



GLOBAL INVESTMENTS LIMITED



**DELIVERING  
RETURNS  
CONSISTENTLY**

Annual Report 2017

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Boon Swan Foo (*Chairman*)  
Adrian Chan Pengee (*Lead Independent Director*)  
Ronald Seah Lim Siang  
Tan Kok Wee  
Jason See Yong Kiat

### HONORARY COUNSEL

Goh Mui Hong

### NOMINATION AND GOVERNANCE COMMITTEE

Adrian Chan Pengee (*Chairman*)  
Boon Swan Foo  
Ronald Seah Lim Siang

### AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Kok Wee (*Chairman*)  
Adrian Chan Pengee  
Ronald Seah Lim Siang

### REMUNERATION COMMITTEE

Ronald Seah Lim Siang (*Chairman*)  
Adrian Chan Pengee  
Tan Kok Wee

### COMPANY SECRETARY

Ann M.D. Trott

### ASSISTANT SECRETARY

Horseshoe Corporate Services Ltd.  
Wong Yen Sim

### FUND ADMINISTRATOR

Horseshoe Fund Services Ltd.

### REGISTERED OFFICE

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Telephone: +1 441 295 8478  
Facsimile: +1 441 279 2090

### BERMUDA COMPANY REGISTRATION NUMBER

EC 38267

### SHARE TRANSFER AGENT

Boardroom Corporate &  
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Singapore 048623  
Republic of Singapore  
Telephone: +65 6536 5355  
Facsimile: +65 6438 8710

### AUDITOR

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Republic of Singapore  
Telephone: +65 6535 7777  
Facsimile: +65 6532 7662

Audit Partner: Adrian Koh  
Date of Appointment: 29 April 2016

### THE MANAGER

Singapore Consortium Investment  
Management Limited  
51 Cuppage Road, #10-04  
Singapore 229469  
Republic of Singapore  
Telephone: +65 6908 4477  
Facsimile: +65 6908 4478  
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### INVESTOR RELATIONS

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### 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 (the SGX-ST) and where relevant, to satisfy the requirements of the International Financial Reporting Standards. 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 INCORPORATED IN BERMUDA ON 24 APRIL 2006 AND LISTED ON THE MAIN BOARD OF SGX-ST.

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

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

GIL is not subject to the regulatory regime applicable to collective investment schemes under Division 2 of Part XIII of the Securities and Futures Act (Cap. 289) of

Singapore as closed-end funds constituted before 1 July 2013 were grandfathered.

GIL is managed by SICIM, a Singapore incorporated company which holds a capital markets services licence for fund management issued by the Monetary Authority of Singapore (MAS). SICIM was incorporated in 1996 by a consortium of the asset management arms of six of the largest banks in Singapore, namely, OCBC Asset Management Limited, DBS Asset Management Ltd, Keppel Bank of Singapore Limited, OUB Asset Management Ltd, Tat Lee Bank Limited and UOB Asset Management Ltd.

SICIM is currently wholly-owned by Allgrace Investment Management Pte Ltd and has a staff-strength of fifteen officers, including seven licensed representatives. The directors of SICIM are Mr Boon Swan Foo, Mr Richard Rokmat Magnus, Ms Tan Hui Keng Martha, Mr See Yong Kiat and Mr Frederick Lai Yao Long. 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.



## CHAIRMAN'S STATEMENT



**BOON SWAN FOO**  
Chairman

### 2017 Markets in Review

What a difference a year makes! While markets in 2016 were plagued by volatility arising from investor uncertainty brought on by an uncertain global economic outlook and surprising outcomes like Brexit and the US Presidential election, 2017 in sharp contrast experienced low and lower volatility, as exemplified by the VIX\* index.

\* The CBOE Volatility Index® (VIX® Index) is based on real-time prices of options on the S&P 500® Index and is designed to reflect investors' consensus view of future (30-day) expected stock market volatility. It is considered by many to be the world's premier barometer of equity market volatility. The VIX Index is often referred to as the market's "fear gauge". (extracted from Chicago Board Options Exchange (CBOE))

## CHAIRMAN'S STATEMENT (cont'd)

The VIX index remained in a tight range during 2017 and in the latter half of the year, often reaching levels that were lower than a decade ago. This took place amidst a steady climb by equity and fixed income markets through the year, supported by the confluence of a benign inflation backdrop and a synchronised economic upswing that both accelerated and broadened across the globe. This provided a Goldilocks environment for almost all asset classes to post strong positive returns in 2017.

As the year began, the inauguration of President Donald Trump in the US created some challenges for investors trying to assess the impact his policies on issues such as trade and energy may have on the global economic agenda. The impasse between both chambers of the US Congress to reach an agreement on a replacement for the Affordable Care Act also led some to question whether Trump could overcome the divisions in the Republican Party. However, despite distractions throughout the year such as ongoing investigations into external influence on the 2016 US elections and the political sabre-rattling between the US and North Korea, the year closed out on a high note for Trump as Congress approved substantive tax cuts that were projected to give a boost to the US economy. As expected, the Federal Reserve (Fed) lifted its benchmark interest rate three times in 2017. Perhaps more importantly, Jerome Powell was nominated to take over Janet Yellen as the Fed Chairman, a change widely anticipated to provide continuity on the current Fed's monetary policy, at least in the short term.

In Europe, political risk faded into the background as election results in Germany and France came in largely within expectations. This helped improve business sentiment and boost corporate earnings, to the extent that encouraged by the returning health of the European economy, the European Central Bank (ECB) announced in October that they would be dialling their QE programme down a notch by reducing the amount of monthly asset purchases. Around the same time however, the potential breakaway of the rich Catalan region in Spain weighed somewhat on the economic and market performance of the euro zone's fourth-largest economy, a political development that should remain on investors' watchlist for 2018.

Overall, Asia and emerging markets put in the best performance for the year. Several factors contributed to this: a weak USD, which has historically been supportive of the relative strength of emerging market equities, a strong rebound in the technology sector and recovering commodity prices which fed into the strong performance of the export oriented economies, and a steady but still substantial GDP growth by Asian powerhouse China, which continued to focus on structural reforms and reducing financial risks.

**INVESTMENT OUTLOOK FOR 2018**

2018 is likely to see a continuation of the global economic expansion, led by the US and China, with Europe emerging as a growth engine for the first time this cycle. Labour markets are expected to remain in the pink of health, as joblessness and underemployment carry on their trend downwards globally. With sustained tightening of labour markets, if wage inflation were to suddenly zoom up, this, together with higher commodity prices, could raise 2018's inflation outlook. Such an outcome may force central banks to normalize monetary policy faster than expected, especially those that have been behind the curve. In a climate in which investors have been questioning whether valuations of some markets appear overextended relative to history, a fundamentally excessive and/or overzealous pace of interest rate increases poses a threat to the rosy outlook for financial markets, which could spill over to the real economy.

The passage of US tax reforms in late 2017 is set to further advance corporate profit margin expansion in 2018, giving a mild boost to the economy. While the new tax rules increase earnings growth and is supportive of a continued climb by the equity markets, the tax cuts also come with a reduction in interest expense deductibility. Depending on the capital structure of a company, the impact of this could range from very little to a lot. Investors would be well served to examine the impact on cash flows, especially high yield corporates in economic downturn scenarios. 2018 Fed watching is also interesting to say the least. Three rate hikes have been pencilled in for the year. Whether the Fed will stick to the script is not only dependent on the new Fed Chair but also who eventually fills the three vacancies on the Fed Board of Governors, the body that votes on US monetary policy. The instalment of

## CHAIRMAN'S STATEMENT (cont'd)

these new central bankers could be the source of volatility depending on how hawkish their stance on monetary policy is.

With the economic expansion taking a firmer hold across Europe, it is important to note that there are still laggard economies that have yet to recover to pre-crisis levels. Inflation continues to be below 2% and is projected to remain so until 2020. Thus, although the ECB scaled back its asset purchase programme in October 2017, it maintains a cautious stance on monetary policy. And while political risks are currently muted, it can take centre stage again when Italy goes to elections in March and Spain deals with a restive Catalan region emboldened by the triumph of pro-independence parties in the regional elections in late 2017. Finally, the completion of phase one of the Brexit negotiations in December supports the market's assumption that a transitional deal now looks more likely than it did at the start of the year, although many challenges remain.

2018 is also a year to watch Bank of Japan's monetary policy and whether Kuroda continues as its Governor after his current term ends in April. Recent data prints in Japan have offered signs that wage growth and inflation are about to experience meaningful acceleration. The ramifications of this for monetary policy in Japan and beyond could be significant.

At the 19th Chinese Communist Party Congress in October 2017, it was noteworthy that a hard growth target was dropped from the official Party Congress statement. By targeting a lower growth rate for the economy, this would help to curb the pressure to keep pushing up credit-financed growth and thus leverage. In addition, a lower growth target allows more room for structural adjustments, such as SOE reforms, overcapacity reduction, improving fiscal management, environmental protection, etc. To further reduce risks in the financial sector, the government has also moved to shift the composition of growth away from the riskier types of credit in the shadow banking system towards more official bank lending that can be better monitored and controlled. China has already made good progress in rebalancing its economy away from exports and investment towards consumption and services. This shift towards achieving broader-based growth, rather than the highest possible level of growth, can be expected to continue, alongside further economic and structural reforms. With

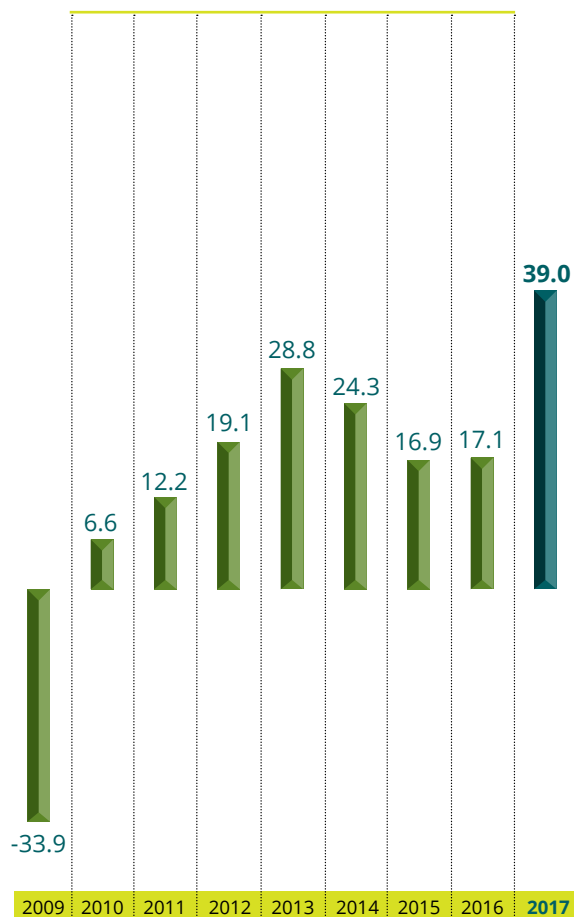
the many planned changes to improve the quality of modern China's development, to ensure that the reform momentum and implementation continues under steady stewardship, the Chinese government amended its Constitution in early March such that it could accommodate a presidency beyond the current two term limit.

While the outlook for the global economy is generally positive in the near term, investors have to contend with investing in financial markets that have enjoyed a spectacular run, with low volatility and valuations at historical highs. They would also have to consider carefully how investments would fare in economies increasingly beset by the twin structural issues of aging demographics and rapid technological changes that have the potential to transform drastically how we live, work and play. Already as 2018 progressed, the VIX index has been climbing up from the very low levels of last year, with a brief sharp spike to above 50 in early February, levels last seen during the Global Financial Crisis of 2007-2008. Investor sentiment also took a hit when US President Trump fired the first salvo with the announcements of tariffs on steel and aluminium imports into US in March. Erratic moves in the VIX index for the rest of the year cannot be ruled out, with a risk of further spikes that could arise from anything from surprise central bank moves, mismanaged deleveraging, protracted tit-for-tat trade or currency disputes to geopolitical turbulence. Selecting investments that offer the appropriate level of return for the risk involved in such circumstances has never been more challenging. The Company believes that an enhanced focus on security selection, including those that can take advantage of emerging socioeconomic trends, would perhaps be a prudent approach. Regardless, it would be wise to consider including alternatives that could provide some downside protection in periods of market volatility in the portfolio.

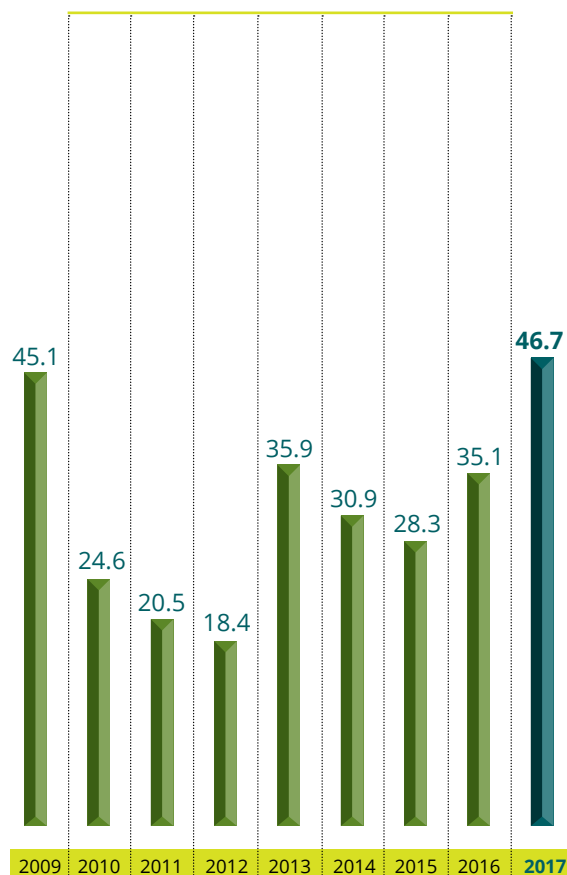


**BOON SWAN FOO**  
Chairman  
Global Investments Limited  
9 March 2018

## FINANCIAL HIGHLIGHTS

NET PROFIT AFTER TAX  
(S\$ million)

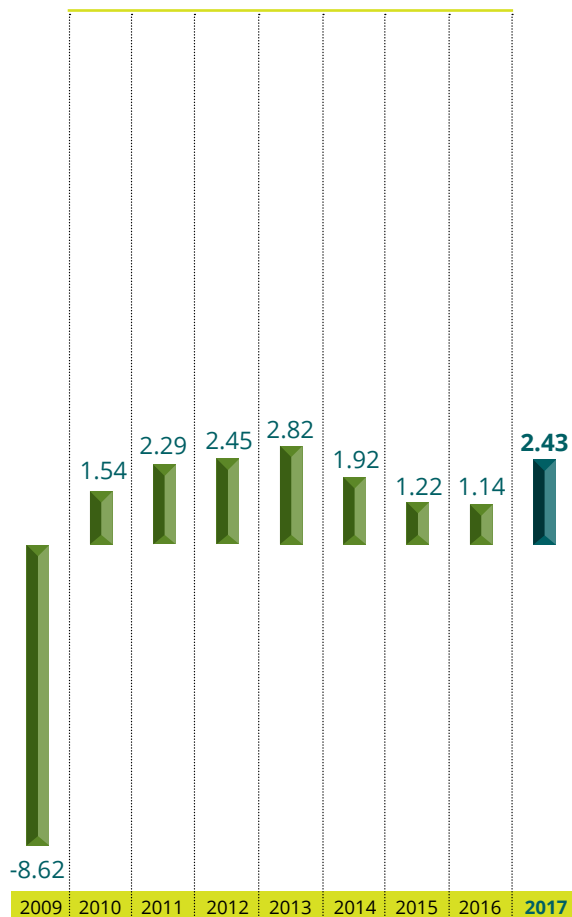
Net profit after tax for FY2017 improved to S\$39.0 million as compared to S\$17.1 million last year.

TOTAL REVENUE  
(S\$ million)

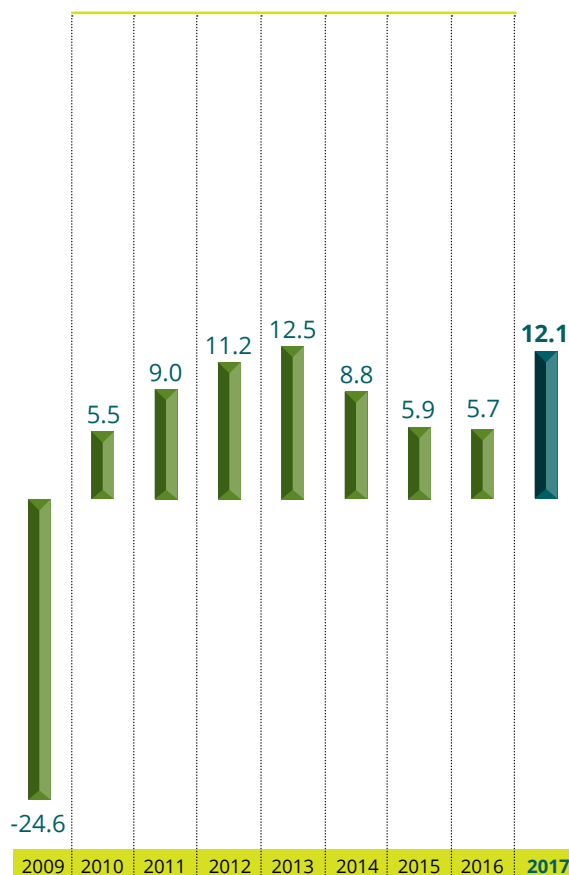
Revenue for the current year was S\$46.7 million, 33.0% higher than the S\$35.1 million recorded last year. The higher revenue was mainly contributed by higher gain on sale of investments of S\$25.8 million as compared to S\$14.9 million last year. Net gain on financial assets designated as fair value through profit or loss of S\$2.5 million was also higher as compared to the net gain of S\$1.8 million in the prior year.



## FINANCIAL HIGHLIGHTS (cont'd)

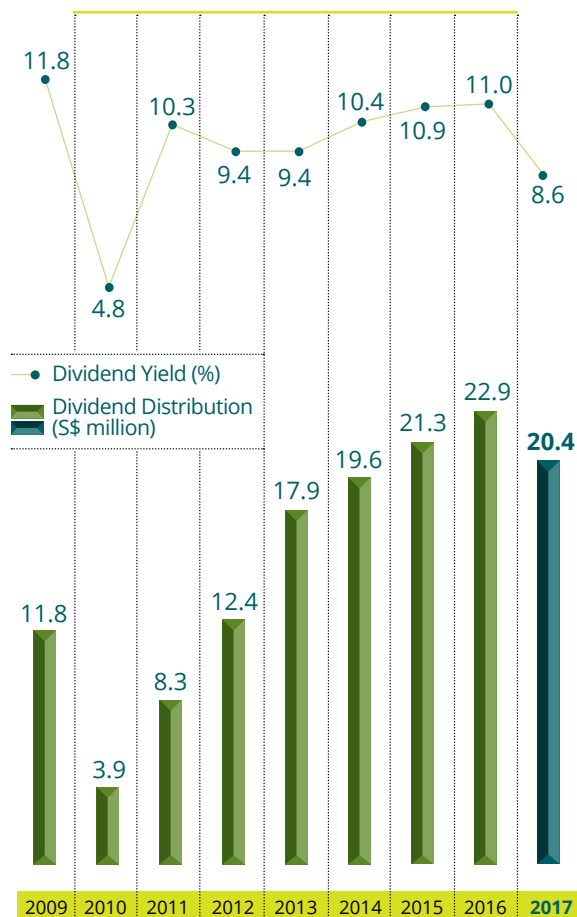
EARNINGS PER SHARE  
(Singapore cents)

Earnings per share increased by 113.2% to 2.43 Singapore cents (based on the weighted average number of Shares of 1,600.06 million after taking into account the additional Shares issued pursuant to the scrip dividend scheme) in FY2017 as compared to 1.14 Singapore cents (based on weighted average number of Shares of 1,492.34 million) in FY2016.

RETURN ON EQUITY  
(%)

Return on equity increased to 12.1% in FY2017 (computed based on net profit after tax over the average total equity) as compared to 5.7% in FY2016 mainly due to a higher profit after tax.

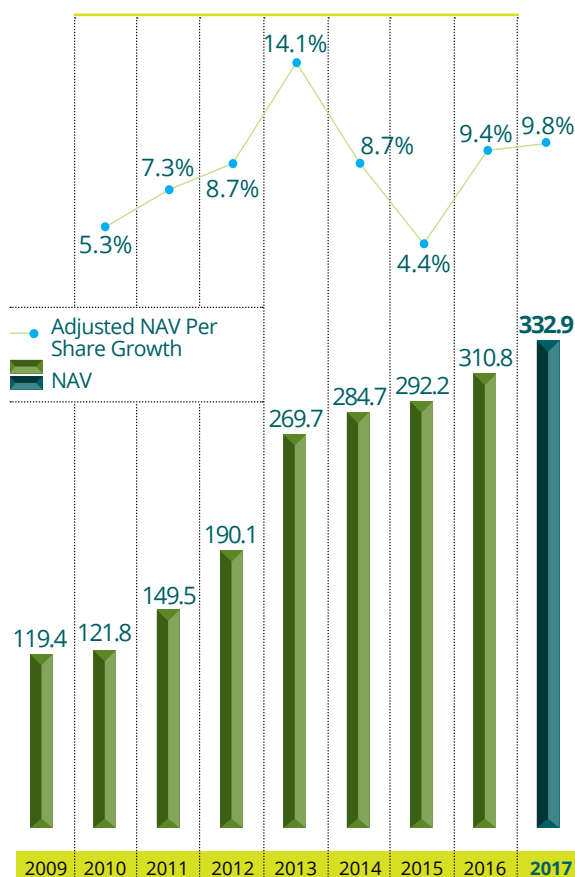
## FINANCIAL HIGHLIGHTS (cont'd)

**DIVIDEND DISTRIBUTION & YIELD**  
 (\$ million & %)


Dividend distribution per share totalled 1.25 Singapore cents (based on larger 1,652,574,643 Shares) in FY2017. The total amount of dividend to be paid decreased by 10.9% to S\$20.4 million in FY2017 from S\$22.9 million in FY 2016.

The dividend of 1.25 Singapore cents per share for the financial year ended 31 December 2017 represented an annual dividend yield<sup>1</sup> of 8.6%, based on the closing share price of 14.6 Singapore cents as of 29 December 2017 on the expanded issued capital of 1,652,574,643 Shares.

<sup>1</sup> The dividend yield is calculated by dividing the dividend per share declared 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>**  
 (\$ million & %)


Net asset value increased by 7.1% to S\$332.9 million in FY2017. If the 2016 dividend was paid and the Shares relating to the scrip dividend scheme had been issued before 31 December 2016, the net asset value per share as at 31 December 2016 would have been 19.08 Singapore cents instead of 20.03 Singapore cents per share. After adjusting for the 2017 interim dividend and Shares relating to the scrip dividend scheme, the net asset value per share as at 31 December 2017 would have been 20.95 Singapore cents and the increase in net asset value per share would be 9.8% for the year ended 31 December 2017.

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

## 2017 AT A GLANCE

### DECLARATION AND PAYMENT OF DIVIDENDS

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- Interim dividend of 0.65 Singapore cents per Share for 1H 2017 was paid on 16 October 2017.
- The scrip dividend scheme was applied to the interim dividend payment and approximately 61.2% of the total interim dividend amount was issued as new Shares under the scheme. New Shares were listed on 17 October 2017.
- Final dividend of 0.60 Singapore cents per Share for 2H 2017 was declared on 20 February 2018, and will be paid out on 24 April 2018.
- The scrip dividend scheme will be applied to the final dividend payment and the new Shares will be listed on 25 April 2018.
- In total, dividend of 1.25 Singapore cents per Share will be paid for FY 2017 on the enlarged Share capital after taking into account the Shares issued during the year pursuant to the scrip dividend scheme.
- Overall annual dividend yield based on closing share price of 14.6 Singapore cents on 29 December 2017 was 8.6%.

### AWARDS AND ACCOLADES

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- In 2017, GIL's Singapore Governance and Transparency Index 2017 (SGTI 2017) score was 82 points and its ranking was 38 out of 606 listed companies which participated in the SGTI 2017.

### 2017 ANNUAL GENERAL MEETING AND SPECIAL GENERAL MEETING

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- All resolutions set out in both the Notice of Annual General Meeting and the Notice of Special General Meeting dated 31 March 2017, were duly approved and passed by the Company's Shareholders on 27 April 2017.

### CHANGE IN DIVIDEND POLICY

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- The Company had been paying out the majority of the economic income received from its investments after payment or provision for operating and financing expenses as dividend. With effect from 14 August 2017, the Company will pay out most of the profit after tax taking into consideration its requirement for future growth. This change is to better align the dividend payments with profit and ensure that the Company is able to pay dividend on a sustainable basis. Unlike economic income, profit after tax is reported in the financial statements and hence investors will be able to relate it to the dividend paid.

### CHANGE OF COMPANY'S SECRETARY AND ASSISTANT SECRETARY

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- Ms Ann M.D. Trott was appointed as the Company's Secretary in place of Mr Mark Harold Ignatius with effect from 5 March 2018.
- Mr Mark Harold Ignatius was appointed as the Company's Secretary in place of Ms Janice Loraine Haskins with effect from 30 November 2017.
- Ms Wong Yen Sim was appointed as the Company's Assistant Secretary with effect from 26 May 2017 in place of Ms Lim Xinhua, whose resignation took effect on the same day.

### TAX RESIDENT OF SINGAPORE FOR 2017

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- Dividend payments by the Company for FY 2017 are exempt from Singapore tax when received by Shareholders.

## BOARD OF DIRECTORS



From left to right

**RONALD SEAH LIM SIANG** (Independent Director) ■ **TAN KOK WEE** (Independent Director)  
**BOON SWAN FOO** (Chairman, Non-Executive Director) ■ **ADRIAN CHAN PENGEE** (Lead Independent Director)  
**JASON SEE YONG KIAT** (Manager Nominated Director)

The Board consists of five directors, comprising Mr Boon Swan Foo, the non-executive and non-independent Chairman, Mr Jason See Yong Kiat, the Manager Nominated Director, and three independent<sup>1</sup> directors, namely Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee. GIL has no employees or executive officers. In FY2017, the Board met 7 times.

<sup>1</sup> An “independent” director is one who has no relationship with GIL, its Related Corporations, its 5% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment with a view to the best interests of GIL. GIL applies a stricter 5% Shareholder test for director independence as compared to the 10% Shareholder test under the Singapore Code.



## BOARD OF DIRECTORS (cont'd)

### MR BOON SWAN FOO

Chairman, Non-Executive 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 Chairman and Chief Executive Officer (CEO) of SICIM. He serves on the boards of China National Offshore Oil Corporation, a national oil company; and China Huadian, a power generation company, which are 100% Chinese state owned companies.

Mr Boon served as Chief Executive Officer and Deputy Chairman of ST Engineering Ltd from October 1997 to May 2001, and was the Managing Director of Agency for Science, Technology and Research (A\*STAR) from January 2002 to January 2006. He also served concurrently as Executive Chairman of Exploit Technologies Pte Ltd, the commercial arm of A\*STAR, from August 2001 to December 2009. Mr Boon was also Chairman of STAM from April 2010 to December 2011. For his stewardship of ST Engineering Ltd, Mr Boon was awarded one of Singapore's most prestigious business awards, the Singapore Business Award for Outstanding CEO in 2000.

Mr Boon Swan Foo was the Chairman and independent non-executive Director of Perennial China Retail Trust Management Pte. Ltd (PCRTMPL) from November 2010 to March 2013. PCRTMPL was the Trustee-Manager of Perennial China Retail Trust, which was listed on the main board of the SGX-ST from June 2011 to February 2015.

Mr Boon was the director of Intouch Holdings Plc, a telecommunications and satellite holding company listed on the Stock Exchange of Thailand from 26 September 2007 to 17 November 2016. Mr Boon also served as the Senior Advisor to Temasek International Advisors Pte Ltd from January 2005 to 30 April 2017.

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

Mr Boon's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments<sup>1</sup> as at 9 March 2018 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

<sup>1</sup> The term "principal commitments" shall include all commitments which involve significant time commitment such as fulltime 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 (cont'd)****MR ADRIAN CHAN PENGEE**

Lead Independent Director

Mr Adrian Chan Pengee was appointed to the Board on 5 May 2009, and was appointed as the Lead Independent Director on 25 February 2016.

Mr Chan is Head of the Corporate Department and a Senior Partner at Lee & Lee. He serves on the board of the Accounting and Corporate Regulatory Authority (ACRA), the Executive Council of the Association of Small and Medium Enterprises as its Honorary Secretary, the Council of Law Society of Singapore and the Corporate Governance and Regulations Committee of the Singapore International Chamber of Commerce. He is a member of the Legal Service Commission.

Mr Chan is a director of Hogan Lovells Lee & Lee, the joint law venture between Lee & Lee and the international law firm, Hogan Lovells, and is an independent director on the boards of Yoma Strategic Holdings Ltd; Ascendas Funds Management (S) Limited; Hong Fok Corporation Limited, AEM Holdings Ltd and Best World International Limited all of which are listed on the SGX-ST. He also serves on the board of Shared Services for Charities Limited, a registered charity, as well as Azalea Asset Management Pte Ltd, Astrea III Pte Ltd and Want Want Holdings Ltd.

Mr Chan is the Chairman of the Panel of the Institute of Corporate Law and chairs the Corporate Practice Committee of the Law Society of Singapore. He was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX-ST.

Mr Chan graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 1989.

Mr Chan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 9 March 2018 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

**MR RONALD SEAH LIM SIANG**

Independent Director

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

Mr Seah serves on the boards of Yanlord Land Group Ltd; Telechoice International Ltd and PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange. He is a director of M&C REIT Management Limited and M&C Business Trust Management Limited, and is also Chairman of Nucleus Connect Pte Ltd.

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

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

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

Mr Seah's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 9 March 2018 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

## BOARD OF DIRECTORS (cont'd)

**MR TAN KOK WEE**

Independent Director

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

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

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

Mr Tan's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 9 March 2018 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

**MR JASON SEE YONG KIAT**

Manager Nominated Director

Mr Jason See Yong Kiat was appointed as Manager Nominated Director of the Company on 5 November 2013. He is the Managing Director (Fund Management) and a member of the Investment Committee of STAM, and also director of several other STAM-affiliated companies. He is concurrently a non-executive director of SICIM, and his appointment as Manager Nominated Director continues uninterrupted following the appointment of SICIM as the manager of the Company on 29 April 2016.

At STAM, Mr See heads a team of fund managers and research analysts responsible for identifying, evaluating and overseeing investments in public and private equities, convertible bonds and credits in Asia and other emerging markets.

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

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

Mr See holds a Bachelor of Business Administration (2nd Class Upper Honours) degree from the National University of Singapore.

Mr See's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 9 March 2018 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

# INVESTMENT POLICY AND STRATEGY

## 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, 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 commodity instruments.

## STRATEGY

The Company seeks to achieve its investments 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 – whether by trade sale or to a newly formed fund – and 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.

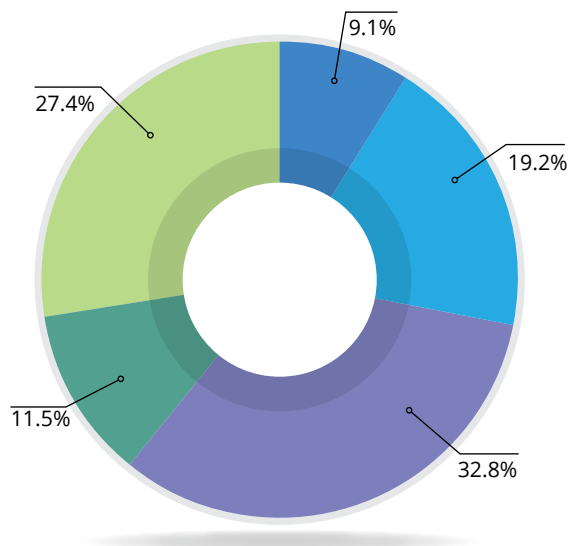
## MANAGEMENT

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.



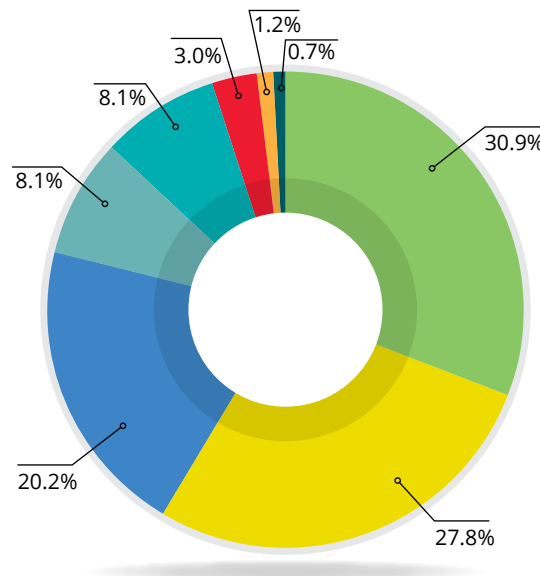
## PORTFOLIO COMPOSITION

**BREAKDOWN BY ASSET CLASS AND INVESTMENT**  
as at 31 December 2017



- **9.1%** Loan Portfolio and Securitisation Assets
- **19.2%** Bonds
- **32.8%** Bank Contingent Convertibles
- **11.5%** Listed Equities
- **27.4%** Cash and Other Net Assets

**BREAKDOWN BY CURRENCY**  
as at 31 December 2017



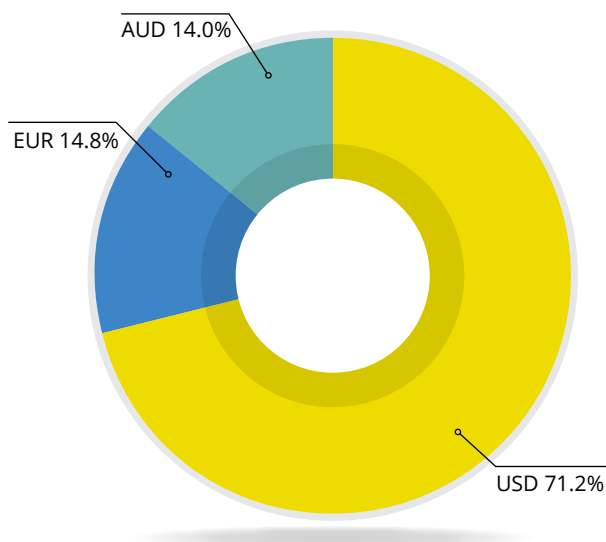
- **30.9%** Singapore Dollar (S\$)
- **27.8%** United States Dollar (US\$)
- **20.2%** Euro (€)
- **8.1%** Australian Dollar (A\$)
- **8.1%** Hong Kong Dollar (HK\$)
- **3.0%** British Pound (£)
- **1.2%** Chinese Renminbi (CNY/CNH)
- **0.7%** South Korea Won (₩)

### PORTFOLIO OVERVIEW

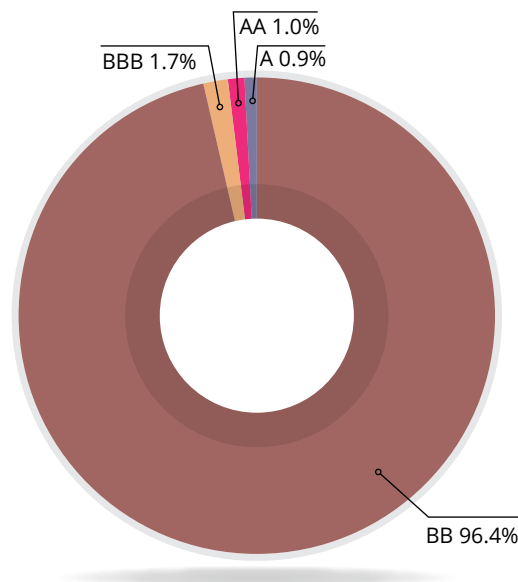
- The bank contingent convertible portfolio decreased to 32.8% in 2017 compared to 38.8% in 2016. This was due to the net sale of bank contingent convertibles, slightly offset by an overall increase in bank contingent convertible prices for the year.
- The bond portfolio decreased to 19.2% in 2017 compared to 26.2% in 2016, as a result of a net sale of bonds and an overall decrease in bond prices.
- Loan portfolio and securitisation assets decreased to 9.1% in 2017 from 16.5% in 2016 due to multiple redemptions throughout the year.
- The listed equities portfolio remains relatively unchanged at 11.5% in 2017 compared to 12.3% in 2016. As at 31 December 2017, 65.9% of the equity portfolio comprised shares listed in Hong Kong, up from 41.3% in 2016.

## LOAN PORTFOLIO & SECURITISATION ASSETS

**PORTFOLIO DISTRIBUTION BY CURRENCY**  
as at 31 December 2017



**PORTFOLIO DISTRIBUTION BY RATING**  
as at 31 December 2017



### INVESTMENT DESCRIPTION

GIL has invested in a portfolio of securitised assets, comprising Collateralised Loan Obligation (CLO) notes, Residential Mortgage-Backed Securities (RMBS) and Credit Card Asset-Backed Securities (ABS). The CLO notes, denominated in USD and EUR, are issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate debt. The other securitised assets are issued by securitisation vehicles that hold Australian residential mortgage loans and credit card receivables respectively.

### ASSET OVERVIEW

In 2017, GIL added new positions in Latitude Series 2017-1, Resimac Bastille Trust Series 2017-1NC and Liberty Series 2017-4 notes, with a total face value of A\$3.50 million. During the same period, there were also redemptions of the Liberty Series 2013-2 Class E note and multiple other CLO notes.

As at 31 December 2017, the Company's carrying value<sup>1</sup> was US\$16.20 million for the USD-denominated CLO portfolio and €2.81 million for the Euro-denominated CLO portfolio. The carrying value for the ABS portfolio was A\$4.08 million.

### OUTLOOK

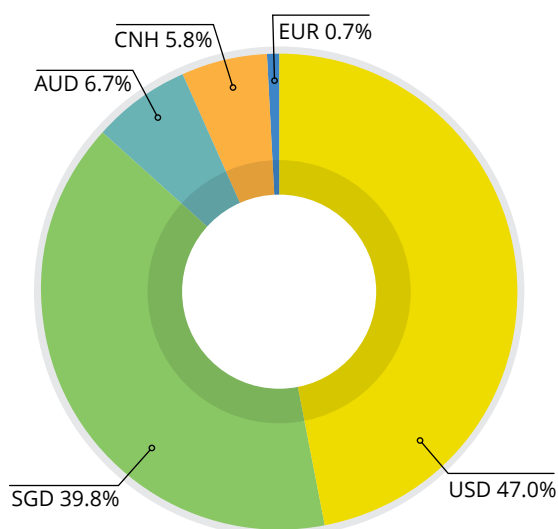
2017 was one of the strongest years for new issuance of CLOs as US\$141.5 billion of global supply hit the market. Strong investor demand drove spreads tighter across senior and mezzanine tranches for both US and EUR CLOs. Improving macroeconomic conditions and the continued hunt for yield along with investor preference for floating rate notes in a rising-rate environment will likely continue to compress spreads for this asset class in 2018. Moody's Global Speculative-Grade Corporate Default Rate ended 2017 at 2.9%, down from 4.4% at the end of 2016. For 2018, Moody's expects the default rate to continue its downward path and to close the year under 2%, citing the pick-up in global economic momentum, low refinancing risk, and healthy corporate liquidity profiles.

The price of the Palmer Square CLO Debt Index, a total return index which tracks the value of US mezzanine CLO debt tranches, gained 9.1% in USD terms in 2017.

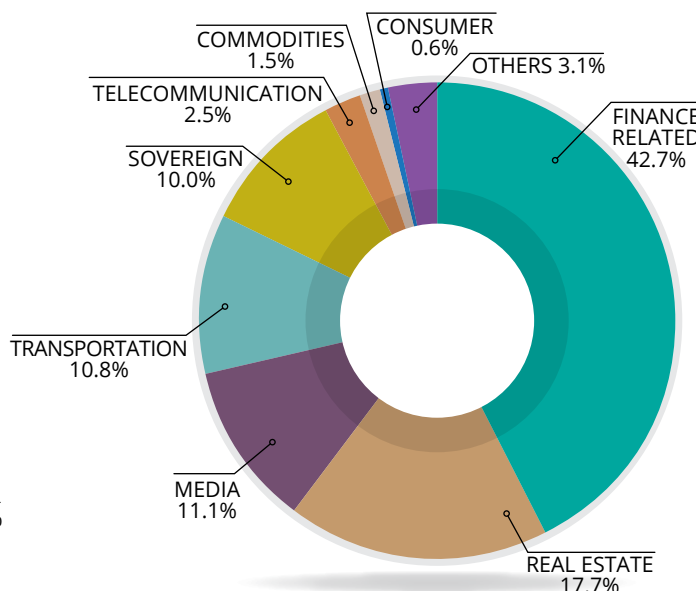
<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

## BONDS PORTFOLIO

**PORTFOLIO DISTRIBUTION BY CURRENCY**  
as at 31 December 2017



**PORTFOLIO DISTRIBUTION BY SECTOR**  
as at 31 December 2017



### INVESTMENT DESCRIPTION

GIL has invested in a portfolio of bonds denominated in USD, SGD, AUD, CNH and EUR with a carrying value<sup>1</sup> of S\$63.98 million as at 31 December 2017.

### ASSET OVERVIEW

As at 31 December 2017, the approximate weighted average coupon was 5.93%<sup>2</sup>. The approximate weighted average maturity of the bond portfolio was 6.62 years<sup>3</sup>.

### OUTLOOK

In the US, with growth momentum carrying over into 2018, aided in part by the passage of a tax reform bill at the end of 2017, the Fed has signalled a continuation of its programme of interest rate normalisation through interest rate hikes and balance sheet reduction. A similarly positive outlook for the economy has also given the ECB reason to begin tapering its QE through halving the amount in its asset purchase programme. Other key macro events that may impact European credit markets include the 2018 Italian elections and the ongoing Brexit negotiations. More central banks around the world can be expected to join the normalisation bandwagon, if inflation picks up. However, solid operating performance should still be supportive of credit fundamentals although investors will be watching for releveraging of corporate balance sheets in advance of rising interest rates.

The JP Morgan Asia Credit Index, which tracks the Asian bond markets, gained 5.8% in USD terms in 2017. The JP Morgan US Liquid Index, which tracks the investment grade dollar denominated corporate bond market, gained 6.4% in USD terms in the same period.

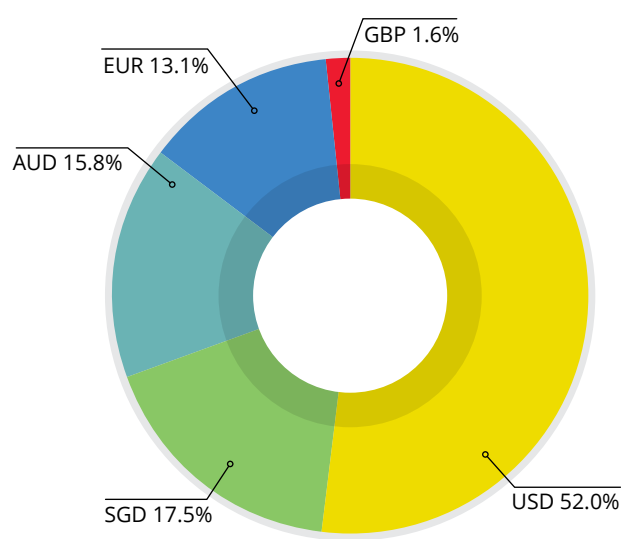
<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

<sup>2</sup> Calculation of weighted average coupon is based on carrying value.

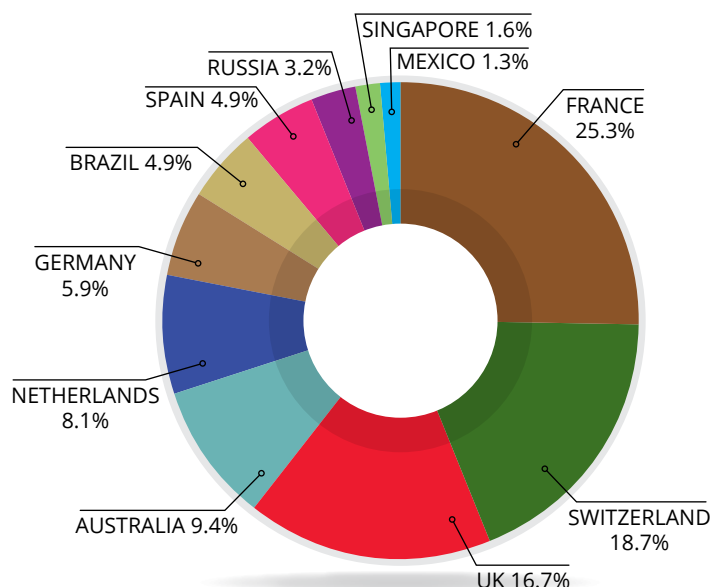
<sup>3</sup> Calculation of weighted average maturity assumes maturity at the first call date, if available.

## BANK CONTINGENT CONVERTIBLES

**PORTFOLIO DISTRIBUTION BY CURRENCY**  
as at 31 December 2017



**PORTFOLIO DISTRIBUTION BY COUNTRY**  
as at 31 December 2017



### INVESTMENT DESCRIPTION

GIL has invested in a portfolio of bank contingent convertibles (CoCos) denominated in USD, SGD, AUD, EUR and GBP with a carrying value<sup>1</sup> of S\$109.33 million as at 31 December 2017.

### ASSET OVERVIEW

As at 31 December 2017, the approximate weighted average coupon was 6.54%<sup>2</sup>. The approximate weighted average maturity of the bond portfolio was 6.98 years<sup>3</sup>.

### OUTLOOK

A progressive rising rates macro environment for banks is expected to further improve bank earning fundamentals after the successful recapitalization and de-risking efforts of banks in 2017. The Basel IV regulations announced in 4Q17 further reduced regulatory risk for the CoCo market in the medium term while laying the groundwork for ongoing regulatory capital build in order to meet the new requirements, supporting a progressive outlook for bank credit fundamentals.

The unwinding of central banks' balance sheets and the subsequent impact on spreads alongside uncertainty over political events in the near term are important headwinds for investors to consider in 2018.

The ICE Bank of America Merrill Lynch Contingent Capital Index, which tracks the global CoCo debt markets, gained 19.2% in USD terms in for the year 2017.

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

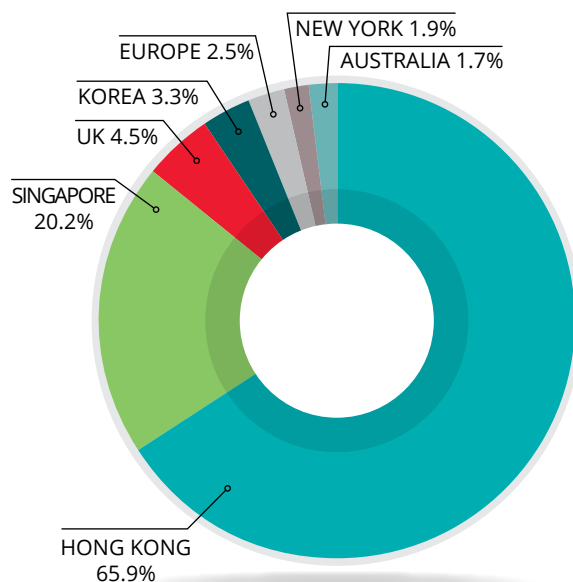
<sup>2</sup> Calculation of weighted average coupon is based on carrying value.

<sup>3</sup> Calculation of weighted average maturity assumes maturity at the first call date for perpetual securities, if available.

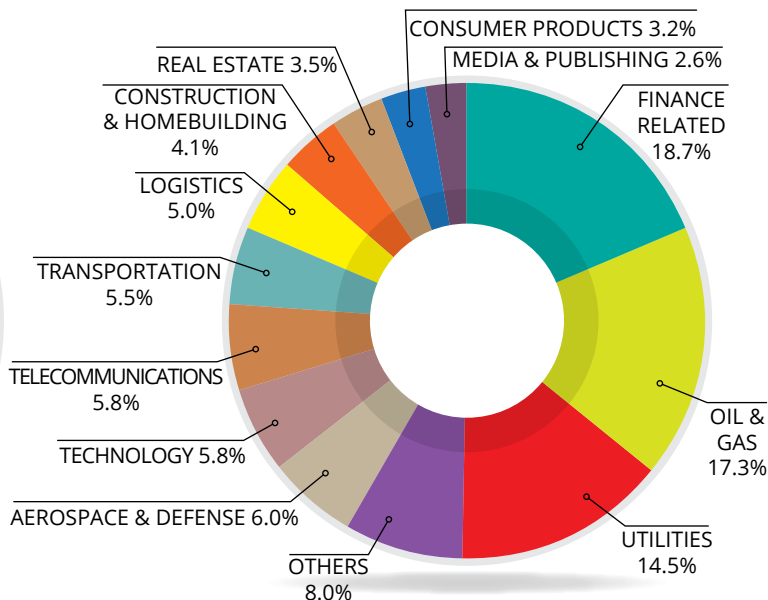


## LISTED EQUITY

**PORTFOLIO DISTRIBUTION BY STOCK EXCHANGE**  
as at 31 December 2017



**PORTFOLIO DISTRIBUTION BY SECTOR**  
as at 31 December 2017



### INVESTMENT DESCRIPTION

GIL has invested in a portfolio of listed equities with a carrying value of S\$38.14 million as at 31 December 2017. The cumulative fair value gain was S\$3.61 million.

### ASSET OVERVIEW

As at 31 December 2017, the equity portfolio had the highest exposure to Hong Kong listed equities at 65.9%, followed by Singapore listed equities at 20.2%. The rest of the other markets all had exposures under 5%. In terms of sector distribution, the highest weighting was in finance-related equities (18.7%), followed by oil & gas (17.3%) and utilities (14.5 %) equities.

### OUTLOOK

The current global economic momentum provides a positive backdrop for equity markets, with strong operating performance and improving profitability of companies that could get support from factors such as the recently approved US tax policy reforms, the technology sector continuing its good performance and a stabilisation in the commodities sector. However, markets are starting from a high after the strong performance in 2017, with historically high valuations and low volatility. Any deviation that could derail the positive growth picture, be it in the form of increased inflationary pressure with concomitant central bank action, geopolitical tension or a tit-for-tat trade or currency dispute, could lead to bouts of heightened volatility and downward movements in the equity markets.

The MSCI World Index, which tracks the global equity markets, climbed 20.1% in USD terms in 2017.

## BUSINESS REVIEW<sup>1</sup>

The International Monetary Fund revised its projection for global economic growth for 2018 upwards by 0.2% to 3.9% in the updated forecast released in January 2018, in view of the increased global growth momentum and the expected positive impact from the approved US tax policy changes. However, expensive asset valuations and very tight term premiums raised the possibility of a market correction, which could hamper continued confidence in the financial markets. Downside risk could trigger from higher than expected core inflation within the developed economies and ensuing higher interest rates.

There was also a further rebound in energy prices, as Brent crude prices climbed from \$56 at the start of 2017 to end the year at \$67, which was supported by aforementioned improved global economic conditions, disruptions from weather events in the US, extension of the OPEC agreement and geopolitical tensions in the Middle East. Other hard commodities, in particular industrial metals, also saw a strong performance in the year; on the other hand, it was a mixed year for soft commodities, with notable positive price movement coming from livestock and lumber, but the opposite for sugar and coffee.

The US economy expanded 2.3% in 2017, a significant improvement from 1.5% in 2016. The ISM Manufacturing Purchasing Manager Index (PMI) dropped slightly to 56.3 in December 2017 from 56.4 in December 2016, while the ISM Non-Manufacturing Index dropped to 56.0 in December 2017 from 56.7 in December 2016. Unemployment rate further improved from 2017's post-recession lows, declining to 4.1% as of December 2017, from 4.7% as of December 2016. Meanwhile, core inflation decreased with the core Personal Consumption Expenditures (PCE) index coming in at 1.5% year-on-year (y-o-y) in December 2017, compared to 1.9% y-o-y in the previous year. In view of the continued economic outperformance and strength in the labour market, Fed raised the Fed Funds Rate three times, once each in March, June and December 2017, by a total of 75 basis points. The Fed has projected three further rate hikes in 2018 while maintaining its inflation target of 2.0% as it expects global economic developments to warrant the projected increases in the federal funds rate.

Growth accelerated in the Eurozone with GDP increasing by 2.6%<sup>2</sup> in 2017 compared to 1.8% in 2016, supported by strong employment numbers and private sector confidence. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers at manufacturing and service sectors, rose to 58.1 in December 2017 from 54.4 in December 2016. Unemployment rate improved to 8.7% in 2017 from 9.7% in 2016. The Consumer Confidence Indicator improved significantly to 0.5 in December 2017 from -5.3 in December 2016. Eurozone inflation, measured by the Harmonised Index of Consumer Price increased to 1.4% y-o-y in 2017, from 1.1% y-o-y in 2016. The ECB made no change to its policy rates as core inflation remained below the ECB's target of 2%, while extending its asset purchase programme to September 2018, which indicated that the ECB decided to remain patient and persistent in maintaining an easy policy stance despite a positive economic backdrop. However, the ECB also announced that it will be gradually reducing the pace of asset purchase by halving monthly asset purchases from €60 billion to €30 billion from January 2018 onwards.

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

<sup>2</sup> Figure is estimated based on preliminary 4Q GDP growth number and other quarterly figures for 2017.

## BUSINESS REVIEW (cont'd)

Concluding the 19th National Congress in October, the Chinese government reaffirmed its commitment to economic and structural reforms in the economy, such as deleveraging, overcapacity reduction, SOE reforms, etc. This will result in a shift to a lower level but higher quality of economic growth, which should reduce downside risks, boost confidence, promote healthier long-term growth and mitigate capital outflow pressures. Economic growth for 2017 was better than expected, with GDP growth coming in at 6.9%, higher than 6.7% recorded in 2016. The Caixin Manufacturing PMI reading dipped slightly to 51.5 in December 2017 from 51.9 in December 2016. The Caixin Services PMI reading was 53.9 in December 2017, a small increase from 53.4 in December 2016. Industrial output came in at 6.2% y-o-y in December 2017, marginally higher than 6.0% y-o-y growth in December 2016. Private consumption also showed a slight decrease, with retail sales growth at 10.2% y-o-y in December 2017 compared to 10.9% y-o-y in December 2016.

Exports grew significantly at 10.9% y-o-y in December 2017, compared to a 6.2% y-o-y decline in December 2016, while import growth improved to 4.5% y-o-y in December 2017 from 3.1% y-o-y in December 2016. Inflation tapered slightly, with the CPI growing at 1.8% y-o-y in December 2017, compared to 2.1% y-o-y in December 2016. China's foreign exchange reserves have risen to US\$3.14 trillion in December 2017 from US\$3.01 trillion in December 2016. Capital outflows have dropped significantly in 2017 compared to 2015 and 2016, due to favourable domestic macroeconomic conditions, CNY stability, capital controls, reduced near-term credit risks, and rising foreign borrowings by corporates amid domestic financial deleveraging.

## SUSTAINABILITY REPORT 2017

### OVERVIEW

#### Vision

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

#### Mission

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

#### Core Values

##### Good Corporate Governance

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

##### Responsible Investing

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

##### Integrity

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

##### Prudent Risk Taking

We take great care in anticipating, assessing and mitigating potential risks while seeking reasonable return to ensure that all investment decisions we make are in the best interests of our shareholders.

#### Board Statement

This sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

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

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

The Board will consider sustainability issues which include the material environment, social and governance (ESG) factors in determining GIL's strategic direction and policies.

## SUSTAINABILITY REPORT 2017

## Active Stewardship and Stakeholder Engagement

GIL believes in building and growing a sustainable business to produce long-term benefits for all its stakeholders, and in the process contributing to the community and the economy as a whole. GIL's aim is to invest in assets that will generate steady income, increase capital, deliver regular dividends and achieve capital growth for its investors.

We are keen to know the view of key stakeholders who are directly impacted by our investment policy and strategies. The following table highlights the key issues or interests of our key stakeholders. These serve as guidance to the Company in addressing sustainability challenges.

## Stakeholders and Engagement Platforms

Stakeholders	Engagement Platform/Activities
Manager	<p>The Manager's representatives report to the Board regarding the operation and investment activities of GIL.</p> <p>The Manager communicates with the Board by email and/or by tele-conference when there are matters which require approval by the Board. We also conduct a performance review of the Manager and an annual audit each year.</p>
Shareholders	<p>We communicate with our shareholders via the following channels:-</p> <ul style="list-style-type: none"> <li>• Our 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>• Shareholders may send their queries through GIL's website or by email to <a href="mailto:contact@sicim.com.sg">contact@sicim.com.sg</a></li> <li>• Analysts briefing</li> <li>• Results announcements, results presentations and press releases on the SGXNet website</li> <li>• Annual general meetings and special general meetings</li> </ul>
Regulators	<p>Our Manager's employees attend seminars and courses conducted by the regulators to keep themselves updated regarding changes in rules and regulations</p> <p>We comply with the rules and regulations implemented by the following regulatory bodies. The:</p> <ul style="list-style-type: none"> <li>• Monetary Authority of Singapore</li> <li>• Singapore Exchange</li> <li>• Bermuda Monetary Authority</li> </ul> <p>We regularly review the consultation papers issued by these regulatory bodies and communicate with them if we have any queries.</p>
Suppliers/Service Providers	<p>We communicate with our suppliers/service providers by email and phone calls. We assess the suppliers/service providers annually to make certain that they provide satisfactory products and services.</p>
Community	<p>We support non-profit organisations and participate in community development programs which benefit the local community.</p>



## SUSTAINABILITY REPORT 2017

## Materiality Assessment

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

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

Stakeholders	Material Matters	What are the risks?	Where do we see the opportunities	What are we doing about it?
Shareholders	Economic performance Corporate governance Risk Management Privacy of Personal Data	The macroeconomic environment.  Lack of internal control systems and proper risk management.	Refer to investment policy on page 14.  Good corporate governance and transparency are the key factors in promoting shareholders' trust.	Refer to investment Strategies on page 14.  Refer to the corporate governance statement on page 26.
Manager	Ensuring the health, safety and welfare of the Manager's employees  Training and education  Ethics & Integrity	Failure to attract and retain employees with high ethics and integrity impedes GIL's growth and expansion.  Employees risk obsolescence if they are not well-equipped with changing skillsets and up to date with modern workplace practice.	Develop a team of technology and digital savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility.	Staff training and development program.  The Manager sponsors staff and licensed representatives to attend courses and conferences in order to meet training requirements.
Regulators	Corporate governance Compliance with laws Risk Management	Lack of internal control system and proper risk management.  The evolving regulatory and reporting landscape give rise to compliance risks.	Engage with government authorities and agencies to keep updated about changes in regulations.	We contact government authorities and agencies to find out about the latest changes in regulations to make certain that we comply with all relevant laws and regulations.  Given the geographical diversity of GIL investments, we closely monitor developments in laws and regulations in countries where we have invested.
Suppliers/ Service provider	Risk Management Compliance with laws	Lack of internal control systems and proper risk management.  Changes in laws and regulations in countries we have invested in may give rise to compliance risks.	Source a service provider with better internal control systems and risk management would mean lower compliance risk.	Engage with service providers to keep updated about changes in regulations to make sure that we comply with all relevant laws and regulations in countries where we have invested.  Annual assessment of service provider.
Community	Environmental sustainability Contribution to the community Socially Responsible Investing	Climate change	A low carbon economy brings a new area of investment opportunity and business growth.	Sustainable sourcing  Measure carbon footprint, engage in socially responsible investing and environmental conservation initiatives.

## SUSTAINABILITY REPORT 2017

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

- A. Economic Sustainability
- B. Corporate Governance
- C. Environmental Sustainability
- D. Community Development
- E. Talent Management and Employee Retention

Economic	Governance	Environmental	Social	Fund Management
Economic Sustainability	Corporate Governance	Environmental Sustainability	Community Development	Talent Management and Employee Retention
1. Economic Performance	2. Corporate Governance Statement	7. Promoting a sustainable environment	9. Socially Responsible Investing	11. Ensuring the health, safety and welfare of the Manager's employee
	3. Compliance, anti-corruption policy & engagement with local and foreign regulators	8. Sustainable sourcing	10. Contribution to the community	12. Training and Education
	4. Ensuring Privacy of Personal Data			13. Ethics and Integrity
	5. Protection of creditors' rights			
	6. Risk Management			

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

## GIL Materiality Matrix

Importance to stakeholders	High			Economic Performance
				Good corporate governance
	Medium		Environmental Sustainability	Talent Management & Retention
			Community Development	
	Low			
	Low	Medium	High	
	Significance to Business			

## SUSTAINABILITY REPORT 2017

### ECONOMIC SUSTAINABILITY

#### 1. ECONOMIC PERFORMANCE

Please refer to Operating and Financial Review from page 57 – 60.

### 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 under the Management Agreement. Details of GIL's corporate governance are set out in GIL's Corporate Governance Statement.

#### 2. CORPORATE GOVERNANCE STATEMENT

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

GIL has adhered to the guidelines and principles as outlined in the Singapore Code of Corporate Governance 2012 (the Singapore Code) and explained deviations from the Code, where appropriate. GIL is also committed to ensuring that it acts in accordance with all relevant laws and regulations of Bermuda, including the Bermuda Companies Act.

#### BOARD MATTERS

As part of the Corporate Governance Framework, the following principles apply on board matters:

##### Principle 1: Board of Directors' Conduct of Affairs

##### Board's Role

Responsibility for corporate governance and oversight of the business and internal affairs of GIL rests with the Board. The Board has adopted formal charters of directors' functions, and has appointed the Manager to manage GIL's day-to-day business and internal affairs pursuant to the Management Agreement. The Board meets at least four times per year, or more frequently if required. GIL's Bye-laws also provide for directors to participate in Board meetings by means of teleconference and video conference.

The Board's key responsibilities include the following:

- Set strategic direction of GIL
- Approve investments and divestments above the discretionary limit of the Manager
- Determine GIL's dividend policy, the amount and timing of all dividends
- Ensure that the Manager has the necessary financial and human resources to perform its duties under the Management Agreement
- Review the Manager's performance and fees in accordance with the terms of the Management Agreement
- Review the performance and effectiveness of GIL's corporate governance policies
- Consider sustainability issues including environmental, social and governance factors as material to GIL's business

## SUSTAINABILITY REPORT 2017

## Delegation of Authority to Board Committees

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

The Board comprises the following committees:

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

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

Directors	Date of Appointment	Date of last re-election	ARMC	NGC	RC
Mr Boon Swan Foo (Chairman, Non-executive Director)	20 December 2011 <sup>1</sup>	29 April 2017	n/a	Member	n/a
Mr Adrian Chan Pengee (Lead Independent Director)	5 May 2009 <sup>2</sup>	30 April 2015	Member	Chairman	Member
Mr Ronald Seah Lim Siang (Independent Director)	30 April 2010	29 April 2016	Member	Member	Chairman
Mr Tan Kok Wee (Independent Director)	30 April 2010	29 April 2017	Chairman	n/a	Member
Mr Jason See Yong Kiat (Manager Nominated Director)	29 April 2016	n/a <sup>3</sup>	n/a	n/a	n/a

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

<sup>2</sup> Mr Adrian Chan Pengee was appointed as Lead Independent Director on 25 February 2016.

<sup>3</sup> Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

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. For FY2017, a total of seven Board meetings, five ARMC meetings, three NGC meetings and three RC meetings were held. The attendance of the directors of the Board and Board committee meetings held during FY2017 is tabulated below:

	Board Meetings		ARMC Meetings		NGC Meetings		RC Meetings	
Total Number of Meetings	7		5		3		3	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings	
Directors	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr Boon Swan Foo	7	7	n/a <sup>1</sup>	5*	3	3	n/a <sup>1</sup>	3*
Mr Adrian Chan Pengee	7	7	5	5	3	3	3	3
Mr Ronald Seah Lim Siang	7	7	5	5	3	3	3	3
Mr Tan Kok Wee	7	7	5	5	n/a <sup>1</sup>	3*	3	3
Mr Jason See Yong Kiat	7	7	n/a <sup>1</sup>	5*	n/a <sup>1</sup>	3*	n/a <sup>1</sup>	3*

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

\* refers to meeting attended by invitation

## SUSTAINABILITY REPORT 2017

### Matters for Board Approval

Under GIL's Board Charter, the matters reserved for the Board's approval include:

- Alterations of the Bye-laws or any amendment to the Management Agreement
- Changes in share capital, including allotment or issue of any shares and grant of any option or rights to subscribe for shares
- Changes in nature of business of GIL
- Changes of name of GIL
- 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 of the Group or any change of the auditors of GIL
- Entry by GIL into any joint venture, partnership, consortium or other similar arrangements
- Cessation of any business operation by GIL or any subsidiary
- Sale of any member of the Group or any consolidation or amalgamation with any other company
- Any merger, amalgamation, re-organisation, re-capitalisation or sale of any member of the Group
- Borrowing by GIL or its subsidiaries or creation by GIL or its subsidiaries of any charge or other security over any assets or property of any member of the Group
- 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 by GIL or any of its subsidiaries of any litigation or arbitration or other proceedings
- Capital raising
- Delegation or outsourcing of Manager's services
- Transactions with Related Corporations or interested persons
- Holding of cash or assets of GIL under the Manager's or any custodian's name

### Induction, Orientation and Training

In line with best practices in corporate governance and the Singapore Code, new directors will receive a letter of appointment, which provides details on the key terms of their appointment, duties and obligations as set out in the Board Charter, Audit and Risk Management Committee Charter, Nomination and Governance Committee Charter and Remuneration Charter. For example, 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. For FY2017, no new directors were appointed.

Directors receive updates on relevant regulatory changes from authorities including the SGX-ST, MAS, ACRA and Bermuda Monetary Authority on a quarterly basis. The external auditor presents the relevant changes to the financial reporting standards to the Board, where applicable.

During the annual strategic review, the Manager updates the Board on the market environment and outlook for the year ahead. A broad overview of risk vs reward environment of the year ahead including the appropriate asset allocation was discussed and decisions were made based on our risk tolerance.



## SUSTAINABILITY REPORT 2017

Dedicated training sessions (approximately 12 hours) were conducted for Directors in FY2017 internally as well as by external advisors covering the following:

- (i) Compliance and financial reporting under the International Financial Reporting Standards
- (ii) Corporate Governance Update
- (iii) Asset allocation
- (iv) Review of risk management, internal controls and corporate governance
- (v) Review of Sustainability Report
- (vi) Industry-related matters, including the Asia economic outlook and current world view of different asset classes

Directors also attended external seminars and talks individually in FY2017 to update and enhance their skills and knowledge.

## Principle 2: Composition and Guidance of the Board of Directors

### Board Independence

The Nomination and Governance Committee (NGC) oversees the size and composition of the Board and its committees and advises the Board on good governance standards and appropriate corporate governance policies. The NGC ensures that the Board has a strong and independent element to exercise objective judgment on corporate affairs independently, in particular, from the Manager and its 5% shareholders. The NGC has applied a stricter 5% shareholder test as compared to the Singapore Code's 10% shareholder test for director independence.

### Assessment of Independence of Directors

The Board has five directors, three of whom (the majority) are independent directors. The NGC annually reviews the independent status of directors in accordance with the definitions and guidelines set out in the Singapore Code to ensure no individual will dominate the decision making of the Board.

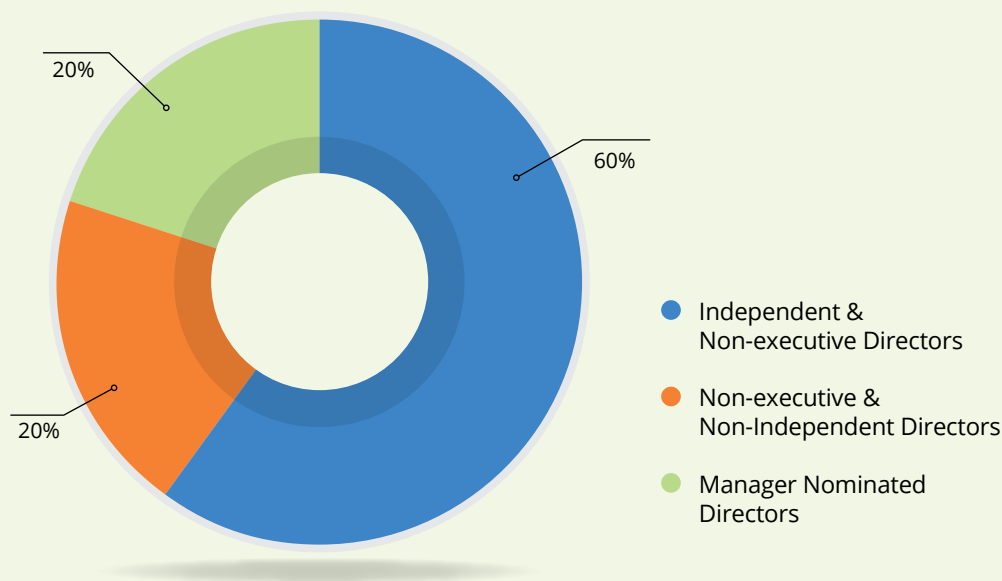
Directors	Date of Last re-election	Independence status under the Code	Less than 5% interest (direct/ deemed)	Independent relationship <sup>1</sup> - including from 5% shareholders	Served on the Board for less than 9 years	Immediate family relationship <sup>2</sup>
Mr Boon Swan Foo	27 April 2017	No	No	No	Yes	No
Mr Adrian Chan Pengee	30 April 2015	Yes	Yes	Yes	Yes	No
Mr Ronald Seah Lim Siang	29 April 2016	Yes	Yes	Yes	Yes	No
Mr Tan Kok Wee	27 April 2017	Yes	Yes	Yes	Yes	No
Mr Jason See Yong Kiat	N/A <sup>3</sup>	No	Yes	No	Yes	No

<sup>1</sup> An independent director should have 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 (See Guideline 2.3 of the Singapore Code).

<sup>2</sup> An independent director should not have an immediate family relationship with any director or GIL or its 5% shareholders (See Guideline 4.7 of the Singapore Code). The term "immediate family" refers to a person's spouse, child, adopted child, step-child, brother, sister and parent.

<sup>3</sup> Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

## SUSTAINABILITY REPORT 2017



### Board Size and Competency

The Board has re-examined its size and considered the appropriate size for the Board to facilitate effective decision making is five. 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 or finance, investment, risk management, business and management, strategy planning and customer-based 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 within GIL
- Enhance quality and responsible decision-making capability
- Ensure the sustainable development of GIL
- Enhance the reputation of GIL

While all appointments to the Board will continue to be made on merit, the Board will consider the balance of skills, experience, independence and knowledge of GIL on the Board, and the diversity representation of the Board. Criteria such as skill sets, regional and industry experience, cultural and geographical background, age, religion, ethnicity, race and gender will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

## SUSTAINABILITY REPORT 2017

The Board will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other person or physical attribute which does not speak to such person's ability to perform as a Board member.

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

### Non-executive Director's Role

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

### Principle 3: Chairman and Chief Executive Officer

#### The Chairman's Role

The role of the Chairman is to, among others:

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

There are no immediate family member relationships among the Board members, and specifically between the Chairman and Manager Nominated Director. The Chairman and Manager Nominated Director would abstain from voting in respect of any transaction where the Manager is a party. In addition, there are no special or additional voting powers conveyed to the Chairman of the Board.

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

### Appointment of Lead Independent Director

Under Guideline 3.3 of the Singapore Code, companies are required to appoint an independent non-executive director to be the lead independent director (the Lead Independent Director) in the following circumstances:

- Where the chairman and the CEO is the same person
- Where the chairman and the CEO are immediate family members
- Where the chairman is part of the management team or
- Where the chairman is not an independent director

GIL's Chairman, Mr Boon Swan Foo is considered non-independent because he holds 13.31% of

## SUSTAINABILITY REPORT 2017

the shares in GIL as at 9 March 2018. Mr Boon Swan Foo is also the ultimate beneficial owner and Chairman and Chief Executive Officer of SICIM, the Manager of GIL.

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

Mr Adrian Chan Pengee who is also the chairman of the NGC, was appointed as the Lead Independent Director of GIL on 25 February 2016.

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

In year 2017, the independent directors had met once without the presence of the other directors and the Manager.

### Principle 4: Board Membership

#### Nomination and Governance Committee (NGC)

The NGC comprises the three directors below, of which two are independent directors. The Chairman of the NGC is independent.

Directors	Appointment
Mr Adrian Chan Pengee	Chairman
Mr Boon Swan Foo	Member
Mr Ronald Seah Lim Siang	Member

#### The Role of Nomination and Governance Committee

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

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

## SUSTAINABILITY REPORT 2017

For FY2017, the NGC conducted a self-review against the responsibilities set out in the Nomination and Governance Committee Charter and concluded that the NGC had adequately fulfilled its duties.

### Review of Independence

The NGC coordinates the assessment of the performance of the Board as a whole, the Board committees, the Chairman of the Board and the Board's individual directors and determines annually if a director should be considered independent. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be rigorously reviewed (Guideline 2.4 of the Singapore Code). 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 guidelines 2.3 and 2.4 of the Singapore Code.
2. Is not independent even in the absence of relationships and circumstances enumerated in guidelines 2.3 and 2.4 of the Singapore Code.

For FY2017, the NGC has ascertained that the majority of the Board are independent according to the criteria set out in guideline 2.3 of the Singapore Code in addition to the stricter 5% shareholder test for director independence.

### 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>1</sup>. Given the full attendance of all directors at Board and Board committee meetings during FY2017, 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 FY2017.

### Alternate Director

Under GIL's Bye-laws, an Alternate Director appointed is entitled to perform all the functions of any Director to whom the Alternate Director is alternate in the Director's absence. If a person is proposed to be appointed as an alternate director to an independent director, the NC and the Board will review whether that the person would similarly qualify as an independent director, before his appointment as an alternate director. No alternate director is appointed to the Board currently.

### Process for Selection, Appointment and Re-Election of Directors

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

<sup>1</sup> This would include analogous positions such as the board of a manager of a listed fund.



## SUSTAINABILITY REPORT 2017

Under GIL's Bye-laws, the directors (other than a Manager Nominated Director) to retire by rotation in each subsequent AGM shall be those who have been longest in office since their last re-election or appointment, and a retiring director (other than a Manager Nominated Director) is eligible for re-election. The Manager Nominated Director will remain in office for a fixed term of three years after appointment, and his or her term of office is renewable for a further term of three years at the option of the Board. Subject to the provisions of the Bye-laws, GIL ensures that each director (excluding the Manager Nominated Director) submits themselves for re-election at least once every three years.

GIL has adopted a Board Diversity Policy in its selection and retention of directors.

GIL's Board Diversity Policy is stated under Principle 2: Composition and Guidance of the Board of Directors on page 29 above and can be found on GIL's website at: [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com)

### Succession Planning

During the process for the selection, appointment and re-appointment of directors, the NGC reviews the range of expertise, skills, attributes, composition 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 (excluding the Manager Nominated Director), 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.

In FY2017, no new directors were appointed. The Manager has its own succession planning for its senior management and its performance in managing GIL is reviewed annually by the Board.

### 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 "Board of Directors" section and the "Additional SGX-ST Listing Manual Disclosures" section.

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

### Principle 5: Board Performance

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

### Board and Board Committee Performance Evaluation

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

## SUSTAINABILITY REPORT 2017

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 charters 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 their respective performance, contribution, knowledge on key drivers, risks and opportunities and special expertise beneficial to the Board and to also give suggestions on what the respective directors 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 charters, and report any key findings and recommendations to the Board.

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

For FY2017, the Board, taking into consideration the key findings of the NGC, is satisfied that the Board and its committees, the Chairman and each individual director have adequately fulfilled their responsibilities. No external facilitator has been engaged for the Board and Board committee evaluation.

### **Principle 6: Access to Information**

#### **Complete, adequate information in a timely manner**

The Manager provides Board Members with complete, adequate and timely information in advance of Board meetings and on an on-going basis, so as to enable the Board to make informed decisions to discharge their duties and responsibilities. The Board has access to monthly management accounts and is provided with such explanation and information as the Board may require from time to time (see Principle 10: Accountability of the Board of Directors and Management below). Directors are also provided with quarterly regulatory updates as well as quarterly updates on global events and risks (see Principle 1: Induction, Orientation and Training above), quarterly results, quarterly risk reports, board papers and related materials one week before the Board and Board committee meetings.

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### Access to Company Secretary

For further enquiries, the directors have independent access to the Manager and Company Secretary at all times. The Company Secretary has defined responsibilities, including advising on good corporate governance practices and compliance with general statutory requirements, as set out in the administration agreement entered into between Horseshoe Fund Services Ltd. and GIL. 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.

### Independent Professional Advice

Under GIL's Board Charter, each director is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at GIL's expense on any matter concerned with 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 FY2017.

## REMUNERATION

As part of the Corporate Governance Framework, the following principles apply on remuneration matters:

### Principle 7: Procedures for Developing Remuneration Policies

#### Remuneration Committee (RC)

GIL has a RC comprising entirely of three independent and non-executive directors. The responsibilities of the RC include overseeing a framework for remuneration, recommending policies and guidelines for directors' remuneration, and reviewing the 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 fees payable to the Manager, as and when necessary
4. To recommend any long-term incentive schemes (if applicable)
5. To recommend the incentive scheme framework and policies together with the amounts awarded (if applicable)

For FY2017, the RC conducted a self-review against the responsibilities set out in the Remuneration Committee Charter and concluded that the RC had been adequately fulfilling its duties.

The RC comprises the following three directors:

#### Directors

Mr Ronald Seah Lim Siang  
Mr Adrian Chan Pengee  
Mr Tan Kok Wee

#### Appointment

Chairman  
Member  
Member

## SUSTAINABILITY REPORT 2017

**Principle 8: Level and Mix of Remuneration****Remuneration of Directors**

The Board comprises five directors, with a non-executive, non-independent Chairman, one Manager Nominated Director and three independent directors. There are no executive directors. The remuneration of these directors is disclosed under Principle 9 below. The remuneration of non-executive directors will be reviewed and recommended by the RC, taking into account factors such as effort and time spent and responsibilities of the directors, as well as industry benchmarks and other selected listed and formerly listed investment companies in Singapore. Non-executive directors are also encouraged to hold the shares of GIL to better align interests of the directors with the interests of the shareholders. Currently, three of the non-executive directors are holding shares of GIL. The Manager Nominated Director does not receive any director fees. The fees payable to its non-Manager Nominated Directors are stipulated in its Bye-laws.

**Remuneration of the Manager**

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

The Manager is entitled to a Base fee calculated upon 1.0% of Net Investment Value up to S\$1.5 billion and 1.5% of Net Investment Value in excess of S\$1.5 billion. The Manager is also entitled to the incentive fee, fixed fee, acquisition fee, divestment fee and debt raising fee and is reimbursed by GIL for third party expenses. The incentive fee is a performance-related fee designed to be aligned the interests of the Manager with the interests of the shareholders and to promote the long-term success of GIL.

The RC regularly reviews and evaluates the remuneration structure of the Board and Manager, and is confident that the overall level and structure of remuneration align with the long-term interests and risk management policies of GIL. The remuneration structure of the Manager had been subject to detailed review by an independent financial adviser and approved by the Board and separately by the shareholders at the Annual General Meeting in 2017. GIL believes in making full and frank disclosure of the entire formula on the Manager's Fee structure, as fully set out at page 126.

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.

**Principle 9: Disclosure on Remuneration**

The Manager Nominated Director does not receive any director's fees or other compensation from GIL for serving as a director or a member of a Board committee of GIL or any of its subsidiaries.

Directors (including the Manager Nominated Director) 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 directors and the Manager Nominated Director. 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.

## SUSTAINABILITY REPORT 2017

GIL has adopted the following fee structure for non-Manager Nominated Directors for FY2017:

		Remuneration Per Annum
1.	Base remuneration fee	US\$50,000 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	US\$18,000
	b) Deputy Chairman of the Board (if applicable)	US\$5,000
	c) Lead Independent Director	US\$4,000
	d) Base fee for membership of ARMC	US\$10,000 per Member
	e) Chairman of ARMC	US\$5,000
	f) Base fee for membership of NGC	US\$2,000 per Member
	g) Chairman of NGC	US\$1,000
	h) Base fee for membership of RC	US\$2,000 per Member
	i) Chairman of RC	US\$1,000
3.	Fees for directorship of all subsidiary companies	US\$5,000 per director <sup>1</sup>

<sup>1</sup> For the avoidance of doubt, this fee applies to non-Manager Nominated Directors of GIL. A separate fee is paid for other nominee directors who sit on the boards of GIL's subsidiaries.

Subject to the right of the Board to review the amount of fees payable to the directors should circumstances justify an increase, these fees can be altered without shareholders' approval provided that the aggregate paid to all directors does not exceed the maximum set by GIL's Bye-laws. Pursuant to the Bye-laws, the maximum aggregate amount of fees payable to the directors in respect of one year is the number of directors appointed at the relevant time multiplied by US\$70,000. All fees are paid quarterly in arrears, and pro-rated if an appointment was made during the financial year.

For FY2017, Mr Jason See Yong Kiat, being the Manager Nominated Director did not receive any director's fees. Mr Boon Swan Foo, Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee were paid the full amount of annual fees. The remuneration of non-Manager Nominated Directors for FY2017 is as follows:

#### Remuneration of non-Manager Nominated Directors

Directors	Base Remuneration Fees (US\$)	Fees for Chairmanship of the Board and Various Board Committees and Membership of Various Board Committees (US\$)	Total Directors' Fees <sup>2</sup> (US\$)
Mr Boon Swan Foo	50,000	20,000	70,000
Mr Adrian Chan Pengee	50,000	19,000	69,000
Mr Tan Kok Wee	50,000	17,000	67,000
Mr Ronald Seah Lim Siang	50,000	15,000	65,000

<sup>2</sup> Director's Fees are paid quarterly in arrears and pro-rated if appointment is during the financial year.

#### Remuneration of top 5 Key Management Personnel / Employee Share Scheme / Employees Immediately Related to a Director or CEO

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



## SUSTAINABILITY REPORT 2017

GIL will compensate the Manager for providing the above services as set out in the terms of the Management Agreement through the Manager Fee structure as disclosed under Principle 8.

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

### ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

As part of the Corporate Governance Framework, the following principles apply on accountability and audit:

#### Principle 10: Accountability of the Board of Directors and Management

The Board seeks to provide the shareholders with a balanced and understandable assessment of GIL's performance, position and prospects through its announcement of quarterly and full year financial results (quarterly financial results are released within 45 days after the end of each quarter while full year financial results are released within 60 days after the financial year end), dividend guidance and other material information via SGXNet and GIL's corporate website. Annual reports are sent to all shareholders and are accessible on GIL's website. The Manager provides the Board with information to enable the Board to make a balanced and informed assessment of Company's performance, position and prospects. The Manager also submits a quarterly compliance checklist to the SGX-ST confirming that all the financial results announced via SGXNet comply with the requirements set out in the Listing Manual.

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

#### Principle 11: Risk Management Committee and Internal Controls

##### Risk Management

The Board is responsible for the governance of risk. The Board determines GIL's level of risk tolerance and risk policies and oversees the Manager in the design, implementation and monitoring of the risk management and internal control systems.

GIL has implemented an Enterprise Risk Management (ERM) Framework for the identification of key risks within the business. This Framework defines five major classifications of risks - Strategic, Investment/Economic, Regulatory, Financial and Operational. Operational risks include possible lapses in internal controls and risks from external events such as legal risks as well as environmental risks. Investment/Economic risks are influenced by a variety of general economic and business conditions in the places where GIL has investments or where GIL's underlying assets and economic exposures are located. Such factors may affect the share price of GIL and its ability to meet dividend expectations. While appropriate risk mitigation measures within GIL's risk assessment framework are taken to address such inherent risk, the Board notes that, 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 31000:2009(E)) 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

## SUSTAINABILITY REPORT 2017

management process is an ongoing process and requires the continuous identification, assessment, monitoring and management of significant risks. The ARMC will report any material matters, including findings and recommendations pertaining to risk management to the Board.

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

The Board reviews the adequacy and effectiveness of the company's risk management and internal control systems, including financial, operational, compliance and information technology controls on an annual basis.

### Internal Controls

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. 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. 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.

### Principle 12: Audit Committee

While GIL does not have a CEO/CFO, for FY2017, 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. This certification also confirms the adequacy of GIL's risk management, compliance and internal control systems.

### Audit & Risk Management Committee

GIL has established an ARMC and has adopted a formal charter setting out its key responsibilities. All three member of the ARMC, including the Chairman of the ARMC, possess relevant accounting or related financial management expertise or experience.

The ARMC comprises the following three independent directors:

<b>Directors</b>	<b>Appointment</b>
Mr Tan Kok Wee	Chairman
Mr Adrian Chan Pengee	Member
Mr Ronald Seah Lim Siang	Member

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

1. retain external counsel, accountants, or others to advise the ARMC or to assist in the conduct of an investigation
2. seek any information it requires from external parties
3. meet with the officers of the Group, external auditors, or external counsel, as necessary

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

### Specific Responsibilities

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

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

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

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

- Reviewed and recommended to the Board the release of the quarterly and full year financial statements
- Reviewed and recommended to the Board the Compliance Plan 2017
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2017

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

## SUSTAINABILITY REPORT 2017

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

### 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 held a meeting with the external auditors without the presence of the Manager.

### Independence of the External Auditors

For the purposes of the FY2017 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 FY2017, the fees paid to the external auditor for audit services and non-audit services were as follows:

	Fees (S\$)
Audit Services	105,000
<b>Total</b>	<b>105,000</b>

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

### Whistleblowing Policy

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

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**Principle 13: Internal Audit**

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

**SHAREHOLDERS RIGHTS AND RESPONSIBILITIES****Principle 14: Shareholder Rights**

GIL is committed to maintaining high standards of disclosure and corporate transparency with members of the investment community and investing public. The Board has adopted policies and procedures that comply with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the Singapore Code. GIL has developed an Investor Relations Policy which is designed to ensure the delivery of timely, relevant and pertinent information to shareholders. The Manager facilitates regular and effective communication in an open and non-discriminatory approach on changes to GIL as well as its performance or business developments which would be likely to materially affect the price or value of the Shares.

**Principle 15: Communication with Shareholders**

GIL discloses information on a timely basis through SGXNET and GIL's website, including quarterly financial results within 45 days after the end of each quarter and the financial statements for the full financial year within 60 days after the end of each financial year. The corporate website provides shareholders and the investment community with key information, including annual reports, quarterly results, presentations and announcements to SGX, information on shares and dividends and shareholders' meetings. The investor relations team of the Manager endeavours to respond to shareholder queries promptly and effectively, and usually does so within a week of receiving such queries. It also maintains a register of all queries and responses given by GIL. GIL's contact details can be found at [www.globalinvestmentslimited.com](http://www.globalinvestmentslimited.com).

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). In FY2017, the briefing session that was held for both media and analysts was attended by the Chairman, the Manager Nominated Director and key management personnel of the Manager.

**Dividend Policy**

GIL's dividend policy is to pay out most of the profit after tax taking into consideration GIL's requirements for future growth.

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

**Principle 16: Conduct of Shareholders Meetings**

GIL supports active shareholder participation at AGMs. At least 21 days before the AGM, notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information will be sent to shareholders to provide shareholders with

## SUSTAINABILITY REPORT 2017

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

There will be distinct resolutions at general meetings on each substantially separate issue. Resolutions are not bundled unless they are interdependent and linked so as to form one significant proposal. All resolutions will be conducted by poll voting. Shareholders attending the general meeting would have the opportunity to ask questions on proposed resolutions and the voting procedure would be communicated to the shareholders at the meeting. 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.

The Chairman, the Chairman of each of the Board committees and where possible, 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. GIL encourages shareholders to pose questions, and gives them ample opportunity to do so at the AGM. 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 request.

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

### DEALING IN SECURITIES

GIL's Share Trading Policy states that directors, employees 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 two weeks before the announcement of GIL's financial results for each of the first three quarters of the financial year and one month before the announcement of GIL's full year financial results and ending on the date of the announcement of the relevant results.

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

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

### CODE OF CONDUCT

GIL has a Code of Conduct that applies to all executive and non-executive directors, officers, employees and contractors (collectively 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 will adhere to GIL's Code of Conduct in addition to its own.

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



## SUSTAINABILITY REPORT 2017

### CONFLICTS OF INTEREST POLICY

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

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

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

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

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

### INTERESTED PERSON TRANSACTIONS POLICY

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

To protect the interests of GIL and its shareholders, the Board adopts the following principles in its handling of 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 fairly and on a third party arm's length basis
3. Any fee payments made must be market-based and approved by a majority of the Independent Directors

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)

## SUSTAINABILITY REPORT 2017

## CODE OF CORPORATE GOVERNANCE 2012

## Disclosure of Specific Principles and Guidelines

Principles and guidelines for disclosure	Page reference
<b>Guideline 1.3</b>	
Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 27
<b>Guideline 1.4</b>	
The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 27
<b>Guideline 1.5</b>	
The types of material transactions that require board approval	Page 28
<b>Guideline 1.6</b>	
The induction, orientation and training provided to new and existing directors	Page 28 - 29
<b>Guideline 2.1</b>	
Proportion of independent director	Page 29 - 30
<b>Guideline 2.3</b>	
Directors who are considered to be independent	Page 29
<b>Guideline 2.4</b>	
Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	N.A.
<b>Guideline 2.5</b>	
The Board should examine and determine its appropriate size to facilitate effective decision making	Page 30
<b>Guideline 3.1</b>	
Relationship between the Chairman and the CEO where they are immediate family members	Page 31
<b>Guideline 3.3</b>	
Appointment of an independent director to be the lead independent director where the Chairman is not an independent director	Page 32
<b>Guideline 4.1</b>	
Names of members of NC, key terms of reference which clearly set out its authority and duties delegated by the Board	Page 32
<b>Guideline 4.4</b>	
The maximum number of listed company board representations which any director may hold	Page 33
<b>Guideline 4.6</b>	
Description of the process for selection, appointment and re-appointment of directors to the Board	Page 33 - 34
<b>Guideline 4.7</b>	
Key information regarding directors such as academic and professional background, shareholdings, chairmanships, directorships and other principal commitments as well as independence of the directors	Page 34

## SUSTAINABILITY REPORT 2017

## CODE OF CORPORATE GOVERNANCE 2012

## Disclosure of Specific Principles and Guidelines

Principles and guidelines for disclosure	Page reference
<b>Guideline 5.1</b>	
The process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its board committees and assessing the contribution by the Chairman and each individual director to the effectiveness of the Board	Page 34 - 35
<b>Guideline 7.1</b>	
Names of members of the RC and key terms of reference of the RC which clearly state its authority and duties as delegated by the Board	Page 36
<b>Principle 9</b>	
Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Page 36 - 37
<b>Guideline 9.1</b>	
Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Page 38 - 39
<b>Guideline 9.2</b>	
Fully disclose the remuneration of each individual director and CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through based/fixed salary, variable or performance related income/bonuses, benefits in kind, stock options granted, share based incentives and awards, and other long term incentives.	Page 38
<b>Guideline 9.3</b>	
Name and disclose the remuneration at least the top five key management personnel (who are not also directors or the CEO) in bands of S\$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through based/fixed salary, variable or performance related income/bonuses, benefits in kind, stock options granted, share based incentives and awards, and other long term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).	N.A as GIL has no employee
<b>Guideline 9.4</b>	
Details of remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000.00 during the year.	N.A as GIL has no employee
<b>Guideline 9.5</b>	
Details and important terms of employee share schemes.	N.A as GIL has no employee
<b>Guideline 9.6</b>	
Information on the link between remuneration paid to the executive directors and key management personnel, and performance.	N.A as GIL has no employee
<b>Principle 10</b>	
The Board should present a balanced and understandable assessment of the company's performance, position and prospects	Page 39

## SUSTAINABILITY REPORT 2017

## CODE OF CORPORATE GOVERNANCE 2012

## Disclosure of Specific Principles and Guidelines

Principles and guidelines for disclosure	Page reference
<b>Guideline 11.3</b>	
The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls and risk management systems.	Page 40
The commentary should include information needed by the stakeholders to make an informed assessment of the company's internal control and risk management systems.	
The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	
<b>Guideline 12.1</b>	
Names of the members of the ARMC and the key terms of reference of the ARMC, explaining its role and authority delegated to it by the Board	Page 40 - 41
<b>Guideline 12.6</b>	
Independence of the external auditors and the aggregate amount of fees paid to the external auditors for that financial year as well as breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 42
<b>Guideline 12.7</b>	
Existence of a whistle-blowing policy and procedures for raising concerns about possible improprieties in matters of financial reporting or other matters	Page 42
<b>Guideline 12.8</b>	
Activities of the ARMC and measures taken by the members to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Page 42
<b>Principle 13</b>	
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits	Page 43
<b>Guideline 14.1</b>	
Shareholders have the right to be sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the company's shares	Page 43
<b>Guideline 14.2</b>	
Companies should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders	Page 43 - 44
<b>Guideline 15.1</b>	
Investor relations policy to regularly convey pertinent information to shareholders	Page 44
<b>Guideline 15.4</b>	
Steps the Board has taken to solicit and understand the views of the shareholders	Page 44
<b>Guideline 15.5</b>	
Policy on payment of dividends	Page 43

## SUSTAINABILITY REPORT 2017

**3. COMPLIANCE, ANTI-CORRUPTION AND ENGAGEMENT WITH LOCAL AND FOREIGN REGULATORS**

GIL recognises that the elimination of corruption is a priority because of the potential erosion of confidence and trust in business among investors, customers, employees and the public. In particular, GIL is aware of the considerable damage resulting from corruption. This includes possible adverse legal repercussions, a negative impact on GIL's reputation and significant direct financial costs as well as loss of trust and confidence among staff.

GIL has formalised an Anti-Corruption Policy, which requires, that directors and staff report, and/or whistle-blow, any instances or suspicion of corruption. This is to make sure that there are no cases of inappropriate giving or receiving 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. GIL actively engages with the regulatory authorities in both Bermuda and Singapore to make certain 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 actively follows regulatory updates and provides useful and detailed feedback for consultation papers or surveys issued by regulators. The Manager follows robust processes to identify, escalate and report any suspicious matters and 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)

**4. ENSURING PRIVACY OF PERSONAL DATA**

GIL is committed to ensuring privacy of all shareholder data. The Company has instituted a Personal Data Protection Policy setting out 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 protecting GIL's critical assets and sensitive information. As a licensed capital markets holder, GIL's Manager has installed technology risk management and data protection systems 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)

**5. PROTECTION OF CREDITORS' RIGHTS**

GIL recognises the rights of creditors established by law. The Board and Manager are responsible for making certain 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 2017

### 6. 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 Enterprise Risk Management framework is set out in the "Risk Management" section of the Corporate Governance Statement on page 39 and 40.

GIL's Financial Risk Management can be found in "Note 4: Financial Risk Management" under the section of "notes to the financial statements" of GIL's Financial Report from page 83 to 98 of this Annual Report.

## ENVIRONMENTAL SUSTAINABILITY

### 7. PROMOTING A SUSTAINABLE ENVIRONMENT

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

#### CONSERVATION OF ELECTRICITY

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

In addition, the Manager's staff consistently make sure lights, air conditioners and other electronic appliances are always switched off when not in use. The Company also supports the fight against climate change by observing "Earth Hour".

#### DISPOSAL OF HARDWARE AND PAPER

Improper disposal of electronic devices can lead to many harmful effects on 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 excess usage of paper is responsible for massive deforestation and global warming. Therefore, it is important to reduce paper wastage and dispose of it carefully. The Manager's printers are always set for double-sided printing and we closely monitor the monthly consumption of paper-related waste products. The Manager also encourages staff to avoid printing hard copies of their documents.



## SUSTAINABILITY REPORT 2017

## 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% improvement in carbon emissions.

## Environmental Data

	2017
Energy Consumption (kWh)	66,012
Carbon emissions from purchased electricity (kgCO <sub>2</sub> e) <sup>1</sup>	28,471

<sup>1</sup> Based on relevant grid emission factor conversion of Singapore

## 8. SUSTAINABLE SOURCING

The Manager strives to use products from eco-friendly suppliers, or suppliers who have obtained the Singapore Green Label Certification or relevant ISO Certification. The Singapore Green Labelling Scheme (SGLS) endorses industrial and consumer products that have less 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 products 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.

## COMMUNITY DEVELOPMENT

## 9. 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. This means operating in ways that meet fundamental responsibilities in areas such as human rights, labour, environment and anti-corruption.

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

We will not support companies involved in known breaches of human rights, labour, environment or anti-corruption laws. The Company believes sustainability factors have an important bearing on risk and return and ultimately lead to the prospect of success or failure of investments.

GIL's investment includes clean energy stocks and green stocks. We are glad to support companies which promote clean technology, focus on green industry and specialize in environmental protection business.

## 10. CONTRIBUTION TO THE COMMUNITY

GIL believes in giving back to the Community who have supported us in our growth by supporting the community in times of emergency and need. Even though GIL does not have any employees, we have asked our Manager to organize insightful trainings and courses for their employees so that they can in turn help the needy.

## SUSTAINABILITY REPORT 2017

### **CPR AND AED TRAINING**

The Manager organised a Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) course for staff on 23 March 2017. The course equipped the staff with knowledge about standard procedures in case of an emergency. The Manager's staff who completed the training received a CPR+AED Certificate upon completion of the course.

### **CAREGIVERS -TO-CAREGIVERS EDUCATION PROGRAM**

Findings from Singapore Mental Health Study conducted by the Institute of Mental Health in 2010 revealed that the most common mental disorders are Major Depressive Disorder (1 in 17), Alcohol Abuse (1 in 32) and Obsessive Compulsive Disorder (1 in 33). Most mental disorders occur by the age of 29 and most people with mental illness do not seek help. This study indicates that there is a need for the community to reach out to the large number of caregivers who need support in caring for their loved one.

With this in mind, the Manager has engaged Caregivers Alliance Limited (CAL), a non-profit organisation in Singapore dedicated to meeting the needs of families and caregivers of people with mental illness to provide an eight-session Caregivers-to-Caregivers Education Program to the staff.

This program provided the Manager's employees with the knowledge and skills to support and effectively interact with friends, family or colleagues who are suffering from mental illness. During the 8 weeks' training, employees had the opportunity to share the issues and challenges faced when acting as caregivers. The speaker gave useful advice about methods that can be used during the recovery journey of their loved one. The Caregiver course encouraged empathy and better understanding of those who are suffering from mental illnesses.

## **TALENT MANAGEMENT AND EMPLOYEE RETENTION**

### **11. ENSURING THE HEALTH, SAFETY AND WELFARE OF THE MANAGER'S EMPLOYEES**

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, we recognise that it can only remain relevant through the efforts and talents of a skilled and adaptable workforce and prudent selection of its manager. Given that GIL does not have any employees, it is very important that our Manager has a proper talent management and employee retention strategy to ensure sustainable growth.

The fundamental focus of the Manager is to make sure that each employee remains healthy and engaged in a safe work environment. The Manager's employees should not be exposed to any high-risk activities in their daily operations. The Manager will encourage the staff to lead a healthy lifestyle by incorporating exercise and a healthy diet. In addition to this, the Manager could provide staff with the option to have standing desks to avoid them sitting for long hours.

### **12. TRAINING AND EDUCATION**

Regular staff training and development remain key priorities for the Manager in order to make certain that the Company keeps a diverse pool of retained talent. In order to remain relevant with the changing times, the Manager's staff attended a course on "Business Writing Essentials" conducted by the British Council. The staff learnt about modern standards of writing and how to effectively communicate with internal and external parties. This helps to improve relationships within the workplace as well as with GIL's business partners.

## SUSTAINABILITY REPORT 2017

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

**Employee Training Hours**

	2017
Total Hours of training	781.80
Average Hours of training per employee	52.12
<b>Female</b>	<b>393.55</b>
<b>Male</b>	<b>388.25</b>

**13. 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 the IMAS Code of Ethics and Standards of Professional Conduct and Guidelines.

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

On 12 October 2017, the Manager sponsored its employees to attend "ACCA Ethics Film Festival" to raise their awareness on the ethics issues and challenges in finance industry and to better appreciate the importance of upholding high ethical standards in the finance industry.

**About the Report**

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

Reporting Period & Standards

This report covers data and information from 1 January 2017 to 31 December 2017 and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Feedback

We welcome feedback.

**INVESTOR RELATIONS**

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## SUSTAINABILITY REPORT 2017

## Global reporting Initiative (GRI) Content index

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

## General standard disclosures

General disclosures	Disclosure requirements	Where have we disclosed this?
<b>Organisational profile</b>		
<b>G102-1</b>	Name of the organisation	Global Investments Limited
<b>G102-2</b>	Activities, brands, products and services	Refer to page 2 Corporate Profile
<b>G102-3</b>	Location of headquarters	Refer to Corporate Information
<b>G102-4</b>	Countries of operation	Refer to page 2, Corporate profile
<b>G102-5</b>	Ownership and legal form	Public limited company listed on the Singapore Exchange
<b>G102-6</b>	Markets served	Refer to page 2, Corporate profile
<b>G102-7</b>	Scale of the organisation	Refer to page 2, Corporate profile
<b>G102-8</b>	Information on employee and other workers	NA as GIL has no employees
<b>G102-9</b>	Supply chain	Refer to page 51, Sustainable Sourcing
<b>G102-10</b>	Significant changes to the organisation during the reporting period	There were no significant changes to our organisational profile during the reporting period
<b>G102-11</b>	Precautionary approach or principle	Refer to page 39-40, Risk Management and Internal Controls
<b>G102-12</b>	Externally developed sustainability initiatives subscribed to or endorsed	We have applied the GRI Sustainability Reporting Guidelines in the preparation of our Annual Report.
<b>G102-13</b>	A list of the main memberships or industry of other associations, and national or international advocacy organisations	Refer to page 53, Ethics and Integrity
<b>Strategy</b>		
<b>G102-14</b>	Statement from senior decision maker	Refer to page 3-5, Chairman's Statement
<b>G102-15</b>	Key impacts, risks, and opportunities	Refer to page 24-25, Materiality Assessment
<b>Ethics and integrity</b>		
<b>G102-16</b>	Values, principles, standards, and norms of behaviour	Refer to page 53, Ethics and integrity
<b>G102-17</b>	Mechanisms for advice and concerns about ethics	Refer to page 42-45
<b>Governance</b>		
<b>G102-18</b>	Governance structure	Refer to page 26-27, Board Matters
<b>G102-19</b>	Delegating authority	Refer to page 27, Delegation of Authority to Board Committees
<b>G102-20</b>	Executive-level responsibility for economic, environmental, and social topics	All GRI aspects identified are applicable to all entities and employees of the Manager
<b>G102-21</b>	Consulting stakeholders on economic, environmental, and social topics	We consider all GRI aspects applicable to GIL to be relevant to all stakeholder groups identified on page 23.
<b>G102-22</b>	Composition of the highest governance body and its committees	Restatements of information, where applicable, are noted within the relevant data sets
<b>G102-23</b>	Chair of the highest governance body	Refer to page 10-13, Board of Directors
<b>G102-24</b>	Nominating and selecting the highest governance body	Refer to page 10-13, Board of Directors
<b>G102-25</b>	Conflicts of interest	Refer to page 45, Conflicts of Interest Policy
<b>G102-26</b>	Role of highest governance body in setting purpose, values, and strategy	Refer to page 26-35

## SUSTAINABILITY REPORT 2017

General disclosures	Disclosure requirements	Where have we disclosed this?
<b>General Disclosures (Optional)</b>		
<b>G102-27</b>	Collective knowledge of highest governance body	Refer to page 28-29, Induction, Orientation and Training
<b>G102-28</b>	Evaluating the highest governance body's performance	Refer to page 32-35
<b>G102-29</b>	Identifying and managing economic, environmental and social impacts	Refer to page 24-25, Materiality Assessment
<b>G102-30</b>	Effectiveness of risk management processes	Refer to page 39-41, Accountability, Audit and Risk Management
<b>G102-31</b>	Review of economic, environmental, and social topics	Refer to page 22, Board Statement
<b>G102-32</b>	Highest governance body's role in sustainability reporting	Refer to page 22, Board Statement
<b>G102-33</b>	Communicating critical concerns	Refer to page 43, Shareholders Rights and Responsibilities
<b>G102-34</b>	Nature and total number of critical concerns	Nil
<b>G102-35</b>	Remuneration policies	Refer to page 36-38, Remuneration
<b>G102-36</b>	Process for determining remuneration	Refer to page 36-38, Remuneration
<b>G102-37</b>	Stakeholders' involvement in remuneration	Refer to page 37, Remuneration
<b>Stakeholder Engagement</b>		
<b>G102-40</b>	List of stakeholder groups	Refer to page 23, Active Stewardship and Stakeholder Engagement
<b>G102-41</b>	Collective bargaining agreements	NA
<b>G102-42</b>	Identifying and selecting stakeholders	Refer to page 23, Active Stewardship and Stakeholder Engagement
<b>G102-43</b>	Approach to stakeholder engagement	Refer to page 23, Active Stewardship and Stakeholder Engagement
<b>G102-44</b>	Key topics and concerns raised	Refer to page 24-25, Materiality Assessment
<b>Reporting Practice</b>		
<b>G102-45</b>	Entities included in the consolidated financial statements	Refer to page 110, Controlled Entities
<b>G102-46</b>	Defining report content and topic Boundaries	Refer to page 53, About the Report
<b>G102-47</b>	List of material topics	Refer to page 24, Materiality Assessment
<b>G102-48</b>	Restatements of information	NA as this is the first report.
<b>G102-49</b>	Changes in reporting	NA as this is the first report.
<b>G102-50</b>	Reporting period	Refer to page 53, About the Report
<b>G102-51</b>	Date of most recent report	Refer to page 53, About the Report
<b>G102-52</b>	Reporting cycle	Refer to page 53, About the Report
<b>G102-53</b>	Contact point for questions regarding the report	Refer to page 53, About the Report
<b>G102-54</b>	Claims of reporting in accordance with the GRI Standards	Refer to page 53, About the Report
<b>G102-55</b>	GRI content index	Refer to page 54-56
<b>G102-56</b>	External assurance	Nil

## SUSTAINABILITY REPORT 2017

## Topic-Specific Disclosures

Topic-Specific Disclosures	Disclosure requirements	Where have we disclosed this?
<b>Economic Sustainability</b>		
<b>G103-1-3</b>	Management Approach	Refer to page 3-5, Chairman's Statement
<b>G201-1</b>	Direct economic value generated and distributed	Refer to page 6-8, Financial Highlights
<b>G202-2</b>	Proportion of senior management hired from the local community	N.A. GIL has no employee
<b>G419-1</b>	Non-compliance with laws and regulations in the social and economic area	Nil
<b>Corporate Governance</b>		
<b>G103-1-3</b>	Management Approach	Refer to page 26, Corporate Governance Statement
<b>G205-2</b>	Communication and training about anti-corruption policies and procedures	Refer to page 49, Compliance, Anti-corruption and Engagement with local and foreign regulators
<b>G418</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
<b>Environmental Sustainability</b>		
<b>G103-1-3</b>	Management Approach	Refer to page 50, Environmental Sustainability
<b>G203-2</b>	Significant indirect economic impacts	Refer to page 43, Dividend Policy and page 51, Socially Responsible Investing
<b>G302-1</b>	Energy consumption within the organisation	Refer to page 51, Managing our Environmental Footprint
<b>G302-4</b>	Reduction of energy consumption	N.A as this is the first report
<b>G305-1</b>	Direct (Scope 1) GHG emissions	Refer to page 51, Managing our Environmental Footprint
<b>G305-5</b>	Reduction of GHG emissions	N.A as this is the first report
<b>Training and Education</b>		
<b>G103-1-3</b>	Management Approach	NA as GIL has no employees
<b>G404-1</b>	Average hours of training per year per employee	NA as GIL has no employees
<b>G404-3</b>	Percentage of employees receiving regular performance and career development reviews	NA as GIL has no employees
<b>Supply Chain and Responsible Procurement</b>		
<b>G103-1-3</b>	Management Approach	Refer to page 51, Sustainable Sourcing
<b>G308-1</b>	New suppliers that were screened using environmental criteria	Refer to page 51, Sustainable Sourcing
<b>G414-1</b>	New suppliers that were screened using social criteria	NA due to the nature of GIL's business
<b>Community Development</b>		
<b>G103-1-3</b>	Management Approach	Refer to page 51, Contribution to the Community



## OPERATING AND FINANCIAL REVIEW

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>REVENUE</b>		
Dividend income	1,430	1,306
Interest income	16,722	16,725
Net gain on sale of investments	25,804	14,933
Net gain on financial assets designated as fair value through profit or loss	2,470	1,812
Other income	232	307
<b>Total revenue</b>	<b>46,658</b>	<b>35,083</b>
<b>EXPENSES</b>		
Management fees	(2,319)	(1,982)
Incentive fees	(4,228)	(615)
Net foreign exchange losses (net of hedges)	(2,408)	(2,455)
Finance costs	-	(1)
Other operating expenses	(2,116)	(2,157)
<b>Total expenses</b>	<b>(11,071)</b>	<b>(7,210)</b>
Net reversal of impairment expense/(Net impairment expense)	3,446	(10,752)
<b>Profit before tax</b>	<b>39,033</b>	<b>17,121</b>
<b>Income tax expense</b>	<b>(81)</b>	<b>(61)</b>
<b>Profit after tax</b>	<b>38,952</b>	<b>17,060</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– Fair value gain	12,391	7,758
– Reclassification to profit or loss	(17,756)	1,647
Currency translation differences arising from consolidation		
– (Loss)/Gain	(3,478)	567
<b>Other comprehensive income for the year after tax</b>	<b>(8,843)</b>	<b>9,972</b>
<b>Total comprehensive income for the year attributable to shareholders</b>	<b>30,109</b>	<b>27,032</b>
<b>Basic earnings per share (cents per share)</b>	<b>2.43</b>	<b>1.14</b>
<b>Diluted earnings per share (cents per share)</b>	<b>2.43</b>	<b>1.14</b>

**OPERATING AND FINANCIAL REVIEW (cont'd)**

For the year ended 31 December 2017, the Group recorded a net profit of S\$39.0 million which was 128.1% higher than the profit of S\$17.1 million recorded in the previous year. Total comprehensive income of S\$30.1 million was 11.5% higher than the S\$27.0 million recorded last year.

**REVENUE**

Revenue for the current year was S\$46.7 million, 33.0% higher than the S\$35.1 million recorded last year. The higher revenue was mainly contributed by higher gain on sale of investments of S\$25.8 million as compared to S\$14.9 million last year. Net gain on financial assets designated as fair value through profit or loss of S\$2.5 million was also higher as compared to the net gain of S\$1.8 million in the prior year.

**EXPENSES**

Expenses for the current year was higher at S\$11.1 million as compared to S\$7.2 million last year. This was mainly due to the manager incentive fee of S\$4.2 million in the current year compared to S\$0.6 million in the prior year. For the full year, a total of S\$2.7 million of incentive fee has been waived by the manager.

**NET REVERSAL OF IMPAIRMENT EXPENSE / NET IMPAIRMENT EXPENSE**

For the year ended 31 December 2017, the Group recognised a net reversal of impairment expense of S\$3.4 million arising from the portfolio of listed equities, bonds, bank contingent convertibles and collateralised loan obligation (CLO) notes. For the year ended 31 December 2016, the Group recognised a net impairment expense of S\$10.8 million arising from the portfolio of listed equities, bond and CLO notes.

**OTHER COMPREHENSIVE INCOME**

Other comprehensive income for the year ended 31 December 2017 amounted to a loss of S\$8.8 million versus S\$10.0 million income in the prior year. The negative other comprehensive income for the year was mainly due to the reclassification of fair value gain to profit or loss of S\$17.8 million following reversal of impairment and sale of available-for-sale (AFS) financial assets. A translation loss of S\$3.5 million was recorded following the depreciation of USD against the SGD. The loss was partially offset by a net fair value gain of S\$12.4 million on AFS financial assets. In the prior year, the other comprehensive income of S\$10.0 million was largely attributed to fair value gain of S\$7.8 million and the reclassification of fair value loss of S\$1.6 million to profit or loss following the impairment and sale of AFS financial assets.

## OPERATING AND FINANCIAL REVIEW (cont'd)

## STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in subsidiaries	-	54,296	-	92,435
Loans and receivables	35,568	35,568	53,957	53,957
Available-for-sale financial assets	109,175	109,175	128,122	128,122
Financial assets at fair value through profit or loss	58,969	58,969	63,002	63,002
	203,712	258,008	245,081	337,516
<b>Current assets</b>				
Cash and cash equivalents	88,090	88,090	21,889	20,687
Available-for-sale financial assets	38,141	38,141	45,799	41,884
Financial assets at fair value through profit or loss	-	-	490	490
Other assets	7,348	7,348	3,230	3,195
	133,579	133,579	71,408	66,256
<b>Total Assets</b>	<b>337,291</b>	<b>391,587</b>	<b>316,489</b>	<b>403,772</b>
<b>LIABILITIES</b>				
Intercompany payables	-	54,297	-	87,285
Other liabilities	4,399	4,398	5,718	5,716
<b>Total Liabilities</b>	4,399	58,695	5,718	93,001
<b>Net assets attributable to shareholders</b>	<b>332,892</b>	<b>332,892</b>	<b>310,771</b>	<b>310,771</b>
<b>EQUITY</b>				
Share capital	563,537	563,537	549,432	549,432
Capital reserve	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	7,631	7,631	12,996	10,357
Translation reserve	11,115	-	14,593	-
Accumulated losses	(183,545)	(172,430)	(200,404)	(183,172)
<b>Total Equity</b>	<b>332,892</b>	<b>332,892</b>	<b>310,771</b>	<b>310,771</b>

**OPERATING AND FINANCIAL REVIEW (cont'd)****LOANS AND RECEIVABLES**

The loans and receivables balance as at 31 December 2017 was S\$35.6 million, a decrease of S\$18.4 million from S\$54.0 million as at 31 December 2016. It comprised investments in CLO notes, Asset Backed Securities (ABS) and a bond. The lower balance was mainly due to redemption of residential mortgage-backed securities (RMBS) and CLOs notes during the year.

**AVAILABLE-FOR-SALE FINANCIAL ASSETS**

The AFS financial assets of S\$147.3 million as at 31 December 2017 comprised investments in listed equities, bonds and bank contingent convertibles. The decrease of S\$26.6 million from S\$173.9 million as at 31 December 2016 was mainly due to net disposal of investments during the year, slightly offset by an increase in valuation.

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

The financial assets at fair value through profit or loss was S\$59.0 million as at 31 December 2017 as compared to S\$63.5 million as of 31 December 2016. It comprised investments in a portfolio of bonds and bank contingent convertibles. The decrease of S\$4.5 million during the period was due to the net disposal of investments, offset by an increase in valuation.

**CASH AND CASH EQUIVALENTS**

The higher cash and cash equivalents of S\$88.1 million as at 31 December 2017 compared to S\$21.9 million as at 31 December 2016 was mainly due to disposal and redemption of investments.

**NET ASSET VALUE PER SHARE**

The net asset value per share of the Group as at 31 December 2017 was 20.14 Singapore cents after the payment of 2016 final dividend of 0.75 Singapore cents per share, 2017 interim dividend of 0.65 Singapore cents per share and taking into account the new shares issued pursuant to the Scrip Dividend Scheme. If the 2016 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2016, the net asset value per share as at 31 December 2016 would have been 19.08 Singapore cents instead of 20.03 Singapore cents per share. After adjusting for the 2017 interim dividend and shares relating to the Scrip Dividend Scheme, the net asset value per share as at 31 December 2017 would have been 20.95 Singapore cents and the increase in net asset value per share would be 9.80%.

**RETURN ON EQUITY**

The Group achieved higher return on equity (computed based on net profit after tax over the average total equity) of 12.1% in 2017 as compared to 5.7% in 2016 mainly due to a higher profit after tax.

## 2017 FINANCIAL REPORT

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# GLOBAL INVESTMENTS LIMITED AND ITS SUBSIDIARIES 2017 FINANCIAL REPORT

<b>062</b>	STATEMENT BY DIRECTORS
<b>063</b>	INDEPENDENT AUDITOR'S REPORT
<b>066</b>	STATEMENT OF FINANCIAL POSITION
<b>067</b>	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
<b>068</b>	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
<b>069</b>	CONSOLIDATED STATEMENT OF CASH FLOWS
<b>070</b>	NOTES TO THE FINANCIAL STATEMENTS

## STATEMENT BY DIRECTORS

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 66 to 114 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 2017 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2017; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:



**BOON SWAN FOO**  
Chairman  
**Global Investments Limited**



**TAN KOK WEE**  
Director  
**Global Investments Limited**

12 March 2018



# 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 2017, 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 presents fairly, in all material respects the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and the consolidated financial performance and consolidated cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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.

### Carrying Value of Financial Instruments

As at 31 December 2017, the Group has investments in loans and receivables which are carried at amortised cost amounting to S\$35.57 million, available-for-sale financial assets which are carried at fair value amounting to S\$147.32 million and financial assets held at fair value through profit and loss amounting to S\$58.97 million. These investments have a total carrying value of S\$241.85 million, which represents 71.70% of the Group's total assets.

#### (1) Financial instruments not quoted in an active market

The valuation for financial assets carried at fair value uses inputs which have been classified using the fair value hierarchy are disclosed in Note 4(G) to the financial statements. As at 31 December 2017, available-for-sale financial assets with cost of investment of S\$0.93 million were fair valued based on inputs that are not observable, i.e. Level 3 in the fair value hierarchy, which involve a higher degree of management's subjectivity and judgement.

## INDEPENDENT AUDITOR'S REPORT (cont'd)

Our audit of the fair valuation of Level 3 investments included assessment of the key internal controls over the investment valuation process, verification of prices using external sources and evaluation third party valuation reports. In addition, we involved our own internal valuation specialists to evaluate the appropriateness of the valuation models, the inputs to the model and the reasonableness of 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).

(2) Impairment of financial instruments at amortised cost

Impairment assessment of financial instruments carried at amortised cost is inherently subjective due to judgement involved in determining whether there's indication of impairment and estimation of uncertainty when determining the recoverable amount if there are indicators of impairment. As such, we considered fair valuation of Level 3 financial instruments and impairment of financial instruments carried at amortised cost to be a key audit matter.

As disclosed in Note 12 to the financial statements, there is currently no active market for financial instruments carried at amortised cost. Accordingly, management relies on information such as collateral performance and cash flows of underlying portfolio when determining recoverable amount. We assessed the impairment testing performed by the Group, including evaluating the appropriateness of valuation models, inputs and key assumptions used in determining the recoverable amount and corroborating these inputs against external sources of evidence. We also evaluated the adequacy of the related disclosures in the financial statements. The Group's disclosures related to impairment of investments carried at amortised cost are included in Note 7 and Note 12.

### 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 and fair presentation of financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

## INDEPENDENT AUDITOR'S REPORT (cont'd)

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

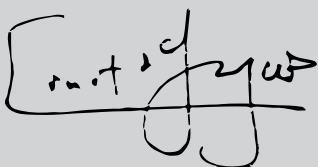
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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



**Ernst & Young LLP**  
Public Accountants and Chartered Accountants

Singapore

12 March 2018

## STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	11	–	54,296	–	92,435
Loans and receivables	12	35,568	35,568	53,957	53,957
Available-for-sale financial assets	13	109,175	109,175	128,122	128,122
Financial assets at fair value through profit or loss	14	58,969	58,969	63,002	63,002
		<b>203,712</b>	<b>258,008</b>	<b>245,081</b>	<b>337,516</b>
<b>Current assets</b>					
Cash and cash equivalents	15	88,090	88,090	21,889	20,687
Available-for-sale financial assets	13	38,141	38,141	45,799	41,884
Financial assets at fair value through profit or loss	14	–	–	490	490
Other assets	17	7,348	7,348	3,230	3,195
		<b>133,579</b>	<b>133,579</b>	<b>71,408</b>	<b>66,256</b>
<b>Total Assets</b>		<b>337,291</b>	<b>391,587</b>	<b>316,489</b>	<b>403,772</b>
<b>LIABILITIES</b>					
Intercompany payables		–	54,297	–	87,285
Other liabilities	18	4,399	4,398	5,718	5,716
<b>Total Liabilities</b>		<b>4,399</b>	<b>58,695</b>	<b>5,718</b>	<b>93,001</b>
<b>Net assets attributable to shareholders</b>		<b>332,892</b>	<b>332,892</b>	<b>310,771</b>	<b>310,771</b>
<b>EQUITY</b>					
Share capital	19	563,537	563,537	549,432	549,432
Capital reserve	20	(65,846)	(65,846)	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	21	7,631	7,631	12,996	10,357
Translation reserve	22	11,115	–	14,593	–
Accumulated losses	23	(183,545)	(172,430)	(200,404)	(183,172)
<b>Total Equity</b>		<b>332,892</b>	<b>332,892</b>	<b>310,771</b>	<b>310,771</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 2017 S\$'000	For the year ended 31 December 2016 S\$'000
<b>REVENUE</b>			
Dividend income		1,430	1,306
Interest income		16,722	16,725
Net gain on sale of investments	5	25,804	14,933
Net gain on financial assets designated as fair value through profit or loss	14	2,470	1,812
Other income	6	232	307
<b>Total revenue</b>		<b>46,658</b>	<b>35,083</b>
<b>EXPENSES</b>			
Management fees	25	(2,319)	(1,982)
Incentive fees	25	(4,228)	(615)
Net foreign exchange losses (net of hedges)	16	(2,408)	(2,455)
Finance costs		-	(1)
Other operating expenses	8	(2,116)	(2,157)
<b>Total expenses</b>		<b>(11,071)</b>	<b>(7,210)</b>
Net reversal of impairment expense/(Net impairment expense)	7	3,446	(10,752)
<b>Profit before tax</b>		<b>39,033</b>	<b>17,121</b>
<b>Income tax expense</b>	9	<b>(81)</b>	<b>(61)</b>
<b>Profit after tax</b>		<b>38,952</b>	<b>17,060</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value gain	21	12,391	7,758
– Reclassification to profit or loss	21	(17,756)	1,647
Currency translation differences arising from consolidation			
– (Loss)/Gain	22	(3,478)	567
<b>Other comprehensive income for the year after tax</b>		<b>(8,843)</b>	<b>9,972</b>
<b>Total comprehensive income for the year attributable to shareholders</b>		<b>30,109</b>	<b>27,032</b>
<b>Basic earnings per share (cents per share)</b>	29	<b>2.43</b>	<b>1.14</b>
<b>Diluted earnings per share (cents per share)</b>	29	<b>2.43</b>	<b>1.14</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 2017	Note	Share capital S\$'000	Capital reserve S\$'000	Available- for-sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2017		549,432	(65,846)	12,996	14,593	(200,404)	310,771
<b>Total comprehensive income for the year</b>							
Profit for the year		-	-	-	-	38,952	38,952
Other comprehensive income		-	-	(5,365)	(3,478)	-	(8,843)
		-	-	(5,365)	(3,478)	38,952	30,109
Transactions with equity holders in their capacity as equity holders:							
Issuance of new shares pursuant to scrip dividend scheme	19	14,105	-	-	-	-	14,105
Dividends	10	-	-	-	-	(22,093)	(22,093)
Total transactions with equity holders		14,105	-	-	-	(22,093)	(7,988)
As at 31 December 2017		563,537	(65,846)	7,631	11,115	(183,545)	332,892

Changes in Equity for the year ended 31 December 2016	Note	Share capital S\$'000	Capital reserve S\$'000	Available- for-sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2016		535,837	(65,846)	3,591	14,026	(195,394)	292,214
<b>Total comprehensive income for the year</b>							
Profit for the year		-	-	-	-	17,060	17,060
Other comprehensive income		-	-	9,405	567	-	9,972
		-	-	9,405	567	17,060	27,032
Transactions with equity holders in their capacity as equity holders:							
Issuance of new shares pursuant to scrip dividend scheme	19	13,595	-	-	-	-	13,595
Dividends	10	-	-	-	-	(22,070)	(22,070)
Total transactions with equity holders		13,595	-	-	-	(22,070)	(8,475)
As at 31 December 2016		549,432	(65,846)	12,996	14,593	(200,404)	310,771

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 2017 S\$'000	For the year ended 31 December 2016 S\$'000
<b>CASH FLOWS USED IN/FROM OPERATING ACTIVITIES</b>			
Operating costs paid		(9,723)	(4,891)
Interest income received		17,073	15,967
Dividend income received		1,386	1,255
Settlement of forward contracts		(1,315)	2,465
Other income received		232	307
Income tax paid		(80)	(61)
<b>Net cash flows from operating activities</b>		<b>7,573</b>	<b>15,042</b>
<b>CASH FLOWS USED IN/FROM INVESTING ACTIVITIES</b>			
Purchase of financial assets		(98,578)	(81,418)
Loan repayments received		35,207	3,665
Net proceeds from disposal of financial assets		130,120	65,020
<b>Net cash flows from/(used in) investing activities</b>		<b>66,749</b>	<b>(12,733)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Dividends paid		(7,988)	(8,475)
<b>Net cash flows used in financing activities</b>		<b>(7,988)</b>	<b>(8,475)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>66,334</b>	<b>(6,166)</b>
Cash and cash equivalents at beginning of year		21,889	29,110
Effects of exchange rate changes on cash and cash equivalents		(133)	(1,055)
<b>Cash and cash equivalents at end of year</b>	15	<b>88,090</b>	<b>21,889</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 incorporated and domiciled in Bermuda and is publicly traded on the main board of the Singapore Exchange Securities Trading Limited (the SGX-ST).

The address of its registered office is Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM12, Bermuda.

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 12 March 2017.

### 2. 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.

#### (A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements of GIL have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRIC) interpretations applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss. The consolidated financial statements are expressed in Singapore Dollar (SGD) and rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS 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 2018.

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(B) CONSOLIDATION****(i) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(B) CONSOLIDATION (CONTINUED)****(ii) 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 acquisition date fair value, 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. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of International Accounting Standards (IAS) 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(B) CONSOLIDATION (CONTINUED)****(iii) 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: (a) restricted activities; (b) 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; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) 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 Australian backed securities (ABS) and collateralised loan obligation (CLO) notes 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.

**(C) FOREIGN CURRENCY TRANSLATION****(i) 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.

**(ii) Transactions and balances**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(C) FOREIGN CURRENCY TRANSLATION (CONTINUED)****(iii) 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:

- (a) assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the reporting date;
- (b) 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
- (c) 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.

**(D) 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.

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

**(E) 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 available-for-sale 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(F) FINANCIAL ASSETS**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and purpose for which the financial assets were acquired. The Manager determines the classification of its financial assets at initial recognition.

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.

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.

**(i) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories of financial assets. They are presented as non-current assets unless the investment matures or the Manager intends to dispose of the assets within 12 months after the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in income.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. They are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****F) FINANCIAL ASSETS (CONTINUED)****(iii) Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. 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 fair value through profit or loss 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 IAS39. 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 fair value through profit or loss 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 fair value through profit or loss 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 of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'Net gain on financial assets designated at fair value through profit or loss' in the period in which they arise. Interest on debt securities at fair value through profit or loss is recognised in profit or loss separately.

**G) FINANCIAL LIABILITIES****(i) 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 fair value through profit or loss, directly attributable transaction costs.

**(ii) Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

**(iii) De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(H) IMPAIRMENT OF FINANCIAL ASSETS****(i) Assets carried at amortised cost**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the issuer or obligor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or national or local economic conditions that correlate with defaults on the assets.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

**(ii) Assets classified as available-for-sale**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (i) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income and presented in the available-for-sale financial assets revaluation reserve in equity. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(I) 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.

**(J) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

**(K) PROVISIONS**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(L) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

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

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

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

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

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

**(i) Fair value hedges**

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(L) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)****(ii) 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.

**(iii) 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 2017 and 31 December 2016, the Group does not apply hedge accounting.

**(M) REVENUE RECOGNITION****(i) 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.

**(ii) Dividend income**

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (N) EXPENSES

#### (i) 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.

#### (ii) Management fees

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

#### (iii) Incentive fees

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

### (O) TAXATION

GIL is domiciled in Bermuda. Under the current laws of Bermuda, there are no income, estate, corporation, capital gains or other taxes payable by GIL.

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.

### (P) LEASES

Lessee – 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.

### (Q) 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) who makes strategic decisions.

### (R) DIVIDEND PAYMENTS

Interim and final dividends are recorded during the financial year in which they are approved by the Board and declared payable.

### (S) 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

**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.

- (i) Impairment of loan portfolio and securitisation assets classified as available-for-sale or loans and receivable financial assets

The carrying values of loan portfolio and securitisation assets are reviewed on a quarterly basis for indications of impairment or reversal of prior impairment losses. Indicators such as changes in interest rates, creditworthiness of borrowers in the case of loans, performance of the underlying collateral against which the notes have been issued, available broker quotes and, where applicable, other asset specific and industry and economic factors are considered as part of the assessment. Further, as certain notes are managed by third party managers, the Manager relies on information such as collateral performance and cashflows of the underlying portfolio which may be provided by third party managers on a laggard basis. Whilst the Manager will consider all information obtained as part of the assessment of the valuation of the investments, there may also be instances where the Manager will make best estimates as required, particularly in situations where there are developments that may impact the underlying portfolio but which may not have been included in the third party managers' reports.

Therefore, in view of the above factors, judgement has been applied in concluding whether there is an indication of impairment. To the extent that an indication of impairment is identified, a detailed assessment of the recoverable amount is performed.

- (ii) Estimate of cashflows and effective interest rates of investments

The Group has invested in instruments which are at a discount to the issuance price. Such investments include certain positions in the CLO notes. In determining the effective interest rate of such investments, the projected cashflows are initially estimated. As the projected cashflows are inherently estimates, so is the effective interest rates computed for these investments. Over the life of the investments, the actual cashflows may differ from the projected cashflows that were initially estimated. Judgement is exercised by the Group to form a conclusion as to whether the projected cashflows initially estimated would need to be re-estimated in light of actual cashflows. This would have a corresponding impact on either the effective interest rate or the impairment allowance. Judgement has been applied in concluding that the estimate of effective interest rates remains appropriate.

- (iii) 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. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****(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 bond securities that expose the Group to fair value interest rate risk. The Group also holds a portfolio of variable rate ABS and CLO 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 2017 and 31 December 2016. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
Financial assets at fair value through profit or loss				
- Fixed rate instruments <sup>1</sup>	58,889	63,492	58,889	63,492
- Variable rate instruments <sup>2</sup>	80	-	80	-
Available-for-sale financial assets				
- Fixed rate instruments <sup>1</sup>	102,700	126,170	102,700	126,170
- Variable rate instruments <sup>2</sup>	6,475	9,481	6,475	9,481
Loans and receivables				
- Fixed rate instruments <sup>1</sup>	5,166	3,875	5,166	3,875
- Variable rate instruments <sup>2</sup>	30,402	50,082	30,402	50,082
	<b>203,712</b>	<b>253,100</b>	<b>203,712</b>	<b>253,100</b>

<sup>1</sup> Fixed rate instruments include S\$85.60 million (2016: S\$100.37 million) of bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 1 month to 30 years (2016: 1 month to 12 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. The other financial instruments of the Group and the Company that are not included in the above table are non-interest bearing and are therefore not subject to interest rate risk.

## NOTES TO THE FINANCIAL STATEMENTS

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****(A) INTEREST RATE RISK (CONTINUED)**

Interest rate sensitivity analysis – interest rate risk

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

	<b>Group</b>		<b>Company</b>	
	<b>Other comprehensive income S\$'000</b>	<b>Profit before tax S\$'000</b>	<b>Other comprehensive income S\$'000</b>	<b>Profit before tax S\$'000</b>
<b>ASSETS</b>				
<b>31 December 2017</b>				
Financial assets at fair value through profit or loss	-	(2,291)	-	(2,291)
Available-for-sale financial assets	(3,930)	60	(3,930)	60
Loans and receivables	-	304	-	304
<b>31 December 2016</b>				
Financial assets at fair value through profit or loss	-	(2,184)	-	(2,184)
Available-for-sale financial assets	(4,245)	84	(4,245)	84
Loans and receivables	-	501	-	501

**(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.

The Group manages this risk by taking advantage of any natural offsets of receipts and payments in each individual currency. Surplus of foreign currencies are sold, as soon as practicable, for SGD. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currency exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions. The Group will also monitor currency exposure and may enter into hedging arrangements where appropriate.

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

The tables below set out the Group's and the Company's key currency exposure arising from monetary items as at 31 December 2017 and 31 December 2016.

## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (B) FOREIGN CURRENCY RISK (CONTINUED)

GROUP	United States Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Hong Kong Dollar S\$'000	British Pound S\$'000	Total S\$'000
<b>31 December 2017</b>						
<b>ASSETS</b>						
Cash and cash equivalents	22,319	44,736	69	1,835	6,442	75,401
Financial assets at fair value through profit or loss	5,343	11,087	-	-	-	16,430
Available-for-sale financial assets	77,175	4,684	22,182	25,129	3,502	132,672
Loans and receivables	26,806	4,498	4,264	-	-	35,568
Other assets	1,689	2,235	588	-	5	4,517
<b>Total Assets</b>	<b>133,332</b>	<b>67,240</b>	<b>27,103</b>	<b>26,964</b>	<b>9,949</b>	<b>264,588</b>
<b>LIABILITIES</b>						
Other liabilities	(2,802)	-	-	-	-	(2,802)
<b>Total Liabilities</b>	<b>(2,802)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,802)</b>
Less: Currency forwards	(39,829)	-	-	-	-	(39,829)
<b>Net Exposure</b>	<b>90,701</b>	<b>67,240</b>	<b>27,103</b>	<b>26,964</b>	<b>9,949</b>	<b>221,957</b>

COMPANY	United States Dollar S\$'000	Euro S\$'000	Australian Dollar S\$'000	Hong Kong Dollar S\$'000	British Pound S\$'000	Total S\$'000
<b>31 December 2017</b>						
<b>ASSETS</b>						
Cash and cash equivalents	22,319	44,736	69	1,835	6,442	75,401
Financial assets at fair value through profit or loss	5,343	11,087	-	-	-	16,430
Available-for-sale financial assets	77,175	4,684	22,182	25,129	3,502	132,672
Loans and receivables	26,806	4,498	4,264	-	-	35,568
Other assets	1,689	2,235	588	-	5	4,517
<b>Total Assets</b>	<b>133,332</b>	<b>67,240</b>	<b>27,103</b>	<b>26,964</b>	<b>9,949</b>	<b>264,588</b>
<b>LIABILITIES</b>						
Other liabilities	(2,802)	-	-	-	-	(2,802)
<b>Total Liabilities</b>	<b>(2,802)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,802)</b>
Less: Currency forwards	(39,829)	-	-	-	-	(39,829)
<b>Net Exposure</b>	<b>90,701</b>	<b>67,240</b>	<b>27,103</b>	<b>26,964</b>	<b>9,949</b>	<b>221,957</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (B) FOREIGN CURRENCY RISK (CONTINUED)

GROUP	United States Dollar	Euro	Australian Dollar	Hong Kong Dollar	British Pound	Total
31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>						
Cash and cash equivalents	1,604	7,306	–	1	1	8,912
Financial assets at fair value through profit or loss	22,524	9,600	–	–	–	32,124
Available-for-sale financial assets	77,428	19,456	21,351	15,818	8,714	142,767
Loans and receivables	32,800	19,256	1,901	–	–	53,957
Other assets	1,733	273	423	–	12	2,441
<b>Total Assets</b>	<b>136,089</b>	<b>55,891</b>	<b>23,675</b>	<b>15,819</b>	<b>8,727</b>	<b>240,201</b>
<b>LIABILITIES</b>						
Other liabilities	(101)	–	–	–	–	(101)
<b>Total Liabilities</b>	<b>(101)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(101)</b>
Less: Currency forwards	(61,341)	–	–	(7,000)	–	(68,341)
<b>Net Exposure</b>	<b>74,647</b>	<b>55,891</b>	<b>23,675</b>	<b>8,819</b>	<b>8,727</b>	<b>171,759</b>

COMPANY	United States Dollar	Euro	Australian Dollar	Hong Kong Dollar	British Pound	Total
31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>						
Cash and cash equivalents	1,604	6,138	–	1	1	7,744
Financial assets at fair value through profit or loss	22,524	9,600	–	–	–	32,124
Available-for-sale financial assets	77,428	19,456	21,351	15,818	8,714	142,767
Loans and receivables	32,800	19,256	1,901	–	–	53,957
Other assets	1,733	273	423	–	12	2,441
<b>Total Assets</b>	<b>136,089</b>	<b>54,723</b>	<b>23,675</b>	<b>15,819</b>	<b>8,727</b>	<b>239,033</b>
<b>LIABILITIES</b>						
Other liabilities	(101)	–	–	–	–	(101)
<b>Total Liabilities</b>	<b>(101)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(101)</b>
Less: Currency forwards	(61,341)	–	–	(7,000)	–	(68,341)
<b>Net Exposure</b>	<b>74,647</b>	<b>54,723</b>	<b>23,675</b>	<b>8,819</b>	<b>8,727</b>	<b>170,591</b>

## NOTES TO THE FINANCIAL STATEMENTS

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****(B) FOREIGN CURRENCY RISK (CONTINUED)**

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

	<b>Group</b>		<b>Company</b>	
	<b>Other comprehensive income S\$'000</b>	<b>Profit before tax S\$'000</b>	<b>Other comprehensive income S\$'000</b>	<b>Profit before tax S\$'000</b>
<b>31 December 2017</b>				
United States Dollar	(171)	(4,364)	(171)	(4,364)
Euro	(68)	(3,294)	(68)	(3,294)
Australian Dollar	(70)	(1,285)	(70)	(1,285)
Hong Kong Dollar	(1,256)	(92)	(1,256)	(92)
British Pound	(86)	(411)	(86)	(411)
<b>31 December 2016</b>				
United States Dollar	(312)	(3,420)	(312)	(3,420)
Euro	(56)	(2,739)	(56)	(2,739)
Australian Dollar	(5)	(1,179)	(5)	(1,179)
Hong Kong Dollar	(791)	350	(791)	350
British Pound	(93)	(343)	(93)	(343)

A 5% weakening of the functional currencies of the Company and its subsidiaries against the above currencies at the balance sheet date would have an equal but opposite effect to the amount shown above, on the basis that all other variables, in particular interest rates, remain constant.



## NOTES TO THE FINANCIAL STATEMENTS

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****(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 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 (CONTINUED)

## (C) CREDIT RISK (CONTINUED)

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

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Cash and cash equivalents	88,090	88,090	21,889	20,687
Loans and receivables	35,568	35,568	53,957	53,957
Financial assets at fair value through profit or loss	58,969	58,969	63,492	63,492
Available-for-sale financial assets <sup>1</sup>	109,175	109,175	135,651	135,651
Other assets	7,258	7,258	3,101	3,101
<b>Total</b>	<b>299,060</b>	<b>299,060</b>	<b>278,090</b>	<b>276,888</b>

<sup>1</sup> Relates only to investment in bonds, bank contingent convertibles and CLO notes.

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

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Europe	112,414	112,414	147,441	147,441
Australia	19,233	19,233	10,387	10,387
North America	40,458	40,458	51,270	51,270
Asia	106,353	106,353	55,735	54,533
Others	20,602	20,602	13,257	13,257
<b>Total</b>	<b>299,060</b>	<b>299,060</b>	<b>278,090</b>	<b>276,888</b>

Impairment of financial assets as at 31 December 2017 include investment in bonds with a carrying value of S\$2.95 million (2016: S\$28.37 million from investment in Euro denominated CLO notes, bonds and bank contingent convertibles).

At 31 December 2017 and 31 December 2016, 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 (CONTINUED)****(D) MARKET PRICE 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 2017 and 31 December 2016. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	<b>Group 2017 S\$'000</b>	<b>Group 2016 S\$'000</b>	<b>Company 2017 S\$'000</b>	<b>Company 2016 S\$'000</b>
Available-for-sale financial assets				
- Listed equities	38,141	38,270	38,141	34,355
	38,141	38,270	38,141	34,355

## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (D) MARKET PRICE RISK (CONTINUED)

Sensitivity analysis – market price risk

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

	Group		Company	
	Other comprehensive income S\$'000	Profit before tax S\$'000	Other comprehensive income S\$'000	Profit before tax S\$'000
<b>31 December 2017</b>				
Available-for-sale financial assets				
- Listed equities	3,814	–	3,814	–
<b>31 December 2016</b>				
Available-for-sale financial assets				
- Listed equities	3,827	–	3,436	–

## (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 2017 and 31 December 2016 into relevant maturity groupings based on the contractual non-discounted cash flows.

2017 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	4,399	–	4,399
<b>Total Liabilities</b>	<b>4,399</b>	<b>–</b>	<b>4,399</b>

2017 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	4,398	–	4,398
Intercompany payables	54,297	–	54,297
<b>Total Liabilities</b>	<b>58,695</b>	<b>–</b>	<b>58,695</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (E) LIQUIDITY RISK (CONTINUED)

2016 Group	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	5,718	–	5,718
<b>Total Liabilities</b>	<b>5,718</b>	<b>–</b>	<b>5,718</b>

2016 Company	Within 1 month S\$'000	Within 2 to 12 months S\$'000	Total S\$'000
<b>LIABILITIES</b>			
Other liabilities	5,716	–	5,716
Intercompany payables	87,285	–	87,285
<b>Total Liabilities</b>	<b>93,001</b>	<b>–</b>	<b>93,001</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 the Bye-laws 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 (CONTINUED)

## (G) FAIR VALUE MEASUREMENTS

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2017</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	58,969	–	–	58,969
Available-for-sale financial assets	147,316	–	–	147,316

<b>Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2017</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	58,969	–	–	58,969
Available-for-sale financial assets	147,316	–	–	147,316

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2016</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	63,492	–	–	63,492
Available-for-sale financial assets	172,834	–	1,087	173,921

<b>Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 31 December 2016</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	63,492	–	–	63,492
Available-for-sale financial assets	168,919	–	1,087	170,006

## NOTES TO THE FINANCIAL STATEMENTS

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****(G) FAIR VALUE MEASUREMENTS (CONTINUED)**

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 and quoted 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 2017, the listed equity was still suspended with no observable price. The listed equity was previously fully impaired due to the prolonged suspension.

**(ii) CLO Investments**

As observable prices are not available for the CLO 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 at 31 December 2016, Avoca CLO PLC VI Class M and Avoca CLO PLC VII Class G were valued at the lower of the two broker quotes at S\$0.78 million and S\$0.31 million, respectively as a result of the assessment above.

During the year, Avoca CLO PLC V1 Class M and Avoca CLO PLC VII Class G were called. As at 31 December 2017, both notes were valued based on estimated distribution proceeds as the securitisation vehicles were pending liquidation. This is recorded in "other assets" (Note 17).



## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (G) FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2017 and 31 December 2016.

<b>Group</b>	<b>Level 3</b>
<b>Available-for-sale financial assets</b>	<b>S\$'000</b>
At 1 January 2017	1,087
Exchange differences	44
Disposal	(2,774)
Fair value gain	1,643
At 31 December 2017	-
Total gain for the year included in profit or loss for assets held at the end of the year	1,714

<b>Group</b>	<b>Level 3</b>
<b>Available-for-sale financial assets</b>	<b>S\$'000</b>
At 1 January 2016	24,331
Exchange differences	(378)
Reclassification into Level 3	315
Reclassification out of Level 3	(781)
Disposal	(22,525)
Fair value gain	125
At 31 December 2016	1,087
Total loss for the year included in profit or loss for assets held at the end of the year	(2,430)

## NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Group is invested in a portfolio of ABS comprising Australian Residential Mortgage Backed Securities (RMBS) and Australian Credit Card ABS. Australian RMBS are securitisation vehicles that hold Australian residential mortgage loans while Australian Credit Card ABS holds collaterals consisting of credit card receivables. The Group also invested in a portfolio of USD and Euro denominated CLO notes issued by securitisation vehicles that hold collateral consisting of mainly senior secured corporate loans. These securitisation vehicles are structured entities which are managed by third party collateral managers and trustees. These structured entities finance their assets through the issuance of notes or tranches which will be paid coupons and principal from the interest and principal received from the underlying loan portfolio.

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2017 and 31 December 2016 are disclosed in the following tables. These investments are presented in 'Loans and Receivables' and 'Available-for-sale financial assets' in the statement of financial position. The carrying amount below is inclusive of any interest receivable as at year end.

**Group as at 31 December 2017**

<b>Investment</b>	<b>Number of Investments</b>	<b>Total Portfolio Size<sup>1</sup> (S\$'000)</b>	<b>Carrying Amount of Securities Rated B3 / B- / B-<sup>2</sup> and above (S\$'000)</b>	<b>Carrying Amount of Securities Rated below B3 / B- / B-<sup>2</sup> or unrated (S\$'000)</b>	<b>Carrying Amount as at 31 December 2017 (S\$'000)</b>
Asset Backed Securities	6	3,672,038	4,264	-	4,264
USD-denominated CLO notes	4	3,132,569	21,640	-	21,640
Euro-denominated CLO notes	1	643,507	4,498	-	4,498

<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 2017.

<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 (CONTINUED)

## (H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

Group as at 31 December 2016

Investment	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 2016 (S\$'000)
Asset Backed Securities	3	317,353	1,901	-	1,901
USD-denominated CLO notes	5	4,261,893	28,925	-	28,925
Euro-denominated CLO notes	5	2,050,602	11,801	8,542	20,343

<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 2016.

<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 in CLO notes and ABS during the year ended 31 December 2017 was S\$2.11 million (2016: S\$4.24 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

## 5. NET GAIN ON SALE OF INVESTMENTS

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>DISPOSAL OF INVESTMENTS</b>		
<b>LOANS AND RECEIVABLES</b>		
Net gain on sale of CLO notes	-	301
<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>		
Gain on sale of Ascendos	-	11,538
Net gain on sale of listed equities	9,165	777
Net gain on sale of bonds	4,646	1,433
Net gain on sale of bank contingent convertibles	6,712	-
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Net gain on sale of bonds	696	932
Net gain on sale of bank contingent convertibles	1,014	-
	22,233	14,981
<b>REDEMPTION OF INVESTMENTS</b>		
Bonds	362	(19)
Bank contingent convertibles	(19)	-
CLO & ABS notes	3,228	(29)
	3,571	(48)
<b>Net gain on sale of investments</b>	<b>25,804</b>	<b>14,933</b>

## NOTES TO THE FINANCIAL STATEMENTS

**6. OTHER INCOME**

Other income for the year ended 31 December 2017 and 31 December 2016 relate to consent fee of S\$0.23 million and S\$0.31 million respectively received from bonds.

**7. NET REVERSAL OF IMPAIRMENT EXPENSE / (NET IMPAIRMENT EXPENSE)**

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>IMPAIRMENT EXPENSE</b>		
Avoca CLO PLC VII Class G	-	(2,115)
Bonds	(3,434)	(1,710)
Listed equities	(1,782)	(6,927)
	(5,216)	(10,752)
<b>REVERSAL OF IMPAIRMENT EXPENSE</b>		
Avoca CLO PLC VI Class M	61	-
Avoca CLO PLC VII Class F	1,256	-
Avoca CLO PLC VII Class G	1,653	-
Bonds	2,933	-
Bank contingent convertibles	2,759	-
	8,662	-
<b>Net reversal of impairment expense / (Net impairment expense)</b>	<b>3,446</b>	<b>(10,752)</b>

For the year ended 31 December 2017, a reversal of impairment of S\$8.66 million has been made for Avoca CLO PLC VI Class M, Avoca CLO PLC VII Class F & G, bonds and bank contingent convertibles. The reversal of impairment was partially offset by an impairment of bonds and listed equities of S\$5.2 million. For the year ended 31 December 2016, an impairment of S\$10.75 million was made for Avoca CLO PLC VII Class G, bonds and listed equities. Total interest income recorded from the remaining impaired financial assets amounted to S\$0.38 million (2016: S\$3.82 million).

## NOTES TO THE FINANCIAL STATEMENTS

**8. OTHER OPERATING EXPENSES**

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>OPERATING EXPENSES</b>		
Professional fees	1,175	1,231
Investor relations expenses	333	332
Directors' fees	372	374
Other expenses	236	220
<b>Total Other Operating Expenses</b>	<b>2,116</b>	<b>2,157</b>

**9. INCOME TAX EXPENSE**

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>INCOME TAX EXPENSE</b>		
Current tax	81	61
<b>Total Income Tax Expense</b>	<b>81</b>	<b>61</b>
Tax expense on profit differs from the amount that would arise using the Bermuda standard rate of income tax due to the following:		
Profit from continuing operations before income tax expense	39,033	17,121
Tax at the Bermuda tax rate of 0%	–	–
Withholding tax	81	61
<b>Income Tax Expense</b>	<b>81</b>	<b>61</b>

For the financial year ended 31 December 2017 and 31 December 2016, income tax expense arises 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.

**10. DIVIDENDS PAID AND DECLARED**

On 20 February 2018, the Company declared a 2017 final dividend of 0.60 Singapore cents per share amounting to S\$9.92 million. This dividend will be paid on or about 24 April 2018.

The Company paid a 2017 interim dividend of 0.65 Singapore cents per share amounting to S\$10.46 million on 16 October 2017.

The 2016 final dividend of 0.75 Singapore cents per share amounting to S\$11.64 million was paid on 25 April 2017.

## NOTES TO THE FINANCIAL STATEMENTS

**10. DIVIDENDS PAID AND DECLARED (CONTINUED)**

The 2016 interim dividend of 0.75 Singapore cents per share amounting to S\$11.22 million was paid on 12 October 2016.

For the financial year ended 31 December 2017, 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 the financial year ending 31 December 2018.

Dividends paid in 2017 and 2018 are exempt from tax (one-tier) when received in the hands of shareholders.

**11. INVESTMENTS IN SUBSIDIARIES**

	<b>Company As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
<b>EQUITY INVESTMENTS AT COST</b>		
Beginning of financial year	92,435	121,631
Impairment	(38,139)	(29,196)
<b>Closing Balance</b>	<b>54,296</b>	<b>92,435</b>

Further details of the subsidiaries are included in Note 26.

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

**12. LOANS AND RECEIVABLES**

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Asset Backed Securities	4,264	4,264	1,901	1,901
Bonds	5,166	5,166	3,875	3,875
Euro-denominated CLO notes	4,498	4,498	19,256	19,256
USD-denominated CLO notes	21,640	21,640	28,925	28,925
<b>Total Loans and Receivables</b>	<b>35,568</b>	<b>35,568</b>	<b>53,957</b>	<b>53,957</b>

There is currently no active market for these financial instruments and accordingly, there is no immediately realisable value for these financial assets. Based on the Manager's assessment which relies on information such as collateral performance and cash flows of the underlying portfolio against which the notes have been issued, or may include the use of valuation models and the Manager's intention to hold the assets for the longer term, the carrying value of the investments closely approximate their fair value.

For the year ended 31 December 2017, interest income of S\$3.50 million (2016: S\$ 3.56 million) and reversal of impairment expense of S\$2.84 million (2016: impairment expense of S\$1.71 million) in relation to the loans and receivables were recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

## 13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
Beginning of financial year	173,921	170,006	148,508	121,029
Exchange differences	(4,127)	(4,127)	2,317	2,328
Transfers	-	-	-	1,078
Additions	82,873	82,873	62,069	62,069
Disposals/redemptions	(117,742)	(113,834)	(46,731)	(24,205)
Fair value gain (Note 21)	12,391	12,398	7,758	7,707
<b>Closing Balance</b>	<b>147,316</b>	<b>147,316</b>	<b>173,921</b>	<b>170,006</b>

Available-for-sale financial assets are analysed as follows:

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
<b>Non-current:</b>				
Bank contingent convertibles	79,169	79,169	89,456	89,456
Bonds	30,006	30,006	38,666	38,666
	109,175	109,175	128,122	128,122
<b>Current:</b>				
Euro-denominated CLO notes	-	-	1,087	1,087
Listed equities	38,141	38,141	38,270	34,355
Bonds	-	-	6,442	6,442
	38,141	38,141	45,799	41,884
<b>Total Available-for-Sale Financial Assets</b>	<b>147,316</b>	<b>147,316</b>	<b>173,921</b>	<b>170,006</b>



## NOTES TO THE FINANCIAL STATEMENTS

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

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
<b>DESIGNATED AT FAIR VALUE ON INITIAL RECOGNITION</b>				
<b>Non-Current:</b>				
Bank contingent convertibles	30,165	30,165	31,059	31,059
Bonds	28,804	28,804	31,943	31,943
	58,969	58,969	63,002	63,002
<b>Current:</b>				
Bonds	-	-	490	490
	-	-	490	490
<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>58,969</b>	<b>58,969</b>	<b>63,492</b>	<b>63,492</b>

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
<b>Net gain on financial assets designated at fair value through profit or loss</b>				
- Unrealised	2,470	2,470	1,812	1,812
<b>Total Gain</b>	<b>2,470</b>	<b>2,470</b>	<b>1,812</b>	<b>1,812</b>

## 15. CASH AND CASH EQUIVALENTS

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
Cash at bank	63,287	63,287	10,895	9,693
Short-term deposits	24,803	24,803	10,994	10,994
<b>Total Cash and Cash Equivalents</b>	<b>88,090</b>	<b>88,090</b>	<b>21,889</b>	<b>20,687</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 six days and six months (2016: three days and six months) and earn interest on short-term deposit rates varying 0.08% to 1.05% (2016: 0.06% to 2.10%).

## NOTES TO THE FINANCIAL STATEMENTS

## 16. DERIVATIVE FINANCIAL INSTRUMENTS

		Group			Company		
		Fair Value			Fair Value		
		Contract notional amount S\$'000	Asset S\$'000	Liability S\$'000	Contract notional amount S\$'000	Asset S\$'000	Liability S\$'000
<b>2017</b>	Currency Forwards	39,829	2,023	–	39,829	2,023	–
<b>2016</b>	Currency Forwards	68,341	–	(4,082)	68,341	–	(4,082)

During the year ended 31 December 2017, the Group entered into forward contracts to manage its exposure to movements in exchange rates on firm commitments and specific transactions. As at 31 December 2017, the fair value mark to market asset position have been recorded in "Other assets" (Note 17).

During the year, the Group recognised a net gain of S\$4.79 million (2016: a net loss of S\$1.29 million) from its forward contracts. This net gain is included within net foreign exchange difference (net of hedges) in profit or loss.

## 17. OTHER ASSETS

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
Interest Receivables	2,993	2,993	3,040	3,040
Prepayment	45	45	86	51
Deposit	26	26	26	26
Other receivables	2,107	2,107	78	78
Redemption proceeds	2,177	2,177	–	–
<b>Total Other Assets</b>	<b>7,348</b>	<b>7,348</b>	<b>3,230</b>	<b>3,195</b>

As at 31 December 2017, included in the other receivables was an amount of S\$2.02 million representing the fair value of currency forward contracts. As at 31 December 2016, no fair value mark to market asset position was recognised.

The carrying value of other assets as at 31 December 2017 and 31 December 2016 approximate their fair value due to the short-term nature.

## 18. OTHER LIABILITIES

	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000	Company As at 31 December 2016 S\$'000
Base management fees payable to SICIM	604	604	531	531
Other payables	3,795	3,794	5,187	5,185
<b>Total Other Liabilities</b>	<b>4,399</b>	<b>4,398</b>	<b>5,718</b>	<b>5,716</b>

As at 31 December 2017, no fair value mark to market liability position from its forward contract was recognised. As at 31 December 2016, included in the other payables was an amount of S\$4.08 million representing the fair value of currency forward contracts.

The carrying values of other liabilities as at 31 December 2017 and 31 December 2016 approximate their fair value due to the short-term nature.

## NOTES TO THE FINANCIAL STATEMENTS

## 19. SHARE CAPITAL

Company	Number of Shares '000	Par Value S\$	Share Capital S\$'000
<b>AUTHORISED SHARE CAPITAL</b>			
Total available authorised share capital for issue as at 1 January 2016	68,553,566		685,535
Movements during the year	(105,341)	0.01	(1,054)
<b>Total Available Authorised Share Capital for Issue as at 31 December 2016</b>	<b>68,448,225</b>		<b>684,481</b>
Movements during the year	(100,800)	0.01	(1,008)
<b>Total Available Authorised Share Capital for Issue as at 31 December 2017</b>	<b>68,347,425</b>		<b>683,473</b>

Company	Number of Shares '000	Share Capital at Par Value S\$'000	Share Premium Reserve S\$'000	Share Capital S\$'000
<b>ISSUED AND FULLY PAID SHARES</b>				
Total Share Capital as at 1 January 2016	1,446,434	14,464	521,373	535,837
Movements during the year	105,341	1,054	12,541	13,595
<b>Total Share Capital as at 31 December 2016</b>	<b>1,551,775</b>	<b>15,518</b>	<b>533,914</b>	<b>549,432</b>
Movements during the year	100,800	1,008	13,097	14,105
<b>Total Share Capital as at 31 December 2017</b>	<b>1,652,575</b>	<b>16,526</b>	<b>547,011</b>	<b>563,537</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 10.

On 16 October 2017, the Company issued and allotted 44,124,386 new ordinary shares at an issue price of S\$0.145 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 25 April 2017, the Company issued and allotted 56,674,853 new ordinary shares at an issue price of S\$0.136 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 12 October 2016, the Company issued and allotted 55,485,500 new ordinary shares at an issue price of S\$0.130 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

On 27 April 2016, the Company issued and allotted 49,856,073 new ordinary shares at an issue price of S\$0.128 per share to eligible shareholders who have elected to participate in the scrip dividend scheme.

## NOTES TO THE FINANCIAL STATEMENTS

**20. CAPITAL RESERVE**

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Beginning of financial year	(65,846)	(65,846)	(65,846)	(65,846)
Movement during the year	-	-	-	-
<b>Closing Balance</b>	<b>(65,846)</b>	<b>(65,846)</b>	<b>(65,846)</b>	<b>(65,846)</b>

On 1 January 2012, the Company changed its functional currency from USD to SGD. The capital reserve represents the cumulative foreign currency translation differences on share capital denominated in SGD up to the date of change in functional currency.

**21. AVAILABLE-FOR-SALE FINANCIAL ASSETS REVALUATION RESERVE**

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Beginning of financial year	12,996	10,357	3,591	(2,948)
Transfer to profit or loss for assets disposed	(17,148)	(14,577)	(7,395)	(1,329)
(Net reversal of impairment expense) /Net impairment expense	(608)	(547)	9,042	6,927
Reclassification to profit or loss	(17,756)	(15,124)	1,647	5,598
Fair value gain (Note 13)	12,391	12,398	7,758	7,707
<b>Closing Balance</b>	<b>7,631</b>	<b>7,631</b>	<b>12,996</b>	<b>10,357</b>

**22. TRANSLATION RESERVE**

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Beginning of financial year	14,593	-	14,026	-
Translation (loss)/gain	(3,478)	-	567	-
<b>Closing Balance</b>	<b>11,115</b>	<b>-</b>	<b>14,593</b>	<b>-</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

**23. ACCUMULATED LOSSES**

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Beginning of financial year	(200,404)	(183,172)	(195,394)	(174,829)
Net profit for the year	38,952	32,835	17,060	13,727
Dividends paid	(22,093)	(22,093)	(22,070)	(22,070)
<b>Closing Balance</b>	<b>(183,545)</b>	<b>(172,430)<sup>1</sup></b>	<b>(200,404)</b>	<b>(183,172)<sup>1</sup></b>

<sup>1</sup> The Company, a mutual fund company incorporated in Bermuda, is able to declare and pay dividends pursuant to section 54(1)(a) of the Bermuda Companies Act.

**24. NET ASSET VALUE**

	<b>Group As at 31 December 2017</b>	<b>Company As at 31 December 2017</b>	<b>Group As at 31 December 2016</b>	<b>Company As at 31 December 2016</b>
<b>NET ASSET VALUE</b>				
Total net asset value (S\$'000)	332,892	332,892	310,771	310,771
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,652,575	1,652,575	1,551,775	1,551,775
<b>Net Asset Value per Ordinary Share (S\$ per Share)</b>	<b>0.2014</b>	<b>0.2014</b>	<b>0.2003</b>	<b>0.2003</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.

**25. RELATED PARTY TRANSACTIONS****Directors' Remuneration**

Manager Nominated Directors do not receive any fees for serving as a director or a member of a committee of the Board.

Directors (including the Manager Nominated Directors) are reimbursed for reasonable out-of-pocket expenses incurred in 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.

## NOTES TO THE FINANCIAL STATEMENTS

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

Directors' Remuneration (continued)

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

	Remuneration Per Annum
1. Base remuneration fee	US\$50,000 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	US\$18,000
b) Deputy Chairman of the Board (if applicable)	US\$5,000
c) Lead Independent Director	US\$4,000
d) Base fee for membership of ARMC	US\$10,000 per member
e) Chairman of ARMC	US\$5,000
f) Base fee for membership of NGC	US\$2,000 per member
g) Chairman of NGC	US\$1,000
h) Base fee for membership of RC	US\$2,000 per member
i) Chairman of RC	US\$1,000
3. Fees for directorship of all subsidiary companies	US\$5,000 per director <sup>1</sup>

<sup>1</sup> For the avoidance of doubt, this fee only applies to non-Manager Nominated Directors of the Company. A separate fee is paid for other nominee directors who sit on the boards of the Company's subsidiaries.

The total directors' fees for year ended 31 December 2017 amounted to S\$0.37 million (US\$0.27 million) (2016: S\$0.37 million (US\$0.27 million)). The maximum aggregate amount of fees payable to the directors in respect of one year is the number of directors appointed at the relevant time multiplied by US\$0.07 million.

#### Intercompany Receivables/Payables

The intercompany receivables/payables from/to the subsidiaries are unsecured, non-interest-bearing, subject to a legally enforceable right of set-off and repayable in full on demand.

## NOTES TO THE FINANCIAL STATEMENTS

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

The Manager

The following transactions were carried out with SICIM:

	<b>Group 2017 S\$'000</b>	<b>Group 2016 S\$'000</b>
Transactions with SICIM		
Base management fees	2,319	1,371
Incentive fees	4,228	615
Fixed management fees	650	439
Other fees and reimbursement of expenses to SICIM	330	163
Divestment fees	1,153	340
Acquisition fees	–	312
Transactions with STAM		
Base management fees	–	611
Fixed management fees	–	211
Other fees and reimbursement of expenses to STAM	–	170
Divestment fees	–	31
Reimbursement of expenses from STAM	–	154

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Balances with SICIM:				
Accrued base management fees	604	604	531	531
Accrued incentive fees	–	–	615	615
Accrued fixed management fees	164	164	163	163
Accrued other fees and reimbursement of expenses to SICIM	60	60	10	10
Accrued divestment fees	577	577	37	37
<b>Total Payable to the Manager</b>	<b>1,405</b>	<b>1,405</b>	<b>1,356</b>	<b>1,356</b>



## NOTES TO THE FINANCIAL STATEMENTS

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

Transactions with other related parties

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

	<b>Group As at 31 December 2017 S\$'000</b>	<b>Company As at 31 December 2017 S\$'000</b>	<b>Group As at 31 December 2016 S\$'000</b>	<b>Company As at 31 December 2016 S\$'000</b>
Legal and Professional fees	*	*	8	8

\* Amount is less than S\$1,000.00

**26. CONTROLLED ENTITIES**

The following table sets out the entities that were controlled by the Group as at 31 December 2017.

<b>Name of Entity</b>	<b>Principal Activities</b>	<b>Country of Incorporation</b>	<b>% of equity held by the Group 2017</b>	<b>% of equity held by the Group 2016</b>	<b>Reporting Date</b>
BBSFF Asset Holdings Ltd. <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Operating Lease Limited <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Loan Portfolio & Securitisation Limited <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Alternative Assets Limited <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF EU Rail Lessor Limited <sup>1</sup>	Investments in operating lease assets	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
GIL Aircraft Lessor No. 1 Ltd. <sup>1</sup>	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Securitisation Limited <sup>1</sup>	Investments in loan portfolio and securitisation assets	Cayman Islands	100%	100%	31 December
GIL (Labuan) Company Limited <sup>1</sup>	Investment in operating lease assets	Malaysia	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

## 27. SEGMENT REPORTING

The Board has determined the operating segments of the Group from an asset class perspective namely operating lease assets, loan portfolio and securitisation assets, listed equities, bonds and bank contingent convertibles. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2017.

Group	Loan Portfolio and Securitisation Assets				Listed Equities				Bonds				Bank Contingent Convertibles				Others <sup>1</sup>	Total		
	North America		Australia		North America		Australia		Europe		Asia		North America		Australia		Mainly Singapore			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
For the year ended 31 December 2017																				
Total segment revenue	4,690	1,894	153		653	7,216	2,694	32	1,182	4,337	3,603	459	2,165	15,919	115	50	344	1,113	39	46,658
Segment profit/(loss) before tax	8,175	(208)	148		633	6,260	2,276	31	294	2,229	3,679	392	2,242	14,302	115	75	304	3,514	(5,428)	39,033
Included segment items																				
Dividend income	-	-	-		147	1,251	-	32	-	-	-	-	-	-	-	-	-	-	-	1,430
Interest income	1,408	1,942	159		-	-	-	-	905	1,304	1,434	236	531	7,501	70	50	344	799	39	16,722
Net gain/(loss) on sale of investments	3,282	(48)	(6)		506	5,965	2,694	-	197	2,304	1,325	223	1,634	7,414	-	-	-	314	-	25,804
Net gain/(loss) on financial assets designated as fair value through profit or loss	-	-	-		-	-	-	-	79	729	612	-	-	-	1,005	45	-	-	-	2,470
Net reversal of impairment / (Net impairment expense)	2,970	-	-		-	(1,364)	(418)	-	(876)	(891)	1,265	-	-	-	-	-	-	2,760	-	3,446
Net foreign exchange loss (net of hedges)	515	(2,102)	(5)		(20)	409	-	(1)	(12)	(1,215)	(1,187)	(67)	77	(1,616)	-	25	(40)	(359)	3,190	(2,408)
Other income	-	-	-		-	-	-	-	-	-	-	232	-	-	-	-	-	-	-	232
As at 31 December 2017																				
Total segment assets	6,675	21,640	4,264		2,688	34,081	727	665	16,409	17,444	17,298	4,351	10,414	89,329	1,803	1,521	10,618	9,136	88,228	337,291
Total segment liabilities	-	(54)	-		(20)	(137)	-	-	-	(41)	(41)	-	(35)	(249)	-	-	(2,708)	-	(1,114)	(4,399)

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

## NOTES TO THE FINANCIAL STATEMENTS

## 27. SEGMENT REPORTING (CONTINUED)

Group	Operating Lease Assets		Loan Portfolio and Securitisation Assets				Listed Equities			Bonds				Bank Contingent Convertibles				Others <sup>1</sup>	Total
	Europe S\$'000	North America S\$'000	Europe S\$'000	North America S\$'000	Australia S\$'000		Europe S\$'000	Asia S\$'000	North America S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	Australia S\$'000	Others S\$'000	Mainly Singapore S\$'000	S\$'000
For the year ended 31 December 2016																			
Total segment revenue	11,538	2,486	1,801	682			91	1,992	-	1,350	4,384	3,926	791	5,112	35	84	670	141	35,083
Segment profit/(loss) before tax	11,512	(17)	2,166	695			(554)	(3,823)	(286)	960	3,831	1,336	806	7,074	35	104	784	(7,502)	17,121
Included segment items																			
Dividend income	-	-	-	-	-		91	1,215	-	-	-	-	-	-	-	-	-	-	1,306
Interest income	-	2,486	1,966	244			-	-	-	1,095	2,170	1,756	713	5,356	44	83	670	142	16,725
Net gain/(loss) on sale of investments	11,538	-	(165)	437			-	777	-	604	1,301	364	77	-	-	-	-	-	14,933
Net gain/(loss) on financial assets designated as fair value through profit or loss	-	-	-	-	-		-	-	-	(349)	914	1,500	-	(244)	(9)	-	-	-	1,812
Net impairment expense	-	(2,115)	-	-	-		(641)	(6,000)	(286)	-	-	(1,710)	-	-	-	-	-	-	(10,752)
Net foreign exchange loss (net of hedges)	(5)	(389)	366	13			(4)	185	-	(387)	(552)	(879)	15	1,962	-	20	114	(2,914)	(2,455)
Other income	-	-	-	-	-		-	-	-	-	-	307	-	-	-	-	-	-	307
As at 31 December 2016																			
Total segment assets	-	20,344	28,925	1,901			1,617	31,271	5,400	16,450	32,023	22,346	12,114	110,646	1,758	2,155	7,476	22,063	316,489
Total segment liabilities	-	-	-	-	-		-	(6)	-	-	(32)	-	-	-	-	-	-	(5,680)	(5,718)

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

## NOTES TO THE FINANCIAL STATEMENTS

**28. COMMITMENTS***(a) Operating lease commitments – Company as a lessee*

The Company entered into a non-cancellable operating lease agreement that has taken effect from February 2016. The future aggregate minimum lease payments under non-cancellable operating lease is as follows:

	Group As at 31 December 2017 S\$'000	Group As at 31 December 2016 S\$'000
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>		
Within one year	102	102
Later than one year but not later than five years	12	114
<b>Total</b>	<b>114</b>	<b>216</b>

**29. 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.

	2017	2016
Earnings used in calculation of basic earnings per share (S\$'000)	38,952	17,060
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,600,058	1,492,344
<b>Basic earnings per share (cents per share)</b>	<b>2.43</b>	<b>1.14</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.

	2017	2016
Earnings used in calculation of diluted earnings per share (S\$'000)	38,952	17,060
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,600,058	1,492,344
<b>Diluted earnings per share (cents per share)</b>	<b>2.43</b>	<b>1.14</b>

**30. REMUNERATION OF AUDITORS**

	Group For the year ended 31 December 2017 S\$'000	Group For the year ended 31 December 2016 S\$'000
<b>Amounts payable/paid to auditors for:</b>		
Audit services	105	105

Fee payable to the auditors for non-audit services in 2017 is Nil (2016: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

**31. EVENTS OCCURRING AFTER BALANCE SHEET DATE**

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

**32. 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 2018 or later periods and which the Group has not early adopted:

**(i) IFRS 9, Financial instruments**

The Group is adopting the new standard on 1 January 2018 and comparative information will not be restated.

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

During 2017, the Group has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group adopts IFRS 9. In addition, the Group will implement changes in classification of certain financial instruments. Overall, the Group expects no significant impact on its statement of financial position and equity except for the effect of measuring debt securities currently held as loans and receivables and fair value through profit and loss.

**(a) Classification and measurement**

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9 with effect 1 January 2018. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares and debt securities currently held as AFS with gains and losses recorded in other comprehensive income will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss. On 1 January 2018, the AFS reserve of S\$7.63 million related to those securities in amount, which is currently presented as accumulated other comprehensive income, will be reclassified to opening retained earnings.

Debt securities currently held as loans and receivables will be measured at fair value through profit and loss after analysing the intention of holding them and their contractual cashflow characteristics. On 1 January 2018, the Group expects an increase in net asset value of approximately S\$1.60 million from fair value adjustments of such securities. The opening retained earnings will correspondingly increase by approximately S\$1.60 million.

In total, the opening retained earnings will increase by approximately S\$9.23 million on 1 January 2018 following the above adjustments.

**(b) Impairment**

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and receivables, either on a 12-month or lifetime basis. Following the classification of the loans and receivables to fair value through profit and loss, the Group does not expect any material impairment adjustments arising from the adoption from this standard.

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 1. DIRECTORS

### (A) DIRECTORS

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

		<b>Date of Appointment</b>	<b>Date of last re-election</b>
Mr Boon Swan Foo	Chairman	20 December 2011 <sup>1</sup>	27 April 2017
Mr Adrian Chan Pengee <sup>2</sup>	Director	5 May 2009	30 April 2015
Mr Ronald Seah Lim Siang <sup>2</sup>	Director	30 April 2010	29 April 2016
Mr Tan Kok Wee <sup>2</sup>	Director	30 April 2010	27 April 2017
Mr Jason See Yong Kiat	Manager Nominated Director	29 April 2016	N/A <sup>3</sup>

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

<sup>2</sup> The Directors are regarded as independent in accordance with the Singapore Code.

<sup>3</sup> Mr Jason See Yong Kiat, as Manager Nominated Director, will remain in office for a fixed term of three years from the date of his appointment. Such term of appointment is renewable for a further term of three years at the option of the Board.

### (B) DIRECTORS' REMUNERATION<sup>1</sup>

<b>Remuneration bands</b>	<b>Number of Directors for the year ended 31 December 2017<sup>2</sup></b>	<b>Number of Directors for the year ended 31 December 2016</b>
Between S\$50,000 – S\$100,000	4	4
Below S\$50,000	0	0
<b>Total</b>	<b>4</b>	<b>4</b>

<sup>1</sup> For exact remuneration of directors, please refer to the Corporate Governance section on page 38.

<sup>2</sup> Mr Jason See Yong Kiat, who was appointed as Manager Nominated Director on 29 April 2016, was not entitled to any director's fee.

Further information in relation to Directors' Remuneration is set out under Note 25 (Related Party Transactions).

### (C) DIRECTORS' INTERESTS IN SHARES OF GIL AS AT 22 JANUARY 2018

<b>Director</b>	<b>Direct Interests Number of Shares held</b>	<b>Deemed Interests Number of Shares held</b>	<b>Total</b>
Mr Boon Swan Foo	219,896,832	–	219,896,832
Mr Adrian Chan Pengee	–	37,507 <sup>1</sup>	37,507
Mr Ronald Seah Lim Siang	58,304	–	58,304
Mr Jason See Yong Kiat	4,140,777	–	4,140,777
<b>Total</b>	<b>224,095,913</b>	<b>37,507</b>	<b>224,133,420</b>

<sup>1</sup> Mr Adrian Chan Pengee is deemed to be interested in the 37,507 shares held by his wife.

## ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

### 2. SHARE OPTION SCHEME

GIL does not have a share option scheme.

### 3. INTERESTED PERSON TRANSACTIONS

**Aggregate value of all  
interested person transactions  
(excluding transactions  
less than S\$100,000 and  
transactions conducted  
under Shareholders' mandate  
pursuant to Listing Rule 920)  
S\$'000**

Transactions with SICIM:	
Base management fees	2,319
Incentive fees	4,228
Fixed management fees	650
Other fees and reimbursement of expenses to SICIM	330
Divestment fees	1,153

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



# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 4. INVESTMENTS

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

**31 December 2017**

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Impairment million	Net Book Value million	Carrying Value S\$ million	Income/ Underlying Earning S\$ million	Unrealised Gain S\$ million
Unicredit SPA	Bond	Nil	S\$14.9	–	S\$14.9	15.6	0.9	0.7
Barclays PLC	Bank contingent convertible	Nil	€6.0	–	€6.0	11.0	0.7	1.4
ABN Amro Bank 4.75%	Bank contingent convertible	Nil	S\$8.8	–	S\$8.8	8.8	0.4	0.1
UBS Group 6.875%	Bank contingent convertible	Nil	US\$6.0	–	US\$6.0	8.8	0.6	0.8
TV Azteca 8.25%	Bond	Nil	US\$5.0	–	US\$5.0	7.1	0.2	0.4
BNP Paribas 7.625%	Bank contingent convertible	Nil	US\$4.5	–	US\$4.5	6.6	0.5	0.6
Commerzbank 4.875%	Bank contingent convertible	Nil	S\$6.3	–	S\$6.3	6.5	0.3	0.3
Symphony 2014-15A Class E	CLO	Nil	US\$4.6	–	US\$4.6	6.2	0.4	–
Societe Generale 8%	Bank contingent convertible	Nil	US\$4.0	–	US\$4.0	6.1	0.4	0.7
Capitaland Ltd 1.85%	Bond	Nil	S\$5.7	–	S\$5.7	5.9	0.1	0.2

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 4. INVESTMENTS (CONTINUED)

31 December 2016

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Impairment million	Net Book Value million	Carrying Value S\$' million	Income/ Underlying Earning S\$' million	Unrealised Gain/ (Loss) S\$' million
Unicredit SPA	Bond	Nil	S\$14.9	–	S\$14.9	14.6	0.8	(0.3)
Barclays PLC	Bank contingent convertible	Nil	€6.0	–	€6.0	9.6	0.7	0.5
Societe Generale 8.25%	Bank contingent convertible	Nil	US\$6.0	–	US\$6.0	8.9	0.7	0.2
ABN Amro Bank 4.75%	Bank contingent convertible	Nil	S\$8.8	–	S\$8.8	8.7	0.3	0.1
UBS Group 6.875%	Bank contingent convertible	Nil	US\$6.0	–	US\$6.0	8.5	0.6	(0.2)
Societe Generale 5%	Bank contingent convertible	Nil	A\$7.5	–	A\$7.5	7.7	0.2	(0.1)
Avoca CLO PLC VII Class F	CLO	Nil	€5.7	€0.8	€4.9	7.5	0.4	–
Richmond Park CLO 1X Class D	CLO	Nil	€4.8	–	€4.8	7.4	0.4	–
HSBC Holdings 6.875%	Bank contingent convertible	Nil	US\$5.0	–	US\$5.0	7.4	0.2	0.2
BNP Paribas 7.625%	Bank contingent convertible	Nil	US\$4.5	–	US\$4.5	6.7	0.4	0.2

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 5. MATERIAL CONTRACTS

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

## 6. LAND AND BUILDINGS

GIL does not own any land or buildings.

## 7. APPOINTMENT OF AUDITORS

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

## 8. INTERNAL CONTROLS

Please refer to the information disclosed under “Internal Controls” (Principle 11) on page 40 of the Sustainability Report.

## 9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

The present directorships / chairmanships other than those held in the Company, the past directorships / chairmanships over a period of approximately the last three years and the principal commitments as at 9 March 2018 of each of the Company's directors are as follows:

### Boon Swan Foo

Present Chairmanships / Directorships	Past Chairmanships / Directorships
<b>Listed</b>	
	InTouch Plc ( <i>formerly known as Shin Corporation Plc</i> ) (Thailand) - Non-executive director
<b>Unlisted</b>	
Singapore Consortium Investment Management Limited - Chairman, CEO	Singbridge Holdings Pte Ltd - Non-executive director
Allgrace Investment Management Private Limited - Chairman	Singbridge International Singapore Pte Ltd - Non-executive director
China National Offshore Oil Corporation (China) - Non-executive director	Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd - Non-executive director
China Huadian Corporation (China) - Non-executive director	Jilin Food Zone Private Limited (China) - Non-executive director
	Dongfeng Motor Corporation (China) - Non-executive director
<b>Principal Commitments</b>	
Singapore Consortium Investment Management Limited	Chairman, CEO

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

### Adrian Chan Pengee

Present Chairmanships / Directorships	Past Chairmanships / Directorships
<b>Listed</b>	
Ascendas Funds Management (S) Limited - Non-executive director	Isetan (Singapore) Limited - Non-executive director
Hong Fok Corporation Limited - Non-executive director	Biosensors International Group, Ltd. - Non-executive director
Yoma Strategic Holdings Ltd - Non-executive director	Nobel Design Holdings Ltd - Chairman, non-executive director
AEM Holdings Ltd - Non-executive director	
Best World International Limited - Non-executive director	
<b>Unlisted</b>	
Hogan Lovells Lee & Lee - Non-executive director	Al Mirage Leisure Holding Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
Shared Services for Charities Limited - Non-executive director	Al Mirage Property Holding Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
Azalea Asset Management Pte Ltd - Non-executive director	International Stream Investments Pte. Ltd. (Dissolved - voluntary winding up) - Non-executive director
Astrea III Pte Ltd - Non-executive director	Sports Toto Malaysia Management Pte Ltd - Non-executive director
Want Want Holdings Ltd - Non-executive director	Singapore Institute of Directors - Vice chairman, non-executive director
<b>Principal Commitments</b>	
Lee & Lee	Senior Partner – Head of Corporate Department
Law Society of Singapore	Council member
Association of Small and Medium Enterprises	Honorary Secretary, Executive Council
Singapore International Chamber of Commerce	Committee Member – Corporate Governance and Regulations Committee
Pro-Enterprise Panel	Panel Member
Accounting and Corporate Regulatory Authority	Board Member
Legal Service Commission	Member

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

### Ronald Seah Lim Siang

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

### Tan Kok Wee

Present Chairmanships / Directorships	Past Chairmanships / Directorships
<b>Listed</b>	
NIL	NIL
<b>Unlisted</b>	
NIL	NIL
<b>Principal Commitments</b>	
NIL	

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

### Jason See Yong Kiat

Present Chairmanships / Directorships	Past Chairmanships / Directorships
<b>Listed</b>	
NIL	NIL
<b>Unlisted</b>	
BBSFF Alternative Assets Limited - Alternate director to Tan Mui Hong (Non-executive director)	BBSFF IP Holdings Limited ( <i>Struck-off</i> ) - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Asset Holdings Ltd - Alternate director to Tan Mui Hong (Non-executive director)	BBSFF Music Copyright Holdings Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF EU Rail Lessor Limited - Alternate director to Tan Mui Hong (Non-executive director)	GIL Aircraft Lessor No. 2 FCA Limited ( <i>Struck-off</i> ) - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Loan Portfolio & Securitisation Limited - Alternate director to Tan Mui Hong (Non-executive director)	GIL Aircraft Lessor No. 2 FCB Limited ( <i>Struck-off</i> ) - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Operating Lease Limited - Alternate director to Tan Mui Hong (Non-executive director)	M&B Footwears Private Limited - Non-executive director
BBSFF Rail Fund No.1 Limited - Non-executive director	Corridor II Limited - Alternate director to Tan Mui Hong (Non-executive director)
BBSFF Securitisation Limited - Alternate director to Tan Mui Hong (Non-executive director)	AF Trustees Ltd ( <i>Formerly known as AF Trustees Pte Ltd</i> ) - Non-executive director
GIL Aircraft Lessor No. 1 Ltd - Alternate director to Tan Mui Hong (Non-executive director)	GIL Aircraft Lessor No. 2 Limited ( <i>Struck-off</i> ) - Alternate director to Tan Mui Hong (Non-executive director)
GIL (Labuan) Company Limited - Non-executive director	Tessolve Semiconductor Private Limited ( <i>fka Tessolve Services Private Limited</i> ) - Non-executive director

# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURES

## 9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

### Jason See Yong Kiat (Continued)

Present Chairmanships / Directorships	Past Chairmanships / Directorships
<b>Unlisted</b>	
Kellock Europe Fund Pte Ltd - Executive director	Industrial & Economic Advisory Pte Ltd (Dissolved - voluntary winding up) - Non-executive director
Kellock Fund Investments Pte Ltd - Executive director	Ansu Wellness Pte Ltd - Non-executive director
Kellock Fund Investments II Pte Ltd - Executive director	
Kellock Fund Investments III Pte Ltd - Executive director	
Singapore Consortium Investment Management Limited - Non-executive director	
Singapore Technologies Capital Services Pte Ltd - Non-executive director	
ST Trustees Ltd - Non-executive director	
ST Management Services Consultancy (Beijing) Co., Ltd. (fka Temasek Management Services Consultancy (Beijing) Co., Ltd.) - Non-executive director	
<b>Principal Commitments</b>	
ST Asset Management Ltd.	Managing Director (Fund Management)



## SHAREHOLDER INFORMATION

AS AT 6 MARCH 2018

### SHARES

Number of Shares - 1,652,574,643

Number of Shareholders - 7,267

### VOTING RIGHTS

On a show of hands, each Shareholder present shall have one vote.

On a poll, each Shareholder present or by proxy shall have one vote for every Share they hold or represent.

The Shares of GIL are listed on the main board of the SGX-ST.

Under the Bermuda Companies Act, only those persons who agree to become Shareholders of a Bermuda company and whose names are entered on the register of members of such a company are considered members, with rights to attend and vote at general meetings. Accordingly, depositors holding Shares through The Central Depository (Pte) Limited (CDP) would not be recognised as members of GIL and would not have a right to attend and to vote at general meetings of GIL. In the event that depositors wish to attend and vote at general meetings of GIL, CDP will have to appoint them as proxies, pursuant to the Bye-laws of GIL and the Bermuda Companies Act.

In accordance with Bye-law 53, unless CDP specifies otherwise in a written notice to GIL, CDP will be deemed to have appointed as CDP's proxies each of the depositors who are individuals and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant general meeting supplied by CDP to GIL. Therefore, depositors who are individuals can attend and vote at the general meetings of GIL without the lodgement of any proxy form. Depositors who cannot attend a meeting personally may enable their nominees to attend as CDP's proxies. Depositors who are not individuals can only be represented at a general meeting of GIL if their nominees are appointed by CDP as CDP's proxies. Proxy forms appointing nominees of depositors as proxies of CDP would need to be executed by CDP as member and must be deposited at the specified place and within the specified time frame to enable the nominees to attend and vote at the relevant general meeting of GIL.

### SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	219,896,832	-

# SHAREHOLDER INFORMATION

## AS AT 6 MARCH 2018

### TOP 20 SHAREHOLDER LIST AS AT 6 MARCH 2018

No.	Name	Number of Shares held	Percentage of issued Share Capital (%)
1	BOON SWAN FOO	219,896,832	13.31
2	DBS NOMINEES (PRIVATE) LIMITED	73,862,393	4.47
3	GOH SI HUI (WU SIHUI)	55,309,978	3.35
4	GOH SI KAI (WU SIKAI)	55,308,592	3.35
5	CITIBANK NOMINEES SINGAPORE PTE LTD	54,134,205	3.28
6	RAFFLES NOMINEES (PTE) LIMITED	45,427,023	2.75
7	PHILLIP SECURITIES PTE LTD	36,822,237	2.23
8	OCBC SECURITIES PRIVATE LIMITED	20,970,611	1.27
9	UOB KAY HIAN PRIVATE LIMITED	17,201,768	1.04
10	SEE BENG LIAN JANICE	16,809,647	1.02
11	ATMA SINGH S/O NAND SINGH	14,428,532	0.87
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	13,980,649	0.85
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	13,487,005	0.82
14	SNG KAY BOON TERENCE	12,590,932	0.76
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,214,471	0.74
16	LIEW CHIAP KONG	11,190,145	0.68
17	DB NOMINEES (SINGAPORE) PTE LTD	10,411,797	0.63
18	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,904,730	0.54
19	YIM CHEE CHONG	8,525,885	0.52
20	MORPH INVESTMENTS LTD	6,100,086	0.37
<b>Total</b>		<b>707,577,518</b>	<b>42.85</b>

### ANALYSIS OF SHAREHOLDERS

Range of Holdings	Number of Shareholders	Percentage of Shareholders (%)	Number of Shares
1 – 99	254	3.50	8,351
100 – 1,000	519	7.14	462,826
1,001 – 10,000	1,496	20.59	8,390,361
10,001 – 1,000,000	4,808	66.16	596,539,062
1,000,001 and above	190	2.61	1,047,174,043
<b>Total</b>	<b>7,267</b>	<b>100.00</b>	<b>1,652,574,643</b>

Based on information available, as at 6 March 2018, the directors and substantial Shareholder collectively hold 13.78% of the issued Shares of GIL and the balance is held by the public. Therefore, Listing Rule 723 is complied with.

# MANAGEMENT AGREEMENT

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

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

The fee structure of SICIM is summarised below.

FEE STRUCTURE	
<b>Base fee</b>	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.
<b>Incentive fee<sup>1</sup></b>	<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>
<b>Fixed fee</b>	<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>
<b>Acquisition fee</b>	<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>
<b>Divestment fee</b>	<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>
<b>Debt raising fee</b>	<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>
<b>Payment of fees</b>	<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 25 of the financial statements included within this report. The details of the incentive fees are found on page 127.

# COMPUTATION OF INCENTIVE FEE

		1H 2017	2H 2017
	Number of Days in the Relevant Half Year	181	184
	ATPIF	\$0.136228	\$0.147268
	ANIF	1,551,775,404	1,608,450,257
A	AMCIF =(ATPIF *ANIF)	S\$211,395,260	S\$236,873,252
B	SAI	S\$0.2661	S\$0.3024
C	Average SAI in the Relevant Half Year	<b>S\$0.3024</b>	<b>S\$0.3110</b>
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	NIL	NIL
	<u>New Shares Issuance</u>		
F	Number of Days from issue date to end of Relevant Half Year	67	77
G	Issue Price	S\$0.136	S\$0.145
H	Additional number of Shares issued	56,674,853	44,124,386
I	G * H	S\$7,707,780	S\$6,398,036
J	Benchmark rate of return for the issue period	1.4227354%	1.6368131%
	Share Return for the Relevant Half Year = A * (C-B)/B + H * (C-G)	S\$38,268,155	S\$14,061,123
	Benchmark Return for the Relevant Half Year = A * D + I * J	S\$8,333,328	S\$9,475,246
	Share Return-Benchmark Return	S\$29,934,827	S\$4,585,877
	Manager Incentive Fee @ 20%	<b>S\$5,986,965</b>	<b>S\$917,175</b>
	Special discount granted by the Manager	<b>(S\$1,758,965)</b>	<b>(S\$917,175)</b>
	Manager Incentive Fee paid	<b>S\$4,228,000</b>	-

## GLOSSARY

Term	Meaning
AGM	Annual General Meeting
AMCIF	In respect of a Half Year: $ATPIF \times ANIF$
ANIF	The average closing number of the Company's Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year, provided that for the purposes of computing the incentive fee when it shall first become payable, it shall mean the average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Relevant Half Year.
ARMC	Audit and Risk Management Committee
ATPIF	In relation to a Half Year, the average of the daily Volume Weighted Average Price over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year.
Ascendos	Ascendos Investments Limited
AUD	Australian Dollar
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
CLO	Collateralised Loan Obligation
CNH	Chinese Offshore Renminbi
CNY	Chinese Onshore Renminbi
Commencement Date	25 November 2009
Company or GIL	Global Investments Limited and, where the context requires, its wholly-owned subsidiaries.

## GLOSSARY

Term	Meaning
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.
EUR	Euro
FY	Financial year ending 31 December
GBP	British Pound
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
IFRS	International Financial Reporting Standards
Management Agreement	The novation and amendment and restatement agreement entered into amongst the Company, STAM and SICIM dated 1 April 2016 and which came into effect on 29 April 2016, which novates, amends and restates the management agreement between the Company and STAM dated 24 September 2009.
Manager or SICIM	Singapore Consortium Investment Management Limited
Net Investment Value	<p>Net Investment Value calculated in SGD in respect of a quarter means AMC where:</p> <p>AMC is the Average Market Capitalisation in respect of the relevant quarter calculated as follows:</p> $AMC = (ATP \times AN)$ <p>where:</p> <p>ATP is, in relation to a quarter, the average of the daily Volume Weighted Average Price ("VWAP") over the last 20 SGX-ST trading days of Shares in the relevant quarter (excluding the additional market capitalisation represented by the issuance of Shares during the last 20 SGX-ST trading days of the relevant quarter); and</p> <p>AN is the average closing number of Shares that are issued and to be issued as fully paid for scrip dividend, bonus shares and subdivision of existing shares (whether or not officially quoted by SGX-ST) but excluding Shares issued that represent additional paid up share capital during the last 20 SGX-ST trading days of Shares during the relevant quarter.</p> <p>VWAP is, in respect of any trading day on the SGX-ST, the volume weighted average price per Share for sales in those securities on the SGX-ST on that trading day, where each price is weighted by the number of Shares sold at various prices that day. Special crossings, crossings outside of normal trading hours and option-related transactions on the SGX-ST are to be excluded from the VWAP calculation.</p>

## GLOSSARY

Term	Meaning
NGC	Nomination and Governance Committee
Principal Commitments	All commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active Related Corporations, those appointments should not normally be considered principal commitments.
Relevant Half Years	<p>At any time during a Half Year means the preceding Half Years during the period commencing on the most recent of:</p> <ul style="list-style-type: none"> <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
SGD	Singapore Dollar
SGX-ST	Singapore Exchange Securities Trading Limited
Shares	Ordinary shares of par value S\$0.01 per share in the capital of the Company
Shareholder	Holder of the Shares in the Company
SAI	Share accumulation index is formulated by the Manager to measure the accumulated SGX-ST traded value of Shares, with the initial value assigned to such index being the closing price of the trading day following the Commencement Date, 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>



## GLOSSARY

Term	Meaning
Share Value	Average of the SAI over the last 20 SGX-ST trading days in respect of the Relevant Half Year
SICIM Associates	The Manager, any Related Corporation of SICIM and any entity in respect of which SICIM or a Related Corporation of SICIM has been appointed a responsible entity or with whom SICIM or a Related Corporation of SICIM has entered into a management, trustee or similar agreement.
Singapore Code	Singapore Code of Corporate Governance 2012
STAM	ST Asset Management Ltd.
Threshold Amount	The higher of (a) S\$0.25 and (b) S\$0.36 being the Company's unaudited net asset value per Share as at 30 September 2009, subject to adjustments made in respect of changes in the share capital of the Company.
Total Share Return	For a Half Year the sum of the Share Returns for the Relevant Half Years for that Half Year
Total Benchmark Return	For a Half Year means the sum of the Benchmark Returns for the Relevant Half Years for that Half Year
USD	United States Dollar

## NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting (the **2018 AGM**) of Global Investments Limited (the **Company**) will be held at Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616, on Wednesday, 25 April 2018 at 10.00 a.m. for the following purposes, including the purpose of considering and, if thought fit, passing with or without amendments, the following Resolutions 1 to 5 which are each proposed as an Ordinary Resolution:

### Financial Statements and Reports

1. To receive and adopt the Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2017. **(Ordinary Resolution 1)**

### Re-election of Director, Adrian Chan Pengee

2. To re-elect Adrian Chan Pengee, who will retire by rotation under Bye-law 56(e), as a director of the Company. **(Ordinary Resolution 2)**

### Re-appointment of Auditors

3. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 3)**

### Proposed Renewal of the Share Issue Mandate

4. That authority be and is hereby given to the Directors to:
  - (1) (a) issue ordinary shares of S\$0.01 each 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) warrants, debentures or other instruments convertible 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 (the Share Issue Mandate); and

- (2) (notwithstanding the authority conferred by this Resolution 4 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 4 was in force.

Provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution 4 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 4) does not exceed 50 per cent (50%) of the total number of issued Shares (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to holders of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 4) does not exceed 18 per cent (18%) of the total number of issued Shares (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (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 shall be based on the total number of issued Shares at the time this Resolution 4 is passed, after adjusting for:

## NOTICE OF 2018 ANNUAL GENERAL MEETING

- (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution 4 is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) in exercising the authority conferred by this Resolution 4, 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 Bye-laws for the time being of the Company; and
- (d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 4 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Listing Manual, whichever occurs the earliest. **(Ordinary Resolution 4)**

### **Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme**

- 5. That authority be and is hereby given to the Directors to allot and issue from time to time such number of new fully paid-up Shares as may be required to be allotted and issued pursuant to the Global Investments Limited Scrip Dividend Scheme. **(Ordinary Resolution 5)**
- 6. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

### **GLOBAL INVESTMENTS LIMITED**

Ann M.D. Trott  
Company Secretary  
Bermuda, 28 March 2018

### **NOTES:**

- 1. A shareholder (other than The Central Depository (Pte) Limited (CDP)) entitled to attend and vote at the 2018 AGM who is a holder of two (2) or more Shares is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a shareholder.
- 2. A Depositor holding Shares through CDP and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) may attend and vote at the 2018 AGM as CDP's proxy. Such Depositors who are individuals but are unable to attend the 2018 AGM personally and wish to appoint a nominee(s) to attend and vote on their behalf as CDP's proxies, and such Depositors who are not individuals, should complete, sign and return the Depositor Proxy Form.
- 3. The Depositor Proxy Form must be lodged at the registered office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the 2018 AGM or the adjournment thereof, as applicable.

## NOTICE OF 2018 ANNUAL GENERAL MEETING

### **EXPLANATORY NOTES:**

#### **ORDINARY RESOLUTION 2:**

Adrian Chan Pengee, if re-elected, will continue to serve as Lead Independent Director, the Chairman of the Nomination and Governance Committee and a member of the Audit and Risk Management Committee and Remuneration Committee. He is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

#### **ORDINARY RESOLUTION 4:**

Ordinary Resolution 4 seeks to authorise the Directors to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to a number not exceeding in total 50 per cent (50%) of the total number of issued Shares, with a sub-limit of 20 per cent (20%) for issues other than on a pro-rata basis to holders of Shares.

For the purpose of determining the aggregate number of Shares that may be issued pursuant to the Share Issue Mandate, the total number of issued Shares shall be based on the total number of issued Shares at the time that Ordinary Resolution 4 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 4 is passed; and (b) any subsequent bonus issue, consolidation or subdivision of Shares.

If Ordinary Resolution 4 is passed, Shares issued pursuant to the Global Investments Limited Scrip Dividend Scheme will not be treated as Shares issued pursuant to the Share Issue Mandate.

#### **ORDINARY RESOLUTION 5:**

Ordinary Resolution 5, if passed, will empower the Directors from the date of the 2018 AGM to issue Shares pursuant to the Global Investments Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend. If Ordinary Resolution 5 is passed, Shares issued pursuant to the Global Investments Limited 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. The Directors have announced on 20 February 2018 that the Scrip Dividend Scheme shall apply to the final dividend of S\$0.0060 per share for the financial year ended 31 December 2017.

### **PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2018 AGM and/or any adjournment thereof, a shareholder of the Company: (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 2018 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2018 AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes); (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting (**SGM**) of Global Investments Limited (the **Company**) will be held at Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616 on 25 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the 2018 Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without amendments, the following Resolution 1 as an Ordinary Resolution:

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

1. That:

- (1) pursuant to the Company's Memorandum of Association and Bye-laws, the exercise by the directors of the Company (Directors) of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up ordinary shares of par value S\$0.01 each in the capital of the Company (Shares) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (a) market purchase(s) on the Singapore Exchange Securities Trading Limited (SGX-ST); and/or
- (b) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) 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, Chapter 50 of Singapore (as amended, supplemented or modified from time to time),

and otherwise in accordance with the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time) and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the Share Purchase Mandate);

- (2) the authority conferred on the Directors pursuant to the Share Purchase 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:

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

whichever occurs the earliest.

- (3) in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five day period;

## NOTICE OF SPECIAL GENERAL MEETING

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Limit” means that number of issued Shares representing 10 per cent (10%) of the issued Shares as at the date of the passing of this Resolution; 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, in the case of a market purchase of a Share, 105 per cent (105%) of the Average Closing Price of the Shares and in the case of an off-market purchase of a Share, 120 per cent (120%) of the Average Closing Price of the Shares; and

- (4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **(Ordinary Resolution 1)**

By Order of the Board

**GLOBAL INVESTMENTS LIMITED**

Ann M.D. Trott  
Company Secretary  
Bermuda, 28 March 2018

### NOTES:

1. A Shareholder of the Company (other than The Central Depository (Pte) Limited (CDP)) entitled to attend and vote at the SGM who is a holder of two (2) or more Shares is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
2. A Depositor holding Shares through CDP and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) may attend and vote at the SGM as CDP's proxy. Such Depositors who are individuals but are unable to attend the SGM personally and wish to appoint a nominee(s) to attend and vote on their behalf as CDP's proxies, and such Depositors who are not individuals, should complete, sign and return the Depositor Proxy Form.
3. The Depositor Proxy Form must be lodged at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the SGM.

## NOTICE OF SPECIAL GENERAL MEETING

### **EXPLANATORY NOTES:**

#### **ORDINARY RESOLUTION 1:**

Pursuant to the Bye-laws of the Company and the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time), the Company may repay the capital paid-up on purchased or acquired Shares out of paid-in capital, share premium or other reserves and pay the premium (if any) on purchased or acquired Shares out of the realised or unrealised profits of the Company, share premium or other reserves of the Company, so long as the Company is, and shall after the payment be, able to pay its liabilities as they become due.

Ordinary Resolution 1, if passed, will empower the Directors from the date of the SGM to repurchase Shares of the Company by way of market purchases or off-market purchases of up to 10 per cent (10%) of the total number of issued Shares at the Maximum Price. Information relating to this proposed Ordinary Resolution 1 is set out in the Addendum.

As at 12 March 2018 (the Latest Practicable Date), the issued capital of the Company comprised 1,652,574,643 Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date. Purely for illustrative purposes, on the basis of 1,652,574,643 Shares in issue as at the Latest Practicable Date, the purchase by the Company of 10 per cent (10%) of its issued Shares will result in the purchase or acquisition of 165,257,464 Shares.

In the case of market purchases by the Company and assuming that the Company purchases or acquires 165,257,464 Shares at the maximum price of S\$0.153 for one Share (being the price equivalent to 105 per cent (105%) of the Average Closing Price of the Shares for the last five (5) market days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 165,257,464 Shares is approximately S\$25,284,392.

In the case of off-market purchases by the Company and assuming that the Company purchases or acquires 165,257,464 Shares at the maximum price of S\$0.175 for one Share (being the price equivalent to 120 per cent (120%) of the Average Closing Price of the Shares for the last five (5) market days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 165,257,464 Shares is approximately S\$28,920,057.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 are based on the assumptions set out in paragraphs 2.6.2 and 2.6.3 of the Addendum.

#### **PERSONAL DATA PRIVACY**

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

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