engaging agents, valuers, contractors and advisers — whether SICIM Associates or not;
- (f) auditing the Company's tax returns, financial statements and accounts, the printing and despatch of the annual report;
- (g) court proceedings, arbitration or other disputes involving the Company;
- (h) all custodian and brokerage fees;
- (i) all tax and insurance premiums (including but not limited to officers' errors and omissions insurance);
- (j) all legal audit, tax and other professional fees of advisers, third party brokerage and appraisal fees, corporate secretarial service fees and other expenses incurred in connection with the making, holding, hedging, mortgaging, transferring or disposing of any of the investments and assets of the Company;
- (k) directors' fees and expenses;
- (l) custodian or trustee services;
- (m) rating agencies; and
- (n) any extraordinary items.

The Company shall also bear any costs associated with the provision of information and other assistance required in relation to the Company under any applicable law or regulation, except to the extent the information or other assistance is required as a direct result of SICIM's misconduct or breach of the Amended and Restated Management Agreement, in which case, SICIM must bear any such costs.

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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5. **Manager Nominated Director.** SICIM shall, if requested by the Board but not otherwise, nominate up to two Manager Nominated Directors to the Board on the following basis:
- (a) the Manager Nominated Director shall be appointed for a term to be determined by the Board but in any event not exceeding three years without need for an election by Shareholders and can be re-appointed (if such re-appointment is supported by the Board);
  - (b) notwithstanding paragraph 5(a), the Manager Nominated Director shall retire upon request from the Board;
  - (c) the Manager Nominated Director will not have a right to any director fees, but the Company will ensure that the Manager Nominated Director will get full costs reimbursements and indemnification on the same basis as the Independent Directors; and
  - (d) SICIM shall be responsible for the maintenance of adequate insurance coverage for the Manager Nominated Director in respect of officers' errors and omissions risks that are normally insured against by a corporation carrying on a business similar to the Company.
6. **Indemnity.** The Company indemnifies SICIM and its Related Corporations and their respective directors, officers, employees, affiliates, associates and agents (each, a "**SICIM Indemnified Party**") against any claims, loss, liabilities, costs, charges, damages or expenses suffered or reasonably incurred by a SICIM Indemnified Party arising out of or in connection with a SICIM Indemnified Party acting under the Amended and Restated Management Agreement, any transaction or proposal contemplated by the Amended and Restated Management Agreement or on account of any bona fide investment decision made by a SICIM Indemnified Party except insofar as any claims, loss, liabilities, costs, charges, damages or expenses is caused by a breach of the Amended and Restated Management Agreement by a SICIM Indemnified Party, or the fraud, recklessness, dishonesty or negligence of a SICIM Indemnified Party.
- The Company will reimburse any SICIM Indemnified Party for all reasonable expenses (including any reasonable legal costs) as they are incurred in connection with the investigation of, preparation for or defence of any pending or threatened claim or any action or proceeding arising from such claim or action in respect of which indemnification could be sought under the indemnity in the Amended and Restated Management Agreement, whether or not such SICIM Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Company.
- The Company also agrees that no SICIM Indemnified Party will have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company (or entities owned by it) related to or arising out of any transaction or proposal contemplated by the Amended and Restated Management Agreement, or the performance by SICIM of the Services, except to the extent that any claims, loss, liabilities, costs, charges, damages or expenses arises out of or in connection with a breach of the Amended and Restated Management Agreement, or the fraud, recklessness, dishonesty or negligence of a SICIM Indemnified Party. In any event, a SICIM Indemnified Party will be liable only for direct or reasonably foreseeable losses.
7. **Termination by Company.** The Company may terminate the Amended and Restated Management Agreement immediately upon written notice if:
- (a) the Shareholders by an Ordinary Resolution resolve to remove SICIM as manager of the Company;
  - (b) SICIM materially breaches the Amended and Restated Management Agreement and fails to remedy the breach within 60 days of receiving written notice from the Company requiring it to do so;

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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- (c) any licence, permit or authorisation (including a capital markets services licence for fund management issued by the MAS) held by SICIM which is necessary for it to perform the Services and its other duties and functions under the Amended and Restated Management Agreement is breached, suspended or revoked, or otherwise made subject to conditions which, in the opinion of the Company, would prevent SICIM from performing the Services and its other duties and functions under the Amended and Restated Management Agreement and SICIM fails to remedy the breach, suspension, revocation or condition to the Company's reasonable satisfaction within 60 days of receiving written notice from the Company requiring it to do so;
  - (d) SICIM is:
    - (i) unable to pay its debts as and when they fall due; or
    - (ii) insolvent or presumed to be insolvent under any law;
  - (e) SICIM has:
    - (i) a liquidator or provisional liquidator appointed;
    - (ii) a receiver, receiver and manager, trustee, controller, official manager or similar officer appointed; or
    - (iii) an administrator appointed,over all or any part of the business, assets or revenues of SICIM;
  - (f) an order is made for the winding up of SICIM; or
  - (g) in the event the Company ceases to be listed on the SGX-ST or a resolution has been passed by the Company approving the delisting of the Shares from the SGX-ST, the Company and SICIM fail to reach agreement on the amendments and modifications to be made to the Amended and Restated Management Agreement (including but not limited to the provision on the determination of SICIM's fees) at the end of 30 days after the date on which the Shares cease to be so listed.
- 8. Termination by SICIM.** SICIM may terminate the Amended and Restated Management Agreement immediately upon written notice if:
- (a) the Company materially breaches the Amended and Restated Management Agreement and fails to remedy the breach within 60 days of receiving written notice from SICIM requiring it to do so;
  - (b) the Company is:
    - (i) unable to pay its debts as and when they fall due; or
    - (ii) insolvent or presumed to be insolvent under any law;
  - (c) the Company has:
    - (i) a liquidator or provisional liquidator appointed;
    - (ii) a receiver, receiver and manager, trustee, controller, official manager or similar officer appointed; or
    - (iii) an administrator appointed,over all or any part of the business, assets or revenues of the Company;

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**APPENDIX B**  
**Details of the Amended and Restated Management Agreement**

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- (d) an order is made for the winding up of the Company; or
- (e) in the event the Company ceases to be listed on the SGX-ST or a resolution has been passed by the Company approving the delisting of the Shares from the SGX-ST, the Company and SICIM fail to reach agreement on the amendments and modifications to be made to the Amended and Restated Management Agreement (including but not limited to the provision on the determination of SICIM's fees) at the end of 30 days after the date on which the Shares cease to be so listed.

- 9. Effect of termination on the Amended and Restated Management Agreement.** If the Amended and Restated Management Agreement is terminated by the Company as a result of the Shareholders by an Ordinary Resolution resolving to remove SICIM as the manager of the Company as set out in paragraph 7(a), save where the Company internalises its management such that the Company ceases to be an externally managed fund, SICIM will remain the manager of the Company until another person is appointed as manager by the Shareholders by Ordinary Resolution and the effective date of termination of the Amended and Restated Management Agreement shall be deemed the date on which such other person is appointed. The Company shall use its best endeavours to facilitate the appointment of such other person as manager.

In the event that the appointment of SICIM is validly terminated, SICIM shall co-operate in the transition of authority over the business and affairs of the Company to the Company or any successor manager of the Company and SICIM shall, as soon as reasonably practicable, deliver or cause to be delivered to the Company, or as the Company shall direct, all books of account, records, other registers, correspondence, documents and assets relating to the affairs of or belonging to the Company in the possession of or under the control of SICIM, and shall, reasonably promptly, take all necessary steps to vest in the Company or any successor manager any assets previously held in the name of or to the order of SICIM or its delegates or appointees on behalf of the Company. The Company shall reimburse SICIM all reasonable costs and expenses properly incurred in connection with SICIM's obligations under this paragraph.

Certain provisions of the Amended and Restated Management Agreement will survive the termination of the Amended and Restated Management Agreement. These include the indemnity given by the Company to SICIM Indemnified Parties as set out in paragraph 6 and the confidentiality provisions whereby, save in certain circumstances, the Company and SICIM agree not to, and must ensure that their respective officers, employees and agents do not, without the prior written consent of the other party, disclose any confidential information of that other party.

- 10. Governing law.** The Amended and Restated Management Agreement is governed by the laws of Singapore.



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**APPENDIX C**  
**The Fees Payable under the Amended and Restated Management Agreement**

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As set out in paragraph 4.4 of the Circular, the Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the fees payable to the manager of the Company.

**1. Base Fee**

The Base Fee is calculated as follows:

- (A) where the Net Investment Value is less than or equal to \$1.5 billion, 1.0% per annum of the Net Investment Value; and
- (B) where the Net Investment Value is greater than \$1.5 billion, 1.0% of the Net Investment Value up to and including \$1.5 billion and 1.5% of the Net Investment Value in excess of \$1.5 billion.

“**Net Investment Value**” or “**NIV**” in respect of a Quarter means AMC where:

AMC is the Average Market Capitalisation in respect of the relevant Quarter calculated as follows:

$$\text{AMC} = (\text{ATP} \times \text{AN})$$

where:

ATP is, in relation to a Quarter, the average of the daily Volume Weighted Average Price over the last 20 SGX-ST trading days of Shares in the relevant Quarter (excluding the additional market capitalisation represented by the issuance of Shares during the last 20 SGX-ST trading days of the relevant Quarter); and

AN is the average closing number of Shares that are issued and to be issued as fully paid for scrip dividend, bonus shares and subdivision of existing Shares (whether or not officially quoted by the 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.

The NIV is calculated in Singapore dollars.

Volume Weighted Average Price or 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.

SICIM will submit an invoice to the Company in respect of the Base Fee following the end of the relevant Quarter. Subject to the Bermuda Companies Act, the Bye-laws, any other applicable Bermuda law, the Listing Rules and any other relevant law applicable to the Company or SICIM, the Company (by resolution of a majority of the Independent Directors, provided that any Manager Nominated Director shall abstain from voting on such resolution) may elect, at its absolute discretion, to pay up to 100% of the Base Fee by issuing Shares to SICIM or its nominee up to such amount as described below, provided that such decision is notified to SICIM within ten Business Days following the Company’s receipt of the invoice from SICIM.

In this case, the number of Shares to be issued (if any) is to be calculated by dividing the portion of the Base Fee which is to be paid by the issuance of Shares as determined in the preceding paragraph (expressed as a dollar amount) by the ATP.

The quarterly Base Fee is reduced in respect of each company, trust or entity (“**Managed Entity**”) in which the Company holds no less than 50% of the total issued shares, securities, units or other investment interests which pays fund management fees to SICIM.

**APPENDIX C**  
**The Fees Payable under the Amended and Restated Management Agreement**

The amount of such reduction shall be the Company's *pro rata* share of fees paid by the Managed Entity for that Quarter based upon the Company's percentage holding of shares, units or other investments in the Managed Entity during that Quarter provided that the amount of such reduction in relation to a Managed Entity must not be greater than the amount of Base Fee that SICIM would have derived if that Managed Entity was not a Managed Entity.

The reduction of the Base Fee does not apply to asset management fees, fees for investment advice, fees for providing specific services in relation to debt or equity issues, expense reimbursement or indemnities for costs paid to SICIM by a Managed Entity.

Purely for illustrative purposes, the following outlines the calculations for the Base Fee payable Quarterly for the scenarios where the Net Investment Value is (i) less than \$1,500,000,000; and (ii) greater than \$1,500,000,000.

- (i) This example looks at where NIV is less than \$1,500,000,000 and there was no share issuance during the last 20 SGX-ST trading days of the relevant Quarter:

Number of Days in Quarter		92
ATP	\$	0.200
Average closing number of Shares		392,638,086
AN		392,638,086
AMC = (ATP * AN)	\$	78,527,617
NIV	\$	78,527,617
Base Fee for the Quarter		1.0% * NIV * 92/365
Base Fee for the Quarter	\$	197,933

This example looks at where NIV is less than \$1,500,000,000 and there was one million new share issuance for \$0.15 per share during the last 20 SGX-ST trading days of the relevant Quarter. This share issuance will increase the paid-up share capital of the Company.

Number of Days in Quarter		92
ATP	\$	0.200
Average closing number of Shares excluding one million new share issuance		392,638,086
AN		392,638,086
AMC = (ATP * AN)	\$	78,527,617
NIV	\$	78,527,617
Base Fee for the Quarter		1.0% * NIV * 92/365
Base Fee for the Quarter		197,933

**APPENDIX C**  
**The Fees Payable under the Amended and Restated Management Agreement**

This example looks at where NIV is less than \$1,500,000,000 and there was a one-for-four bonus share issuance, or 98,159,521 new bonus shares issued during the last 20 SGX-ST trading days of the relevant Quarter. This share issuance will not increase the paid-up share capital of the Company.

Number of Days in Quarter		92
ATP	\$	0.160
Average closing number of Shares including 98,159,521 new bonus share issuance		490,797,607
AN		490,797,607
AMC = (ATP * AN)	\$	78,527,617
NIV	\$	78,527,617
Base Fee for the Quarter		1.0% * NIV * 92/365
Base Fee for the Quarter	\$	197,933

(ii) This example looks at where NIV is greater than \$1,500,000,000

Number of Days in Quarter		92
ATP	\$	4.000
AN		392,638,086
AMC = (ATP * AN)	\$	1,570,552,344
NIV	\$	1,570,552,344
Base Fee for the Quarter		
1.0% * \$1,500,000,000 * 92/365	\$	3,780,822
1.5% * (NIV - \$1,500,000,000) * 92/365	\$	266,746
	\$	<u>4,047,568</u>

## 2. Fixed Fee

A Fixed Fee of \$650,000 per annum shall be payable by the Company to SICIM. The Fixed Fee shall be payable on a *pro rata* basis, Quarterly in arrear. SICIM will submit an invoice to the Company in respect of the amount of the Fixed Fee which is payable in respect of a Quarter following the end of that Quarter. Subject to the Bermuda Companies Act, the Bye-laws, any applicable Bermuda law, the Listing Rules and any other relevant law applicable to the Company or SICIM, the Company (by resolution of a majority of the Independent Directors, provided that any Manager Nominated Director shall abstain from voting on such resolution) may elect, at its absolute discretion, to pay up to 100% of the Fixed Fee by issuing Shares to SICIM or its nominee up to such amount as is the subject of the invoice, provided that such decision is notified to SICIM within ten Business Days following the Company's receipt of the invoice from SICIM.

The number of Shares to be issued (if any) is to be calculated by dividing the portion of the Fixed Fee which is to be paid by the issuance of Shares as determined pursuant to the preceding paragraph (expressed as a dollar amount) by the ATP.

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**APPENDIX C**  
**The Fees Payable under the Amended and Restated Management Agreement**

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**3. Incentive Fee**

The Incentive Fee shall only first become payable if, at any time after the Commencement Date, the Share Value exceeds the Threshold Amount, in which case the Incentive Fee shall be calculated as an amount equal to 20% of the amount by which the Share Value exceeds the Threshold Amount, and multiplied by the ANIF.

Thereafter, the Incentive Fee (if any) shall be calculated Half Yearly in arrear and payable by the Company to SICIM if the value of (Share Return – Benchmark Return – Deficit carried forward from previous periods) is greater than zero, in which case the Incentive Fee shall be an amount equal to 20% of any excess Share Return over the Benchmark Return for the Half Year after recovering any Deficit carried forward from previous periods calculated in accordance with the following formula:

Incentive Fee = 20% x (Share Return - Benchmark Return - Deficit carried forward from previous periods).

“**Average Market Capitalisation for Incentive Fee**” or “**AMCIF**” in respect of a Half Year means:

AMCIF = (ATPIF x ANIF)

“**ANIF**” means the average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Half Year preceding the relevant Half Year, provided that for the purposes of first paragraph above, 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.

“**ATPIF**” means, 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.

“**BRI**” means an annualised return of 8%.

“**Benchmark Return**” means for the Shares that are included in AMCIF for a Half Year:

- the AMCIF; multiplied by
- BRI.

To the extent that additional Shares are issued during the relevant Half Year, the Benchmark Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued, multiplied by the issue price of such Shares; multiplied by the BRI.

“**Deficit**”, for a Half Year, means 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.

“**Share Return**” for a Half Year means the AMCIF for that Half Year multiplied by the movement in the Share Accumulation Index for the Shares over the relevant Half Year expressed as a fraction, based on the average daily closing value of this index over the last 20 SGX-ST trading days of the Half Year compared with the average daily closing value of this index over the last 20 SGX-ST trading days of the preceding Half Year.

To the extent that additional Shares are issued during the relevant Half Year, the Share Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued multiplied by the value of the difference between (i) the average daily closing value of the Share Accumulation Index over the last 20 SGX-ST trading days of the relevant Half Year and (ii) the issue price of such additional shares.

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**APPENDIX C**  
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**“Share Accumulation Index”** means an index formulated by SICIM to measure the accumulated SGX-ST traded value of Shares, with the initial value assigned to such index being the closing price of the trading day following the Commencement Date, assuming that any dividends of the Company are reinvested at the closing price of Shares on the SGX-ST on the payment date of such dividends. For the purposes of calculation of this index, the price per Share will be grossed up by the dividend entitlement for the period between the Share going ex-dividend and the dividend being paid.

**“Share Value”** means the average of the Share Accumulation Index over the last 20 SGX-ST trading days in respect of the relevant Half Year.

**“Threshold Amount”** means the higher of (a) \$0.25 and (b) the net asset value per Share as at the end of the most recently completed Quarter preceding the Commencement Date (being the consolidated net assets as disclosed in the unaudited consolidated balance sheet of the Group for that Quarter, divided by the number of Shares in issue as at the end of that Quarter), subject to adjustments made (in accordance with those accounting principles consistently applied by the Company) in respect of changes in the share capital of the Company.

SICIM will submit an invoice to the Company in respect of the amount of the Incentive Fee which is payable in respect of a Half Year following the end of that Half Year. Subject to the Bermuda Companies Act, the Bye-laws, any applicable Bermuda law, the Listing Rules and any other relevant law applicable to the Company or SICIM, the Company (by resolution of a majority of the Independent Directors, provided that any Manager Nominated Director shall abstain from voting on such resolution) may elect, at its absolute discretion, to pay up to 100% of the Incentive Fee by issuing Shares to SICIM or its nominee up to such amount as is referred to in the paragraph below, provided that such decision is notified to SICIM within ten Business Days following the Company’s receipt of the invoice from SICIM.

The number of Shares to be issued (if any) is to be calculated by dividing the portion of the Incentive Fee which is to be paid by the issuance of Shares as determined pursuant to preceding paragraph (expressed as a dollar amount) by the ATPIF.

The Incentive Fee shall be calculated in respect of the period from the Commencement Date to 30 June 2010 and for each Half Year thereafter.

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Purely for illustrative purposes, the following outlines the calculations of the Incentive Fee payable Half Yearly on the assumptions set out below:

- (i) This example looks at where the Share Value is below the Threshold Amount and no Incentive Fee is payable in the First Half Year.

	ANIF		392,638,086
A	Share Value	\$	0.200
B	Threshold Amount	\$	0.350
Is Incentive Fee payable? = Is A > B			No

- (ii) This example looks at where the Share Value exceeds the Threshold Amount and the Incentive Fee is payable for the first time.

	ANIF		392,638,086
A	Share Value	\$	0.370
B	Threshold Amount	\$	0.350
Is Incentive Fee payable? = Is A > B			Yes
Excess of Share Value over Threshold Amount multiplied by ANIF = ANIF * (A-B)			\$ 7,852,762
Incentive Fee @ 20%			\$ 1,570,552

- (iii) This example looks at where the Share Value exceeds the Threshold Amount and the Incentive Fee is payable for the first time and there was a one-for-one bonus share, or 392,638,086 new bonus shares, issuance during the relevant Half Year.

	ANIF		785,276,172
A	Share Value	\$	0.185
B	Threshold Amount	\$	0.175
Is Incentive Fee Payable? = Is A > B			Yes
Excess of Share Value over Threshold Amount multiplied by ANIF = ANIF * (A-B)			\$ 7,852,762
Incentive Fee @ 20%			\$ 1,570,552

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- (iv) This example looks at where the Incentive Fee has been paid for the first time, the Benchmark Return exceeding the Share Return where there is a Deficit computed.

	Number of Days in the relevant Half Year		184
	ATPIF	\$	0.400
	ANIF		392,638,086
A	AMCIF = (ATPIF * ANIF)	\$	157,055,234
B	Average Share Accumulation Index in the preceding Half Year	\$	0.400
C	Average Share Accumulation Index in the relevant Half Year	\$	0.370
D	Benchmark rate of return for the Half Year		3.95592225%
E	Deficit from previous period		0
	Share Return for the relevant Half Year = A * (C-B)/B	\$	-11,779,143
	Benchmark Return for the relevant Half Year = A * D	\$	6,212,983
	Share Return - Benchmark Return - Deficit	\$	-17,992,126
	Deficit carried forward	\$	17,992,126
	Incentive Fee @ 20%	\$	0

- (v) This example looks at the Share Return exceeding the Benchmark Return and taking into effect a carried forward Deficit.

	Number of Days in the relevant Half Year		181
	ATPIF	\$	0.370
	ANIF		392,638,086
A	AMCIF = (ATPIF * ANIF)	\$	145,276,092
B	Average Share Accumulation Index in the preceding Half Year	\$	0.370
C	Average Share Accumulation Index in the relevant Half Year	\$	0.440
D	Benchmark rate of return for the Half Year		3.89018505%
E	Deficit from previous period	\$	17,992,126
	Share Return for the relevant Half Year = A * (C-B)/B	\$	27,484,666
	Benchmark Return for the relevant Half Year = A * D	\$	5,651,509
	Share Return - Benchmark Return - Deficit	\$	3,841,032
	Incentive Fee @ 20%	\$	768,206

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(vi) This example looks at where there is an issuance of new Shares in the relevant Half Year.

	Number of Days in the relevant Half Year		181
	ATPIF	\$	0.440
	ANIF		392,638,086
A	AMCIF = (ATPIF * ANIF)	\$	172,760,758
B	Average Share Accumulation Index in the preceding Half Year	\$	0.440
C	Average Share Accumulation Index in the relevant Half Year	\$	0.420
D	Benchmark rate of return for the Half Year		3.89018505%
E	Deficit from previous period	\$	0
	<u>New Shares issuance</u>		
F	Number of Days from issue date to end of relevant Half Year		90
G	Issue Price	\$	0.400
H	Additional number of Shares issued		100,000,000
I	G * H	\$	40,000,000
J	Benchmark rate of return for the issue period		1.91578969%
	Share Return for the relevant Half Year = A * (C-B)/B + H * (C-G)	\$	-5,852,762
	Benchmark Return for the relevant Half Year = A * D + I * J	\$	7,487,029
	Share Return - Benchmark Return - Deficit	\$	-13,339,791
	Deficit carried forward	\$	13,339,791



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**APPENDIX C**  
**The Fees Payable under the Amended and Restated Management Agreement**

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**4. Acquisition Fee**

In relation to an acquisition, an Acquisition Fee payable by the Company to SICIM is calculated as follows:

$$\text{Acquisition Fee} = 1.0\% \times (\text{RC} + [\text{RP} \times \{\text{SDF} + \text{MDF}\}])$$

Where:

“**RC**” is the total risk capital invested by the Company in the investment;

“**RP**” is the relevant percentage interest in the investment acquired by the Company;

“**SDF**” is the quantum of corporate and the senior debt facilities, including senior project debt facilities or capital markets issuances, of the investment which are arranged by SICIM in relation to the acquisition, but does not include any amount of debt which is provided by the Company and therefore included in RC above; and

“**MDF**” is the quantum of mezzanine or subordinated debt facilities, including project level mezzanine or subordinated debt facilities or capital markets issuances, of the investment arranged by SICIM, but does not include any amount of debt which is provided by the Company and therefore included in RC above.

SICIM will submit an invoice to the Company in respect of any Acquisition Fee upon completion of the relevant acquisition. Subject to the Bermuda Companies Act, the Bye-laws, any applicable Bermuda law, the Listing Rules and any other relevant law applicable to the Company or SICIM, the Company (by resolution of a majority of the Independent Directors, provided that any Manager Nominated Director shall abstain from voting on such resolution) may elect, at its absolute discretion, to pay up to 100% of the Acquisition Fee by issuing Shares to SICIM or its nominee up to such amount as described in the paragraph below, provided that such decision is notified to SICIM within ten Business Days following the Company’s receipt of the invoice from SICIM.

The number of Shares to be issued (if any) is to be calculated by dividing the portion of the Acquisition Fee, which is to be paid by the issuance of Shares as determined in the preceding paragraph (expressed as a dollar amount) by the average of the daily VWAP over the last 20 SGX-ST trading days of Shares preceding the completion of the relevant acquisition.

For the avoidance of doubt, no Acquisition Fee shall be payable by the Company in respect of the Existing Asset Portfolio (other than cash) or for any re-investment (in whole or in part) in any part of the Existing Asset Portfolio (other than cash) following a divestment of the same.

**5. Divestment Fee**

In relation to a divestment, a Divestment Fee payable by the Company to SICIM is calculated as follows:

$$\text{Divestment Fee} = 3.0\% \times \text{Proceeds}$$

save that (i) the Divestment Fee is payable only when the PFD is positive and (ii) where the Divestment Fee is greater than PFD, the Divestment Fee payable by the Company to SICIM shall equal PFD.

Where:

“**Proceeds**” means the proceeds received by the Company from or as a result of the divestment after payment of all other fees and costs, such as taxes, duties and other transaction expenses and net of any limited recourse debt; and

“**PFD**” means the Company’s profit after divestment, calculated as the difference between the Proceeds and all income and capital repayment received, and the cost of investment in that investment or asset.

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For the avoidance of doubt, a Divestment Fee shall not be payable in relation to any divestment (in whole or in part) of any part of the Existing Asset Portfolio.

SICIM will submit an invoice to the Company in respect of any Divestment Fee upon the completion of the relevant divestment. Subject to the Bermuda Companies Act, the Bye-laws, any applicable Bermuda law, the Listing Rules and any other relevant law applicable to the Company or SICIM, the Company (by resolution of a majority of the Independent Directors, provided that any Manager Nominated Director shall abstain from voting on such resolution) may elect, at its absolute discretion, to pay up to 100% of the Divestment Fee by issuing Shares to SICIM or its nominee up to such amount as described in the paragraph below, provided that such decision is notified to SICIM within ten Business Days following the Company's receipt of the invoice from SICIM.

The number of Shares to be issued (if any) is to be calculated by dividing the portion of the Divestment Fee which is to be paid by the issuance of Shares as determined pursuant to the preceding paragraph (expressed as a dollar amount) by the average of the daily VWAP over the last 20 SGX-ST trading days of Shares preceding the completion of the relevant divestment.

Purely for illustrative purposes, the following outlines the calculations for the Divestment Fee payable under the scenarios where upon a divestment, (i) PFD is less than 3.0% of the Proceeds; (ii) PFD is greater than 3.0% of the Proceeds; and (iii) PFD is less than the cost of investment and results in a net loss, to the Company.

(i) Where PFD is less than 3.0% of the Proceeds

Cost of Investment	\$	100,000,000
Proceeds	\$	101,000,000
Income & capital repayment received	\$	1,000,000
PFD		<u>2,000,000</u>
 Divestment Fee = lower of PFD and 3.0% x Proceeds	 \$	 2,000,000

(ii) Where PFD is greater than 3.0% of the Proceeds

Cost of Investment	\$	100,000,000
Proceeds	\$	105,000,000
Income & capital repayment received	\$	1,000,000
PFD		<u>6,000,000</u>
 Divestment Fee = lower of PFD and 3.0% x Proceeds	 \$	 3,150,000

(iii) Where PFD is less than cost of investment

Cost of Investment	\$	100,000,000
Proceeds	\$	98,000,000
Income & capital repayment received	\$	1,000,000
PFD		<u>-1,000,000</u>
 Divestment Fee	 \$	 0

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**The Fees Payable under the Amended and Restated Management Agreement**

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**6. Debt Raising Fee**

In relation to Debt Raising, a Debt Raising Fee of 0.5% of the senior debt raised and 0.7% for subordinated or mezzanine debt raised at the Company level and/or at any investee entities' level for which the relevant creditor has recourse to the Company, including debt raised from any SICIM Associate.

Where:

Debt Raising means the raising of debt (or quasi-debt) to fund the transaction including:

- (A) identifying potential lenders for commercial bank loans or subordinated debt (if any);
- (B) determining the most appropriate approach for the funding process;
- (C) preparing any information memorandum to be provided to potential debt providers; and
- (D) negotiating terms of debt documentations.

For avoidance of doubt, Debt Raising does not include debt underwriting, sub underwriting or any other compensation for an analogous position, or raising project debt to the extent it is covered by the Acquisition Fee referred to in paragraph 4.

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**APPENDIX D**  
**The Proposed New Manager of the Company**

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**1. Background and Description of SICIM**

SICIM was incorporated in 1996 by a consortium of the asset management arms of six of the largest banks in Singapore. It was set up with the aim of carrying on business in fund management for retail investors, and in particular to manage the Singapore Index Fund, an open-ended equity index tracking fund constituted in the same year.

The original owners of SICIM were OCBC Asset Management Limited, DBS Asset Management Ltd, Keppel Bank of Singapore Limited, OUB Asset Management Ltd, Tat Lee Bank Limited, and UOB Asset Management Ltd. The Singapore Index Fund is registered with the MAS as a collective investment scheme and has been listed on the SGX-ST since 1996.

SICIM is currently wholly-owned by AIM following the Acquisition. Prior to 29 December 2015, SICIM was owned by Nikko Asset Management International Limited, UOB Asset Management Ltd and Oversea-Chinese Banking Corporation Limited in equal proportions.

Following the Acquisition, SICIM's principal place of business is now at 51 Cuppage Road, #10-04, Singapore 229469, and it currently has a staff-strength of 16 officers, including seven Representatives.

SICIM aims to deliver a consistent total return to investors through active portfolio management and asset growth. It seeks to build a portfolio of assets capable of generating income and potential capital appreciation through the identification of investments in various asset classes both locally and internationally, including investments in public and private equity, collateralised debt obligations (“**CDOs**”), residential mortgage-backed securities (“**RMBS**”), bonds, loans, derivatives and structured finance.

SICIM's investment approach focuses on investment strategies designed to achieve an optimal asset allocation. SICIM conducts analyses of the macroeconomic fundamentals of major developed and emerging markets to identify the stages of the economic cycle which each country or region is, and this in turn allows SICIM to target the appropriate sectors and industries expected to benefit from their positioning in the economic cycle. Within each sector and industry, the selection of suitable companies for investment is grounded primarily in fundamental analysis, both qualitatively and quantitatively.

**2. Board of Directors of SICIM**

The board of directors of SICIM comprises Mr Boon Swan Foo, Mr Richard Rokmat Magnus, Ms Tan Hui Keng Martha, Mr See Yong Kiat and Mr Frederick Lai Yao Long. The curricula vitae of the directors of SICIM are as set out below.

**Mr Boon Swan Foo**

*Chairman and Chief Executive Officer*  
*Chairman of Investment Committee*  
*Principal Portfolio Manager*  
*Chairman of Investment Committee*  
*Chairman of Investment Division*

Mr Boon Swan Foo is the Chairman and Chief Executive Officer of SICIM. He is the principal portfolio manager, and also serves as Chairman of the Investment Committee and Chairman of the Investment Division of SICIM. He has held several appointments as director of several local and international companies, and also possesses extensive experience in the direct management of companies. His investment experience ranges from public and private equity, leasing, structured finance, loan portfolios to managing investment assets and turn-around situations. Mr Boon has been appointed as consultant to STAM, in its capacity as manager of GIL, since 2009.

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

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**APPENDIX D**  
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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. Mr Boon was also Chairman of STAM from April 2010 to December 2011. For his stewardship of ST Engineering Ltd, Mr Boon was awarded one of Singapore’s most prestigious business awards, the Singapore Business Award for Outstanding CEO in 2000.

Mr Boon was also Chairman and independent non-executive director of Perennial China Retail Trust Management Pte. Ltd. (“PCRTMPL”) from November 2010 to March 2013. PCRTMPL was the trustee-manager of Perennial China Retail Trust, which was listed on the Main Board of the SGX-ST from June 2011 to February 2015.

Mr Boon is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants (UK)-ACCA. He holds an MBA from the National University of Singapore and has completed Harvard’s Advanced Management Program. Presently, he holds an Adjunct Professorship at Nanyang Technological University.

**Mr Richard Rokmat Magnus**

*Non-Executive Director*

Mr Richard Rokmat Magnus is a non-executive director of SICIM.

He was previously Senior District Judge (now termed Chief District Judge) of the State Courts of Singapore. Mr Magnus had a distinguished public service career with the Singapore Legal Service. In recognition of his sterling contributions to the nation, he was conferred the Public Administration Medal (Silver) in 1983, the Public Administration Medal (Gold) in 1994, the Public Administration Medal (Gold) (Bar) in 2003 and the Meritorious Service Medal in 2009.

Mr Magnus is currently the Chairman of the Remote Gambling Advisory Panel, The Public Transport Council, the Bioethics Advisory Committee, the Political Films Consultative Committee, the Public Guardian Board and Temasek Cares CLG Limited. Mr Magnus also serves on the boards of CapitaMalls Trust Management Ltd, Changi Airport Group (Singapore) Pte. Ltd. and Honour (Singapore) Ltd. He is a member of the Public Service Commission and UNESCO’S International Bioethics Committee and also serves as a Panel Member of the Ministry of Home Affairs’ Independent Panel Review Committee.

Mr Magnus graduated with a Bachelor of Laws (Honours) and a Masters of Laws from the National University of Singapore. He is also an alumnus of the Harvard Business School and JF Kennedy School of Government. He is an editor of five legal practitioners’ books on law: Assessment of Damages – Personal Injuries and Fatal Accidents 1<sup>st</sup> & 2<sup>nd</sup> Edition, Family Court Practice, Evidence in Criminal Trials and Sentencing Practice in the Subordinate Courts 2nd Edition.

**Ms Tan Hui Keng Martha**

*Non-Executive Director*

Ms Tan Hui Keng Martha is a non-executive director of SICIM.

She was previously an audit partner of KPMG LLP from 1989 to 2005 and has more than 25 years of experience in the public accounting field, which includes auditing, taxation, public listings, due diligence, mergers and acquisitions, internal control reviews and general business advisory services.

She is currently a non-executive director of Singapura Finance Ltd, a finance company licenced by the MAS and listed on the Main Board of the SGX-ST and a non-executive director of HL Global Enterprises Limited, a hospitality operations and property development company listed on the Main Board of the SGX-ST.

Ms Tan holds a Degree (Honours) in Accountancy from the University of Singapore and is a Fellow member of the Institute of Singapore Chartered Accountants.

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**APPENDIX D**  
**The Proposed New Manager of the Company**

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**Mr See Yong Kiat**  
*Non-Executive Director*

Mr See Yong Kiat is a non-executive director of SICIM.

He is currently Managing Director (Fund Management) and a member of the Investment Committee of STAM. He is concurrently a director of several other STAM affiliated companies. He also sits on the board of AF Trustees Ltd, a trust company incorporated in Singapore. Mr See heads a team of fund managers and research analysts responsible for identifying, evaluating and overseeing investments in public and private equities, convertible bonds and credits in Asia and other emerging markets. He has extensive investment management experience in a broad range of asset classes and financial instruments, including investment grade and high yield credits, structured finance and asset backed securities.

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

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

Mr See is currently Manager Nominated Director of GIL.

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

**Mr Frederick Lai Yao Long**  
*Non-Executive Director*

Mr Frederick Lai Yao Long is a non-executive director of SICIM.

He is Vice President, Fund Administration of STAM where he is responsible for middle office operations which include unit trust administration, clients’ portfolio administration and liaising with banks, trustees as well as the registrars. From March 1967 to December 2001, Mr Lai was with the OUB group where he gained extensive experience in bills & remittances, retail branch operations and custodial services operations. He also spent seven years in OUB’s London office and three years in OUB’s New York office. His last held appointment was that of Chief Representative in OUB’s Ho Chi Minh Representative Office, Vietnam from May 2000 to December 2001.

Mr Lai received a Bachelor of Science (Second Class Honours First Division) in Business & Management Studies from University of Bradford, London and is an Associate with the Institute of Bankers, London.

### **3. Management Team and Expertise**

The management team of SICIM has extensive experience in investment, investment advisory and fund administrative services. Their experience ranges across various asset classes, including equity in both developing and emerging markets, structured finance, CDOs, collateralised loan obligations (“CLOs”), RMBS, bonds portfolios and high yield bonds and loans across multiple jurisdictions. The team has also been evaluating, advising and monitoring private equity investments in assets not limited to aircrafts, rolling stock (e.g. trains), oil rigs, bulk carriers, and commercial properties across various jurisdictions.

The team is also familiar with start-ups, high-tech companies and other venture capital assets. In particular, the team is also very familiar with the assets and strategy of GIL, having been involved as consultants and advisors to GIL since 2009. As mentioned above, the management team of SICIM also manages the Singapore Index Fund. The Singapore Index Fund is registered with the MAS as a collective investment scheme and has been listed on the SGX-ST since 1996.

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**APPENDIX D**  
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The curricula vitae of the management team of SICIM are as set out below.

**Mr Boon Swan Foo**

*Chairman and Chief Executive Officer*  
*Chairman of Investment Committee*  
*Principal Portfolio Manager*  
*Chairman of Investment Committee*  
*Chairman of Investment Division*

Please refer to paragraph 2 above.

**Mr Wong Fook Loy**

*Portfolio Manager*  
*Member of Investment Committee*  
*Vice President, Investment Division*

Mr Wong Fook Loy is a portfolio manager and a member of the Investment Committee of SICIM. He also serves as Vice President of the Investment Division of SICIM.

Mr Wong joined SICIM from AIM following the Acquisition, and was Vice President, Investment of AIM, where he was responsible for evaluating and monitoring investments in equities, structured finance products, RMBS and CLOs. Mr Wong has extensive experience in the management of GIL's assets since 2012.

Prior to this, Mr Wong was at STAM from May 2002 to January 2008 where he last held the position of Fund Manager, and was also a member of its Investment Committee. While at STAM, Mr Wong was involved in the management of developed and emerging markets equities and structured finance products, including CDOs and US RMBS. He supervised a team of analysts which covered equities and fixed income, and was involved in selecting CDO/RMBS credits for CDO portfolios for STAM in its capacity as Collateral Manager. From April 2001 to April 2002, Mr Wong was a research analyst with OUB Asset Management Ltd where he covered equities and fixed income and was involved in the development and modelling of structured financial products, including credit default swaps and CDOs.

Mr Wong holds a Bachelor of Arts (Hons in Physics) from Oxford University and is also a CFA Charter Holder.

**Mr Terence Aw Hai Chien**

*Portfolio Manager*  
*Member of Investment Committee*  
*Vice President, Investment Division*

Mr Terence Aw Hai Chien is a portfolio manager and a member of the Investment Committee of SICIM. He also serves as Vice President of the Investment Division of SICIM.

Mr Aw joined SICIM from AIM following the Acquisition and was Vice President of Investment of AIM, where he was responsible for managing AIM's structured product portfolio, operating lease assets and macroeconomic research. From August 2013 to April 2014, he was Vice President, Risk Management & Compliance at AIM where he was responsible for developing and maintaining AIM's system of risk management and internal controls. Mr Aw has extensive experience in the management of GIL's assets since 2012.

Prior to joining AIM, Mr Aw was Assistant Vice President of Risk Management and Compliance at STAM from December 2011 to August 2013, where he performed quantitative risk analyses for equities and fixed-income portfolios and macro-analysis for public and private equities.

From October 2007 to April 2011 he undertook various roles at Exploit Technologies Pte Ltd, the commercial arm of A\*STAR, where he performed market analysis and private equity company valuation covering technology and consumer goods markets.

Mr Aw graduated with a Bachelor of Business Management majoring in Finance from the Singapore Management University in 2007.

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**Ms Yeo Shann Wei**

*Principal Finance Manager*

*Vice President, Finance & Fund Administration*

Ms Yeo Shann Wei is the principal Finance Manager and Vice President of the Finance & Fund Administration Division of SICIM.

Ms Yeo joined SICIM from AIM following the Acquisition and was Vice President, Finance & Fund Administration of AIM since August 2012 where she was primarily in charge of the day-to-day financial operations, financial and statutory reporting as well as the submission of various regulatory returns for both AIM and GIL.

Prior to joining AIM, she was a Vice President, Finance, of Mapletree Investments Pte Ltd, where she was involved in the financial and management reporting of a business unit and in system implementation. Before that, she was a finance manager for a closed-end real estate fund in ING Real Estate Investment Management Pte Ltd from October 2006 to October 2008. She started her career at KPMG as an auditor before joining PSA Corporation Limited as an accountant.

Ms Yeo holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University, Singapore and is a non-practising member of the Institute of Singapore Chartered Accountants.

**4. SICIM's Internal Governance, Compliance and Risk Management Policies**

SICIM is committed to ensuring that it acts in accordance with GIL's investment mandate, as well as all applicable laws and regulations. It adopts an integrated internal governance, risk management and compliance framework, and seeks to exemplify and promote the principles of good corporate governance in its daily dealings. In doing so, it is guided by the following legislation, codes and guidance notes:

- the Singapore Companies Act;
- the SFA and accompanying regulations;
- the Code on Collective Investment Schemes;
- the Investment Management Association of Singapore (the "IMAS") Code of Ethics & Standards of Professional Conduct;
- all other relevant codes, notes and guidelines on risk management practices issued by the MAS and the Bermuda Monetary Authority;
- the Listing Manual;
- the Singapore Code of Corporate Governance and best practice recommendations; and
- all relevant laws and regulations of Bermuda, including the Bermuda Companies Act as well as the Investment Funds Act 2006 of Bermuda (as amended from time to time).

SICIM aims to act in the best interests of its clients, with due diligence and care and in compliance with the legal and regulatory requirements and investment management mandates. Its fund managers are required at all times to discharge their duties impartially on behalf of its clients, exercise reasonable diligence and care when managing the assets of clients, and adhere to investment frameworks set by the client.

SICIM has a Risk Management & Compliance Unit whose responsibilities include risk management, reviewing the internal control systems and monitoring compliance with established policies, controls and all applicable laws and regulations as and when they are updated. It will further develop and implement analytical tools for risk assessment and management and carry out regular training and education for the staff on compliance with the internal codes and policies.



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SICIM will report to the Board on a regular basis on identification and implementation of appropriate risk management measures in respect of GIL's assets measures, and will also serve as the contact point for communication with external auditors and regulatory bodies.

The following are some of the internal policies and reports which fall under the purview of the Risk Management & Compliance Unit:

- (i) Code of Conduct
  - a. Conflict of Interest Policy
  - b. Personal Trading Account Dealing Guideline & Procedure
  - c. Anti-Money Laundering/Countering the Financing of Terrorism Policy
- (ii) Fair Allocation Policy
- (iii) Policy on Interested Party Transactions
- (iv) Risk Management and Compliance Policy
- (v) Fit & Proper Procedure
- (vi) Personal Data Protection Act Policy

In particular, the following policies are notable:

(1) **Conflict of Interest Policy**

SICIM will take all reasonable steps to prevent conflicts of interest from adversely affecting the interests of GIL. However, SICIM may at times be involved in other financial, investment and professional activities which may on occasion result in a conflict of interest. These include, *inter alia*, the management of other funds, provision of investment and management advisory services to other funds, and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which GIL may invest in. In the event that a conflict of interest arises, SICIM shall endeavour to ensure that it is resolved fairly and in the interest of the clients or that the conflict is disclosed appropriately to the clients.

SICIM is of the view that there is no conflict of interest in managing their other funds (if any) and GIL because of the following structures in place:

- SICIM is a member of the IMAS and subscribes and adheres to the IMAS Code of Ethics and Standards of Professional Conduct. The IMAS Code of Ethics and Standards of Professional Conduct are in place to ensure high ethical and professional standards of investment professionals as well as fair treatment of the investing public.
- All investment ideas are shared equally among the portfolio managers.
- Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- Interests of clients receive priority over the interests of the employees (including the directors). This will mean satisfying client transactions before dealing for employee accounts and avoiding any conflict between the interests of clients and those of employees (including the directors) of SICIM. Where there is deemed to be a potential conflict of interest, the employees, including the directors, of SICIM are to report immediately to the senior compliance officer as well as an appropriate senior director who will either resolve the potential conflict or ensure proper disclosure to the affected clients.

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- Investments are allocated between various funds which place the same orders simultaneously on a *pro rata* basis as far as possible, taking into account the availability of cash and the relevant investment guidelines of these funds.
- Cross trades between staff personal accounts and client accounts are prohibited. Cross trades between a “house account” controlled by SICIM and a client account are also prohibited, where “house account” means an account owned by SICIM or any of their connected persons over which they can exercise control or influence.
- SICIM conducts all transactions for and on behalf of GIL at arm’s length.

**(2) Personal Trading Account Dealing Guidelines and Procedures**

SICIM requires its employees to avoid conduct that might be considered to be market misconduct such as, but not limited to, insider trading, front running, market manipulation and the appearance of conflicts of interest. All of SICIM’s employees are required to disclose their securities holdings and must follow the personal trading account dealing guidelines and procedures.

**(3) Fair Allocation Policy**

SICIM will allocate all clients’ orders on a basis believed to be fair and equitable in the provision of investment information, making investment recommendations, or taking investment actions and no client’s portfolio will receive preferential treatment over any other. In an event when orders are partially filled, the partial allocation shall be distributed on a *pro rata* basis subject to factors such as each client’s cash availability and/or industry sector and market exposure.

**(4) Policy on Interested Party Transactions**

All interested party transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of GIL. This may be demonstrated to GIL by obtaining (where practicable) quotations from parties unrelated to SICIM. Interested party transactions are subjected to additional scrutiny by SICIM’s Audit and Risk Management Committee, with the relevant interested party abstaining from voting and recusing himself from any decision-making process.

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**APPENDIX E**  
**Letter from the IFA to the Independent Directors**

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1 April 2016

The Independent Directors  
Global Investments Limited  
Penboss Building, 2nd Floor  
50 Parliament Street  
Hamilton, HM12, Bermuda

Dear Sirs,

**THE PROPOSED CHANGE IN THE MANAGER OF THE COMPANY (AN INTERESTED PERSON TRANSACTION)**

**1. INTRODUCTION**

This letter has been prepared for the use of the Independent Directors of Global Investments Limited (“**GIL**” or the “**Company**”), for the inclusion in the circular (the “**Circular**”) to be issued in relation to the proposed appointment of Singapore Consortium Investment Management Limited (“**SICIM**”) as the manager of the Company to be effected by the way of the novation of the Original Management Agreement (as defined below) to SICIM, as an interested person transaction (the “**Proposed Change in the Manager**”). Unless otherwise defined, all terms defined in the Circular have the same meanings in this letter.

The Company was listed on the SGX-ST on 20 December 2006 as an investment fund managed by Babcock & Brown Global Investments Management Pty Limited (“**BBGIM**”). On November 2009, ST Asset Management Ltd. (“**STAM**”) was appointed as manager of the Company in place of BBGIM pursuant to the management agreement dated on 24 September 2009 (the “**Original Management Agreement**”) between the Company and STAM.

Since 16 July 2012, STAM delegated certain services to be performed by STAM under the Original Management Agreement to Allgrace Investment Management Private Limited (“**AIM**”), including administrative, risk management, compliance and corporate secretarial services (the “**Delegated Services**”). On 29 December 2015, AIM acquired all the shares in the capital of SICIM which resulted in the transfer of all of the assets, staff and business operations of AIM to SICIM (the “**Acquisition**”). Pursuant to the Acquisition, AIM’s rights and obligations under the respective agreements in relation to the performance of the Delegated Services were novated to SICIM and the Delegated Services have been performed by SICIM since 29 December 2015.

STAM has informed the Company that its business strategy has changed and that its current focus is on the management of funds of its related companies. As part of its winding down of the management of the funds of its external clients, STAM has notified the Company of its desire to relinquish its appointment as the manager of the Company and has proposed that SICIM be appointed as the new manager of the Company by way of the Novation Agreement. The Novation Agreement provides among other things, that with effect from the Effective Date, SICIM will be appointed as the manager of the Company, and the Original Management Agreement shall be amended and restated on the terms of the schedule to the Novation Agreement (the “**Amended and Restated Management Agreement**”). The Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the scope of the services to be provided by the manager and the fees payable to the manager of the Company.

SICIM is indirectly wholly-owned by Mr Boon Swan Foo, the Chairman of the Company and is regarded by the SGX-ST as an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. The audited net tangible assets of the Company were approximately S\$292.21 million as at 31 December 2015. Accordingly, if the value of a transaction which is

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proposed to be entered into in the current financial year by the Company with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than \$100,000) entered into with the same interested person during the current financial year, equal to or in excess of approximately S\$14.61 million, being 5.0% of the Company's latest audited net tangible assets as at 31 December 2015, such a transaction would be subject to Shareholders' approval. As the Amended and Restated Management Agreement commences on the Effective Date and continues until the date it is terminated, the fees and expenses which SICIM may be entitled to receive under the Amended and Restated Management Agreement are likely to be equal to or exceed the 5.0% threshold under Chapter 9 of the Listing Manual and hence requires the approval of Shareholders in accordance with Listing Rule 906(1)(a).

Mr Boon Swan Foo and Mr See Yong Kiat, a non-executive director of SICIM, are deemed to be interested in the Proposed Change in the Manager and will abstain from making any recommendation on the Proposed Change in the Manager. The remaining Directors, namely, Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee are deemed to be independent for the purpose of the Proposed Change in the Manager (the "**Independent Directors**").

For the purpose of Chapter 9 of the Listing Manual, we, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as the independent financial adviser to the Independent Directors in respect of the Proposed Change in the Manager.

## **2. TERMS OF REFERENCE**

Our responsibility is to provide our opinion as to whether the Proposed Change in the Manager, in particular, the Fee Structure (as defined below) in relation to the Amended and Restated Management Agreement is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into in relation to the Proposed Change in the Manager nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Change in the Manager.

We do not, by this letter or otherwise, advise or form any judgement on the strategic or commercial or financial merits or risks of the Proposed Change in the Manager. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of GIL.

It is also not within our terms of reference to compare the merits of the Proposed Change in the Manager to any alternative arrangements that were or may have been available to GIL. Such comparison and consideration remain the responsibility of the Directors and their advisers.

We have relied upon the assurances of the Directors who have accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Proposed Change in the Manager have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably

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made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

Our opinion as set forth in this letter is based on prevailing market, economic, industry, monetary and other applicable conditions, our analysis of the information provided in the Circular as well as information provided to us by the Directors and the management of the Company as of the Latest Practicable Date. Accordingly, our opinion does not take into account any event, condition or information which occurs after the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

The Company has been advised by its own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this letter).

**Our opinion in relation to the Proposed Change in the Manager should be considered in the context of the entirety of this letter and the Circular.**

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As different Shareholders will have different investment objectives, we advise the Independent Directors to recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

### **3. DETAILS OF THE PROPOSED MANAGER OF THE COMPANY**

SICIM was incorporated in 1996 by a consortium of the asset management arms of six of the largest banks in Singapore. It was set up with the aim of carrying on business in fund management for retail investors and in particular to manage the Singapore Index Fund, an open-ended equity index tracking fund constituted in the same year.

The original owners of SICIM were OCBC Asset Management Limited, DBS Asset Management Ltd, Keppel Bank of Singapore Limited, OUB Asset Management Ltd, Tat Lee Bank Limited and UOB Asset Management Ltd. The Singapore Index Fund is registered with the MAS as a collective investment scheme and has been listed on the SGX-ST since 1996.

SICIM is currently wholly-owned by AIM following the Acquisition. Prior to 29 December 2015, SICIM was owned by Nikko Asset Management International Limited, UOB Asset Management Ltd and Oversea-Chinese Banking Corporation Limited in equal proportions.

Following the Acquisition, SICIM's principal place of business is now at 51 Cuppage Road, #10-04, Singapore 229469, and it currently has a staff-strength of 16 officers, including seven Representatives.

The board of directors of SICIM comprises Mr Boon Swan Foo, Mr Richard Rokmat Magnus, Ms Tan Hui Keng Martha, Mr See Yong Kiat and Mr Frederick Lai Yao Long.

Further details relating to SICIM are set out in Appendix D of the Circular.

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**4. DETAILS OF THE FEE STRUCTURE OF THE AMENDED AND RESTATED MANAGEMENT AGREEMENT**

The Company was listed on the SGX-ST on 20 December 2006 as an investment fund managed by BBGIM. After a few years, the Company appointed Standard Chartered Bank (the “**Strategic Adviser**”) to conduct a strategic review, which resulted in the appointment of STAM as the Company’s manager on 25 November 2009. As set out in paragraph 2.2 of the Company’s circular dated 5 November 2009 in connection with the strategic review, in arriving at their recommendations, the Strategic Adviser took into considerations the proposals submitted by various parties that had indicated their interest in acting as the new manager of the Company. In evaluating these proposals, the Strategic Adviser and the Independent Directors discussed and agreed upon a set of key criteria that included the credibility of the new manager and the sponsors or shareholders of the new manager, experience and expertise in managing the existing asset portfolio, business plan and strategy proposed by the new manager, ability of the new manager to provide future acquisition opportunities to the Company, and proposed management structure and fees. The fee structure offered by STAM under the Original Management Agreement was competitive and lower than the fee structure under the agreement with BBGIM. In addition, the Board has the sole discretion to pay up to 100% of the manager’s fees in the form of Shares rather than cash. This flexibility to pay the manager’s fees in the form of Shares will assist in aligning the manager’s interests with those of the Shareholders.

We note that the Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the scope of the services to be provided by the manager and the fees payable (“**Fee Structure**”) to the manager of the Company. Under the terms of the Amended and Restated Management Agreement, the Company proposes to compensate SICIM for providing the Services through the following:

- a) **Base Fees:** Calculated as 1% of the net investment value (“**NIV**”) up to S\$1.5 billion and 1.5% of NIV in excess of S\$1.5 billion. NIV is defined as average market capitalization of GIL;
- b) **Incentive Fees:** Calculated as 20% of excess Share Return over Benchmark Return for the Half Year after recovering any Deficit from previous period. (Capitalised words used herein are as defined in the Amended and Restated Management Agreement.) For details of the incentive fees, please refer to Appendix C of the Circular.

We note that GIL’s incentive fee structure includes a high watermark threshold. Briefly, in order for incentive fees to be payable, the increase in market capitalization of GIL from the preceding half year must first be above the annualized rate of 8%, after recovering the Deficit incurred from previous period.

- c) **Fixed Fees:** S\$0.65 million per annum covers certain services under the Amended and Restated Management Agreement including but not limited to:
  - prepare and arrange the audit of the Company’s annual reports and prepare accounts and quarterly financial statements;
  - assist with the preparation and issue of notices of meetings of Shareholders and papers, reports and agendas relating to such meetings;
  - open, close, operate and manage the Company’s bank accounts including making deposits and withdrawals;

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- assist in the resolution of complaints by and disputes with Shareholders and litigation involving the Company (other than litigation involving the SICIM or a SICIM Associate);
  - procure all technical, business, management and other resources in respect of the Company's investments and assets;
  - assist with preparing and arranging for filing of all annual, quarterly and current reports the Company is required to file with applicable regulators; and
  - carry out or assist with all other day to day management, secretarial, accounting, administrative, liaison, representative and reporting functions for the Company.
- d) **Debt Raising Fees:** Calculated as 0.5% of senior debt raised and 0.7% of subordinated or mezzanine debt raised;
- e) **Acquisition Fees:** Calculated as 1.0% of total risk capital invested by GIL in the investment and percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by the manager in relation to the acquisition (but excluding debt provided by GIL); and
- f) **Divestment Fees:** Calculated as 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero.

We would like to highlight that the Proposed Change in the Manager is conditional upon the approval of the Shareholders and the approval from the Bermuda Monetary Authority.

Further details relating to Fee Structure are set out in Appendix C of the Circular.

**5. EVALUATION OF THE PROPOSED CHANGE IN THE MANAGER AS AN INTERESTED PERSON TRANSACTION**

In arriving at our opinion on whether the Proposed Change in the Manager, in particular, the Fee Structure in relation to the Amended and Restated Management Agreement is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority Shareholders, we have taken into consideration the following:

- a) Rationale for the Proposed Change in the Manager;
- b) Fee Structure of the Amended and Restated Management Agreement;
- c) Comparison with the manager's fees payable by the other mutual funds; and
- d) Other relevant factors.

**5.1. Rationale for the Proposed Change in the Manager**

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Change in the Manager or the future prospects of GIL after the Proposed Change in the Manager. Nevertheless, we have reviewed the rationale for the Proposed Change in the Manager. The full text of the rationale for the Proposed Change in the Manager is set out in paragraph 4.2 of the Circular and reproduced in italics below for your reference:

*"4.2 Rationale for Proposed Change in the Manager*

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*STAM has informed the Company that its business strategy has changed and that its current focus is on the management of funds of its related companies. As part of its winding down of the management of the funds of its external clients, STAM has notified the Company of its desire to relinquish its appointment as the manager of the Company and has proposed that SICIM be appointed as the new manager of the Company by way of the Novation Agreement.*

*Pursuant to STAM's nomination, SICIM has put up a proposal to the independent directors of the Company (the "**Independent Directors**") to offer its services as the new manager of the Company. In its proposal, SICIM has agreed to accept all the terms of the Original Management Agreement and to the novation of the rights and obligations of STAM under the Original Management Agreement to SICIM.*

*The Independent Directors have accepted SICIM's proposal and are agreeable to the appointment of SICIM as the new manager of the Company, subject to the approval of the Shareholders. The Independent Directors believe that the appointment of SICIM as the new manager of the Company would be in the best interests of Shareholders, and did not consider other candidates to replace STAM, taking into consideration the following:*

*(a) SICIM's in-depth knowledge of the Company.*

*Mr Boon Swan Foo is the sole owner, Chairman and Chief Executive Officer of Allgrace Investment Management Private Limited ("**AIM**"). Mr Boon's involvement with the Company started in November 2009, where pursuant to a consultancy agreement between Mr Boon and STAM, he provided investment advisory services to STAM in relation to the management of the assets of the Company in his capacity as Representative of STAM. In addition, he was appointed as a Manager Nominated Director and Chairman of the Company on 25 November 2009. He subsequently became non-executive Director and non-independent Chairman of the Company with effect from 20 December 2011.*

*Mr Boon remained as a Representative and consultant of STAM until July 2013, when the aforesaid consultancy agreement between Mr Boon and STAM was novated to AIM. AIM was established by Mr Boon on 18 October 2011. Since 16 July 2012, STAM had also delegated the performances of certain services under the Original Management Agreement to AIM, including administrative, risk management, compliance and corporate secretarial services (the "**Delegated Services**").*

*On 29 December 2015, AIM acquired all the shares in the capital of SICIM which resulted in the transfer of all of the assets, staff and business operations of AIM to SICIM (the "**Acquisition**"). Pursuant to the Acquisition, AIM's rights and obligations under the respective agreements in relation to the Delegated Services were novated to SICIM and the Delegated Services have been performed by SICIM since 29 December 2015.*

*(b) The experience and expertise of SICIM's officers.*

*As mentioned above, the officers of SICIM (who were previously the officers of AIM) have been performing the Delegated Services since 16 July 2012. Further, the key officers of SICIM have the experience and the expertise in managing assets similar to the assets of the Company, further details of which are set out in Appendix D of this Circular. Through their frequent interaction with the officers of SICIM and review of the Delegated Services performed by SICIM, the Independent Directors acknowledge the skills and competencies of SICIM's officers and believe that SICIM has the experience and expertise to take over the management of the Company from STAM.*



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- (c) *SICIM's holding of a capital markets services licence issued by the Monetary Authority of Singapore (the "MAS") to carry on business in fund management for retail investors.*
- (d) *SICIM having agreed to accept all the terms of the Original Management Agreement.*
- (e) *SICIM's intention to appoint STAM as its consultant upon the effective date of its appointment as the new manager of the Company for a period of six months, to ensure a smooth transition. STAM's fees for acting as SICIM's consultant will be solely borne by SICIM.*
- (f) *Continuity in the management of the Company.*

*Based on all of the above factors, there would be continuity in management of the assets of the Company with minimal disruption which is the key factor in the decision of the Independent Directors to appoint SICIM as the new manager of the Company in place of STAM.*

- (g) *Alignment of interest.*

*Mr Boon Swan Foo is the single largest Shareholder, holding 11.31% of the Shares of the Company as at the Latest Practicable Date. SICIM is indirectly wholly-owned by Mr Boon Swan Foo, who is also the Chairman and Chief Executive Officer of SICIM. Thus there would be alignment of the interest between SICIM and the Shareholders."*

## **5.2. Fee Structure of the Amended and Restated Management Agreement**

As set out in paragraph 3 of the Company's circular dated 5 November 2009 in connection with the strategic review, the Original Management Agreement was entered on 24 September 2009 between the Company and STAM, and STAM was appointed as the manager of the Company, as the result of the strategic review by the Strategic Adviser. In arriving at the appointment of STAM as manager of the Company, the Strategic Adviser took into consideration various reasons and proposals submitted by various parties that had indicated their interest in acting as the new manager of the Company. We note that the Company had conducted a competitive process in selecting STAM as the manager of GIL.

We also note that the Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the scope of the services and the Fee Structure.

## **5.3. Comparison with the manager's fees payable by the other mutual funds**

GIL's investment policy is to make investments in a portfolio of assets in different sectors through different means which include but not limited to direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements provided that it will not make any direct investments in real estate and commodities. We have had discussions with the Board of the Company and STAM about the appropriateness of evaluating the Fee Structure against compensation terms of peer mutual funds listed in the SGX-ST which are comparable with the Company, that is, listed mutual funds that are actively managed and invest in similar assets. We note that there are **no such comparable mutual funds** listed in the SGX-ST.

For illustrative purposes, we have attempted to compare the Fee Structure, in particular, the base fees, with certain mutual funds listed on stock exchanges in Malaysia, Indonesia, Thailand, the Philippines, Vietnam, Hong Kong and Australia. We found 20 sample mutual funds ("**Sample Mutual Funds**"). We understand from the Board of the Company and STAM that the Sample

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Mutual Funds **are not comparable** with GIL. Therefore, any comparison made serves only as an illustrative guide.

Relevant information has been extracted from Bloomberg L.P. and publicly available information. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

**We wish to highlight that the Sample Mutual Funds may not be exhaustive and it should be noted that there may not be any listed mutual fund that is directly comparable to GIL in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of compensation terms for the selected Sample Mutual Funds. Therefore, any comparison made serves only as an illustrative guide.**

**a) Assessment on the base fees payable by the Company**

**Table 1: Summary of base fees payable by Sample Mutual Funds**

Base Fees		Name of fund	Conversion ratio <sup>(1)</sup>		NIV Equivalent Quantum (A/B)	Exchange Country	Market Capitalization (SGDmm) <sup>(2)</sup>
Basis	Quantum (A)		(B)				
Market Capitalization	0.75%	Hastings High Yield Fund			0.75%	Australia	10.61
	1%	Clime Capital Limited			1.00%	Australia	65.32
	1%	Westoz Investment Company Limited			1.00%	Australia	101.76
NAV	1.49%	Aurora Absolute Return Fund	Price to book ratio	0.77	1.93%	Australia	16.47
	1.28%	Aurora Dividend Income Trust		0.79	1.61%	Australia	19.12
	1.28%	Aurora Global Income Trust		0.93	1.38%	Australia	5.70
	0.85%	Australian Enhanced Income Fund		1.00	0.85%	Australia	18.07
	1%	PM Capital Asian Opportunities Fund Limited		0.80	1.25%	Australia	49.89
	1%	PM Capital Global Opportunities Fund Limited		0.87	1.15%	Australia	321.73
	2%	Shanghai International Shanghai Growth Investment Limited		1.48	1.35%	Hong Kong	15.99
	1.25%	8IP Emerging Companies Limited		0.89	1.40%	Australia	30.63
	1.50%	HSBC China Dragon Fund		0.44	3.38%	Hong Kong	225.46
	1.50%	Global Value Fund Limited		1.14	1.31%	Australia	86.39
	1.53%	Watermark Market Neutral Fund Limited		1.08	1.42%	Australia	92.87
GAV	0.65%	360 Capital Industrial Fund	Price to total asset ratio	0.60	1.08%	Australia	545.36
	0.65%	360 Capital Office Fund		0.74	0.88%	Australia	152.35
	0.65%	360 Capital Total Return Sub Fund		0.91	0.71%	Australia	46.55
	0.75%	Alternative Investment Trust		0.78	0.96%	Australia	14.80
	1%	Australian Leaders Fund Limited		0.62	1.62%	Australia	414.54
NIV	1.00%	Global Investments Limited				Singapore	179.32

Source: Annual reports, prospectus and fact sheet of the respective funds

**Notes:**

- (1) Based on the Price-to-NAV ratio and Price-to-Asset ratio as at the Latest Practicable Date; and
- (2) Market capitalization as at the Latest Practicable Date.

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For each of the 20 Sample Mutual Funds, we note that the base fees formula is one of the following:

- 1) A percentage of the market capitalization of the funds;
- 2) A percentage of the net asset value (“NAV”) of the funds; and
- 3) A percentage of the gross asset value (“GAV”) of the funds.

Due to the different basis (market capitalization, NAV and GAV) used in the base fees formula for the Sample Mutual Funds, the 3 base fees formula are not comparable. For a more meaningful comparison with GIL, which pays base fees based on 1% of NIV (average market capitalization), we have adjusted the percentage quantum in the base fees formula of the Sample Mutual Funds into a NIV-equivalent quantum (“NIV Equivalent Quantum”). In other words, we calculate the percentage quantum that the Sample Mutual Funds would be paying as base fees had they adopted the NIV basis in their base fees formula. We do this by adjusting the percentage quantum in the existing base fees formula by the price-to-book ratio for the Sample Mutual Funds that are on NAV basis, or by the price-to-asset ratio for the Sample Mutual Funds that are on GAV basis.

Base	NIV Equivalent Quantum	
	Mean	Median
Market Capitalization	0.92%	1.00%
NAV	1.49%	1.36%
GAV	1.05%	0.96%
GIL	1%	

Based on the above, we note the following:

- (1) 3 out of the 20 Sample Mutual Funds, being Hastings High Yield Fund, Clime Capital Limited and Westoz Investment Company Limited pay base fees based on their market capitalization. The 1% of NIV (average market capitalization) paid by GIL as base fees is near the mean of 0.92% and equal to the median of 1.00% of the market capitalization paid by the 3 Sample Mutual Funds;
- (2) 12 of the 20 Sample Mutual Funds pay base fees based on their NAV. Of these 12 Sample Mutual Funds, the mean and median of the percentage NIV Equivalent Quantum in the base fees formula are 1.49% and 1.36% respectively. We note that these are higher than the 1% of NIV paid by GIL as base fees;
- (3) 5 of the 20 Sample Mutual Funds pay base fees based on the GAV. We note that the 1% of NIV paid by GIL as base fees is below the mean of 1.05% and near the median of 0.96% of the NIV Equivalent Quantum paid by these 5 Sample Mutual Funds; and
- (4) 3 out of the 20 Sample Mutual Funds, being PM Capital Global Opportunities Fund Limited, HSBC China Dragon Fund and Australia Leaders Fund Limited, are more comparable to GIL in terms of their fund size. The 1% of NIV paid by GIL is below the mean of 2.05% and the median of 1.62% of the NIV Equivalent Quantum paid by the 3 said closest Sample Mutual Funds.

**b) Assessment on the incentive fees payable by the Company**

We note that GIL’s incentive fee structure includes a high watermark threshold. For details of the incentive fees, please refer to Appendix C of the Circular. Briefly, in order for incentive fees to be payable, the increase in market capitalization of GIL from the preceding half year must first be above the annualized rate of 8%, after recovering the Deficit (as defined in the Amended and

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Restated Management Agreement) incurred from previous period. We understand from the Board of the Company that such incentive fees structure is reasonable.

**c) Assessment on other fees payable by the Company**

Debt raising and fixed fee

A debt raising fee is payable by GIL for debt raised. A fixed fee is payable by GIL for non-fund management services as stated in paragraph 4 of this Letter. We note that other mutual funds are obliged to pay fund administration fees and trustee fees.

We understand from STAM that no debt raising fees have been paid since STAM took over as manager of the Company in 2009.

In relation to the fixed fees, the Board of the Company and STAM have confirmed that GIL would have incurred at least the same if not higher cost if they set up their own in-house capabilities. We also understand from the Board of the Company and STAM that due to the complexity of GIL's business, it is difficult to find a third party vendor who has the expertise to quickly takeover the relevant non-fund management services. Further taking into consideration of the emphasis in continuity in the management of the asset of the Company, the Board of the Company believes that the appointment of SICIM to replace STAM and take over the non-fund management services as the new manager of the Company would be in the best interests of the Company and the Shareholders.

Acquisition fee and divestment fee

We understand from STAM and the Company that different vehicles are being structured in different jurisdictions to hold different investments of GIL for, *inter alia*, tax purposes. In contrast with GIL, most mutual funds usually need only one vehicle. Consequently, when assets are divested, GIL's manager would need to oversee the liquidation of such vehicles. We also understand from STAM and the Company that the Company does not acquire and divest assets on regular basis. So far, the acquisition and divestment fees incurred by the Company were not substantial.

**5.4. Other Relevant Factors**

**5.4.1 Support from the Independent Directors of the Company**

We note that the Independent Directors, comprising, Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang, and Mr Tan Kok Wee accept SICIM's proposal and are agreeable to the appointment of SICIM as the new manager, subject to the approval of the Shareholders.

**5.4.2 Alignment of interest between the Manager and the Company**

As at the Latest Practicable Date, Mr Boon Swan Foo holds 11.31% of the issued Shares of the Company and indirectly wholly-owned SICIM. The Proposed Change in the Manager to SICIM would align the interest between GIL and SICIM.

In addition, we believe that the Proposed Change in the Manager demonstrates the commitment and confidence Mr Boon Swan Foo has in GIL.

**5.4.3 Continuity in management of the assets of the Company**

The Independent Directors believe that the appointment of SICIM as the new manager of the Company would be in the best interests of Shareholders, and did not consider other candidates to replace STAM as continuity in management of the assets of the Company is the key factor in their decision to appoint SICIM as the new manager of the Company in place of STAM.

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**6. OUR CONCLUSION**

In arriving at our conclusion, we have taken into account the factors which we consider have a significant bearing on our assessment of the Proposed Change in the Manager including:

- a) Rationale of the Proposed Change in the Manager;
- b) Fee Structure of the Amended and Restated Management Agreement;
  - We note that the Company had conducted a competitive process in selecting STAM as the manager of GIL. Fee Structure under the Amended and Restated Management Agreement is carried over from the Original Management Agreement between the Company and STAM;
- c) Comparison with the manager's fees payable by the other mutual funds

**Base Fees**

- 3 out of the 20 Sample Mutual Funds, being Hastings High Yield Fund, Clime Capital Limited and Westoz Investment Company Limited pay base fees based on their NIV. The 1% of NIV paid by GIL as base fee is near the mean of 0.92% and equal to the median of 1.00% of the market capitalization paid by the 3 Sample Mutual Funds;
- 12 of the 20 Sample Mutual Funds pay base fees based on their NAV. Of these 12 Sample Mutual Funds, the mean and median of the percentage NIV Equivalent Quantum in the base fee formula are 1.49% and 1.36% respectively. We note that these are higher than the 1% of NIV paid by GIL as base fee;
- 5 of the 20 Sample Mutual Funds pay base fees based on the GAV. We note that the 1% of NIV paid by GIL as base fees is below the mean of 1.05% and near the median of 0.96% of the NIV Equivalent Quantum paid by these 5 Sample Mutual Funds; and
- 3 out of the 20 Sample Mutual Funds, being PM Capital Global Opportunities Fund Limited, HSBC China Dragon Fund and Australia Leaders Fund Limited, are more comparable to GIL in terms of their fund size. The 1% of NIV paid by GIL is below the mean of 2.05% and the median of 1.62% of the NIV Equivalent Quantum paid by the 3 said closest sample mutual funds.

**Incentive fees**

- We note that GIL's incentive fee structure includes a high watermark threshold. For details of the incentive fees, please refer to Appendix C of the Circular. Briefly, in order for incentive fees to be payable, the increase in market capitalization of GIL from the preceding half year must first be above the annualized rate of 8%, after recovering the Deficit (as defined in the Amended and Restated Management Agreement) incurred from previous period. We understand from the Board of the Company that such incentive fees structure is reasonable.

**Fixed and debt raising fees**

- A debt raising fee is payable by GIL for debt raised. A fixed fee is payable by GIL for non-fund management services as stated in paragraph 4 of this Letter;

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- We understand from STAM that no debt raising fees have been paid since STAM took over as manager of the Company in 2009; and
- In relation to the fixed fees, the Board of the Company and STAM have confirmed that GIL would have incurred at least the same if not higher cost if they set up their own in-house capabilities. We also understand from the Board of the Company and STAM that due to the complexity of GIL's business, it is difficult to find a third party vendor who has the expertise to quickly takeover the relevant non-fund management services. Further taking into consideration of the emphasis in continuity in the management of the asset of the Company, the Board of the Company believes that the appointment of SICIM to replace STAM and take over the non-fund management services as the new manager of the Company would be in the best interests of the Company and the Shareholders.

**Acquisition and divestment fees**

- We understand from STAM and the Company that different vehicles are being structured in different jurisdictions to hold different investments of GIL for, *inter alia*, tax purposes. In contrast with GIL, most mutual funds usually need only one vehicle. Consequently, when assets are divested, GIL's manager would need to oversee the liquidation of such vehicles. We also understand from STAM and the Company that the Company does not acquire and divest assets on regular basis. So far, the acquisition and divestment fees incurred by the Company were not substantial.

d) Other relevant factors

- The Independent Directors accept SICIM's proposal and are agreeable to the appointment of SICIM as the new manager, subject to the approval of the Shareholders;
- As at the Latest Practicable Date, Mr Boon Swan Foo holds 11.31% of the issued Shares of the Company and indirectly wholly-owned SICIM. The Proposed Change in the Manager to SICIM would align the interest between GIL and SICIM; and
- The Independent Directors believe that the appointment of SICIM as the new manager of the Company would be in the best interests of Shareholders, and did not consider other candidates to replace STAM as continuity in management of the assets of the Company is the key factor in their decision to appoint SICIM as the new manager of the Company in place of STAM.

Having considered the above, and the information provided to us (whether written or verbal) by the Company, as well as the information contained in the Circular, and subject to the qualifications made in this letter, we are of the opinion that the Proposed Change in the Manager, in particular, the Fee Structure in relation to the Amended and Restated Management Agreement, is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this letter for the use of the Independent Directors in connection with and for the purpose of their consideration of the Proposed Change in the Manager and for inclusion in the Circular.

Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any

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manner without the prior written consent of DTCF in each specific case, except in relation to the Proposed Change in the Manager.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,

Deloitte & Touche Corporate Finance Pte Ltd

Ng Jiak See  
Executive Director

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