



GLOBAL INVESTMENTS LIMITED



**DELIVERING  
RETURNS  
CONSISTENTLY**

Annual Report 2021

## Our Vision

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

## Our Mission

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

### DISCLAIMER

Investments in Global Investments Limited (GIL or the Company) are not deposits with or other liabilities of Singapore Consortium Investment Management Limited (SICIM or the Manager), or any of SICIM's Related Corporations and are subject to investment risk, including the possible loss of income and capital invested. Neither SICIM, nor SICIM's Related Corporations guarantee the performance of GIL or the payment of a particular rate of return on the Shares of GIL.

This financial report is not an offer or invitation for subscription or purchase or recommendation of GIL Shares. It does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in GIL, an investor or prospective investor should consider whether such an investment is appropriate to their particular investments needs, objectives and financial circumstances and consult an investment adviser, if necessary.

SICIM, as manager of GIL, is entitled to fees for so acting. SICIM and its Related Corporations, together with their respective officers and directors, may hold Shares in GIL from time to time.

This financial report has been prepared to enable the directors to comply with their obligations under the listing manual of Singapore Exchange Securities Trading Limited (SGX-ST) and where relevant, to satisfy the requirements of the Singapore Financial Reporting Standards (International) (SFRS(I)). The responsibility for the preparation of the financial report and any financial information contained in this financial report rests solely with the directors of GIL.

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## CORPORATE PROFILE



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

GIL's strategy is to actively manage and grow its assets. It aims to invest in assets that will generate both steady income and capital appreciation to deliver regular dividends and achieve capital growth. Its investment policy is to invest in a portfolio of assets across different sectors through various means such as direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equity, guarantees of assets and performance, securities lending and participating loan agreements (excluding direct investments in real estate and commodities).

The board of directors (Board) is responsible for GIL's strategic objectives, corporate governance and financial policies. The Board defines the key investment parameters, including the discretionary limits of the Manager, and approves substantial investment and divestment decisions of GIL based on the Manager's recommendation. The majority of the Board comprises independent directors.

GIL is not subject to the regulatory regime applicable to collective investment schemes under Division 2 of Part 13 of the Securities and Futures Act 2001 of Singapore as closed-end funds constituted before 1 July 2013 were grandfathered.

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

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

# INVESTMENT POLICY AND STRATEGIES

## INVESTMENT POLICY

The investment policy of the Company is to make investments in a portfolio of assets in different sectors through different means which include but not limited to direct asset ownership, swaps, credit default swaps, debts, warrants, options, convertibles, preference shares, equities, guarantees of assets and performance, securities lending and participating loan agreements provided that the Company will not make any direct investments in real estate and commodities.

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

## STRATEGIES

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

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

## ACTIVE PORTFOLIO MANAGEMENT STRATEGY

Active portfolio management strategy includes but is not limited to acquiring new assets, selling assets, after considering the financial resources available to the Company, the capital structure of the Company's assets and looking into alternative methods of financing those assets to deliver Shareholder value. The Company expects to dispose of assets where it assesses that Shareholder value has been optimised or where the economic cycle or market conditions may no longer justify a continued investment in the asset, asset class or industry.

## FINANCING AND RISK MANAGEMENT STRATEGY

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

## ACQUISITION GROWTH STRATEGY

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

## MANAGEMENT

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

## CHAIRMAN'S STATEMENT



*“As we enter the new year, Russia’s invasion of Ukraine has dramatically altered the risk and political landscape. The oil price shock and the hit to investor sentiment have raised spectre of stagflation for the global economy.”*

Boon Swan Foo  
Chairman

### 2021 MARKET REVIEW

2021 started off on a promising note, with the global economy and investment markets normalizing after the severe disruptions in 2020 due to the pandemic. The emergency approval of the Covid-19 vaccines in late 2020 and the subsequent global rollout were pivotal. It offered hope of the beginning of an end to the health crisis. US President Joe Biden’s inauguration in January heralded hopes of a fresh start in the US-China relationship which was severely tested under the Trump administration. Some observers argued that a more rational leadership under Biden could realign the interests of the world’s two superpowers. However, a tough round of talks in Alaska in March was a stark reminder of the protracted and complicated issues.

China’s economy was the bright spot in 2020 but the growth momentum waned in 2021 due to problems in the real estate sector and the strict zero-Covid strategy which weighed on domestic consumption. China surprised investors when the country’s largest bad-debt manager veered close to a default, sending shockwaves across the international debt market. There was no let-up in market volatilities in the second half of the year as China set off another wave of domestic crisis with its real estate debt implosion. On a wider scale, investors were also

alarmed by President Xi’s push for common prosperity and the regulatory crackdowns in the technology and education sectors. The country’s energy crisis hampered production which exacerbated the global supply chain woes.

Prospects of a strong global recovery saw the 10-year US Treasury yield climbed to 1.72% in the first quarter of 2021. However, the Delta variant and then the Omicron variant towards the end of 2021 prevented a persistent rise. The Fed’s narrative was supportive of markets for most of 2021 as it insisted the spike in inflation was transitory. However, it retired this description towards the end of 2021 and pivoted to a tightening mode. In response, global equity markets struggled in the final month of 2021.

As we enter the new year, Russia’s invasion of Ukraine has dramatically altered the risk and political landscape. The major equity markets fell into negative territory after Russian President Putin ordered strikes on Ukraine. For the period from the end of 2021 to 7 March 2022, the S&P 500, Euro STOXX 50, and the Nikkei 225 index were down about 12%, 18%, and 12% respectively. Caution is called for as we navigate the increasingly complex economic, policy, and geopolitical environment.

## 2022 INVESTMENT OUTLOOK

The International Monetary Fund (IMF), in the October 2021 World Economic Outlook, expects global growth to slow to 4.9% this year from 5.9% in 2021. China's economy is projected to slow to 5.6% this year from 8% in 2021.

As we survey the investment environment, we see the following dominant themes in 2022. Perhaps the most pressing theme affecting consumers across the world is inflation. The oil price shock and the hit to investor sentiment have raised spectre of stagflation for the global economy. To tame inflationary pressures, the US Fed in December 2021 accelerated the pace of tapering of bond purchases and signalled a much steeper rate hike trajectory. Additionally, liquidity in the market is expected to be drained as the Fed prepares to shrink its balance sheet i.e. quantitative tightening. The US Fed Fund futures are still pricing in around six 25bp hikes this year. Our concern is that any overly aggressive Fed could result in much higher borrowing costs and liquidity shocks which could impinge on the global economic recovery.

Another topic that jumped to the top of public consciousness over the past year was environmental, social and governance (ESG). This encompasses complex and challenging issues. At the most fundamental level, ESG and sustainability issues are also part of the inflation narrative. As countries and corporations scrambled to reposition themselves to become greener entities and outlined plans to achieve net zero, we ponder over the implications of such a transition. The effects of a disorderly green transition can be seen in some countries where greenhouse gas-emitting industries, including energy producers, were clamped down without viable alternatives in place. The subsequent spike in energy prices highlights the implementation challenges in the push towards net zero.

We observe that the capital markets are increasingly factoring in ESG risks into asset prices. However, we are also alert to the perils of overpaying to participate in the new green companies. At the same time, it is critical not to overlook opportunities in traditional industries that could potentially navigate the green transition successfully. ESG is about responsible business practices, and a balance of caution and risk appetite is needed to seize the opportunities that await. To this end, ESG financial risk have been integrated in GIL's management and investment decision-making processes.

In geopolitics, the immediate focus is the Russia-Ukraine conflict. However, the US-China relationship remains an important geopolitical dynamic in 2022. The trade dispute remains unresolved and the rivalry is extending across a broad range of issues. We expect the confrontational stance from both sides to persist for the foreseeable future, in an era of "managed strategic competition". In the worst-case scenario, the trigger of any of the sensitive red lines could result in a sudden rupture in bilateral relations with extensive spill over effects.

For 2022, one thing that will not change is the fight against the pandemic. As we highlighted last year, the world remains divided between countries with access to Covid-19 vaccines and those without. Beyond just a health crisis, the pandemic continues to disrupt global supply chains, ranging from commodities, materials, and essential semiconductors. Pandemics have a history of burning themselves out but the timeline will depend on achieving herd immunity and global vaccination. Otherwise, the world will have to be prepared to co-exist with such complex dynamics for the long haul.

# CHAIRMAN'S STATEMENT

## 2021 PERFORMANCE

GIL's net profit after tax for FY2021 was S\$14.9 million as compared to S\$14.3 million recorded in the previous year. Net asset value (NAV) was S\$309.4 million as at 31 December 2021. After adjusting for dividends distributed, NAV per share as at 31 December 2021 increased by 6.1% from 31 December 2020. Based on closing share price of 15.6 cents on 31 December 2021, the full year dividend paid of 0.8 cents per share represented an annual dividend yield of 5.13%.

As with previous years, we applied the Scrip Dividend Scheme to dividend distribution during FY2021. We are pleased that approximately 64.2% of the FY2020 final dividend and 67.1% of the total FY2021 interim dividend were distributed as scrip dividend.

## CORPORATE DEVELOPMENT

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

Pursuant to the amendments to Rule 705(2) of the Listing Manual of SGX, we moved to half-yearly financial results announcement regime in 2020, and announced our half-yearly results on 12 August 2021. Additionally, we announced the NAV per share as at the end of the first and third quarter of 2021.

## BOARD MATTERS

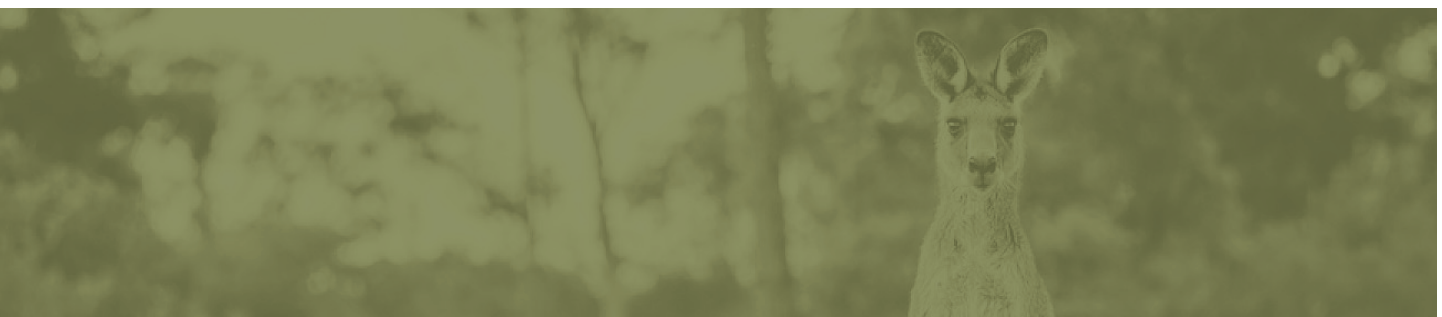
As part of our Board renewal process, we welcomed Mr Ng Thiam Poh to our board on 20 October 2021. Mr Ng has over 30 years of experience of enterprise wide operations and risk management in the marine and offshore engineering industry, and his expertise will add to the Board's knowledge.

In compliance with the Corporate Governance Code 2018, Mr Ronald Seah Lim Siang, who has been with us for more than 10 years, retired from the Board on 31 December 2021. He has served diligently in the capacities of Lead Independent Director, Chairman of the Audit and Risk Management Committee; Chairman of the Remuneration Committee, and as a member of our Nomination and Governance Committee. I would like to thank him for his dedication and contribution to the Company and wish him all the best.

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



**Boon Swan Foo**  
**Chairman**  
**Global Investments Limited**  
**7 March 2022**





## FINANCIAL HIGHLIGHTS

### Net Profit After Tax

**S\$14.9**

Million

### Total Income

**S\$22.0**

Million

### Earnings Per Share

**0.93**

Singapore Cents

### Return on Equity

**4.8%**

### Dividend Paid

**S\$12.8**

Million

### Dividend Yield

**5.1%**

### Net Asset Value (NAV)

**S\$309.4**

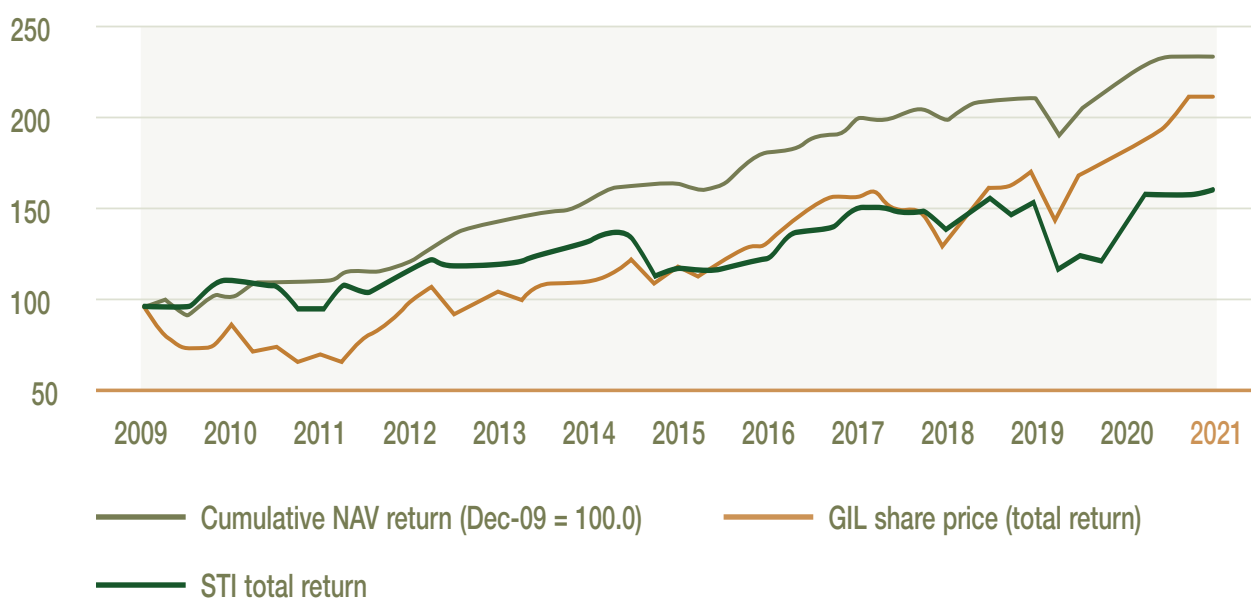
Million

### Dividend Paid Per Share

**0.80**

Singapore Cents

### GIL NAV Performance



OVERVIEW

Sustainability

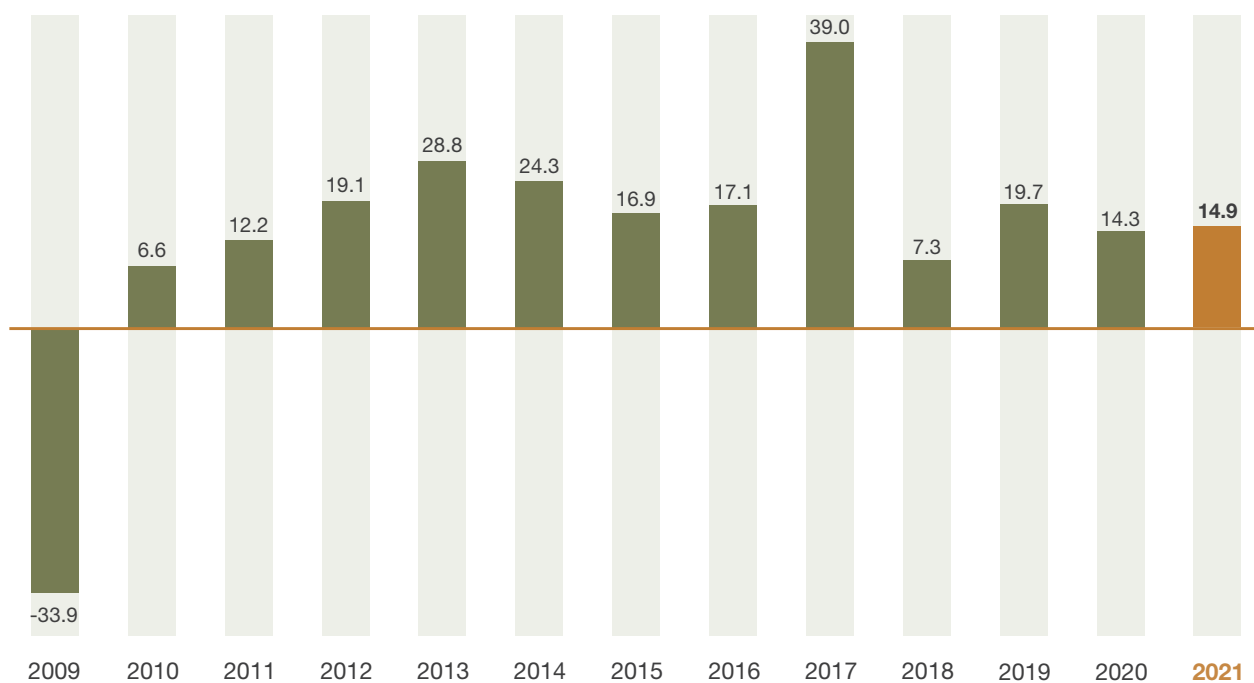
Financial

Additional Information

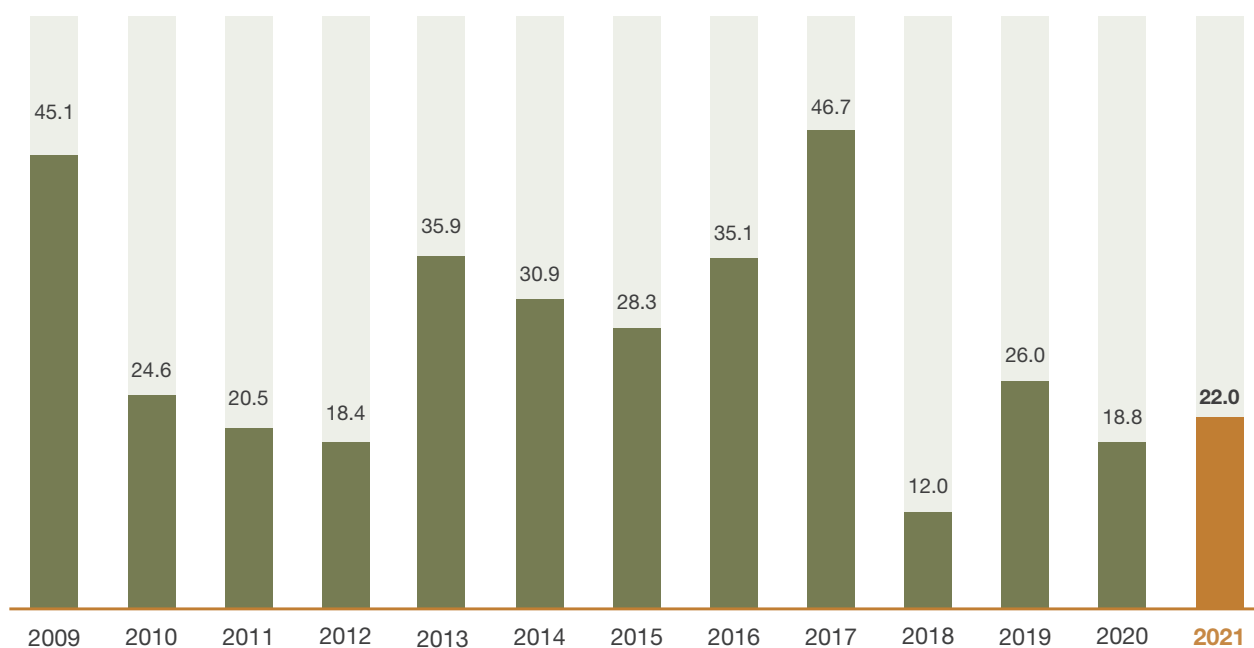
Others

## FINANCIAL HIGHLIGHTS

**Net Profit After Tax**  
(S\$ Million)

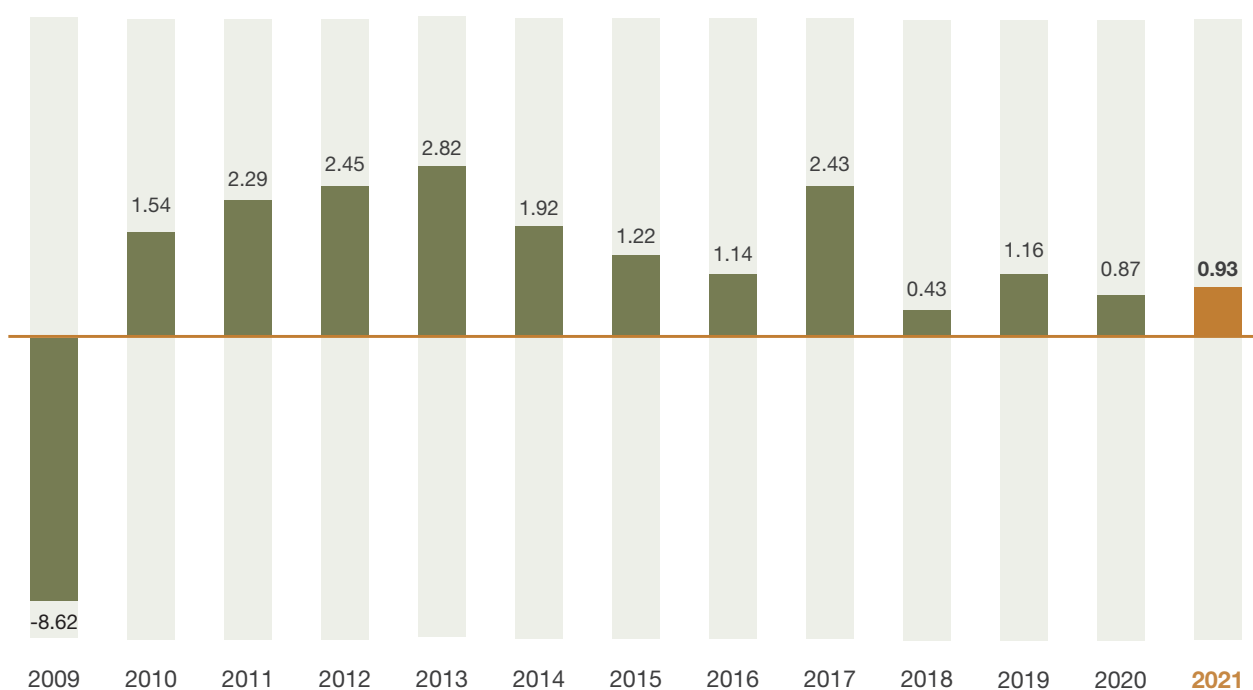


**Total Income**  
(S\$ Million)

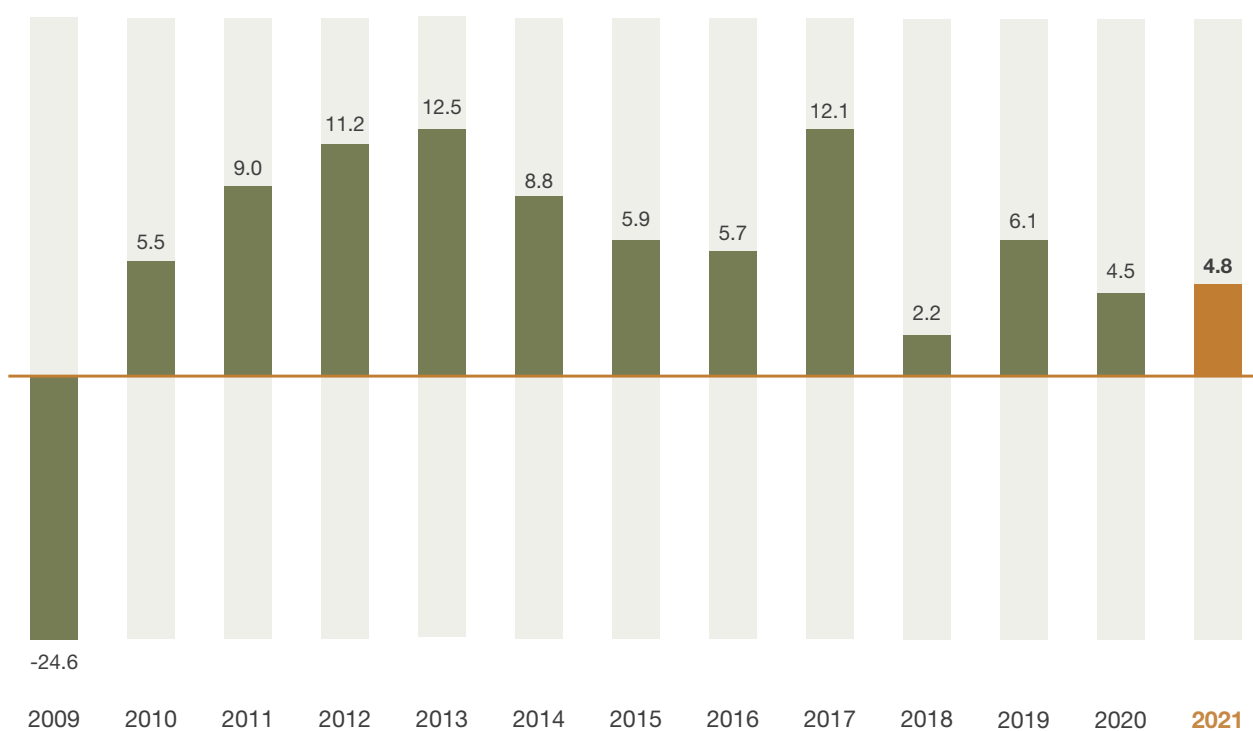


## FINANCIAL HIGHLIGHTS

### Earnings Per Share (Singapore Cents)



### Return on Equity (%)



OVERVIEW

Sustainability

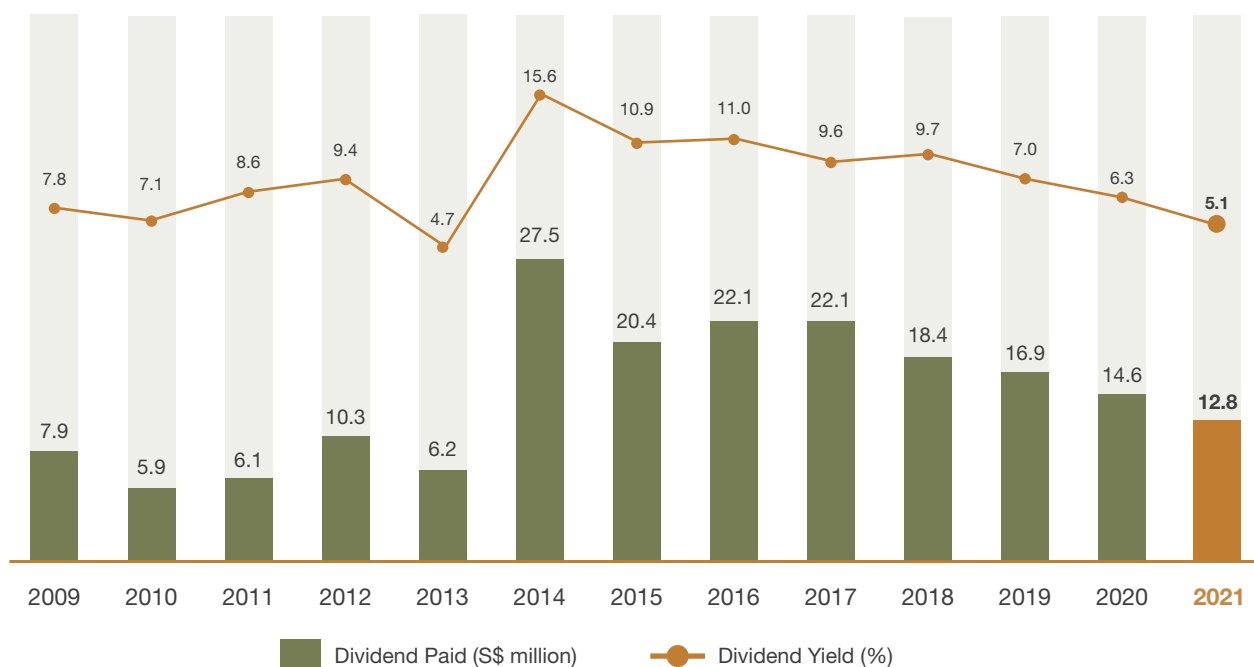
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Additional Information

Others

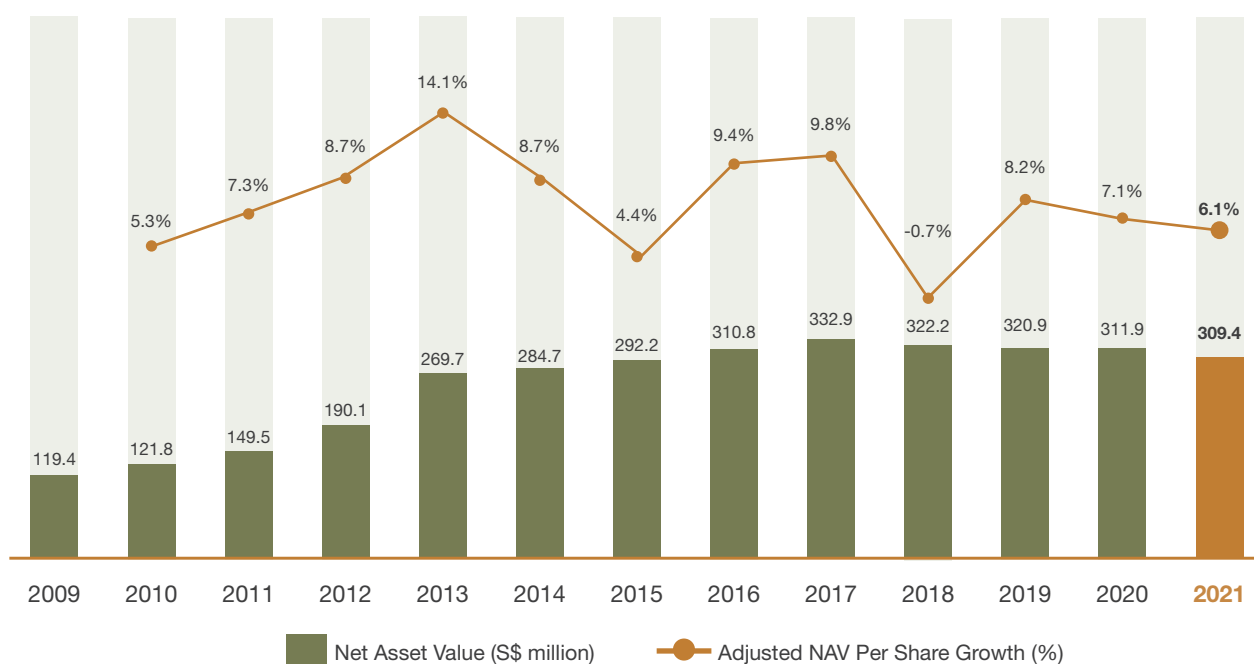
## FINANCIAL HIGHLIGHTS

**Dividend Paid & Yield<sup>1</sup>**  
(S\$ Million and %)



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

**Net Asset Value & Adjusted NAV Per Share Growth<sup>2</sup>**  
(S\$ Million and %)



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



**AWARDS AND ACCOLADES**

- GIL was added to SGX Fast Track list since 2019 and will remain on SGX Fast Track list until the next review cycle in 2023. SGX Fast Track recognises the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record.
- GIL's Singapore Governance and Transparency Index (SGTI) 2021 ranking was 30th out of 519 listed companies. GIL's base SGTI score was 79 points and was given a bonus score of 19 points. The Company achieved an overall SGTI score of 98 points.

**2021 DIVIDENDS**

- Interim dividend for FY2021 of 0.40 Singapore cents per share was paid on 7 October 2021.
- The Scrip Dividend Scheme was applied to the interim dividend payment and approximately 67.1% of the total interim dividend amount was issued as new shares under the scheme. The Company transferred 28,693,591 treasury shares for the allotment of shares at an issue price of 15.0 Singapore cents per share.
- For the final dividend of 2021, the Directors have recommended a payout of 0.40 Singapore cents per share. This payment is subject to approval of shareholders at the Annual General Meeting.
- The Scrip Dividend Scheme will be applied to the final dividend payment.
- Based on closing share price of 15.6 Singapore cents on 31 December 2021, the full year dividend paid of 0.80 Singapore cents per share represented an annual dividend yield of 5.13%.

**TAX RESIDENT OF SINGAPORE FOR 2021**

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

The Company has also received confirmation from the Inland Revenue Authority of Singapore that it is a tax resident of Singapore for financial year ending 31 December 2022.

**APPOINTMENT OF NEW DIRECTOR**

- Mr Ng Thiam Poh was appointed as a Non-executive Independent Director and a member of the Remuneration Committee on 20 October 2021.

**RECONSTITUTION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE, NOMINATION AND GOVERNANCE COMMITTEE AND REMUNERATION COMMITTEE**

- Mr Abdul Jabbar Bin Karam Din retired as a member of the Remuneration Committee and was appointed as a member of the Audit and Risk Management Committee on 1 November 2021.
- Mr Ng Thiam Poh was appointed as a member of the Nomination and Governance Committee on 1 November 2021.
- Ms Tan Mui Hong was appointed as a member of the Remuneration Committee on 1 November 2021.

**RETIREMENT OF DIRECTORS**

- Mr Tan Wee Peng Kelvin who had served on the Board for more than 2 years, retired from the Board by rotation and did not stand for re-election at the 2021 AGM.
- Mr Ronald Seah Lim Siang retired from the Board on 31 December 2021, having served on the Board for more than 10 years.

# OPERATING AND FINANCIAL REVIEW

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group for the year ended 31 December 2021 S\$'000	Group for the year ended 31 December 2020 S\$'000
<b>INCOME</b>		
Dividend income	1,736	1,599
Interest income	12,708	14,924
Net foreign exchange gain	1,017	1,577
Net gain on financial assets at fair value through profit or loss	6,544	666
<b>Total Income</b>	<b>22,005</b>	<b>18,766</b>
<b>EXPENSES</b>		
Management fees	(2,627)	(2,320)
Incentive fees	(2,335)	–
Other operating expenses	(2,021)	(2,007)
<b>Total expenses</b>	<b>(6,983)</b>	<b>(4,327)</b>
<b>Profit before tax</b>	<b>15,022</b>	<b>14,439</b>
<b>Income tax expense</b>	<b>(130)</b>	<b>(120)</b>
<b>Profit after tax</b>	<b>14,892</b>	<b>14,319</b>
<b>Total comprehensive income for the year attributable to shareholders</b>	<b>14,892</b>	<b>14,319</b>
<b>Basic earnings per share (cents per share)</b>	<b>0.93</b>	<b>0.87</b>
<b>Diluted earnings per share (cents per share)</b>	<b>0.93</b>	<b>0.87</b>

For the year ended 31 December 2021, the Company and its subsidiaries (the Group) reported a net profit after tax of S\$14.9 million as compared to S\$14.3 million recorded last year.

### INCOME

The Group reported an income of S\$22.0 million which is about 17% higher than the S\$18.8 million recorded last year. The higher income was due to the higher fair value gain for financial assets at FVTPL of S\$6.5 million gain versus a gain of S\$0.7 million last year. The higher fair value gain was offset partially by lower interest income of S\$12.7 million due to the increase in the redemption/maturity of investments during the year. For the previous year, interest income was S\$14.9 million. A lower net foreign exchange gain of S\$1.0 million was recorded as compared to S\$1.6 million last year.

### EXPENSES

Expenses for the year ended 31 December 2021 was S\$7.0 million, higher than the S\$4.3 million recorded last year. This was mainly due to incentive fee of S\$2.3 million charged during the year.

# OPERATING AND FINANCIAL REVIEW

## STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2021 S\$'000	Group As at 31 December 2020 S\$'000	Company As at 31 December 2021 S\$'000	Company As at 31 December 2020 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	212,051	214,336	212,051	214,336
Right-of-use asset	184	55	184	55
	212,235	214,391	212,235	214,391
<b>Current assets</b>				
Cash and cash equivalents	41,921	26,908	41,921	26,908
Financial assets at fair value through profit or loss	53,804	68,244	53,804	68,244
Other assets	2,993	3,908	2,993	3,908
	98,718	99,060	98,718	99,060
<b>Total Assets</b>	<b>310,953</b>	<b>313,451</b>	<b>310,953</b>	<b>313,451</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Lease liabilities	64	61	64	61
Other liabilities	1,377	1,516	1,377	1,516
	1,441	1,577	1,441	1,577
<b>Non-current liabilities</b>				
Lease liabilities	124	–	124	–
	124	–	124	–
<b>Total Liabilities</b>	<b>1,565</b>	<b>1,577</b>	<b>1,565</b>	<b>1,577</b>
<b>Net assets attributable to shareholders</b>	<b>309,388</b>	<b>311,874</b>	<b>309,388</b>	<b>311,874</b>
<b>EQUITY</b>				
Share capital	270,837	270,837	270,837	270,837
Treasury shares	(18,228)	(12,978)	(18,228)	(12,978)
Capital reserve	742	68	742	68
Retained Earnings	56,037	53,947	56,037	53,947
<b>Total Equity</b>	<b>309,388</b>	<b>311,874</b>	<b>309,388</b>	<b>311,874</b>

## FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss as at 31 December 2021 was S\$265.9 million and comprise the entire portfolio of investments held by the Group. This was S\$16.7 million lower than the carrying value of the portfolio of investments of S\$282.6 million as at 31 December 2020. The decrease was mainly due to a net redemption/maturity of investments, partially offset by net fair value gain from higher valuation of investments.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased to S\$41.9 million as at 31 December 2021 from S\$26.9 million as at 31 December 2020. This was mainly due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2020 final dividend and FY2021 interim dividend.

## NET ASSET VALUE PER SHARE

The net asset value per share of the Group as at 31 December 2021 was 19.33 Singapore cents after the payment of 2020 final dividend of 0.40 Singapore cents per share and 2021 interim dividend of 0.40 Singapore cents per share. If the 2020 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2020, the net asset value per share as at 31 December 2020 would have been 18.68 Singapore cents instead of 19.15 Singapore cents per share. After adjusting for the 2021 interim dividend, the net asset value per share as at 31 December 2021 would have been 19.82 Singapore cents and the increase in net asset value per share would be 6.10%.

## RETURN ON EQUITY

The Group achieved a higher return on equity (computed based on net profit after tax over the average total equity) of 4.8% in 2021 as compared to 4.5% in 2020 due to higher profit after tax.

# PORTFOLIO COMPOSITION

## INVESTMENT DESCRIPTION

As at 31 December 2021, NAV was S\$309.39 million or S\$0.1933 per share compared to S\$311.88 million or S\$0.1915 per share as at 31 December 2020. After adjusting for the 2021 interim dividend, the NAV per share as at 31 December 2021 would have been S\$0.1982. The NAV per share growth was 6.1%.

## PORTFOLIO OVERVIEW

The bank contingent convertibles portfolio decreased to 55.3% compared to 58.0% in 2020. This was due to net redemptions, offset by purchases, during the year.

The bonds portfolio decreased to 11.7% in 2021 compared to 16.7% in 2020, as a result of a net redemption of bonds.

Loan portfolio and securitisation assets decreased to 2.2% in 2021 from 3.1% in 2020 due to multiple redemptions throughout the year.

The listed equities portfolio increased to 16.7% in 2021 compared to 12.8% in 2020. As at 31 December 2021, 59.06% of the listed equities comprised of shares listed in Hong Kong, down from 64.9% in 2020.

## OUTLOOK

Despite global supply chain disruptions and rising commodity prices in early 2021, global equities closed the year at record high. The buoyant market has been supported by strong corporate earnings and loose monetary policies. As vaccination rates approached 80% across major western countries, concerns over the pandemic took a back seat.

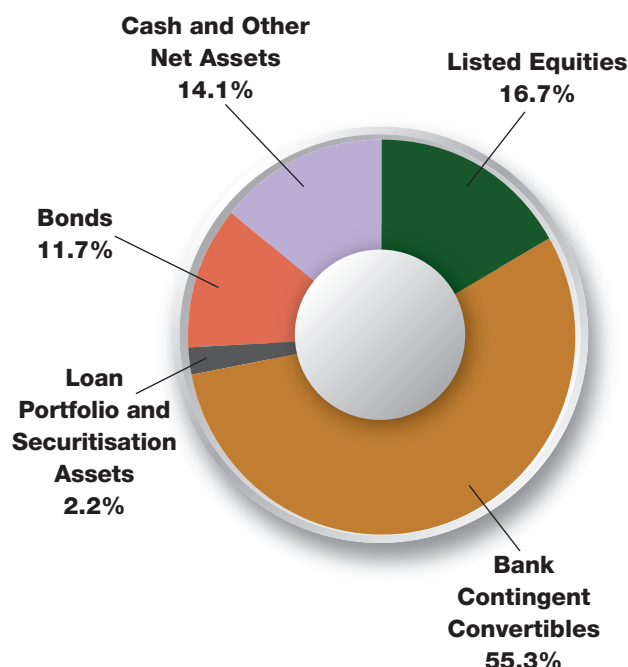
The emergence of the Omicron virus variant also threatened to delay global economic recovery, even as the world grappled with the Delta variant. Led by the US Fed in late 2021, world central banks planned to roll back easy monetary policies and started to raise interest rates, triggering fresh turbulence to the financial market.

In geopolitics, the Russia-Ukraine conflict surprised the world in late February 2022 as military standoffs erupted into a war. As energy and commodity prices soared, the immediate market impact is inflation, which could lead to central banks raising interest rates further.

Geopolitical risk also remains as US and China maintained their confrontational stance under the new Biden administration. As investors contend with a multitude of risks and volatilities, the Company will continue to adopt a cautious approach in its investments.

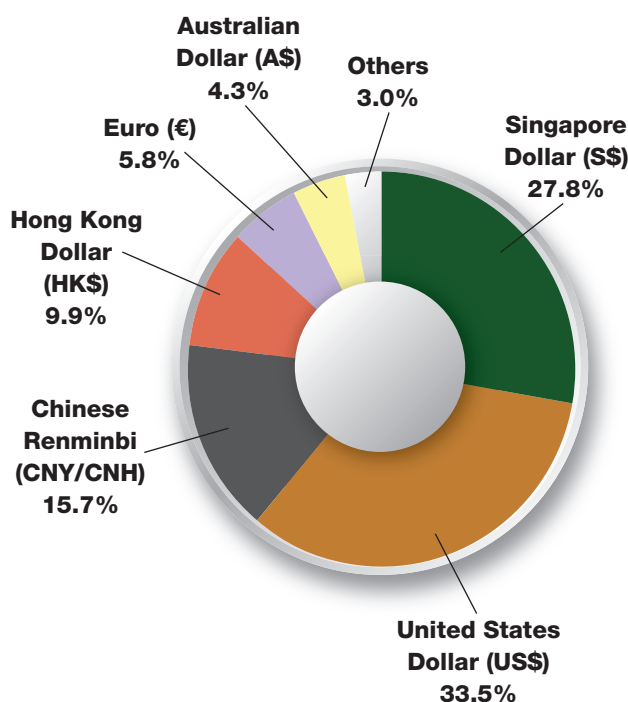
## Breakdown by Asset Class

as at 31 December 2021



## Breakdown by Currency

as at 31 December 2021





# BANK CONTINGENT CONVERTIBLES

## INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bank contingent convertibles (CoCos) with a carrying value of \$170.96 million as at 31 December 2021.

## ASSET OVERVIEW

As at 31 December 2021, the weighted average coupon<sup>1</sup> was 5.7% and the weighted average maturity<sup>2</sup> was 3.4 years. The portfolio has a weighted average rating<sup>3</sup> of Ba3.

## OUTLOOK

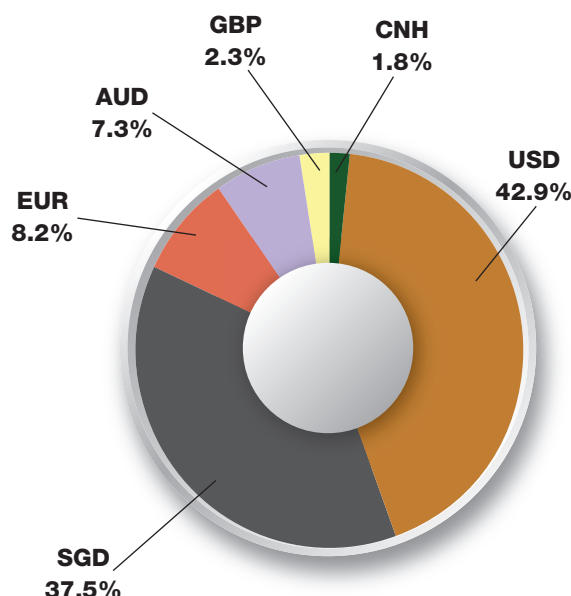
CoCos credit spreads widened by 16bps over the past 6 months, but tightened by 55bps over the past 12 months. Spreads briefly reached pre-pandemic low levels in the third quarter of 2021, before widening slightly in the fourth quarter. This was due to a rise in overall market yields in response to an increasingly hawkish tone from the Fed, as inflation continued to trend higher. While the Fed has already begun tapering, the European Central Bank is expected to be more measured both in the initial timeline as well as the pace of tapering.

European banks' balance sheets are stronger than ever as they improved their capital buffers over the course of the pandemic. However, with most banks looking to reduce their capital buffer to increase distributions to shareholders, and given the current level of credit spreads, further spread compression is unlikely in the short term.

The Bloomberg Global CoCo Banking Total Return Index rose 1.9% and 4.0% in USD and SGD terms respectively for the year of 2021. The Index fell 5% in both USD and SGD terms from 1 January to 28 February 2022.

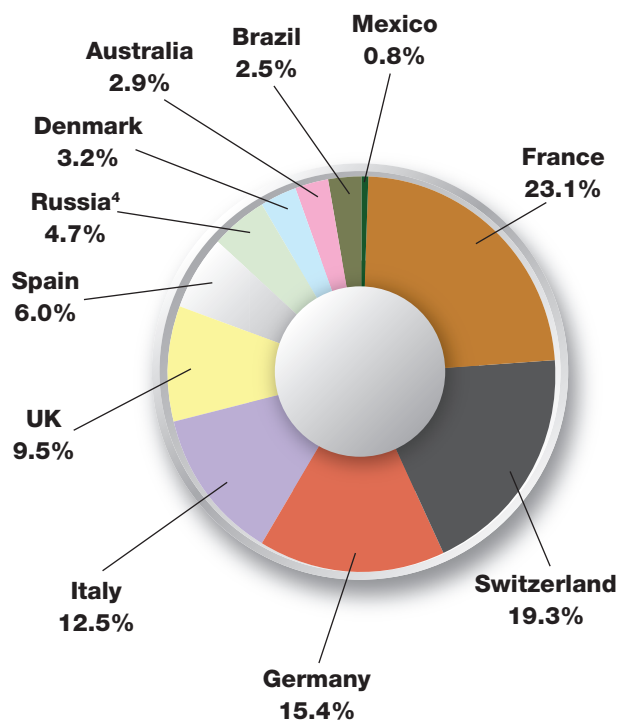
## Portfolio Distribution by Currency

as at 31 December 2021



## Portfolio Distribution by Country

as at 31 December 2021



OVERVIEW

Sustainability

Financial

Additional Information

Others

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

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

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

<sup>4</sup> Issued by Russian banks' subsidiaries incorporated in Ireland.

## LISTED EQUITIES

### INVESTMENT DESCRIPTION

GIL is invested in a portfolio of equities listed on different stock exchanges with a carrying value of \$51.67 million as at 31 December 2021.

### ASSET OVERVIEW

As of 31 December 2021, the 3 highest weighting sector exposures by GICS classifications were Financials (33.0%), Industrials (20.2%) and Information Technology (17.9%). The largest foreign currency exposure was in Hong Kong Dollars (59.1%), followed by Singapore Dollars (16.0%).

### OUTLOOK

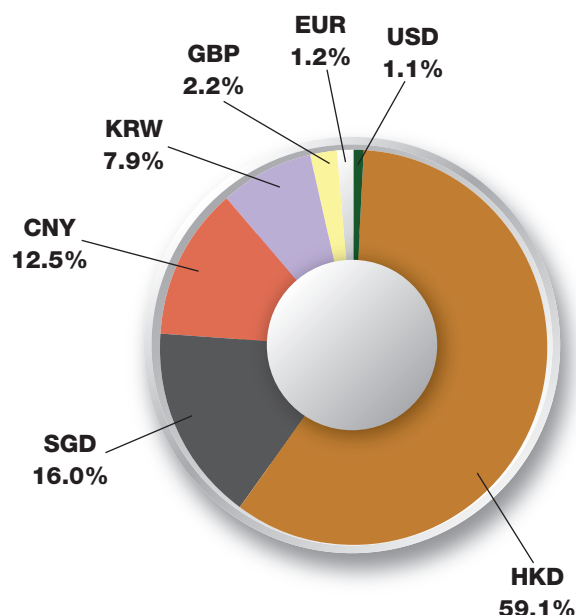
US and Europe equities continued their ascent in 2021 as major western countries pushed ahead with economic reopening. US equities was well supported by highly accommodative fiscal and monetary policies for most of 2021. Corporate earnings continued their strong momentum and kept pace with the stock market's rise. However, as the US Fed recognised the persistent nature of inflationary pressures, caution is called for as the central bank started implementing tightening measures in 2022.

On the other hand, many Asian equity markets stayed flat or even declined. Hit by regulatory crackdowns and property crisis, Hong Kong equities ranked amongst the lowest performing market in the region. In China, the market was depressed by a series of crises triggered by the collapse of bad-debt manager, followed by the real estate slump and the central government's clampdown on technology and private education sectors. At the macro level, China is expected to enter a phase of gradual growth following the unusually strong post-pandemic rebound.

The MSCI AC Asia ex Japan Index increased by 16.80% and 19.12% in USD and SGD terms respectively for the year of 2021. The Index fell 7.8% in USD terms and 7.6% in SGD terms from 1 January to 28 February 2022.

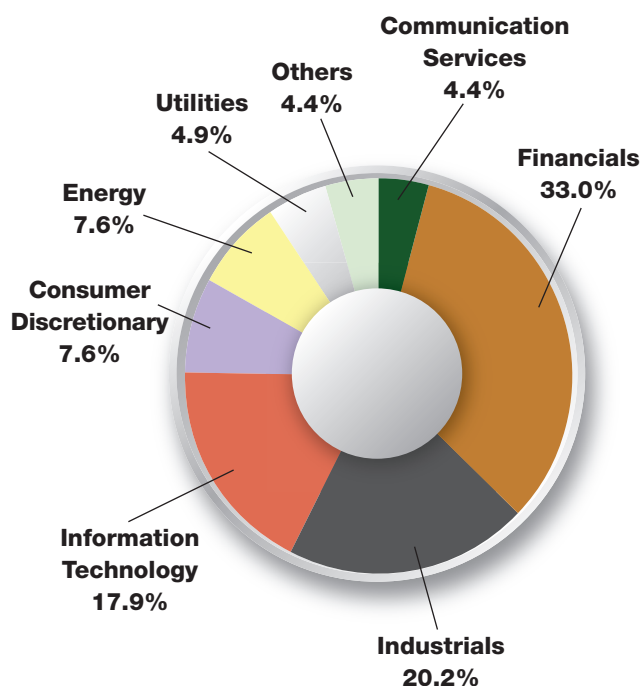
### Portfolio Distribution by Currency

as at 31 December 2021



### Portfolio Distribution by Sector

as at 31 December 2021



## INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bonds denominated in various currencies with a carrying value of \$36.33 million as at 31 December 2021.

## ASSET OVERVIEW

During the year, most of the Company's investments in Chinese Domestic Bonds were redeemed and the remaining holdings were reclassified as Bonds.

As at 31 December 2021, the weighted average coupon<sup>1</sup> was 5.87%. The weighted average maturity of the bond portfolio was 8.12 years. Currently, 50.7% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating<sup>2</sup> of Caa2.

## OUTLOOK

After a strong run in early 2021, high yield bond weakened through the rest of 2H21, driven by impending rate hikes and tapering of asset purchases by central banks across the world. During 2H 2021, credit spreads across US, European and emerging market high yields widened by 18 bps, 42 bps and 132 bps respectively, as based on the Bloomberg Barclays High Yield indices.

Over the past two years, the pandemic situation proved to be highly dynamic, with numerous new virus variants threatening to delay global economic recovery. Despite this, corporate earnings remain strong and credit fundamentals have been resilient. In addition to new threats from the Omicron variant, the market will be watching the upcoming interest rate hikes and tapering of asset purchases by central banks.

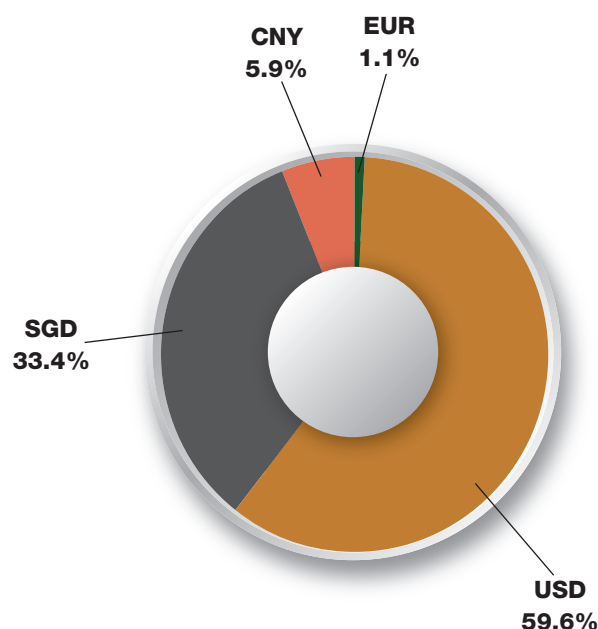
The Bloomberg Barclays Global High Yield Index rose by 1.0% and 3.0% in USD and SGD terms respectively in 2021. The Index fell 4.7% in USD terms and 4.6% in SGD terms from 1 January to 28 February 2022.

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

<sup>2</sup> Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings. China domestic bonds are securities issued by Central SOEs and rated AAA by domestic rating agencies, including China Chengxin, China Lianhe and Dagong Credit; they are assigned the equivalent of A1 rating based on China sovereign rating by international rating agencies.

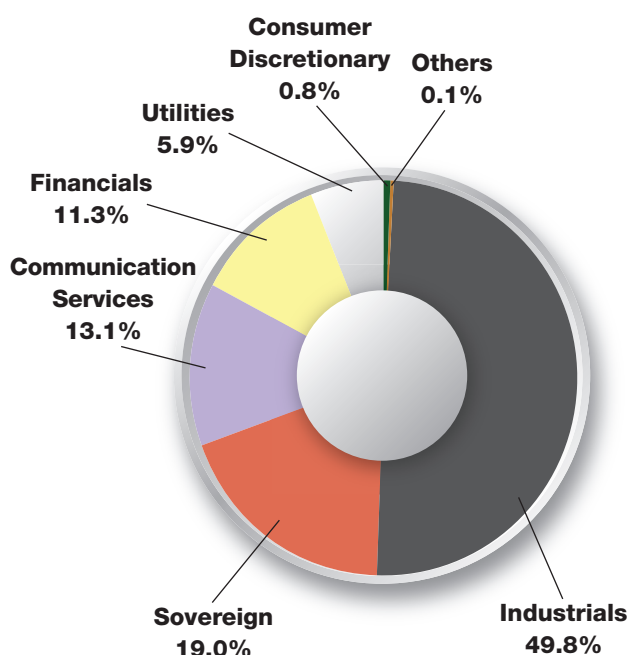
## Portfolio Distribution by Currency

as at 31 December 2021



## Portfolio Distribution by Sector

as at 31 December 2021



# LOAN PORTFOLIO & SECURITISATION ASSETS

## INVESTMENT DESCRIPTION

GIL has invested in a portfolio of collateralised loan obligation (CLO) notes, credit-linked note (CLN) and residential mortgage-backed security (RMBS). The securities are issued by securitisation vehicles that either hold or reference a portfolio of collateral, which currently includes senior secured corporate debt, trade finance obligations and mortgage loans. The portfolio has a carrying value of \$6.89 million as at 31 December 2021.

## ASSET OVERVIEW

As at 31 December 2021, the weighted average coupon<sup>1</sup> was 5.5% and the weighted average maturity was 5.23 years. Currently, 38.9% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating<sup>2</sup> of B1.

## OUTLOOK

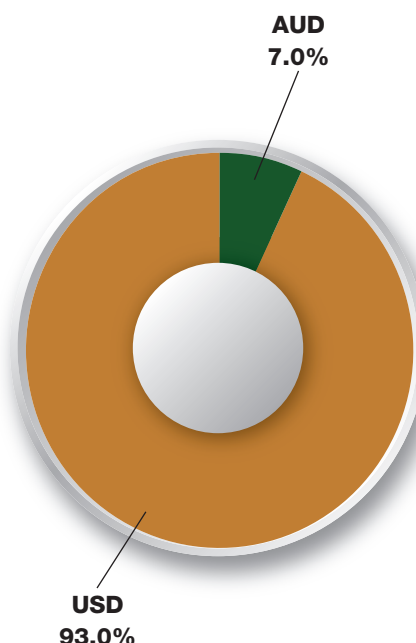
Credit spreads on leveraged loans (based on JP Morgan Leveraged Loan Index) are at a cyclical low of 414bps as it continued its tightening trend from 486bps in 2020. 2021 set a record year for leveraged loan and CLO issuances, as borrowers capitalized on low yields as well as strong demand from investors, in particular for floating rate loans with an eye on policy rate hikes in the horizon.

While spread volatility is likely to be higher with the next 12 months given the uncertainties around the tightening of monetary policy, this is offset by strong credit fundamentals of issuers, and low default rates that are expected to stay below the historical average over the longer term.

The Palmer Square CLO Debt Index returned 5.1% in USD terms and 7.2% in SGD terms in 2021. The Index fell 0.7% in USD terms and 0.6% in SGD terms from 1 January to 28 February 2022.

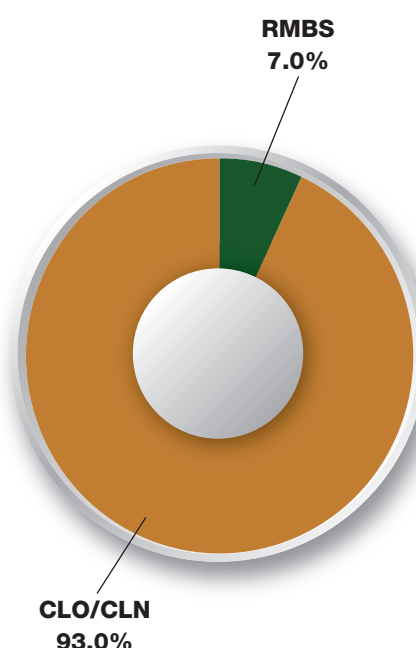
## Portfolio Distribution by Currency

as at 31 December 2021



## Portfolio Distribution by Security Type

as at 31 December 2021



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

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



The Board consists of five directors,<sup>1</sup> comprising Mr Boon Swan Foo, the Non-Executive, Non-Independent Chairman, Ms Tan Mui Hong, the Non-Executive, Non-Independent Director, and three Independent<sup>2</sup> Directors, namely Mr Abdul Jabbar Bin Karam Din, Mr Lay Charlie Nhuc Hiang and Mr Ng Thiam Poh. GIL has no employees or executive officers.



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

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

Mr Boon is the Executive Chairman of Singapore Consortium Investment Management Limited (SICIM). He also serves on the boards of China Baowu Steel Group Corporation Limited, the world's largest steel producer; and Orica Limited, an Australian-based multinational corporation that is one of the world's largest providers of commercial explosives and blasting systems. Mr Boon is also a Senior Advisor to Temasek International Advisors Pte Ltd.

Mr Boon served as Chief Executive Officer and Deputy Chairman of ST Engineering Ltd from October 1997 to May 2001, and was the Managing Director of Agency for Science, Technology and Research (A\*STAR) from January 2002 to January 2006. He also served concurrently as Executive Chairman of Exploit Technologies Pte Ltd, the commercial arm of A\*STAR, from August 2001 to December 2009. For his stewardship of ST Engineering Ltd, Mr Boon

was awarded one of Singapore's most prestigious business awards, the Singapore Business Award for Outstanding CEO in 2000. Mr Boon was also Chairman of ST Asset Management Ltd. (STAM) from April 2010 to December 2011.

Mr Boon Swan Foo was the director of Intouch Holdings Plc, a telecommunications and satellite holding company listed on the Stock Exchange of Thailand from September 2007 to November 2016. Mr Boon served on the board of MIH Holdings Limited (South Africa), an investment holding and internet company from April 2011 to October 2013. Mr Boon also served on the board of Dongfeng Motor Corporation (China), an automobile manufacturer from July 2011 to January 2018; China National Offshore Oil Corporation, a national oil company from February 2012 to August 2019; and China Huadian Corporation, a power generation company from April 2015 to October 2021.

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

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

**Present directorships in other listed companies as at 25 February 2022:**

- Orica Limited (Non-executive director)

**Other principal commitments<sup>3</sup> as at 25 February 2022:**

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

<sup>1</sup> As at 1 January 2022.

<sup>2</sup> An "independent" director is one who has no relationship with GIL, its Related Corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of GIL.

<sup>3</sup> The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

## BOARD OF DIRECTORS



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

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

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

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

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

**Present directorships in other listed companies as at 25 February 2022:**

- Chip Eng Seng Corporation Ltd (Lead Independent Director)

**Other principal commitments as at 25 February 2022:**

- Rajah & Tann Singapore LLP (Partner)



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

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

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

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

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

**Present directorships in other listed companies as at 25 February 2022:**

Nil

**Other principal commitments as at 25 February 2022:**

- Commerzbank (Senior Economist and FX Strategist)

## BOARD OF DIRECTORS



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

Mr Ng Thiam Poh was appointed to the Board on 20 October 2021.

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

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

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

Mr Ng started his career as a management trainee in Sembawang Shipyard in 1980. While he was with Sembawang Shipyard, Mr Ng held various positions including operations, project management, design, procurement and yard development up to the post of General Manager.

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

Present directorships in other listed companies as at 25 February 2022:

Nil

Other principal commitments as at 25 February 2022:

Nil



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

Ms Tan Mui Hong was first appointed as Deputy Chairman and Manager Nominated Director on 30 April 2010 and subsequently retired on 5 November 2013. She was appointed as a Non-executive and Non-Independent Director on 1 July 2019.

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

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

## BOARD OF DIRECTORS

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

Currently, Ms Tan serves as a board member of China-Singapore Suzhou Industrial Park Development Group Co., Ltd and Chairman of its Audit Committee, as well as a member of the Investors' Education Advisory Committee of Securities Investors Association (Singapore).

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

**Present directorships in other listed companies as at 25 February 2022:**

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

**Other principal commitments as at 25 February 2022:**

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



## MANAGING SUSTAINABILITY

### ABOUT THIS REPORT

This sustainability report is prepared in compliance with Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard Listing Rules 711A and 711B on Sustainability Report, Practice Note 7.6 Sustainability Reporting Guide issued by SGX-ST and the Global Reporting Initiative (GRI) Standards: Core Option.

This report focuses on the sustainability strategy and practices of GIL from 1 January 2021 to 31 December 2021 and includes the entities that are controlled by GIL. When applicable, data from previous financial years were included for comparison.

### BOARD STATEMENT

The Board is pleased to present our Sustainability Report for 2021. It outlines the Company's approach towards attaining high environmental, social and governance (ESG) standards for the long-term sustainability of GIL.

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

The SGX has placed GIL on the SGX Fast Track list since 2019 in recognition of our efforts in upholding high standards of corporate governance standard and maintaining a good compliance track record. GIL will remain on the SGX Fast Track list until the next review cycle in 2023.

GIL was ranked 30<sup>th</sup> among 519 listed companies under Singapore Governance and Transparency Index-General Category in 2021.

### VISION

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

### MISSION

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

### CORE VALUES

#### Good Corporate Governance

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

#### Responsible Investing

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

#### Integrity

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

#### Prudent Risk Taking

We take great care in anticipating, assessing and mitigating potential risks while seeking reasonable returns to ensure that all investment decisions we made are in the best interest of our stakeholders.








# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

We are keen to know the views of key stakeholders who are directly impacted by our investment policy and strategies. The key issues or interests addressed by our key stakeholders serve as guidance to the Company in addressing sustainability challenges. Please refer to our stakeholder engagement platforms under Section 2.13 of the Corporate Governance Statement.






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

Stakeholders	Material Matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
<b>Shareholders</b> 	Economic performance Corporate governance Risk management Privacy of personal data	The macroeconomic environment Lack of internal control system and proper risk management	Good corporate governance and transparency are key factors in promoting shareholders' trust	Refer to Investment Policy and Strategies Section at page 3 Refer to Corporate Governance Section at page 26
<b>Manager</b> 	Ensuring the health, safety and welfare of the employees Training and education Ethics and integrity	Failure to attract and retain talent with high ethics and integrity impedes GIL's growth and expansion Employees risk obsolescence if they are not well-equipped with changing skillsets	Develop a team of technologically and digitally savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility	Staff training and development programme Employees of the Manager are encouraged to attend courses
<b>Regulators</b> 	Corporate governance Compliance with laws Risk management	Lack of internal control system and proper risk management The evolving regulatory and reporting landscape give rise to compliance risks	Engage with government authorities and agencies to keep abreast of changes in regulations	Engage with government authorities and agencies to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations Given the geographical diversity of GIL investments, we closely monitor developments in laws and regulations in countries where we have invested
<b>Suppliers/Service providers</b> 	Risk management Compliance with laws	Lack of internal control system and proper risk management Changes of laws and regulations in countries we have invested may give rise to compliance risks	Service providers with better internal control system and risk management entail lower compliance risk	Engage with the service providers to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations in countries where we have invested Annual assessment of service providers
<b>Community</b> 	Environmental sustainability Community development Socially responsible investing	Air quality and water supply could be affected by unsustainable industries Aging population could reduce employability	Low carbon economies bring new areas of investment, opportunity and business growth	Sustainable sourcing Age friendly employment policy Reduce carbon footprint, engage in socially responsible investing and environmental conservation initiatives

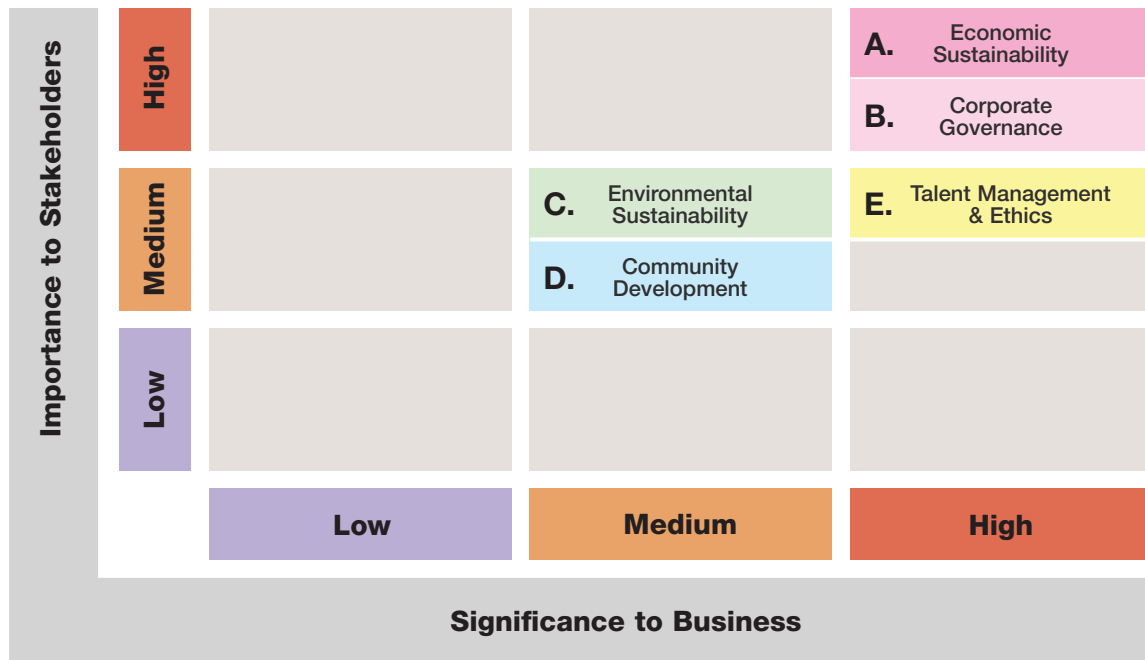
## THE 5 CATEGORIES OF MATERIAL FACTORS

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

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

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

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



GIL Materiality Matrix

# SUSTAINABILITY REPORT

## A. ECONOMIC SUSTAINABILITY

### 1. Economic Performance

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

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

## B. CORPORATE GOVERNANCE

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

### 2. Corporate Governance Statement

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

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

#### 2.1 The Board's Conduct of Affairs

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

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

#### Board's Role

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

The Board's key responsibilities include the following:

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

## Conflicts of Interest Policy

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

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

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

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

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

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

## Induction, Orientation and Training

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

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

In FY2021,

1. Mr Lay Charlie Nhuc Hiang attended all the mandatory courses from the Listed Entity Directors Programme conducted by the Singapore Institute of Directors (SID).
2. Mr Ng Thiam Poh who was appointed as a Non-Executive Independent Director in October 2021 will be attending the mandatory courses from the Listed Entity Directors Programme conducted by the SID in 2022.

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

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

Dedicated training sessions were conducted for directors in FY2021. The training sessions comprised of internal trainings as well as those conducted by external advisors. The topics covered by the training sessions include the following:

- (i) Environmental, Social, and Governance Risk Management
- (ii) Variable Capital Company
- (iii) Cyber Hygiene Notice from Monetary Authority of Singapore
- (iv) Key regulatory changes affecting listed companies
- (v) Compliance and financial reporting under the International Financial Reporting Standards
- (vi) Review of Risk management, Internal Control and Corporate Governance

# SUSTAINABILITY REPORT

(vii) Trends in Private Equity

(viii) Board Diversity

Directors also attended external seminars and talks individually in FY2021 to update and enhance their skills and knowledge.

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

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

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

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

In discharging its oversight functions, the Board delegates the authority to make certain decisions to three Board committees without abdicating its responsibilities. Each Board committee makes decisions on matters within its terms of reference and reports to the Board. The terms of reference and the structure of each Board committee are reviewed on a regular basis and any changes to the terms of reference will require the Board's approval.

The Board comprises the following committees:

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

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



# SUSTAINABILITY REPORT

The members of the Board and its committees as well as the date of their appointment and date of last re-election to the Board as at 31 December 2021 are tabulated below:

Directors	Date of Appointment	Date of last re-election	ARMC	NGC	RC
Mr Boon Swan Foo (Chairman, Non-Executive Non-Independent Director)	20 December 2011	19 June 2020	–	Member	–
Mr Ronald Seah Lim Siang (Lead Independent Director)	30 April 2010	25 April 2019	Chairman	Member	–
Mr Abdul Jabbar Bin Karam Din (Independent Director) <sup>2</sup>	7 January 2019	22 April 2021	Member	Chairman	–
Ms Tan Mui Hong (Non-Executive Non-Independent Director)	1 July 2019	19 June 2020	Member	–	Member
Mr Lay Charlie Nhuc Hiang <sup>3</sup> (Independent Director) <sup>4</sup>	26 June 2020	22 April 2021	Member	–	Chairman
Mr Ng Thiam Poh (Independent Director) <sup>4</sup>	20 October 2021	N/A	–	Member	Member

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

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

For FY2021, the attendance of the Directors of the Board and Board committee meetings is as follow:

	Board Meetings	ARMC Meetings	NGC Meetings	RC Meetings	Annual General Meeting
Number of Meetings Held	5	4	3	2	1
<b>Directors</b>	<b>Number of meetings Attended</b>				
Mr Boon Swan Foo	5	4*	3	2*	1
Mr Ronald Seah Lim Siang	5	4	3	2*	1
Mr Abdul Jabbar Bin Karam Din	5	4*	3	2	1
Mr Tan Wee Peng Kelvin	1	1	1*	1	1
Ms Tan Mui Hong	5	4	3*	2*	1
Mr Lay Charlie Nhuc Hiang	5	1* + 3	3*	2*	1
Mr Ng Thiam Poh	2	1*	1*	–	–

<sup>2</sup> Mr Abdul Jabbar Bin Karam Din was appointed to the ARMC as a member on 1 November 2021. He ceased to be a member of the RC from 1 November 2021 onwards.

<sup>3</sup> Mr Lay Charlie Nhuc Hiang was appointed to the ARMC on 22 April 2021.

<sup>4</sup> Mr Ng Thiam Poh was appointed to the RC on 20 October 2021 and the NGC as a member on 1 November 2021.

\* Denotes meeting attended by invitation

# SUSTAINABILITY REPORT

***Provision 1.6: Complete, adequate and timely information provided to directors on an on-going basis and prior to meetings.***

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

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

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

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

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

Having considered the adequacy and timeliness of the information made available by the Manager, the directors are satisfied with the access to the information provided by the Manager during FY2021.

## **2.2 Board Composition and Guidance**

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

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

Please see "Assessment of Independence of Director" under Provision 4.4 on page 36.

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

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

During FY2021, the number of Non-Executive Independent Directors ranged between 3 to 4 while there were 2 Non-Executive Non-Independent Directors on the Board. This meant that for all material times during FY2021, Non-Executive Independent Directors made up majority of the Board.

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

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

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

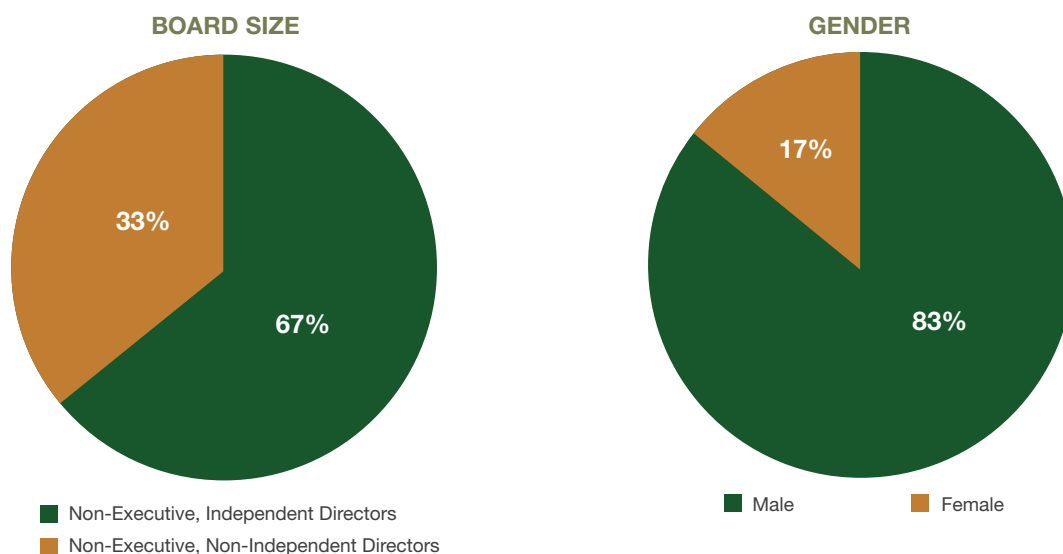
## Board Diversity Policy

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

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

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

The composition of the Board for 2021 is as follows:



The Board has adopted the NC's recommended target to maintain at least 1 suitably qualified female director on the Board. The Company has been successful in doing so since 2019. After the board renewal in 2021, it is expected that the Company will continue to achieve its target of having at least 1 female director on the Board in 2022 (equivalent to 20% of the Board in 2022).

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

# SUSTAINABILITY REPORT

In order to ensure that the Company is able to meet the challenges and demands of the market, the Board is also focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out the Company's needs against the board composition. A summary of the board composition for 2021 is as follows:

Directors	Knowledge, Skills and Experience of Directors					
	General Management & Business Operations	Accounting & Finance	Investment	Strategic Planning & Risk Management	Legal & Regulatory	Senior Management Experience (>10 years)
Mr Boon Swan Foo (Chairman, Non-Executive Non-Independent Director)						
Mr Ronald Seah Lim Siang <sup>1</sup> (Lead Independent Director)						
Mr Abdul Jabbar Bin Karam Din <sup>2</sup> (Independent Director)						
Mr Tan Wee Peng Kelvin <sup>3</sup> (Independent Director)						
Ms Tan Mui Hong (Non-Executive Non-Independent Director)						
Mr Lay Charlie Nhuc Hiang (Independent Director)						
Mr Ng Thiam Poh <sup>4</sup> (Independent Director)						

Legend	
	Significant experience in Senior Roles
	Extensive career experience in senior executive, director or professional roles (i.e. expert in field)

Note 1: Mr Ronald Seah Lim Siang retired from the Board on 31 December 2021.

Note 2: Mr Abdul Jabbar Bin Karam Din has taken over the role of Lead Independent Director from 1 January 2022 onwards.

Note 3: Mr Tan Wee Peng Kelvin retired from the board on 22 April 2021.

Note 4: Mr Ng Thiam Poh was appointed to the Board on 20 October 2021.

For further details of the qualifications and experience of the Board members, please see section under "Overview - Board of Director" on page 19-22.

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

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

## 2.3 Chairman and Chief Executive Officer

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

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

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

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

The role of the Chairman is to, among others:

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

**Provision 3.3:** *Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.*

GIL's Chairman, Mr Boon Swan Foo is considered non-independent because he is a controlling shareholder that holds 18.15% of the shares in GIL as at 7 March 2022. At the same time, Mr Boon is also a major ultimate beneficial owner and Chairman of SICIM, the Manager of GIL.

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

Mr Ronald Seah Lim Siang is the Lead Independent Director of GIL as at 31 December 2021.

The Lead Independent Director performs the following responsibilities and duties:

- Assisting the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and GIL
- Leading and conducting periodic meetings of the Independent Directors without the presence of the other directors and providing feedback to the Chairman after such meetings
- Coordinating activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity
- Acting as the contact point for shareholders where they have concerns and for which contact through the Chairman or the manager of GIL or the staff or officers of the manager have failed to resolve, or is inappropriate

# SUSTAINABILITY REPORT

## 2.4 Board Membership

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

**Provision 4.1: Nomination and Governance Committee (NGC) to make recommendations on relevant matters.**

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

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

For FY2021, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee's terms of reference and concluded that the NGC had adequately fulfilled its duties.

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

As at 31 December 2021, the NGC comprises the four directors, of which three are independent.

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

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

### Process for Selection and Appointment of Directors

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

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

### Process for Re-Election of Directors

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



## Succession Planning

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

## Board Renewal

Mr Ronald Seah Lim Siang retired from the Board on 31 December 2021.

Mr Lay Charlie Nhuc Hiang was appointed to the Board on 26 June 2020 and was re-elected during the 2021 AGM.

Mr Abdul Jabbar Bin Karam Din was appointed to the Board on 7 January 2019 and was re-elected during the 2021 AGM.

Mr Ng Thiam Poh was appointed as a Non-Executive Independent Director of GIL on 20 October 2021. Mr Ng will submit himself for shareholders' election during the 2022 AGM.

The Board reviewed candidates recommended by fellow directors to assist in the sourcing of potential candidates as Independent Director. Potential candidates were interviewed before their appointment were finalised.

## Alternate Director

Under GIL's Constitution, an Alternate Director is entitled to perform all the functions of the director appointing him in the director's absence. If a person is proposed to be appointed as an alternate director to an Independent Director, the NGC and the Board will review whether that the person would similarly qualify as an Independent Director. No alternate director was appointed to the Board in 2021.

***Provision 4.4: The NC determines the independence of Directors annually (or as and when necessary).***

## Board Independence

The NGC oversees the size and composition of the Board and its committees and advises the Board on best practices for corporate governance and appropriate corporate governance policies. The NGC ensures that the Board is able to exercise independent and objective judgment on corporate affairs, in particular, from the Manager and its substantial shareholders<sup>5</sup>.

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

<sup>5</sup> The term "substantial shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company.

# SUSTAINABILITY REPORT

## Assessment of Independence of Directors

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

Directors	Date of Appointment	Independence status under the Practice Guidance 2 of 2018 Code <sup>1</sup>	Less than 5% interest in voting shares (direct/ deemed)	Independent relationship – including independence from substantial shareholders	Served on the Board for less than 9 years	Immediate family relationship <sup>2</sup>
Mr Boon Swan Foo	20 Dec 2011	No	No	No	No	No
Mr Ronald Seah Lim Siang	30 Apr 2010	Yes <sup>3</sup>	Yes	Yes	No	No
Mr Abdul Jabbar Bin Karam Din	7 Jan 2019	Yes	Yes	Yes	Yes	No
Mr Tan Wee Peng Kelvin	15 Mar 2019	Yes	Yes	Yes	Yes	No
Ms Tan Mui Hong	1 Jul 2019	No	Yes	Yes	Yes	No
Mr Lay Charlie Nhuc Hiang	26 Jun 2020	Yes	Yes	Yes	Yes	No
Mr Ng Thiam Poh	20 Oct 2021	Yes	Yes	Yes	Yes	No

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

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

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

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

## Review of Independence

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

The NGC shall provide its views to the Board when the NGC considers that a director:

1. Can still be deemed as independent despite the existence of relationships and circumstances enumerated in Practice Guidance 2 of the 2018 Code.
2. Is not independent even in the absence of relationships and circumstances enumerated in Practice Guidance 2 of the 2018 Code.

For FY2021, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in Practice Guidance 2 of the 2018 Code.

The independence of director who has served on the Board beyond nine years will be vigorously reviewed. The said director will recuse himself from the discussion in respect of his own independence. The factors considered in reviewing independence of director who has served beyond nine years includes whether the director has:

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

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

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

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

## Information on GIL Directors

The key information regarding the directors, such as academic and professional background, shareholdings, chairmanships, directorships and other principal commitments can be found under the section of "Board of Directors" on page 19-22.

## Multiple Directorships

Directors with multiple board appointments are exposed to a wider organisational practice and diverse operating environments and will be able to enhance the Board's performance by contributing knowledge and information acquired from different corporations or industries. Directors with multiple directorships must also ensure that sufficient time and attention is given to the affairs of each company which they are appointed as a director. The NGC reviews the performance and commitment of directors holding multiple appointments by taking into consideration the director's number of listed company board representations and other principal commitments. While the Board acknowledges that the effectiveness of each director is best addressed by a qualitative assessment of the directors' contributions, the Board has determined the maximum number of listed company board representations to which any director may hold concurrently to be six<sup>6</sup>. Given the full attendance of all directors at Board and Board committee meetings during 2021, the NGC is satisfied that all directors have devoted sufficient time and attention to the affairs of GIL and have adequately carried out their duties as a director of GIL for 2021.

<sup>6</sup> This would include analogous positions such as the board of a manager of a listed fund.

# SUSTAINABILITY REPORT

## 2.5 Board Performance

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

**Provision 5.1:** *NGC recommends objective performance criteria and process for the evaluation of the effectiveness of the Board, Board committees, Chairman and each individual Director.*

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

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

### Board and Board Committee Performance Evaluation

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

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

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

### Individual Director and Chairman Evaluation

Each director is invited to complete an Individual Director Questionnaire to appraise the performance and contribution of each individual director, including the Chairman of the Board. The questionnaire allows each director to assess his fellow Directors in the areas of performance, contribution, knowledge on key drivers, risks and opportunities and special expertise beneficial to the Board and to also give suggestions on what the directors being evaluated should improve on or do differently. The Chairman is also assessed via such questionnaire on his leadership, management skills, communication skills, and knowledge.

### Compilation of Questionnaires and Evaluation of Performance

The completed questionnaires are submitted to the Manager for compilation. The names of directors are omitted from the summary report to encourage more open and frank discussion. Upon completion of the abovementioned process by the Manager, the NGC will assess the results of the questionnaire and report on key findings and recommendations to the Board. The NGC will supplement the evaluation of the Board committees' performance with self-reviews conducted by each of the Board committees against the responsibilities set out in their respective terms of reference and report any key findings and recommendations to the Board.

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

For FY2021 the Board, taking into consideration the key findings of the NGC, is satisfied that the Board and its committees, the Chairman and each individual director have adequately fulfilled their responsibilities. No external facilitator was engaged for evaluation of the Board and Board committee.

## 2.6 Procedures for Developing Remuneration Policies

**Principle 6:** The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.<sup>7</sup>

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

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

The key terms of reference of the RC are:

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

For FY2021, the RC had conducted a self-review against the responsibilities set out in the Remuneration Committee's terms of reference and concluded that the RC had been adequately fulfilling its duties.

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

As at 31 December 2021, GIL's RC comprise of three Non-Executive directors, of which two are Independent.

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

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

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

### Remuneration of Non-Executive Directors

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

<sup>7</sup> Provision 6.4 is not applicable because the Company did not engage any remuneration consultant

# SUSTAINABILITY REPORT

## Remuneration of the Manager

GIL compensates the Manager for its services in accordance with the terms of the Management Agreement. Any changes in the fee structure will be subject to the approval of shareholders by Ordinary Resolution in general meeting. If the Manager and its associates hold any shares at the time of such meeting, they will be required to abstain from voting on the relevant resolution.

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

### 2.7 Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.<sup>8</sup>**

***Provision 7.2: Remuneration of non-executive directors are appropriate to the level of contribution.***

As at 31 December 2021, the Board comprises 6 directors, with a Non-Independent Chairman, one Non-Independent Director and 4 Independent Directors. There are no Executive Directors.

#### Fee structure for Non-Executive Directors for FY2021

	Remuneration Per Annum
1. Base fee	S\$45,000
2. Fees for chairmanship of the Board and various Board committees as well as membership in various Board committees	
a) Chairman	S\$22,000
b) Deputy Chairman of the Board	Not applicable
c) Lead Independent Director	S\$5,000
d) Chairman of ARMC	S\$18,000
e) Member of ARMC	S\$10,000
f) Chairman of NGC	S\$10,000
g) Member of NGC	S\$6,000
h) Chairman of RC	S\$10,000
i) Member of RC	S\$6,000

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

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

## Remuneration of the Manager

The Manager is entitled to a Base fee of 1.0% of Net Investment Value up to S\$1.5 billion or 1.5% of Net Investment Value in excess of S\$1.5 billion. The Manager is also entitled to the incentive fee, fixed fee, acquisition fee, divestment fee and debt raising fee. The incentive fee is a performance-related fee designed to align the interests of the Manager with the interests of the shareholders and to promote the long-term success of GIL.

<sup>8</sup> Provision 7.1 is not applicable as GIL has no employees and is managed by the Manager.



The Company believes in making full and frank disclosure of the entire formula on the Manager's fee structure, as fully set out at page 105.

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

## 2.8 Disclosure on Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.<sup>9</sup>**

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

Directors are reimbursed for reasonable out-of-pocket expenses incurred in the course of attending meetings of the Board or Board committees and for any expenses reasonably incurred in their capacity as directors of GIL or any of its subsidiaries. There are no termination, retirement and post-employment benefits which may be granted to the Non-Executive directors. There are no variable or performance-related bonuses, benefit-in-kind, stock options grants, share-based incentives and awards, and other long-term incentives received by the directors in FY2021.

A total of directors' fees up to S\$380,200 was approved by the shareholders at the 2021 Annual General Meeting under the existing remuneration framework. The aggregate fees paid quarterly in arrears to the Non-Executive directors for the financial year ended 2021 was S\$357,625.

The remuneration of directors for FY2021 is as follows<sup>10</sup>:

Directors	Base Remuneration Fees (S\$)	Fees for Chairmanship of the Board and Various Board Committees and Membership of Various Board Committees and allowances (S\$)	Total Directors' Fees (S\$)
Mr Boon Swan Foo	45,000	28,200	73,200
Mr Ronald Seah Lim Siang	45,000	29,200	74,200
Mr Abdul Jabbar Bin Karam Din	45,000	16,868	61,868
Mr Tan Wee Peng Kelvin	13,808	4,971	18,779
Ms Tan Mui Hong	45,000	11,203	56,203
Mr Lay Charlie Nhuc Hiang	45,000	17,132	62,132
Mr Ng Thiam Poh	9,000	2,243	11,243

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

<sup>9</sup> Provisions 8.1(b), 8.2 and 8.3 are not applicable as GIL has no employees and is managed by the Manager. No immediate family members of the directors are employed by GIL or the Manager.

<sup>10</sup> Remuneration of the directors are rounded to the nearest dollar.

# SUSTAINABILITY REPORT

## 2.9 Risk Management and Internal Control

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

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

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

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

The ARMC assists the Board in the oversight of risk management in GIL. It reviews the effectiveness of the overall risk management system in meeting sound corporate governance principles. GIL's risk management process is an ongoing process and involves the continuous identification, assessment, monitoring and management of significant risks. The ARMC will report any material matters, including findings and recommendations pertaining to risk management to the Board.

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

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

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

While GIL does not have a CEO/CFO, for FY2021, the Manager has provided written assurance to the Board confirming that GIL's financial records have been properly maintained and the financial statements give a true and fair view of GIL's operations. In its letter of representation to GIL, the Manager has confirmed that it has established an adequate system of internal controls, addressing financial, operational, compliance and information technology controls of GIL.

Based on the work done and the reviews undertaken by the external auditors and the Manager's internal auditor, the Board (with the concurrence of the ARMC) is of the opinion that there are adequate and effective risk management systems as well as internal controls in place to help to mitigate critical and significant risks relating to financial, operational, compliance and information technology matters as at 31 December 2021.

The system of internal controls and risk management framework established by the Manager provide reasonable, but not absolute, assurance that GIL's assets and investments are safeguarded. The likelihood of achieving the objectives of the Committee of Sponsoring Organisations of the Treadway Commission Model is affected by limitations inherent in all internal control and risk management systems. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

## 2.10 Audit Committee

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

**Provision 10.1: Duties of Audit Committee.**

### Audit & Risk Management Committee (ARMC)

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

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

1. Retain external counsel, accountants, or such other professionals to advise the ARMC or to assist in the conduct of an investigation;
2. Seek any information it requires from external parties;
3. Meet with the officers of the Group, external auditors, or external counsel, as necessary.

The ARMC assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process, the compliance monitoring process and risk management.

### Specific Responsibilities

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

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

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

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

- Reviewed and recommended to the Board the release of the quarterly and full year financial statements
- Reviewed and recommended to the Board the Compliance Plan 2021
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2021.

# SUSTAINABILITY REPORT

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

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

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

As at 31 December 2021, the ARMC comprises the following directors:

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

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

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

## **External Audit**

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

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

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

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

## **Independence of the External Auditors**

For the purposes of the FY2021 audit, the ARMC reviewed the independence of the external auditors and determined that there were no circumstances that would impair the independence of the external auditors. The ARMC noted the declaration of independence in the external auditor's report and noted that for FY2021, the fees paid to the external auditor for audit services were as follows:

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

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

## ***Provision 10.4: Internal audit function.***

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

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

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

## **Whistleblowing Policy**

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

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

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

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

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

## **2.11 Shareholder Rights and Conduct of General Meetings**

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

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

GIL supports active shareholder participation at AGMs. Notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information is advertised in local newspaper and delivered to shareholders in adherence to the requisite period to provide shareholders with sufficient time to review the aforementioned documents and to indicate their attendance. GIL holds its AGM online. Login details will be provided to all shareholders in advance to facilitate their participation of the AGM. GIL allows shareholders who hold shares through nominees to attend the AGMs without being constrained by the two-proxy rule.

# SUSTAINABILITY REPORT

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

There will be distinct resolutions at general meetings on each substantially separate issue. Resolutions will not be bundled unless they are interdependent and linked so as to form one significant proposal. All resolutions will be conducted by poll voting. Shareholders attending the general meeting would have the opportunity to ask questions on proposed resolutions by sending their questions to [ir@globalinvestmentslimited.com](mailto:ir@globalinvestmentslimited.com) or submit their questions at <https://septusasia.com/globalinvestments-agm-registration> by 9 April 2022, 6.00pm. The questions will be answered and posted on SGXNet at least 72 hours before the due date of proxy forms. The Company appoints independent scrutineer to count and validate the votes.

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

The chairman, the chairman of each of the Board committees and all the directors will be present in person or by phone to address relevant queries from shareholders. The external auditors are also invited to address relevant queries from shareholders.

Due to COVID-19 pandemic, the AGM in 2021 was held by electronic means. The Board of Directors had addressed all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on SGXNET and during the AGM via live webcast. All directors attended the virtual AGM in 2021.

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

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

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

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

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

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

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

## **2.12 Engagement with Shareholders**

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

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

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

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



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

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

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

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

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

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

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

## 2.13 Engagement with Stakeholders

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

**Provision 13.1: Engagement with material stakeholder groups.**

### Stakeholder Engagement Platform

Stakeholders	Engagement Platform/Activities
Manager	<ul style="list-style-type: none"> <li>Board meeting</li> <li>Email</li> <li>Tele-conference</li> <li>Annual performance review</li> <li>Annual audit</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Annual general meeting or special general meeting</li> <li>Company website <a href="https://globalinvestmentslimited.com">https://globalinvestmentslimited.com</a> with regular updates on the Company's profile and policies, financial results and announcements</li> <li>Email: <a href="mailto:ir@globalinvestmentslimited.com">ir@globalinvestmentslimited.com</a></li> <li>Hotline: +65 6908 4860</li> <li>Analysts briefing</li> <li>SGXNet announcements</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>MASNET</li> <li>SGX StarGate</li> <li>Seminars and courses</li> <li>Survey</li> </ul>
Suppliers/Service Providers	<ul style="list-style-type: none"> <li>Email and phone calls</li> <li>Regular meetings</li> <li>Annual assessment</li> </ul>
Community	<ul style="list-style-type: none"> <li>Philanthropy</li> <li>Management of ESG issues</li> </ul>

# SUSTAINABILITY REPORT

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

### **Securities Transactions**

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

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

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

### **Code of Conduct**

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

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

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

### **Interested Person Transaction Policy**

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

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

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

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

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

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

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

GIL's Interested Person Transactions for financial year ended 2021 can be found under "Additional SGX-ST Listing Manual Disclosures".

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

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

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

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

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

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

## Ensuring Privacy of Personal Data

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

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

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

## Protection of Creditors' Rights

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

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

# SUSTAINABILITY REPORT

## *Provision 13.3: Corporate website.*

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

### **3. Risk Management**

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

GIL's Risk Management framework is set out in "Risk Management" section of the Corporate Governance Statement on page 42.

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

## **C. ENVIRONMENTAL SUSTAINABILITY**

### **4. Promoting A Sustainable Environment**

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

#### **Conservation of electricity**

Our Manager adopts several practices to contribute to environmental conservation in daily operations. For example, it makes use of LED and high fluorescent fixtures which are proven to be more energy-efficient. Using LEDs instead of incandescent light bulbs can save approximately 75% on electricity usage. Not only does this aid in conservation efforts, it is also more cost-efficient.

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

#### **Disposal of hardware and paper**

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

It has become common knowledge that the wide usage of paper is the culprit of massive deforestation and global warming. Thus, it is not only important to recycle but to reduce paper wastage. The Manager's printers are always set for double-sided printing and the monthly consumption of paper-related waste products is closely monitored. The Manager also encourages its staff to avoid printing hard copies of their documents.

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

#### **Managing our environmental footprint**

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

The energy consumption for 2021 was 21,409 kWh, equivalent to Scope 2 (indirect) emission of about 8,735.03 kg CO<sub>2</sub>. There was no GHG emission of Scope 1 and Scope 3 by GIL.

As water consumption by GIL is only for cleaning of the rented office premise and was not metered separately by the landlord, GIL is unable to disclose its water consumption data. Nonetheless, GIL will continue to stress the importance of water conservation and remind everyone to be mindful of water wastage in the office and in their daily life.

## 5. Sustainable Sourcing

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

## D. COMMUNITY DEVELOPMENT

### 6. Socially Responsible Investing

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

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

The Manager incorporates environmental risk into its risk management procedures. Physical risk and transition risk are taken into consideration in the investment decision process.

To achieve internal assurance, the investment team of the Manager for GIL had used third party ESG metrics from information providers to assess GIL investment portfolio during July 2021 and the ESG score results are encouraging.

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

### 7. Age Friendly Workplace

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

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

# SUSTAINABILITY REPORT

## E. TALENT MANAGEMENT AND ETHICS

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

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

### 8. Training and Education

Regular staff training and development are key priorities for the Manager in order to make certain that the Company keeps a diverse pool of retained talent. The Manager conducts Anti-Money Laundering and Counter-Financing of Terrorism refresher training to all staff on bi-yearly basis. The Manager periodically conducts Personal Data Protection Training to keep its employees informed on the latest regulatory requirements and adhere to good data protection practices.

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

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

#### Employees' Training Hours

	2018	2019	2020	2021
Total hours of training	332	351	357	434
Average hours of training per employee	24	30	24	26
By Gender				
Female	160	222	214	212
Male	172	129	143	222

### 9. Ethics and Integrity

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

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

The fund managers of the Manager on an annual basis, complete:

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



## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

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

### General standard disclosures

General Reference	Disclosure title	Reference
<b>Organisational profile</b>		
G102-1	Name of the organisation	Global Investments Limited
G102-2	Activities, brands, products and services	Refer to page 2, Corporate Profile
G102-3	Location of headquarters	Corporate Information
G102-4	Countries of operation	Refer to page 2, Corporate Profile
G102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
G102-6	Markets served	Refer to page 14, Portfolio Composition
G102-7	Scale of the organisation	Refer to page 2, Corporate Profile
G102-8	Information on employee and other workers	GIL has no employees
G102-9	Supply chain	Refer to page 51, Sustainable Sourcing
G102-10	Significant changes to the organisation	No significant changes
G102-11	Precautionary approach or principle	Refer to page 42, Risk Management and Internal Control
G102-12	External initiatives	Refer to page 23, About This Report
G102-13	Membership of associations	Refer to page 52, Ethics and Integrity
<b>Strategy</b>		
G102-14	Statement from senior decision maker	Refer to page 4-6, Chairman's Statement
G102-15	Key impacts, risks, and opportunities	Refer to page 24, Stakeholder Engagement
<b>Ethics and integrity</b>		
G102-16	Values, principles, standards, and norms of behaviour	Refer to page 52, Ethics and Integrity
G102-17	Mechanisms for advice and concerns about ethics	Refer to page 45, Whistleblowing Policy
<b>Governance</b>		
G102-18	Governance structure	Refer to page 26-30, The Board's Conduct of Affairs
G102-21	Consulting stakeholders on economic, environmental, and social topics	Refer to page 47, Stakeholder Engagement Platform
G102-22	Composition of the highest governance body and its committees	Refer to page 30-32, Board Composition and Guidance
G102-23	Chair of the highest governance body	Refer to page 29
G102-24	Nominating and selecting the highest governance body	Refer to page 34-35, Process for Selection and Appointment of Directors
G102-25	Conflicts of interest	Refer to page 27, Conflicts of Interest Policy
G102-26	Role of highest governance body in setting purpose, values, and strategy	Refer to page 26, Board's Role.

# SUSTAINABILITY REPORT

General Reference	Disclosure title	Reference
G102-27	Collective knowledge of highest governance body	Refer to page 27-28, Matters for Board's Approval, Induction, Orientation and Training
G102-28	Evaluating the highest governance body's performance	Refer to page 38, Board Performance
G102-29	Identifying and managing economic, environmental and social impacts	Refer to page 24, Stakeholder Engagement
<b>Risk Management and Internal Control</b>		
G102-30	Effectiveness of risk management processes	Refer to page 42, Risk Management and Internal Control
G102-31	Review of economic, environmental, and social topics	Refer to page 24-25, Stakeholder Engagement
G102-32	Highest governance body's role in sustainability reporting	Refer to page 23, Board Statement
G102-33	Communicating critical concerns	Refer to page 45-47
G102-34	Nature and total number of critical concerns	Nil
G102-35	Remuneration policies	Refer to page 40-41, Disclosure on Remuneration
G102-36	Process for determining remuneration	Refer to page 39, Procedures for Developing Remuneration
<b>Stakeholder Engagement</b>		
G102-40	List of stakeholder groups	Refer to page 47, Stakeholder Engagement Platform
G102-41	Collective bargaining agreements	GIL has no employees
G102-42	Identifying and selecting stakeholders	Refer to page 47, Stakeholder Engagement Platform
G102-43	Approach to stakeholder engagement	Stakeholder Engagement Platform
G102-44	Key topics and concerns raised	Refer to page 24-25, Stakeholder Engagement
<b>Reporting Practice</b>		
G102-45	Entities included in the consolidated financial statements	Refer to page 96, Controlled Entities
G102-46	Defining report content and topic Boundaries	Refer to page 23, About This Report
G102-47	List of material topics	Refer to page 24-25, Stakeholder Engagement
G102-48	Restatements of information	Restatements of information, where applicable, are noted within the relevant data set.
G102-49	Changes in reporting	There are no significant changes in scope and aspect boundaries.
G102-50	Reporting period	1 January 2021 to 31 December 2021
G102-51	Date of most recent report	31 December 2021
G102-52	Reporting cycle	Annual
G102-53	Contact point for questions regarding the report	ir@globalinvestmentslimited.com
G102-54	Claims of reporting in accordance with the GRI Standards	Refer to page 23, About This Report
G102-55	GRI content index	Refer to page 53-55, Global Reporting Initiative (GRI) Content Index
G102-56	External assurance	This report has not been externally assured

## Topic-Specific Disclosures

Topic-Specific Disclosures	Disclosure title	Reference
<b>Economic Sustainability</b>		
G103-1-1	Explanation of the material topic and its Boundary	Refer to page 4-6, Chairman's Statement
G103-1-2	The management approach and its components	Refer to page 4-6, Chairman's Statement
G201-1	Direct economic value generated and distributed	Refer to page 7-10, Financial Highlights
G202-2	Proportion of senior management hired from the local community	GIL has no employees. 88% of the Manager's employees are local.
G419-1	Non-compliance with laws and regulations in the social and economic area	Nil
<b>Corporate Governance</b>		
G205-2	Communication and training about anti-corruption policies and procedures	Refer to page 49, Compliance, Anti-corruption and Engagement with local and foreign regulators
G418	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
<b>Environmental Sustainability</b>		
G203-2	Significant indirect economic impacts	Refer to page 46, Dividend Policy and page 51, Socially Responsible Investing
G302-1	Energy consumption within the organization	Refer to page 50-51, Managing our Environmental Footprint
G302-4	Reduction of energy consumption	Refer to page 50-51, Managing our Environmental Footprint
G305-1	Direct (Scope 1) GHG emissions	Refer to page 50-51, Managing our Environmental Footprint
G305-5	Reduction of GHG emissions	Refer to page 50-51, Managing our Environmental Footprint
<b>Training and Education</b>		
G404-1	Average hours of training per year per employee	NA as GIL has no employees
<b>Supply Chain and Responsible Procurement</b>		
G103-1-3	Evaluation of the management approach	Refer to page 51, Sustainable Sourcing
G308-1	New suppliers that were screened using environmental criteria	Refer to page 51, Sustainable Sourcing
<b>Community Development</b>		
G413-1	Operations with local community engagement, impact assessments, and development programmes	Refer to page 51, Contribution to the Community

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# DIRECTORS' STATEMENT

The Directors are pleased to present the audited financial statements of Global Investments Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 December 2021.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 62 to 101 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2021; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. DIRECTORS

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

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

(Appointed on 20 October 2021)

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

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

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of Director	Holdings in the name of Director		Holdings in which Director is deemed to have an interest	
	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021	As at 1 January 2021
Boon Swan Foo	288,849,065	273,793,565	–	–
Ronald Seah Lim Siang	220,000	141,076	–	–
<b>Total</b>	<b>289,069,065</b>	<b>273,934,641</b>	<b>–</b>	<b>–</b>

Mr Ronald Seah Lim Siang has retired from the Board as at 31 December 2021. As at 21 January 2022, Mr Boon Swan Foo's interest remained the same as at 31 December 2021.

## 5. SHARE OPTION SCHEME

The Company does not have a share option scheme.

# DIRECTORS' STATEMENT

## 6. AUDIT COMMITTEE

The Audit Committee performs the functions specified by Section 201B of the Singapore Companies Act 1967, the Listing Manual and the 2018 Code. The details of functions performed are stated in the Corporate Governance Statement.

## 7. AUDITORS

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

On behalf of the Board of Directors:



Tan Mui Hong  
Director



Lay Charlie Nhuc Hiang  
Director

17 March 2022



# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Investments Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the financial statements of Global Investments Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in shareholders' equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

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

As at 31 December 2021, the Group has investment portfolio which is measured at fair value through profit or loss amounting to \$265.9 million, representing 85% of the Group's total assets.

The valuation of financial assets carried at fair value uses inputs which have been classified using the fair value hierarchy as disclosed in Note 4(G) to the financial statements. As at 31 December 2021, financial assets comprising mainly of a collateralised loan obligation (CLO), a credit-linked note (CLN) and an asset-backed security (ABS) with carrying value of \$6.9 million measured at fair value using broker quotes or valuation techniques based on inputs which are not quoted in active markets, categorised within Level 3 in the fair value hierarchy. As disclosed in Note 4(G) to the financial statements, there is currently no active market for financial assets CLO, CLN and ABS. Accordingly, management relies on information such as collateral performance and cash flows of underlying portfolio when determining fair value. As the valuation involved a higher degree of subjectivity and management's judgement, this is identified as a key audit matter.

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Investments Limited

## **Fair valuation of financial instruments not quoted in an active market (Cont'd)**

Our audit of the fair valuation of Level 3 investments using valuation techniques included assessment of the key internal controls over the investment valuation process and verification of inputs and assumptions used in the valuation model against external sources of information. In addition, we involved our own internal valuation specialists to evaluate the appropriateness of the valuation models, the inputs used by the management and the reasonableness of certain key assumptions used. We further considered the adequacy of the related disclosures in the financial statements. The Group's disclosures related to fair value of Level 3 investments are included in Note 4(G).

## **Other Information**

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Investments Limited

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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


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

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

## Report on Other Legal and Regulatory Requirements

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

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



Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

17 March 2022

# STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31 December 2021 S\$'000	Group As at 31 December 2020 S\$'000	Company As at 31 December 2021 S\$'000	Company As at 31 December 2020 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss	9	212,051	214,336	212,051	214,336
Right-of-use asset	20	184	55	184	55
		<b>212,235</b>	<b>214,391</b>	<b>212,235</b>	<b>214,391</b>
<b>Current assets</b>					
Cash and cash equivalents	10	41,921	26,908	41,921	26,908
Financial assets at fair value through profit or loss	9	53,804	68,244	53,804	68,244
Other assets	11	2,993	3,908	2,993	3,908
		<b>98,718</b>	<b>99,060</b>	<b>98,718</b>	<b>99,060</b>
<b>Total Assets</b>		<b>310,953</b>	<b>313,451</b>	<b>310,953</b>	<b>313,451</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Lease liabilities	20	64	61	64	61
Other liabilities	12	1,377	1,516	1,377	1,516
		<b>1,441</b>	<b>1,577</b>	<b>1,441</b>	<b>1,577</b>
<b>Non-current liabilities</b>					
Lease liabilities	20	124	–	124	–
		<b>124</b>	<b>–</b>	<b>124</b>	<b>–</b>
<b>Total Liabilities</b>		<b>1,565</b>	<b>1,577</b>	<b>1,565</b>	<b>1,577</b>
<b>Net assets attributable to shareholders</b>		<b>309,388</b>	<b>311,874</b>	<b>309,388</b>	<b>311,874</b>
<b>EQUITY</b>					
Share capital	13	270,837	270,837	270,837	270,837
Treasury shares	13	(18,228)	(12,978)	(18,228)	(12,978)
Capital reserve	14	742	68	742	68
Retained earnings	15	56,037	53,947	56,037	53,947
<b>Total Equity</b>		<b>309,388</b>	<b>311,874</b>	<b>309,388</b>	<b>311,874</b>

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31 December 2021 S\$'000	For the year ended 31 December 2020 S\$'000
<b>INCOME</b>			
Dividend income		1,736	1,599
Interest income		12,708	14,924
Net foreign exchange gain		1,017	1,577
Net gain on financial assets at fair value through profit or loss	9	6,544	666
<b>Total Income</b>		<b>22,005</b>	<b>18,766</b>
<b>EXPENSES</b>			
Management fees	17	(2,627)	(2,320)
Incentive fees	17	(2,335)	–
Other operating expenses	5	(2,021)	(2,007)
<b>Total expenses</b>		<b>(6,983)</b>	<b>(4,327)</b>
<b>Profit before tax</b>		<b>15,022</b>	<b>14,439</b>
<b>Income tax expense</b>	6	(130)	(120)
<b>Profit after tax</b>		<b>14,892</b>	<b>14,319</b>
<b>Total comprehensive income for the year attributable to shareholders</b>		<b>14,892</b>	<b>14,319</b>
<b>Basic earnings per share (cents per share)</b>	21	<b>0.93</b>	<b>0.87</b>
<b>Diluted earnings per share (cents per share)</b>	21	<b>0.93</b>	<b>0.87</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

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

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2021 S\$'000	For the year ended 31 December 2020 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating costs paid		(7,561)	(6,108)
Interest income received		13,360	15,082
Dividend income received		1,771	1,446
Income tax paid		(133)	(123)
<b>Net cash flows from operating activities</b>		<b>7,437</b>	<b>10,297</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of financial assets		(32,408)	(64,401)
Redemption/maturity of financial assets		48,053	55,396
Net proceeds from disposal of financial assets		8,238	6,153
<b>Net cash flows generated from / (used in) investing activities</b>		<b>23,883</b>	<b>(2,852)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Dividends paid		(4,398)	(5,719)
Purchase of treasury shares		(13,067)	(17,482)
<b>Net cash flows used in financing activities</b>		<b>(17,465)</b>	<b>(23,201)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,855</b>	<b>(15,756)</b>
Cash and cash equivalents at beginning of year		26,908	40,945
Effects of exchange rate changes on cash and cash equivalents		1,158	1,719
<b>Cash and cash equivalents at end of year</b>	<b>10</b>	<b>41,921</b>	<b>26,908</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. General

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

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

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

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

These financial statements were authorised for issue in accordance with a Directors' Resolution dated 17 March 2022.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 *Basis of preparation*

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

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

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 January 2022.

### 2.2 *Consolidation*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.2 Consolidation (Cont'd)

#### (a) Basis of consolidation (Cont'd)

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

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

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

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

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

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

#### (b) Business combination and goodwill

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.2 Consolidation (Cont'd)

#### (b) Business combination and goodwill (Cont'd)

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

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

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

#### (c) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (i) restricted activities; (ii) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (iii) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (iv) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Group considers all of its investment in securitisation vehicles through the purchase of ABS (comprising Australian Residential Mortgage Backed Securities (RMBS)), collateralised loan obligation (CLO) notes and a credit linked note (CLN) to be an interest in unconsolidated structured entities as it does not have any power over these entities such that its involvement will vary its returns from these entities.

### 2.3 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in SGD, which is the Company's functional currency.

#### (b) Transactions and balances

Transactions in a currency other than the functional currency (foreign currency) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.3 Foreign currency translation (Cont'd)

#### (b) Transactions and balances (Cont'd)

Non-monetary items denominated in foreign currencies that are measured at fair values are translated to the functional currency using the exchange rates at the date when the fair values are determined. The gain or loss arising on translation of such items is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### (c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the reporting date;
- ii. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using exchange rates at the dates of the transactions); and
- iii. all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

### 2.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the differences between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

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

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

### 2.5 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on current bid price at the reporting date.

The fair value of financial assets that are not quoted in active markets is determined by using valuation techniques. Valuation techniques include the use of discounted cash flow analysis, valuation of similar investments and reference to recent sales transactions of the same or similar assets. Where appropriate, quoted market prices, broker or dealer quotes for similar instruments are used. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.6 Financial assets

#### Classification and measurement

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

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

#### *Initial recognition and measurement*

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

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group or Company commits to purchase or sell the asset.

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

This category has two sub-categories: financial assets held for trading, and those designated at FVTPL at inception or are mandatorily required to be measured at fair value under SFRS(I) 9. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at FVTPL at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as effective hedging instruments as defined by SFRS(I) 1-39. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date, otherwise they are classified as non-current.

Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Changes in the fair values of financial assets at FVTPL including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Gains or losses arising from changes in the fair value are presented in the profit or loss within 'Net (loss)/gain on financial assets designated at FVTPL, in the period in which they arise. Interest on debt securities and dividend from listed equities at FVTPL is recognised in profit or loss separately.

#### (b) *Financial assets at amortised cost*

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

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



# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.6 Financial assets (Cont'd)

#### *Derecognition*

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

### 2.7 Financial liabilities

#### *Initial recognition and measurement*

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

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

#### *Subsequent measurement*

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

#### *Derecognition*

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

### 2.8 Impairment of financial assets

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

### 2.10 *Cash and cash equivalents*

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

### 2.11 *Provisions*

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

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

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

### 2.12 *Derivative financial instruments and hedging activities*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

#### (a) *Fair value hedges*

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

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

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

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

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

#### (b) *Cash flow hedges*

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

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

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

#### (c) *Net investment hedges*

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

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

As at 31 December 2021 and 31 December 2020, the Group does not apply hedge accounting.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.13 *Revenue recognition*

#### (a) *Interest income*

Interest income is recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial asset.

#### (b) *Dividend income*

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

### 2.14 *Expenses*

#### (a) *Finance costs*

Interest expenses and similar charges are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

#### (b) *Management fees*

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

#### (c) *Incentive fees*

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

### 2.15 *Taxation*

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

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

The Group currently incurs withholding taxes imposed by certain countries on its dividend and interest income. Such income or gains are recorded gross of withholding taxes in profit or loss.

### 2.16 *Leases*

#### (i) *Leases – Operating leases*

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

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.16 Leases (Cont'd)

#### (ii) Group as lessee

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

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

#### Right-of-use assets

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

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

#### Lease liabilities

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

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

#### Short-term leases

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

### 2.17 Segment reporting

Operating segments are to be reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors of the Company (the Board).

### 2.18 Dividend payments

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

### 2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 2.20 Treasury shares

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

## 3. Significant accounting judgements, estimates and assumptions

The Group makes judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market is usually determined by the Group using broker or dealer quotes, which may be indicative and not executable or binding, or valuation techniques based on inputs which are not quoted in active markets. These financial assets were categorised within Level 3 in the fair value hierarchy.

The Group exercises judgement in its assessment of the appropriateness of the quotes obtained, which may consider factors such as the performance of the underlying loan portfolio based on reports obtained from third party managers, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained. When the valuation techniques are used, the Group relies on information such as collateral performance and cash flows of underlying portfolio and applied judgement at best estimates when determining fair value.

As at 31 December 2021, these financial assets comprised of CLO, CLN and ABS with carrying value of S\$6.89 million (2020: S\$9.73 million). Please refer to Note 4(g) for the disclosures related to fair value of securities not quoted in an active market.

## 4. Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk, currency risk, credit risk, market price risk, liquidity risk and capital risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit and Risk Management Committee (ARMC) then establishes the policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies in accordance with the objectives and underlying principles approved by the Board.

Importantly, to the extent an investment matures or a divestment is made, the Group will make a decision at that time about usage or redeployment of underlying capital.

The Group's overall risk management strategy seeks to minimise adverse effects on the Group's ability to pay dividends and the value of the underlying investments. The Group's approach to management of financial risks is both top down and bottom up in the sense of analysing risks at a Group level as well as at an investment-specific level.



# NOTES TO THE FINANCIAL STATEMENTS

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

Financial risk management is carried out by the Manager in accordance with the policies set by the ARMC. The Manager identifies, evaluates and manages financial risks. This involves regular sensitivity testing and various levels of reporting through the Group, including regular formal reporting to the ARMC and the Board.

At an investment level, the Group aims to reduce financial risks through structuring the manner in which the investment is acquired or funded. At a Group level, financial instruments such as interest rate swaps may be used to reduce interest rate risks together with other additional measures such as investing in a portfolio comprising various targeted asset classes, sectors, countries, maturities, and return profile.

### (a) Interest rate risk

Interest rate risk can be cash flow related or fair value related. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group holds a portfolio of fixed and variable rate debt securities that expose the Group to fair value interest rate risk. The Group also holds a portfolio of variable rate ABS and CLO/CLN notes that expose the Group to cash flow interest rate risk.

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

#### Exposure to interest rate risks

The table below sets out the Group and the Company's exposure to interest rate risks as at 31 December 2021 and 31 December 2020. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Fixed rate instruments <sup>1</sup>				
- Bank contingent convertibles	170,964	180,680	170,964	180,680
- Bonds	36,239	52,124	36,239	52,124
Variable rate instruments <sup>2</sup>				
- Loan portfolio and securitisation assets	6,890	9,725	6,890	9,725
- Bonds	95	60	95	60
	<b>214,188</b>	<b>242,589</b>	<b>214,188</b>	<b>242,589</b>

<sup>1</sup> Fixed rate instruments include S\$136.73 million (2020: S\$133.15 million) of other bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 3 months to 26 years (2020: 1 month to 27 years). Interest on fixed rate financial instruments is fixed until the maturity of the instrument or till its next call date.

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

# NOTES TO THE FINANCIAL STATEMENTS

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

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

#### *Interest rate sensitivity analysis - interest rate risk*

A 100 basis points increase in interest rate at the reporting date would increase/(decrease) profit before tax, due to the impact on cashflows or fair value, by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Loan portfolio and securitisation assets	74	105	74	105
Bonds	(1,085)	(817)	(1,085)	(817)
Bank contingent convertibles	(5,119)	(5,645)	(5,119)	(5,645)
	(6,130)	(6,357)	(6,130)	(6,357)

### (b) Foreign currency risk

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

The Group receives dividend income, interest income and disposal proceeds substantially denominated in currencies other than SGD. Movements in currency exchange rates between the relevant foreign currencies and SGD may therefore have a material effect on the Group's financial results to the extent that they are not hedged, and the amount available for distribution as dividends to the shareholders.

Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currency exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions. The Group will also monitor currency exposure and may enter into hedging arrangements where appropriate.

Sensitivity analysis around currency fluctuations is periodically performed by the Manager and reported to the Board.

# NOTES TO THE FINANCIAL STATEMENTS

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

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

The tables below set out the Group's and the Company's currency exposure arising from monetary items as at 31 December 2021 and 31 December 2020.

Group	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
<b>2021</b>							
<b>Assets</b>							
Cash and cash equivalents	324	36,556	2	2,803	10	62	39,757
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	6,404	-	-	-	486	-	6,890
- Bonds	21,653	2,138	-	401	-	-	24,192
- Bank contingent convertibles	73,372	3,125	-	14,079	12,481	3,868	106,925
- Listed equities	590	6,483	30,517	635	-	5,194	43,419
Other assets	1,391	336	-	96	350	9	2,182
	<u>103,734</u>	<u>48,638</u>	<u>30,519</u>	<u>18,014</u>	<u>13,327</u>	<u>9,133</u>	<u>223,365</u>
<b>Liabilities</b>							
Other liabilities	(5)	-	-	-	-	-	(5)
	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
<b>Net exposure</b>	<u>103,729</u>	<u>48,638</u>	<u>30,519</u>	<u>18,014</u>	<u>13,327</u>	<u>9,133</u>	<u>223,360</u>

Group	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
<b>2020</b>							
<b>Assets</b>							
Cash and cash equivalents	6,025	8,020	900	8,449	176	89	23,659
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	5,920	-	-	1,585	2,220	-	9,725
- Bonds	21,482	30,317	-	385	-	-	52,184
- Bank contingent convertibles	70,142	2,713	-	11,509	15,475	3,797	103,636
- Listed equities	149	1,638	25,935	547	-	4,783	33,052
Other assets	1,555	815	-	68	429	93	2,960
	<u>105,273</u>	<u>43,503</u>	<u>26,835</u>	<u>22,543</u>	<u>18,300</u>	<u>8,762</u>	<u>225,216</u>
<b>Liabilities</b>							
Other liabilities	(9)	-	-	-	-	-	(9)
	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>
<b>Net exposure</b>	<u>105,264</u>	<u>43,503</u>	<u>26,835</u>	<u>22,543</u>	<u>18,300</u>	<u>8,762</u>	<u>225,207</u>

# NOTES TO THE FINANCIAL STATEMENTS

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

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

Company	United States Dollar S\$'000	Chinese Renminbi S\$'000	Hong Kong Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Others S\$'000	Total S\$'000
<b>2021</b>							
<b>Assets</b>							
Cash and cash equivalents	324	36,556	2	2,803	10	62	39,757
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	6,404	–	–	–	486	–	6,890
- Bonds	21,653	2,138	–	401	–	–	24,192
- Bank contingent convertibles	73,372	3,125	–	14,079	12,481	3,868	106,925
- Listed equities	590	6,483	30,517	635	–	5,194	43,419
Other assets	1,391	336	–	96	350	9	2,182
	103,734	48,638	30,519	18,014	13,327	9,133	223,365
<b>Liabilities</b>							
Other liabilities	(5)	–	–	–	–	–	(5)
	(5)	–	–	–	–	–	(5)
<b>Net exposure</b>	103,729	48,638	30,519	18,014	13,327	9,133	223,360
<b>2020</b>							
<b>Assets</b>							
Cash and cash equivalents	6,025	8,020	900	8,449	176	89	23,659
Financial assets at fair value through profit or loss							
- Loan portfolio and securitisation assets	5,920	–	–	1,585	2,220	–	9,725
- Bonds	21,482	30,317	–	385	–	–	52,184
- Bank contingent convertibles	70,142	2,713	–	11,509	15,475	3,797	103,636
- Listed equities	149	1,638	25,935	547	–	4,783	33,052
Other assets	1,555	815	–	68	429	93	2,960
	105,273	43,503	26,835	22,543	18,300	8,762	225,216
<b>Liabilities</b>							
Other liabilities	(9)	–	–	–	–	–	(9)
	(9)	–	–	–	–	–	(9)
<b>Net exposure</b>	105,264	43,503	26,835	22,543	18,300	8,762	225,207

# NOTES TO THE FINANCIAL STATEMENTS

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

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

#### Sensitivity analysis - currency risk

A 5% strengthening of the functional currencies of the Company and its subsidiaries against the following currencies at the balance sheet date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
United States Dollar	(5,186)	(5,263)	(5,186)	(5,263)
Chinese Renminbi	(2,432)	(2,175)	(2,432)	(2,175)
Hong Kong Dollar	(1,526)	(1,342)	(1,526)	(1,342)
Euro	(901)	(1,127)	(901)	(1,127)
Australian Dollar	(666)	(915)	(666)	(915)
Others	(457)	(438)	(457)	(438)

### (c) Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Group is exposed arises from the Group's investment in debt securities (comprising bonds and bank contingent convertibles) and loan portfolio and securitisation assets (comprising ABS, CLN and CLO notes). The Group is also exposed to counterparty credit risk on cash and cash equivalents and other assets.

The Manager seeks to mitigate this risk through asset selection process, the structuring of investments to minimise credit risk where possible, active ongoing monitoring of the Group's investments and overall investment policy which is designed for targeted asset classes, sectors, maturities, obligors, countries, currencies and return profile. Credit limits have been established to ensure that the Group deals with creditworthy counterparties for investments and hedging transactions and that counterparty concentration risk is addressed and the risk of loss is mitigated.

A significant element of the monitoring involves conducting due diligence in respect of servicers, originators and managers of the Group's investments including regular meetings with senior management.

The Manager also conducts ongoing monitoring of the Group's investments through the following procedures:

- reviews of investment reports in respect of each investment (for example trustee reports);
- monitoring and analysing performance metrics such as dividend income received, credit enhancement levels, arrears and default data, performance triggers and prepayment rates in relation to our investments;
- monitoring of servicer and manager performance as measured by rating agency reports and performance in similar transactions where possible;
- surveillance of rating changes and reports and relevant research reports;
- analysing macroeconomic factors to gauge possible effects on the performance of our investments; and
- regular contact with industry participants including rating agencies, trustees, originators, arrangers and servicers.

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash and cash equivalents	41,921	26,908	41,921	26,908
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	6,890	9,725	6,890	9,725
- Bonds	36,334	52,184	36,334	52,184
- Bank contingent convertibles	170,964	180,680	170,964	180,680
Other assets	2,939	3,753	2,939	3,753
<b>Total</b>	<b>259,048</b>	<b>273,250</b>	<b>259,048</b>	<b>273,250</b>

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

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Europe	154,526	166,681	154,526	166,681
Australia	5,554	7,437	5,554	7,437
North America	16,153	15,086	16,153	15,086
Asia	59,240	62,444	59,240	62,444
Others	23,575	21,602	23,575	21,602
<b>Total</b>	<b>259,048</b>	<b>273,250</b>	<b>259,048</b>	<b>273,250</b>

There was no impairment expense recognised for financial assets as at 31 December 2021 and 31 December 2020.

At 31 December 2021 and 31 December 2020, substantially all cash and cash equivalents and investments were placed in custody with well-established financial institutions. It is expected that all assets deposited with these financial institutions will be clearly identified as being the assets of the Group; the Group should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve segregation, so the portfolio of the Group may experience increased exposure to credit risk associated with the applicable financial institutions.



# NOTES TO THE FINANCIAL STATEMENTS

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

### (d) Market risk

Market price risk in the context of the Group and its underlying investments is the risk that the market determined price of an investment (both listed and unlisted) declines, resulting in an unrealised loss in the value of an investment.

The Group does not actively hedge its exposure to the risk of a general decline in equity market values. To manage market price risk, the Group would maintain a portfolio across various targeted markets, industries, originators and segments so as to reduce the risk that a fall in the market price of one investment, and consequently the value of the investment, would be extended across a large proportion of the portfolio.

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

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

The table below sets out the Group and the Company's exposure to market price risks as at 31 December 2021 and 31 December 2020. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Fair value through profit or loss				
- Listed equities	51,667	39,991	51,667	39,991
	51,667	39,991	51,667	39,991

### Sensitivity analysis - market price risk

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

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Fair value through profit or loss				
- Listed equities	(5,167)	(3,999)	(5,167)	(3,999)

# NOTES TO THE FINANCIAL STATEMENTS

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

### (e) *Liquidity risk*

The Group seeks to manage liquidity risk by maintaining sufficient cash flows and having an adequate amount of committed credit facilities, whenever necessary. The tables below set out the Group's and Company's financial liabilities as at 31 December 2021 and 31 December 2020 into relevant maturity groupings based on the contractual non-discounted cash flows.

2021 Group	Less than 3 months S\$'000	Within 3 to 12 months S\$'000	Within 1 to 5 years S\$'000	Total S\$'000
<b>LIABILITIES</b>				
Lease liabilities	10	54	124	188
Other liabilities	1,377	–	–	1,377
<b>Total Liabilities</b>	<b>1,387</b>	<b>54</b>	<b>124</b>	<b>1,565</b>

2021 Company	Less than 3 months S\$'000	Within 3 to 12 months S\$'000	Within 1 to 5 years S\$'000	Total S\$'000
<b>LIABILITIES</b>				
Lease liabilities	10	54	124	188
Other liabilities	1,377	–	–	1,377
<b>Total Liabilities</b>	<b>1,387</b>	<b>54</b>	<b>124</b>	<b>1,565</b>

2020 Group	Less than 3 months S\$'000	Within 3 to 12 months S\$'000	Within 1 to 5 years S\$'000	Total S\$'000
<b>LIABILITIES</b>				
Lease liabilities	16	45	–	61
Other liabilities	1,516	–	–	1,516
<b>Total Liabilities</b>	<b>1,532</b>	<b>45</b>	<b>–</b>	<b>1,577</b>

2020 Company	Less than 3 months S\$'000	Within 3 to 12 months S\$'000	Within 1 to 5 years S\$'000	Total S\$'000
<b>LIABILITIES</b>				
Lease liabilities	16	45	–	61
Other liabilities	1,516	–	–	1,516
<b>Total Liabilities</b>	<b>1,532</b>	<b>45</b>	<b>–</b>	<b>1,577</b>

### (f) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, capital efficiency, prevailing and projected profitability, projected cash flows and potential investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group is required to observe the total borrowing limits set out in Regulation 123 of the Constitution but these limits do not include limited recourse debt incurred at the investment or asset level.

# NOTES TO THE FINANCIAL STATEMENTS

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

### (g) Fair value measurements

#### (i) Classification of financial instruments

The table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group As at 31 December 2021	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	6,890	6,890
- Bonds	36,001	333	–	36,334
- Bank contingent convertibles	170,964	–	–	170,964
- Listed equities	51,667	–	–	51,667
	258,632	333	6,890	265,855

Company As at 31 December 2021	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	6,890	6,890
- Bonds	36,001	333	–	36,334
- Bank contingent convertibles	170,964	–	–	170,964
- Listed equities	51,667	–	–	51,667
	258,632	333	6,890	265,855

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

Group As at 31 December 2020	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	9,725	9,725
- Bonds	51,734	450	–	52,184
- Bank contingent convertibles	180,680	–	–	180,680
- Listed equities	39,991	–	–	39,991
	272,405	450	9,725	282,580
<b>Company</b>				
<b>As at 31 December 2020</b>	<b>Level 1 S\$'000</b>	<b>Level 2 S\$'000</b>	<b>Level 3 S\$'000</b>	<b>Total S\$'000</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Loan portfolio and securitisation assets	–	–	9,725	9,725
- Bonds	51,734	450	–	52,184
- Bank contingent convertibles	180,680	–	–	180,680
- Listed equities	39,991	–	–	39,991
	272,405	450	9,725	282,580

There were no transfer of financial assets between levels during the financial year ended 31 December 2021 and 2020.

The fair value of financial instruments quoted in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 and comprise listed equity securities, bonds and bank contingent convertibles.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value the financial assets are observable, the financial assets are included in Level 2.

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

#### (i) Listed Equity

As at 31 December 2021, there are 2 listed equities (31 December 2020: 1) which were suspended with no observable price and a nil carrying value.

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

##### (ii) Loan Portfolio and Securitisation Assets

As there is currently no active market and observable prices are not available for these investments, the Group has used broker or dealer quotes, which may be indicative and not executable or binding, to estimate their fair value.

Level 3 valuations are reported on a quarterly basis to the Board. The Board considers a number of factors when assessing the appropriateness of the valuation basis and the valuation result, which may include: performance of the underlying loan portfolio or underlying assets if available, assessment of expected future cash flows, recent transactions in the same or similar instrument and the volatility of and spread between broker quotes obtained.

As a result of the assessment above, these investments were valued at the lower of broker quotes or internal valuations calculated at S\$6.89 million (2020: S\$9.73 million).

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2021 and 31 December 2020.

Group	Level 3 S\$'000
At 1 January 2021	9,725
Disposals/redemptions	(3,297)
Net gain on financial assets at fair value through profit or loss	462
At 31 December 2021	6,890
Total gain for the year included in profit or loss for assets held at the end of the year	464
Group	Level 3 S\$'000
At 1 January 2020	15,478
Disposals/redemptions	(5,064)
Net loss on financial assets at fair value through profit or loss	(689)
At 31 December 2020	9,725
Total loss for the year included in profit or loss for assets held at the end of the year	(599)

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

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

As at 31 December 2021, S\$6.89 million (2020: S\$9.73 million) of these investments were valued based on broker quotes. Assuming a 5% increase (decrease) in broker quotes for investments valued based on broker quotes, the fair value will increase (decrease) by S\$0.34 million (2020: S\$0.49 million).

# NOTES TO THE FINANCIAL STATEMENTS

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

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

As at 31 December 2021, the Group is invested in an Australian RMBS, a USD denominated CLO and a USD denominated credit-linked note (CLN). The CLO investment is in mezzanine notes which are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt. The CLN investment references a portfolio of trade finance obligations and corporate loans, with the obligors mainly domiciled in Asia. These securitisation vehicles are structured entities which are managed by third party collateral managers and trustees. These structured entities finance their assets through the issuance of notes or tranches which will be paid coupons and principal from the interest and principal received from the underlying loan portfolio.

As at 31 December 2020, the Group invested in a portfolio of Australian RMBS. The Group also invested in a portfolio of USD and Euro denominated CLO and a CLN.

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2021 and 31 December 2020 are disclosed in the following tables.

Investments	Number of investments	Total portfolio size <sup>1</sup> S\$'000	Carrying amount of securities rated B3/B-/B- <sup>2</sup> and above S\$'000	Carrying amount of securities rated below B3/B-/B- <sup>2</sup> or unrated S\$'000	Carrying amount as at 31 December 2021 S\$'000
<b>Group</b>					
Asset backed securities	1	420,599	486	–	486
USD-denominated CLO/CLN notes	2	5,238,638	3,725	2,679	6,404

<sup>1</sup> Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2021.

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

# NOTES TO THE FINANCIAL STATEMENTS

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

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

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

<sup>1</sup> Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2020.

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

These investments are debt instruments entitled to floating rate coupons. None of the above is in the form of ordinary or preference shares.

The Group's maximum exposure to loss from its interest in unconsolidated structured entities is equal to the total carrying amount of the above investments. Once the Group has disposed of its holding in the notes issued by the structured entity, the Group ceases to be exposed to any risk from that structured entity.

The Group's investment strategy seeks to acquire investments that provide attractive returns adjusted for the risk associated with the investment and which enhance the overall portfolio owned by the Group. Total purchases during the year ended 31 December 2021 was nil (2020: nil). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

## 5. Other operating expenses

	Group	
	For the year ended 31 December 2021 S\$'000	For the year ended 31 December 2020 S\$'000
<b>Operating expenses</b>		
Professional fees	1,180	1,170
Investor relations expenses	228	247
Directors' fees	358	379
Other expenses	255	211
<b>Total other operating expenses</b>	<b>2,021</b>	<b>2,007</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 6. Income tax expense

	Group	
	For the year ended 31 December 2021 S\$'000	For the year ended 31 December 2020 S\$'000
<b>Income tax expense</b>		
Current tax	130	120
Tax expense on profit differs from the amount that would arise using the standard rate of income tax due to the following:		
Profit from continuing operations before income tax expense	15,022	14,439
Withholding tax	130	120
Income tax expense	130	120

For the financial years ended 31 December 2021 and 31 December 2020, income tax expense arose mainly from withholding tax relating to dividend income from listed equities.

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

## 7. Dividends paid and declared

For the financial year ended 31 December 2021, the Directors have recommended the payment of a final dividend of 0.40 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 28 April 2022. This dividend will be paid on and about 22 June 2022.

The Company distributed a 2021 interim dividend of 0.40 Singapore cents per share amounting to S\$6.42 million on 7 October 2021. S\$2.12 million was paid in cash and S\$4.30 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2020 final dividend of 0.40 Singapore cents per share amounting to S\$6.38 million was distributed on 10 June 2021. S\$2.28 million was paid in cash and S\$4.10 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

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

For the financial year ended 31 December 2021, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is a tax resident of Singapore.

The Company has also received confirmation from the Inland Revenue Authority of Singapore that it is a tax resident of Singapore for financial year ending 31 December 2022.

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

# NOTES TO THE FINANCIAL STATEMENTS

## 8. Investments in subsidiaries

	Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<b>Equity investments at cost</b>		
At beginning of financial year	-	-
Return of capital	-	-
Impairment	-	-
<b>At end of financial year</b>	<b>-</b>	<b>-</b>

Further details of the subsidiaries are included in Note 18.

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

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

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<b>Non-current</b>				
Loan portfolio and securitisation assets	6,890	9,725	6,890	9,725
Bonds	34,197	23,931	34,197	23,931
Bank contingent convertibles	170,964	180,680	170,964	180,680
	<b>212,051</b>	<b>214,336</b>	<b>212,051</b>	<b>214,336</b>
<b>Current</b>				
Bonds	2,137	28,253	2,137	28,253
Listed equities	51,667	39,991	51,667	39,991
	<b>53,804</b>	<b>68,244</b>	<b>53,804</b>	<b>68,244</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>265,855</b>	<b>282,580</b>	<b>265,855</b>	<b>282,580</b>

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

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Realised	1,334	1,752	1,334	1,752
Unrealised	5,210	(1,086)	5,210	(1,086)
<b>Total gain/(loss)</b>	<b>6,544</b>	<b>666</b>	<b>6,544</b>	<b>666</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 10. Cash and cash equivalents

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Cash at bank	6,126	9,967	6,126	9,967
Short-term deposits	35,795	16,941	35,795	16,941
<b>Total cash and cash equivalents</b>	<b>41,921</b>	<b>26,908</b>	<b>41,921</b>	<b>26,908</b>

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between four days and nine months (2020: two days and one year) and earn interest on short-term deposit rates varying 0.01% to 2.82% (2020: 0.02% to 2.70%).

## 11. Other assets

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Interest receivables	2,871	3,683	2,871	3,683
Prepayment	15	15	15	15
Deposit	22	37	22	37
Other receivables	85	173	85	173
<b>Total other assets</b>	<b>2,993</b>	<b>3,908</b>	<b>2,993</b>	<b>3,908</b>

The carrying value of other assets as at 31 December 2021 and 31 December 2020 approximates their fair value due to the short-term nature.

## 12. Other liabilities

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Base management fees payable to SICIM	670	606	670	606
Other payables	707	910	707	910
<b>Total other liabilities</b>	<b>1,377</b>	<b>1,516</b>	<b>1,377</b>	<b>1,516</b>

The carrying value of other liabilities as at 31 December 2021 and 31 December 2020 approximates their fair value due to the short-term nature.

# NOTES TO THE FINANCIAL STATEMENTS

## 13. Share capital

Group and Company	2021		2020	
	No. of shares '000	Amount S\$'000	No. of shares '000	Amount S\$'000
<b>Issued ordinary shares</b>				
At beginning and end of financial year	1,723,842	270,837	1,723,842	270,837
<b>Treasury shares</b>				
At beginning of financial year	(94,914)	(12,978)	(30,313)	(4,203)
Purchase of treasury shares	(85,611)	(12,980)	(131,097)	(17,624)
Transfer of treasury shares	56,974	7,730	66,496	8,849
At end of financial year	(123,551)	(18,288)	(94,914)	(12,978)
<b>Issued ordinary shares net treasury shares</b>	<b>1,600,291</b>	<b>252,609</b>	<b>1,628,928</b>	<b>257,859</b>

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

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

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

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

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

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

## 14. Capital reserve

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
At beginning of financial year	68	2	68	2
Transfer of treasury shares	674	66	674	66
<b>At end of financial year</b>	<b>742</b>	<b>68</b>	<b>742</b>	<b>68</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 15. Retained earnings

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
At beginning of financial year	53,947	54,262	53,947	54,262
Net profit for the year	14,892	14,319	14,892	14,319
Dividends paid	(12,802)	(14,634)	(12,802)	(14,634)
At end of financial year	<b>56,037</b>	<b>53,947</b>	<b>56,037</b>	<b>53,947</b>

## 16. Net asset value

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Total net asset value (S\$'000)	309,388	311,874	309,388	311,874
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,600,291	1,628,928	1,600,291	1,628,928
Net asset value per ordinary share (S\$ per share)	<b>0.1933</b>	<b>0.1915</b>	<b>0.1933</b>	<b>0.1915</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 17. Related party transactions

### *Directors' remuneration*

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

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

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

The total directors' fees for year ended 31 December 2021 amounted to S\$0.36 million (2020: S\$0.38 million).

### *Intercompany receivables/payables*

As at 31 December 2021 and 31 December 2020, there were no intercompany receivables/payables from/to the subsidiaries.

### *The Manager*

The following transactions were carried out with SICIM:

	Group	
	2021 S\$'000	2020 S\$'000
<b>Transactions with SICIM</b>		
Base management fees	2,627	2,320
Incentive fees	2,335	–
Fixed management fees	650	650
Other fees and reimbursement of expenses	402	378
Divestment fees	545	595
<b>Total</b>	<b>6,559</b>	<b>3,943</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 17. Related party transactions (Cont'd)

### *The Manager (Cont'd)*

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<b>Balances with SICIM</b>				
Accrued base management fees	670	606	670	606
Accrued fixed management fees	164	163	164	163
Accrued other fees and reimbursement of expenses	113	97	113	97
Accrued divestment fees	110	235	110	235
<b>Total payable to the manager</b>	<b>1,057</b>	<b>1,101</b>	<b>1,057</b>	<b>1,101</b>

### *Transactions with other related parties*

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

	Group		Company	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Professional fees	3	3	3	3
	3	3	3	3

## 18. Controlled entities

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

Name of entity	Principal activities	Country of incorporation	% of equity held by the Group 2021	% of equity held by the Group 2020	Reporting date
BBSFF Operating Lease Limited <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Rail Fund No. 1 Limited <sup>1</sup>	Investments in operating lease assets	Cayman Islands	100%	100%	31 December

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



# NOTES TO THE FINANCIAL STATEMENTS

## 19. Segment reporting

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, bonds, bank contingent convertibles and listed equities. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2021.

	Loan Portfolio and Securitisation Assets	Bonds				Bank Contingent Convertibles				Listed Equities			Cash and cash equivalents	Total
		Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000		
2021														
For the year ended 31 December 2021														
Total segment income	907	16	262	2,938	58	8,083	47	47	904	235	6,497	342	1,669	22,005
Segment profit/(loss) before tax	907	16	262	2,938	58	8,083	47	47	904	235	6,497	342	1,669	22,005
Included segment items														
Dividend income	-	-	-	-	-	-	-	-	-	45	1,688	3	-	1,736
Interest income	479	-	496	217	797	8,829	26	102	1,080	-	-	-	682	12,708
Net gain/(loss) on financial assets at fair value through profit or loss	428	16	(238)	2,714	(746)	(770)	21	(55)	(154)	190	4,798	340	-	6,544
Net foreign exchange gain/(loss)	-	-	4	7	7	24	-	-	(22)	-	11	(1)	987	1,017
As at 31 December 2021														
Total segment assets	6,959	401	14,385	10,915	11,124	154,124	-	1,462	17,518	1,775	49,318	590	42,095	310,666
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 19. Segment reporting (Cont'd)

	Loan Portfolio and Securitisation Assets	Bonds				Bank Contingent Convertibles				Listed Equities			Cash and cash equivalents	Total
		Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000		
2020													S\$'000	S\$'000
For the year ended 31 December 2020														
Total segment income	21	340	3,203	(987)	507	13,316	60	162	1,522	(9)	(982)	(306)	1,919	18,766
Segment profit/(loss) before tax	21	340	3,203	(987)	507	13,316	60	162	1,522	(9)	(982)	(306)	1,919	18,766
Included segment items														
Dividend income	-	-	-	-	-	-	-	-	-	36	1,563	-	-	1,599
Interest income	742	72	1,666	1,098	816	8,968	70	105	1,191	-	-	-	196	14,924
Net gain/(loss) on financial assets at fair value through profit or loss	(727)	267	1,525	(2,078)	(319)	4,465	(10)	57	376	(46)	(2,538)	(306)	-	666
Net foreign exchange gain/(loss)	6	1	12	(7)	10	(117)	-	-	(45)	1	(7)	-	1,723	1,577
As at 31 December 2020														
Total segment assets	9,816	385	31,096	10,109	11,866	164,693	1,774	1,517	14,948	1,588	38,356	149	26,987	313,284
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 19. Segment reporting (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities

	Group	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<b>Segment profits</b>		
Reported profit for reportable segments	22,005	18,766
Management fees	(2,627)	(2,320)
Incentive fees	(2,335)	–
Other operating expenses	(2,021)	(2,007)
<b>Profit before income tax</b>	<b>15,022</b>	<b>14,439</b>
<b>Segment assets</b>		
Reported assets for reportable segments	310,666	313,284
Other assets (excluding interest and dividend receivables)	103	112
Right-of-use asset	184	55
<b>Total assets</b>	<b>310,953</b>	<b>313,451</b>
<b>Segment liabilities</b>		
Reported liabilities for reportable segments	–	–
Management fee payable	(834)	(769)
Lease liabilities (current and non-current)	(188)	(61)
Other payables	(543)	(747)
<b>Total liabilities</b>	<b>(1,565)</b>	<b>(1,577)</b>

## 20. Leases

### Group as a lessee

During the financial year ended 31 December 2021, the Group had total cash outflow for leases of S\$90,794 (2020: S\$94,674). The Group has also entered into a new lease agreement for its office unit with a lease term of 3 years to 2024.

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

	Group and Company	
	2021 S\$'000	2020 S\$'000
Balance at beginning of the financial year	55	141
Additions	208	–
Rental rebate adjustment	–	(7)
Depreciation	(79)	(79)
Balance at end of the financial year	184	55

# NOTES TO THE FINANCIAL STATEMENTS

## 20. Leases (Cont'd)

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

	Group and Company	
	2021 S\$'000	2020 S\$'000
Balance at beginning of the financial year	61	141
Additions	208	–
Rental rebate adjustment	–	(7)
Interest	10	10
Payment	(91)	(83)
Balance at end of the financial year	188	61

## 21. Earnings per share

### (a) Basic

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

	Group	
	2021	2020
Earnings used in calculation of basic earnings per share (S\$'000)	14,892	14,319
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,606,659	1,647,158
<b>Basic earnings per share (cents per share)</b>	<b>0.93</b>	<b>0.87</b>

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares for the year.

	2021	2020
Earnings used in calculation of diluted earnings per share (S\$'000)	14,892	14,319
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,606,659	1,647,158
<b>Diluted earnings per share (cents per share)</b>	<b>0.93</b>	<b>0.87</b>

## 22. Remuneration of auditors

	Group	
	2021 S\$'000	2020 S\$'000
Amounts payable/paid to auditors for:		
Audit services	108	108

Fee payable to the auditors for non-audit services in 2021 is Nil (2020: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Events occurring after Balance Sheet Date

In February 2022, a number of countries (including Australia, EU, Japan, UK, the US, and others) imposed new sanctions against Russian government entities, state-owned enterprises, or sanctioned entities and individuals linked to Russia anywhere in the world. Subsequently, on 5 March 2022, the Singapore Government announced sanctions which prohibited financial institutions from entering into transactions with 4 designated Russian banks. GIL does not have any exposure to these 4 sanctioned banks.

As at 31 December 2021, the Group's exposure to Russia is by way of bonds and bank contingent convertibles issued by subsidiaries of Russian financial institutions incorporated in Ireland. Subsequent to the year end, one of the bank contingent convertibles was redeemed. As the exposure arose from the Group's usual course of business, the Board assessed the Group's exposure and concluded that the maximum loss of these bonds and bank contingent convertibles is limited to the value of the remaining investment amounting to US\$7.9 million or S\$10.7 million. The Board has deemed that the exposure, being less than 5% of the NAV, is immaterial as at 31 December 2021. The management continues to monitor and assess the impact of the sanctions on the financial results and condition of the Group in future periods.

## 24. Standards issued but not yet effective

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 January 2022 or later periods and which the Group has not early adopted:

- SFRS(I) 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)

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

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 1. INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Rule 920) S\$'000	
SICIM	Manager and an associate of GIL's directors and controlling shareholder.	Base management fees	2,627
		Incentive fees	2,335
		Fixed management fees	650
		Other fees and reimbursement of expenses	402
		Divestment fees	545

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

## 2. INVESTMENTS

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

31 December 2021

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

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

31 December 2020

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

## 3. MATERIAL CONTRACTS

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

## 4. LAND AND BUILDINGS

GIL does not own any land or buildings.



# SHAREHOLDERS' INFORMATION

As at 7 March 2022

Number of Issued Shares	-	1,591,021,601 (excluding treasury shares)
Number of Treasury Shares <sup>1</sup>	-	132,820,845 or 8.35%*
Class of Shares	-	Ordinary shares
Voting Rights	-	1 vote per share (excluding treasury shares)

<sup>1</sup> Excludes shares bought back by the Company that have not been credited to the Company's account on 7 March 2022.

## SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	288,849,065	–

The information in this table does not take into account the 1,500,000 shares bought back by the Company from the market on 3 March 2022, 4 March 2022 and 7 March 2022 respectively, and held as Treasury Shares.

## DISTRIBUTION OF SHAREHOLDINGS

Range of Holdings	Number of Shareholders	Percentage (%) <sup>*</sup>	Number of Shares	Percentage (%) <sup>*</sup>
1-99	437	6.76	17,701	0.00
100 – 1,000	586	9.06	453,734	0.03
1,001 – 10,000	1,350	20.87	6,986,135	0.44
10,001 – 1,000,000	3,939	60.90	475,581,545	29.89
1,000,001 and above	156	2.41	1,107,982,486	69.64
<b>Total</b>	<b>6,468</b>	<b>100.0</b>	<b>1,591,021,601</b>	<b>100.0</b>

## TOP 20 SHAREHOLDER

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

No.	Name	Number of Shares held	Percentage (%) <sup>*</sup>
1	BOON SWAN FOO	288,849,065	18.15
2	DBS NOMINEES (PRIVATE) LIMITED	146,947,306	9.24
3	GOH SI HUI (WU SIHUI)	72,653,325	4.57
4	CITIBANK NOMINEES SINGAPORE PTE LTD	47,307,690	2.97
5	RAFFLES NOMINEES (PTE.) LIMITED	43,215,861	2.72
6	PHILLIP SECURITIES PTE LTD	40,941,049	2.57
7	OCBC SECURITIES PRIVATE LIMITED	33,146,888	2.08
8	GOH SI KAI (WU SIKAI)	31,356,240	1.97
9	DB NOMINEES (SINGAPORE) PTE LTD	16,608,044	1.04
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,482,088	0.91
11	YIM CHEE CHONG	12,723,665	0.80
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	12,287,819	0.77
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	11,131,825	0.70
14	FRED BAEY LIAN CHOO @ BAUY LIAN CHOO OR HELEN BAEY-CHIN SIAU MOI	11,084,520	0.70
15	SEE YONG KIAT	8,899,399	0.56
16	ATMA SINGH S/O NAND SINGH	8,748,573	0.55
17	TEO SOO BENG	7,392,106	0.46
18	WEE HIAN KOK	7,299,540	0.46
19	LOY SIM PIN	7,283,493	0.46
20	HSBC (SINGAPORE) NOMINEES PTE LTD	6,525,252	0.41
<b>Total</b>		<b>828,883,748</b>	<b>52.09</b>

Based on information available as at 7 March 2022, approximately 81.85%\* of the issued shares of GIL are held by the public and therefore, Listing Rule 723 has been complied with.

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

# MANAGEMENT AGREEMENT

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

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

The fee structure of SICIM is summarised below.

Fee Structure	
Base fee	<ul style="list-style-type: none"> <li>1.0% of Net Investment Value up to S\$1.5 billion and 1.5% of Net Investment Value in excess of S\$1.5 billion.</li> </ul>
Incentive fee <sup>1</sup>	<ul style="list-style-type: none"> <li>20.0% of excess Share Return over Benchmark Return after recovering any Deficit carried forward from previous periods.</li> <li>Share Return is an amount computed based on AMCIF multiplied by the movement in the Share Accumulation Index (SAI) which measures the accumulated SGX-ST traded value of the Company's Shares. Any dividend payment will have an impact on the calculation of the SAI.</li> <li>Benchmark Return is computed based on AMCIF multiplied by an annualised return of 8%.</li> </ul>
Fixed fee	<ul style="list-style-type: none"> <li>Fixed fee of S\$0.65 million per annum.</li> <li>Third party expenses reimbursed by GIL.</li> </ul>
Acquisition fee	<ul style="list-style-type: none"> <li>1.0% of: <ul style="list-style-type: none"> <li>Total risk capital invested by GIL in the investment; and</li> <li>Percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by SICIM in relation to the acquisition (but excluding debt provided by GIL).</li> </ul> </li> </ul>
Divestment fee	<ul style="list-style-type: none"> <li>Only for assets acquired after 25 November 2009.</li> <li>3.0% on net disposal proceeds, subject to profit after divestment being greater than zero.</li> </ul> <p>Note: If the divestment fee payable is greater than GIL's profit after divestment, the divestment fee shall equal GIL's profit after divestment.</p>
Debt raising fee	<ul style="list-style-type: none"> <li>0.5% of senior debt raised.</li> <li>0.7% of subordinated or mezzanine debt raised.</li> </ul> <p>Note: The fee payable is only applicable to debt raised at GIL level and/or at any investee entities' level for which the relevant creditor has recourse to GIL, including debt raised from any SICIM Associate.</p>
Payment of fees	<ul style="list-style-type: none"> <li>The Board has the sole discretion to pay up to 100% of SICIM's fees in the form of shares rather than cash.</li> </ul>

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

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

## COMPUTATION OF INCENTIVE FEE

		1H 2021	2H 2021
	Number of Days in the Relevant Half Year	181	184
	ATPIF	\$0.139895	\$0.152859
	ANIF	1,723,842,446	1,723,842,446
A	AMCIF = (ATPIF * ANIF)	S\$241,156,938.98	S\$263,504,832.45
B	Average SAI in the preceding Half Year	S\$0.3718	S\$0.4165
C	Average SAI in the Relevant Half Year	<b>S\$0.4165</b>	<b>S\$0.4318</b>
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	S\$7,936,466	–
	<u>New Shares Issuance</u>		
F	Number of Days from issue date to end of Relevant Half Year	–	–
G	Issue Price	–	–
H	Additional number of Shares issued	–	–
I	G * H	–	–
J	Benchmark rate of return for the issue period	–	–
	Share Return for the Relevant Half Year		
	= A * (C-B)/B + H * (C-G)	S\$28,993,317	S\$9,679,769
	Benchmark Return for the Relevant Half Year		
	= A * D + I * J	S\$9,381,451	S\$10,424,046
	Share Return-Benchmark Return - Deficit	S\$11,675,400	(S\$744,277)
	Deficit Carried Forward	–	(S\$744,277)
	Manager Incentive Fee @ 20%	S\$2,335,080	–

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

# GLOSSARY

Term	Meaning
Net Investment Value	<p>Net Investment Value calculated in SGD in respect of a quarter means AMC where:</p> <p>AMC is the Average Market Capitalisation in respect of the relevant quarter calculated as follows:</p> <p><math>AMC = (ATP \times AN)</math></p> <p>where:</p> <p>ATP is, in relation to a quarter, the average of the daily Volume Weighted Average Price (VWAP) over the last 20 SGX-ST trading days of Shares in the relevant quarter (excluding the additional market capitalisation represented by the issuance of Shares during the last 20 SGX-ST trading days of the relevant quarter); and</p> <p>AN is the average closing number of Shares that are issued and to be issued as fully paid for scrip dividend, bonus shares and subdivision of existing shares (whether or not officially quoted by SGX-ST) but excluding Shares issued that represent additional paid up share capital during the last 20 SGX-ST trading days of Shares during the relevant quarter.</p> <p>VWAP is, in respect of any trading day on the SGX-ST, the volume weighted average price per Share for sales in those securities on the SGX-ST on that trading day, where each price is weighted by the number of Shares sold at various prices that day. Special crossings, crossings outside of normal trading hours and option-related transactions on the SGX-ST are to be excluded from the VWAP calculation.</p>
NGC	Nomination and Governance Committee
Relevant Half Years	<p>At any time during a Half Year means the preceding Half Years during the period commencing on the most recent of:</p> <ul style="list-style-type: none"> <li>(a) the beginning of the first half year ended 30 June 2010;</li> <li>(b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and</li> <li>(c) the commencement of the Half Year following the most recent Half Year in respect of which the incentive fee was last accrued and became payable.</li> </ul>
RC	Remuneration Committee
Related Corporations	Related Corporations in relation to a corporation means any corporation deemed to be related to it under section 6 of the Singapore Companies Act, i.e. a corporation that is the first-mentioned corporation's holding company, subsidiary or fellow subsidiary.
RMBS	Residential Mortgage-Backed Securities
SGX-ST	Singapore Exchange Securities Trading Limited
Shares	Ordinary shares in the capital of the Company
Shareholder	Holder of the Shares in the Company

Term	Meaning
SAI	Share accumulation index is formulated by the Manager to measure the accumulated SGX-ST traded value of Shares, with the initial value assigned to such index being the closing price of the trading day following the Commencement Date (25 November 2009), assuming that any dividends of the Company are reinvested at the closing price of Shares on the SGX-ST on the payment date of such dividends. For the purposes of calculation of this index, the price per Share will be grossed up by the dividend entitlement for the period between the Share going ex-dividend and the dividend being paid.
Share Return	<p>For a Half Year means the AMCIF for that Half Year multiplied by the movement in the SAI for the Shares over the Relevant Half Year expressed as a fraction, based on the average daily closing value of this index over the last 20 SGX-ST trading days of the Half Year compared with the average daily closing value of this index over the last 20 SGX-ST trading days of the preceding Half Year.</p> <p>To the extent that additional Shares are issued during the Relevant Half Year, the Share Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued multiplied by the value of the difference between (i) the average daily closing value of the SAI over the last 20 SGX-ST trading days of the Relevant Half Year and (ii) the issue price of such additional shares.</p>
Share Value	Average of the SAI over the last 20 SGX-ST trading days in respect of the Relevant Half Year.
SICIM Associates	Any Related Corporation of SICIM and any entity in respect of which SICIM or a Related Corporation of SICIM has been appointed a responsible entity or with whom SICIM or a Related Corporation of SICIM has entered into a management, trustee or similar agreement.
2018 Code	Singapore Code of Corporate Governance 2018
Threshold Amount	The higher of (a) S\$0.25 and (b) S\$0.36 being the Company's unaudited net asset value per Share as at 30 September 2009, subject to adjustments made in respect of changes in the share capital of the Company.
Total Share Return	For a Half Year the sum of the Share Returns for the Relevant Half Years for that Half Year.
Total Benchmark Return	For a Half Year means the sum of the Benchmark Returns for the Relevant Half Years for that Half Year.

# NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting of Global Investments Limited (**Company**) will be convened and held by way of electronics means on Thursday, **28 April 2022** at **10.00 a.m.** to transact the following businesses:

## ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**
2. To declare a final tax exempt one-tier dividend of 0.40 cents per ordinary share for the financial year ended 31 December 2021. **(Resolution 2)**
3. To note the retirement of Mr Seah Lim Siang.
4. To elect Mr Ng Thiam Poh who is retiring under Regulation 107 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. **(Resolution 3)**
5. To re-elect Mr Boon Swan Foo who is retiring under Regulation 103 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. **(Resolution 4)**
6. To approve payment of Directors' fees of up to S\$380,200.00 for the financial year ending 31 December 2022 (2021: S\$380,200.00). **(Resolution 5)**
7. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

## SPECIAL BUSINESS

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

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

8. That, pursuant to Section 161 of the Companies Act 1967 (**Companies Act**), and the listing rules of the Singapore Exchange Securities Trading Limited (**SGX-ST**), authority be and is hereby given to the Directors to:
  - (1)
    - a. issue Shares in the capital of the Company (**Shares**) whether by way of rights, bonus or otherwise; and/or
    - b. make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible or exchangeable into Shares
  - at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion, deem fit; and
  - (2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,



# NOTICE OF 2022 ANNUAL GENERAL MEETING

provided that:-

- a. the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed 50% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- b. (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
  - (i) New Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) Any subsequent bonus issue, consolidation or sub-division of Shares.
- c. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing manual of the SGX-ST (**Listing Manual**) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- d. unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company (**AGM**) or the date by which the next AGM is required by law to be held, whichever is the earlier.

## Proposed Renewal of the Share Buyback Mandate

(Resolution 8)

9. That:

- (1) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary Shares of the Company not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - a. on-market purchase(s) on the SGX-ST which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - b. off-market purchase(s) effected otherwise than on the SGX-ST, in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act and as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual,

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

# NOTICE OF 2022 ANNUAL GENERAL MEETING

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- a. the date on which the next AGM is held or required by law to be held;
  - b. the date on which Share Buyback Mandate has been carried out to the full extent mandated; or
  - c. the date on which the authority conferred by the Share Buyback Mandate is revoked or varied.
- (3) in this Resolution:
- “Maximum Percentage”** means the number of issued ordinary Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding the Shares which are held as treasury shares as at that date); and
- “Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed: -
- a. in the case of on-market purchase(s) of a Share, 5% above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded before the day of the on-market purchase by the Company, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5)-day period; and
  - b. in the case of off-market purchase(s) of a Share, 20% above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded before the date on which the Company makes an announcement of an offer under the off-market purchase scheme, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the off-market purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5)-day period; and
- (4) the Directors of the Company and/or each of them be and are hereby authorised to do such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

## Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme (Resolution 9)

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

- (1) allot and issue from time to time such number of ordinary Shares in the capital of the Company (including but not limited to Shares held in treasury) as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme pursuant to Section 161 of the Companies Act; and
- (2) to complete and do all acts and things (including executing such documents as may be required in connection with the Scrip Dividend Scheme) as they may consider desirable, necessary or expedient to give full effect to this Resolution and the Scrip Dividend Scheme.

# NOTICE OF 2022 ANNUAL GENERAL MEETING

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

By Order of the Board

Lin Moi Heyang  
Company Secretary  
1 April 2022

## EXPLANATORY NOTES:

**Agenda item 3** - Mr Seah Lim Siang has retired from office without seeking re-election. Accordingly, Mr Seah Lim Siang has relinquished his position as the Lead Independent Director, Chairman of the Audit and Risk Management Committee and member of the Nomination and Governance Committee on 31 December 2021. Mr Abdul Jabbar has been appointed as the Lead Independent Director since 1 January 2022.

**Resolutions 3 and 4** - Mr Ng Thiam Poh will, upon re-election, continue to serve as Chairman of the Remuneration Committee and member of the Nomination and Governance Committee. Mr Ng is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Boon Swan Foo will, upon re-election, continue to serve as Chairman of the Board and member of the Nomination and Governance Committee.

Key information of Mr Ng and Mr Boon as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Additional Information On Directors Seeking Re-election" in the Annual Report 2021.

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

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

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

## Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. For the safety of all shareholders, the AGM will be held wholly by electronic means.
2. A member will be able to participate in the AGM proceedings by watching a "live" webcast (the "Live AGM Webcast") via their mobile phones, tablets or computers. In order to do so, Members must pre-register at the Company's pre-registration website at the URL <https://septusasia.com/globalinvestments-agm-registration> by **10.00 a.m. on 25 April 2022 (Registration Deadline)** for verification of their status as shareholders (or the corporate representatives of such shareholders).
3. Following the verification, authenticated members will receive an email by **26 April 2022**, and will be able to access the Live AGM Webcast by clicking on the link in the email and entering the user ID and password.

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

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

# NOTICE OF 2022 ANNUAL GENERAL MEETING

4. Members may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM via the Company's pre-registration website at the URL <https://septusasia.com/globalinvestments-agm-registration> by the Registration Deadline.
5. The Company will endeavour to address all substantial and relevant questions received from members on or before **9 April 2022** by publishing the responses to those questions on SGXNET and the Company's website at least 72 hours before the closing date and time for the lodgement of proxy forms. Where substantial and relevant questions submitted by members (after **9 April 2022** but before **18 April 2022**) are unable to be addressed prior to the AGM, the Company will address them during the AGM.
6. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of AGM.
7. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at AGM. The proxy form (Proxy Form) for the AGM may be accessed at the URL <https://globalinvestmentslimited.com/category/meetings/> and is available on the SGX website at the URL <https://www.sgx.com/securities/equities/B73#Company%20Announcements>.

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

8. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **5.00 p.m. on 18 April 2022**.
9. The Chairman of the AGM, as proxy, need not be a Member of the Company.
10. The duly executed Proxy Form must be submitted to the Company in the following manner:
  - a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
  - b) if submitted electronically, by sending a scanned pdf copy by email to [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com).

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

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

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

11. The Annual Report 2021 and the Addendum to the Notice of AGM Relating to the Proposed Renewal of the Share Buyback Mandate have been published on the Company's website at the URL <https://globalinvestmentslimited.com/category/meetings/> and may be accessed on the SGX website at the URL <https://www.sgx.com/securities/equities/B73#Company%20Announcements>.

## PERSONAL DATA PRIVACY

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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ng Thiam Poh	Boon Swan Foo
Date of Appointment	20 October 2021	20 December 2011
Date of last re-appointment	–	19 June 2020
Age	67	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board has considered the recommendation of the Nomination and Governance Committee and was of the view that Mr Ng's qualification and experience will enhance the composition of the Board and benefit the Company.</p> <p>Mr Ng abstained from the deliberations of the NGC as well as that of the Board pertaining to his re-election.</p>	<p>The Board has considered the recommendation of the Nomination and Governance Committee and unanimously agreed that Mr Boon's experience and leadership was essential to the Company.</p> <p>Mr Boon abstained from the deliberations of the NGC as well as that of the Board pertaining to his re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Independent Director	Chairman, Non-Executive Non-Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of Remuneration Committee and Member of Nomination and Governance Committee	Chairman of Board and member of the Nomination and Governance Committee
Professional qualifications	<ol style="list-style-type: none"> <li>Bachelor of Science, Naval Architecture &amp; Ocean Engineering, 1st Class Honours from University of Glasgow</li> <li>Diploma in Management Studies, University of Chicago</li> </ol>	<ol style="list-style-type: none"> <li>Fellow of Chartered Association of Certified Account (UK)-ACCA</li> <li>Masters of Business Administration from National University of Singapore</li> </ol>
Working experience and occupation(s) during the past 10 years	<p>Head of Supply Chain, Sembcorp Marine Ltd . (2016 to 2020)</p> <p>Chief Risk Officer, Sembcorp Marine Ltd (2004 to 2015)</p>	<p>CEO, Singapore Consortium Investment Management Limited (December 2015 to June 2019)</p> <p>CEO, Allgrace Investment Management Pte Ltd (October 2011 to December 2015)</p>
Shareholding interest in the listed issuer and its subsidiaries	No	288,849,065 ordinary shares of GIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ng Thiam Poh	Boon Swan Foo
Other Principal Commitments* Including Directorships (*Principal Commitments has the same meaning defined in the Code of Corporate Governance 2018)		
Past (for the last 5 years)	<i>Listed companies</i> Nil  <i>Non-listed companies</i> Nil	<i>Non-listed companies</i> <ul style="list-style-type: none"> <li>• Dongfeng Motor Corporation (China)</li> <li>• China National Offshore Oil Corporation</li> <li>• China Huadian Corporation (China)</li> </ul>
Present	<i>Listed companies</i> Nil  <i>Non-listed companies</i> Nil  <i>Other principal commitments</i> Nil	<i>Listed companies</i> <ul style="list-style-type: none"> <li>• Orica Limited</li> </ul> <i>Non-listed companies</i> <ul style="list-style-type: none"> <li>• Singapore Consortium Investment Management Limited</li> <li>• Allgrace Investment Management Private Limited</li> <li>• China Baowu Steel Group Corporation Limited (China)</li> </ul> <i>Other principal commitments</i> Temasek International Advisors Pte Ltd
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	Nil	Mr Boon has been a director on the GIL Board since 2011.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual		
The Directors had responded negative to items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual.		

# ADDENDUM



(Registered in the Republic of Singapore)  
(Company Registration No. 201900747E)

Managed by Singapore Consortium Investment Management Limited (*Manager*)

## Board of Directors

Mr Boon Swan Foo (Chairman and Non-Executive Director)  
Mr Abdul Jabbar Bin Karam Din (Lead Independent Director)  
Ms Tan Mui Hong (Non-Independent Director)  
Mr Lay Charlie Nhuc Hiang (Independent Director)  
Mr Ng Thiam Poh (Independent Director)

## Registered Office:

250 Tanjong Pagar Road #09-01  
St. Andrew's Centre  
Singapore 088541

1 April 2022

To: The Shareholders of Global Investments Limited

Dear Sir/Madam

## ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE (ADDENDUM)

### 1. INTRODUCTION

- 1.1 The purpose of this Addendum is to provide Shareholders of the Company (**Shareholders**) with information relating to Ordinary Resolution 8 set out in the Notice of Annual General Meeting dated 1 April 2022 (**Notice of AGM**) in respect of the proposed renewal of the mandate (**Share Buyback Mandate**) to purchase or otherwise acquire issued and fully paid-up ordinary shares (**Shares**) in the capital of Global Investments Limited (**Company**).
- 1.2 Any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate will be made in accordance with, and in the manner prescribed by the Constitution of the Company (**Constitution**), the listing manual (**Listing Manual**) of Singapore Exchange Securities Trading Limited (**SGX-ST**) and the Companies Act of Singapore 1967, as amended or modified from time to time (**Singapore Companies Act**), and such other laws and regulations as may for the time being be applicable.
- 1.3 SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Addendum. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.
- 1.4 If you have sold or transferred your ordinary shares in the capital of the Company, please immediately forward this Addendum, together with the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



# ADDENDUM

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

### 2.1 Background

The Share Buyback Mandate was originally approved by the Shareholders at a Special General Meeting held on 5 December 2011. Subsequently, the Shareholders have approved the renewal of the mandate every year.

At the AGM held on 22 April 2021 (**2021 AGM**), the Shareholders had approved, inter alia, the renewal of the Share Buyback Mandate. The authority and limitations on the Share Buyback Mandate were set out in the Addendum to Shareholders and Notice of the 2021 AGM dated 26 March 2021.

The 2021 Share Buyback Mandate was expressed to take effect on the date of the 2021 AGM and will expire on the conclusion of the forthcoming 2022 Annual General Meeting (**2022 AGM**). Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the 2022 AGM.

### 2.2 Rationale for proposed renewal of the Share Buyback Mandate

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

- (a) to provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders;
- (b) to the extent that the Company has capital and surplus funds which are in excess of its possible financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (c) to provide the Company with the flexibility to undertake Share repurchases at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force. The purchases or acquisitions may, depending on market conditions at the relevant time, lead to an enhancement of the net asset value (**NAV**) and/or earnings per Share (**EPS**) and would allow the Company to optimally allocate its resources and maximise Share value and is one of the ways through which the return on equity of the Company and its subsidiaries (the **Group**) may be enhanced.

The purchase or acquisition of Shares will only be undertaken if beneficial to the Company and the Shareholders. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the ten per cent (10%) limit described in paragraph 2.3, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent (10%) limit as authorised or at all and no purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position or financial position of the Company or the Group as a whole and/or will affect the listing status of the Company on the SGX-ST.

### 2.3 Authority and limits of the Share Buyback Mandate

The authority relating to, and limitations placed on, purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, if renewed at the 2022 AGM, are summarised below:

#### 2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares ascertained as at the date of the 2022 AGM at which the Proposed Adoption of the Share Buyback Mandate is approved (**Approval Date**), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Singapore Companies Act, at any time during the period commencing from the date of the 2022 AGM and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, in which event the issued Shares shall be taken to be the amount of the Shares as altered by such capital reduction excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time. For the purpose of computing the percentage of the Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

## 2.3.2 Duration of authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the share buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

## 2.3.3 Manner of Share Buyback

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

- (a) on-market purchases (**Market Purchases**), transacted through the SGX-ST's trading system through one or more duly licenced dealers appointed by the Company for the purpose, in accordance with Section 76E of the Singapore Companies Act; and/or
- (b) off-market purchases (**Off-Market Purchases**), other than on a securities exchange, in accordance with an equal access scheme in accordance with Section 76C of the Singapore Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Singapore Companies Act and the Constitution, as they may consider fit and in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or to acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (ii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares; and
  - (iii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptance;
- (c) the reasons for the proposed share buy-back;

# ADDENDUM

- (d) the consequences, if any, of share buy-back by the Company that will arise under the Singapore Code on Take-overs and Mergers (the **Take-over Code**) or other applicable take-over rules;
- (e) whether the share buy-back, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any share buy-back made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

## 2.3.4 Maximum purchase price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors, must not exceed:

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

(“**Maximum Price**”) in either case, excluding related expenses of the purchase.

For these purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) consecutive Market Days, on which the Shares are transacted on the SGX-ST were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase pursuant to an equal access scheme, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase pursuant to an equal access scheme, stating the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities.

## 2.4 Status of purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

## 2.5 Treasury shares

Under the Singapore Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Singapore Companies Act are summarised below:

### 2.5.1 Maximum holdings

The total number of Shares held as treasury shares and subsidiary holdings cannot at any time exceed 10% of the total number of issued Shares.

## 2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Singapore Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is permitted under the Singapore Companies Act. Also, a subdivision of any treasury share into a greater number of treasury shares, or a consolidation of treasury shares into a smaller number of treasury shares is permitted under the Singapore Companies Act so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

## 2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- a) sell the treasury shares for cash;
- b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- d) cancel the treasury shares; or
- e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Board shall lodge with ACRA within 30 days of the cancellation or disposal of treasury shares the notice of cancellation or disposal of treasury shares in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee.

## 2.6 Source of funds

The Company intends to utilise its internal funds to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.

## 2.7 Financial effects

It is not possible for the Company to realistically calculate or quantify the impact of the purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NAV and EPS as the resultant effect will depend on, inter alia, how the Shares are purchased or acquired, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

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## 2.7.1 Purchase or acquisition out of capital or profits

Where purchases or acquisitions of Shares by the Company are made out of the Company's capital, there will be no impact on the amount available for the distribution of cash dividends by the Company.

Under the Singapore Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Any share buyback will:

- (a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. The total amount of the purchase price shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits.

## 2.7.2 Information as at the Latest Practicable Date

As at 7 March 2022 (the Latest Practicable Date), the Company holds 134,320,845 treasury shares and there are no subsidiary holdings.

As at the Latest Practicable Date, the issued capital of the Company comprised 1,589,521,601 Shares excluding treasury shares and subsidiary holdings. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

For illustrative purposes only, based on 1,589,521,601 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased and held as treasury shares or cancelled, on or prior to the 2022 AGM, not more than 158,952,160 Shares (representing 10% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date and disregarding the 134,320,845 shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

## 2.8 Illustrative financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and
- (b) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

based on the latest audited financial statements of the Company and the Group for the financial year ended 31 December 2021 are set out below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

## 2.8.1 Purchases made entirely out of capital and held as treasury shares

### Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.160, which is 105% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 158,952,160 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$25,432,346. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2021 is as follows:

As at 31 December 2021	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	309,388	283,956	309,388	283,956
Treasury Shares (S\$'000)	(18,228)	(43,660)	(18,228)	(43,660)
NAV (S\$'000)	309,388	283,956	309,388	283,956
Current Assets (S\$'000)	98,718	73,286	98,718	73,286
Current Liabilities (S\$'000)	1,441	1,441	1,441	1,441
Cash & Cash Equivalents (S\$'000)	41,921	16,489	41,921	16,489
Net Profit (S\$'000)	14,892	14,892	14,892	14,892
Number of Shares, excluding Treasury Shares ('000)	1,600,291	1,441,339	1,600,291	1,441,339
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.33	19.70	19.33	19.70
Basic EPS (Cents per Share)	0.93	1.03	0.93	1.03

### Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.183, which is 120% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 158,952,160 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$29,088,246. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2021 is as follows:-

As at 31 December 2021	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	309,388	280,300	309,388	280,300
Treasury Shares (S\$'000)	(18,228)	(47,316)	(18,228)	(47,316)
NAV (S\$'000)	309,388	280,300	309,388	280,300
Current Assets (S\$'000)	98,718	69,630	98,718	69,630
Current Liabilities (S\$'000)	1,441	1,441	1,441	1,441
Cash & Cash Equivalents (S\$'000)	41,921	12,833	41,921	12,833
Net Profit (S\$'000)	14,892	14,892	14,892	14,892
Number of Shares, excluding Treasury Shares ('000)	1,600,291	1,441,339	1,600,291	1,441,339
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.33	19.45	19.33	19.45
Basic EPS (Cents per Share)	0.93	1.03	0.93	1.03



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## 2.8.2 Purchases made entirely out of capital and cancelled

### Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.160, which is 105% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 158,952,160 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$25,432,346. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2021 is as follows:

As at 31 December 2021	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	309,388	283,956	309,388	283,956
Treasury Shares (S\$'000)	(18,228)	(18,228)	(18,228)	(18,228)
NAV (S\$'000)	309,388	283,956	309,388	283,956
Current Assets (S\$'000)	98,718	73,286	98,718	73,286
Current Liabilities (S\$'000)	1,441	1,441	1,441	1,441
Cash & Cash Equivalents (S\$'000)	41,921	16,489	41,921	16,489
Net Profit (S\$'000)	14,892	14,892	14,892	14,892
Number of Shares, excluding Treasury Shares ('000)	1,600,291	1,441,339	1,600,291	1,441,339
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.33	19.70	19.33	19.70
Basic EPS (Cents per Share)	0.93	1.03	0.93	1.03

### Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.183, which is 120% of the Average Closing Price of the Shares over the 5 trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 158,952,160 Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) is S\$29,088,246. On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2021 is as follows:

As at 31 December 2021	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (S\$'000)	309,388	280,300	309,388	280,300
Treasury Shares (S\$'000)	(18,228)	(18,228)	(18,228)	(18,228)
NAV (S\$'000)	309,388	280,300	309,388	280,300
Current Assets (S\$'000)	98,718	69,630	98,718	69,630
Current Liabilities (S\$'000)	1,441	1,441	1,441	1,441
Cash & Cash Equivalents (S\$'000)	41,921	12,833	41,921	12,833
Net Profit/(Loss) (S\$'000)	14,892	14,892	14,892	14,892
Number of Shares, excluding Treasury Shares ('000)	1,600,291	1,441,339	1,600,291	1,441,339
<b>Financial Ratios</b>				
NAV per Share (Cents per Share)	19.33	19.45	19.33	19.45
Basic EPS (Cents per Share)	0.93	1.03	0.93	1.03



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 2021, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10 per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10 per cent (10%) of the issued Shares or at all. In addition, the Company may, subject to the requirements of the Singapore Companies Act, cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.

## 2.9 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the date of purchase, the total number of shares purchased or acquired, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

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

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 81.828% of the issued Shares, (excluding shares held in treasury) are held by public Shareholders. The word “public” is defined in the Listing Manual as persons other than directors, the chief executive officer, Substantial Shareholders or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate, approximately 79.809% of the issued Shares (excluding shares held in treasury) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

# ADDENDUM

## 2.10 Take-over obligations

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### 2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (**Rule 14**). If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14.

### 2.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise of individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent (30%) or more, or if the voting rights of such Directors and their concert parties fall between 30 per cent (30%) and 50 per cent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1 per cent (1%) in any period of six (6) months. In calculating the percentage of voting rights of such Directors and the persons acting in concert with them, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30 per cent (30%) or more, or, if such Shareholder holds not less than 30 per cent (30%) but not more than 50 per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1 per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

The interests of the respective Directors and Substantial Shareholder(s) of the Company, and where applicable, their relationship with respect to each other as at the Latest Practicable Date, are set out in section 3 of this Addendum below.

The Share Buyback Mandate is not intended to assist any Shareholder or its concert parties to obtain or consolidate control of the Company. The Directors will decide when, how many, and on what terms to purchase any Shares pursuant to the Share Buyback Mandate in the interests of the Company and its Shareholders as a whole, taking into account various commercial considerations such as the financial effects of the Share purchases on the Company.

**Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Share Buybacks by the Company should consult the Securities Industry Council of Singapore (SIC) and/or their professional advisers at the earliest opportunity.**

**For illustrative purposes only**, based on information available to the Company as at the Latest Practicable Date, the shareholdings of the respective Directors and Substantial Shareholder(s) of the Company before and after the purchase or acquisition of Shares pursuant to the Share Buyback Mandate, assuming that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares as at the Latest Practicable Date; (ii) there is no change in the number of Shares held by the respective Directors and Substantial Shareholder(s) of the Company as at the Latest Practicable Date; (iii) there are no further issue of Shares; and (iv) no Shares are held by the Company as treasury shares on or prior to the AGM, will be as follows:

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Name	Total Interest (Direct and Indirect)			
	Before the Share Buyback <sup>[1]</sup>	%	After the Share Buyback <sup>[2]</sup>	%
<b>Directors</b>				
Boon Swan Foo	288,849,065	18.172	288,849,065	20.191
Abdul Jabbar Bin Karam Din	–	–	–	–
Tan Mui Hong	–	–	–	–
Lay Charlie Nhuc Hiang	–	–	–	–
Ng Thiam Poh	–	–	–	–
<b>Substantial Shareholder(s)</b>				
Boon Swan Foo	288,849,065	18.172	288,849,065	20.191

**Note(s):**

<sup>[1]</sup> Based on the total number of 1,589,521,601 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

<sup>[2]</sup> Based on the total number of 1,430,569,441 issued Shares (excluding treasury shares), assuming that the Company purchases the maximum number of 158,952,160 Shares under the Share Purchase Mandate.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholder(s) of the Company would become obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Singapore Take-over Code as a result of a purchase by the Company of the maximum limit of 10% of the total number of issued Shares pursuant to the proposed Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may become obligated to make a mandatory offer, as a result of the relevant increase in the percentage of their shareholding interest in the Company, in the event that the Company purchases and cancels the maximum number of 158,952,160 Shares under the Share Buyback Mandate. As at the Latest Practicable Date, the only Substantial Shareholder of the Company, who is also a Director of the Company, is Mr Boon Swan Foo who holds 288,849,065 Shares representing approximately 18.172% of the total number of issued Shares (excluding treasury shares) and representing approximately 20.191% of the total number of issued Shares (excluding treasury shares) assuming that the Company purchases the maximum number of 158,952,160 Shares under the Share Buyback Mandate.

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

## 2.11 Share purchases in the previous 12 months

The Company had bought back 83,095,100 Shares at a total consideration of S\$12,757,183.72 in the last 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were S\$0.15817 and S\$0.14427 respectively.

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

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

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

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Boon Swan Foo	288,849,065	18.172	-	-
Abdul Jabbar Bin Karam Din	-	-	-	-
Tan Mui Hong	-	-	-	-
Lay Charlie Nhuc Hiang	-	-	-	-
Ng Thiam Poh	-	-	-	-
<b>Substantial Shareholder(s) (5% or more)</b>				
Boon Swan Foo	288,849,065	18.172	-	-

**Notes:**

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

#### 3.2 Disclosure of Interest

None of the Directors or Substantial Shareholders (other than in his or her or its capacity as a Shareholder) have any interest, direct or indirect, in the proposed renewal of the Share Buyback Mandate.

### 4. DIRECTORS' RECOMMENDATIONS

Having considered the rationale for the proposed renewal of Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 set out in the Notice of AGM.

### 5. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action that they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

# ADDENDUM

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the Company's registered office at 250 Tanjong Pagar Road, #09-01, St. Andrew's Centre, Singapore 088541, from the date of this Addendum to the date of the AGM:

- (a) the Constitution; and
- (b) the 2021 annual report of the Company

Yours faithfully  
For and on behalf of  
Global Investments Limited

**Boon Swan Foo**  
Chairman

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## NOMINATION AND GOVERNANCE COMMITTEE

Abdul Jabbar Bin Karam Din (Chairman)  
Boon Swan Foo  
Ng Thiam Poh

## AUDIT AND RISK MANAGEMENT COMMITTEE

Lay Charlie Nhuc Hiang (Chairman)  
Tan Mui Hong  
Abdul Jabbar Bin Karam Din

## REMUNERATION COMMITTEE

Ng Thiam Poh (Chairman)  
Lay Charlie Nhuc Hiang  
Tan Mui Hong

## COMPANY SECRETARY

Lin Moi Heyang  
Tang Pei Chan

## ASSISTANT SECRETARY

Lim Eleen

## REGISTERED OFFICE

250 Tanjong Pagar Road  
#09-01, St. Andrew's Centre  
Singapore 088541

## COMPANY REGISTRATION NUMBER

201900747E

## SHARE TRANSFER AGENT

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1 Harbourfront Avenue #14-07 Keppel Bay Tower  
Singapore 098632  
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## AUDITOR

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

Telephone: +65 6309 6769  
Facsimile: +65 6532 7777

Audit Partner: Ke Peiyi  
Date of Appointment: 23 April 2021

## THE MANAGER & FUND ADMINISTRATOR

Singapore Consortium Investment Management Limited  
250 Tanjong Pagar Road  
#09-01, St. Andrew's Centre  
Singapore 088541

Telephone: +65 6908 4866  
Facsimile: +65 6908 4865  
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## INVESTOR RELATIONS

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