



GLOBAL INVESTMENTS LIMITED



**DELIVERING
RETURNS
CONSISTENTLY**

Annual Report 2018

Our Vision

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

Our Mission

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



DISCLAIMER

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

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

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

This financial report has been prepared to enable the directors to comply with their obligations under the listing manual of Singapore Exchange Securities Trading Limited (SGX-ST) and where relevant, to satisfy the requirements of the 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 listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 December 2006 and registered in Singapore on 7 January 2019.

GIL's strategy is to actively manage and grow its assets. It aims to seek investments in assets that will generate steady income and appreciation in capital to deliver regular dividends and achieve capital growth. Its investment policy is to make investments in a portfolio of assets in different sectors through various means including direct asset ownership, swaps, 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 commodities.

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

GIL is not subject to the regulatory regime applicable to collective investment schemes under Division 2 of Part XIII of the Securities and Futures Act (Cap. 289) of Singapore as closed-end funds constituted before 1 July 2013 were grandfathered.

GIL is managed by Singapore Consortium Investment Management Limited (SICIM), a Singapore incorporated company which holds a capital markets services licence for fund management issued by the Monetary Authority of Singapore (MAS).

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

Investment Policy And Strategies

INVESTMENT POLICY

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

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

STRATEGIES

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

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

ACTIVE PORTFOLIO MANAGEMENT STRATEGY

Active portfolio management strategy includes but is not limited to acquiring new assets, selling assets 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.

Chairman's Statement



2019 looks set to extend the current global economic expansion for another year despite slowing growth momentum, supported by resilient labour markets and consumer spending.



2018 Markets in Review

BOON SWAN FOO
Chairman

Volatility returned with a vengeance in 2018 and investors were “treated” to a roller-coaster ride in the markets, especially towards the end of the year.

The steady drumbeat of increasingly strident rhetoric emerging from the trade dispute between the US and China kept investors on edge. With words turning into harsh reality as US slapped tariffs on nearly half its Chinese imports and attracting tit-for-tat action from China, economic growth in the Asian powerhouse eventually succumbed to the onslaught of both the trade war as well as an ongoing deleveraging campaign in the country to record the slowest growth in a decade. With strong economic data emerging from the US that often surprised to the upside and action from the US Federal Reserve (the Fed) that kept the US dollar strong, global markets saw a bifurcation in performance as US markets continued to power ahead whilst Asian markets languished. This dichotomy in action eventually culminated in S&P 500 hitting a record high in September even as most Asian and emerging markets suffered. Unfortunately, the euphoria accompanying the record performance in US markets quickly evaporated as investor sentiment suddenly took a turn for the worse and sent risk assets across all markets plunging during the last quarter of the year, with volatility spiking and

various markets dropping by double digits from recent peaks. Perhaps not surprisingly, the issues of decelerating earnings growth, high debt loads and declining credit quality which suddenly got the attention of equity investors in 4Q 2018, had credit markets already experiencing widening spreads, both across high yield and investment grade securities, since the end of the first quarter. It did not help that the Fed raised interest rates for the fourth time in December 2018 to 2.25-2.50% and signalling another two could be in the works during 2019, raising investors' fears that the Fed could end up strangling growth that is showing signs of slowing down. 2018 also ended up with the Fed tightening causing parts of the yield curve to invert, and long US Treasuries to post a negative return for the year. Notably, both equities and long Treasuries produced negative returns for 2018. The anomalous occurrence may not be such an unexpected outcome considering the end of an unprecedented era of loose monetary policy that have raised valuations to lofty levels across so many asset classes.

Chairman's Statement

(cont'd)

INVESTMENT OUTLOOK FOR 2019

Global growth is projected to be slower in 2019, chiefly driven by a slowdown in the US as the benefits of tax cuts and greater public spending wane and a range of smaller developed economies hit capacity constraints. Developing economies are also still adjusting to the uncertainties created by a reconfiguration of the global trade network. As global economies grew, the upturn in resource utilization and gradual return to inflation targets has allowed a number of central banks, led by the Fed, to embark on a course to reverse a decade of easy monetary policy by raising interest rates and winding down quantitative easing. However, with 2019's outlook for growth softer and inflation remaining muted, the direction for monetary policy this year certainly appears more equivocal. Central banks maintain a state of heightened vigilance on the health of the economy and have indicated a willingness to pause or even reverse policy normalization to support economic growth. Notwithstanding this, most market participants do not expect the global economy to slip into recession in 2019.

In the US, as investors debate the extent of the beneficial impact of tax cuts on 2018 economic growth, questions linger on whether the stimulus can continue to add to output in 2019. 2019 economic growth could also be hitting key structural constraints such as rising debt, low productivity and lack of capital investment. On the other hand, a strong labour market which is finally starting to see signs of wage inflation, albeit at a still slow pace, will lend support to continued consumer spending. Alongside higher government expenditure, especially with a renewed focus on infrastructure spending, a

rare budget item that enjoys bipartisan support in Congress, the anticipated slowdown in growth appears manageable. Key to the US growth outlook and indeed the rest of the world will be the path towards policy normalization taken by the Fed in 2019 and beyond. While the Fed remains data-dependent and may move cautiously, financial markets have only just started to adjust to a new reality where asset valuations are no longer artificially supported by massive and prolonged monetary accommodation. The potential for any further Fed tightening to produce large negative spillovers to the rest of the world through trade and capital flows illustrates how important it is to the world that the Fed guides the US economy towards full employment with inflation contained in a narrow band around their target rate gently. One downside risk to watch out for in the US is if there is a doubling down on tariffs with China, because such an outcome would negatively impact not only the two main actors but would affect the entire global economy.

Over in Europe, solid employment gains over the past year or two, with a notable acceleration in wage growth in 2018, bodes well for the outlook for consumer spending, helping to support growth in 2019. While the ECB ended its asset purchase programme in 2018, its monetary policy stance remains accommodative, keeping borrowing costs low. Adding to the positive growth outlook is fiscal policy that looks poised to turn more expansionary in 2019. And despite the above-trend growth of recent years, core inflation stayed at 1%, below ECB's target level, owing to the fact that there remains much slack in the labour markets. Unfortunately, the

European economy faces several political headwinds in 2019 that have the potential to cloud or even negate the positive fundamentals for growth. Among these, the apprehension surrounding a satisfactory resolution of Brexit by the end of the first quarter remains the top issue on investors' minds. Germany is facing possibly significant political changes and uncertainty in the post-Merkel era and recent dissatisfaction with government policies threaten to derail the reform momentum in France. Italy's budget tension with the European Commission underscores the difficulty in setting a single set of binding rules for the whole EU without much room to take into consideration individual countries' circumstances. With populism and economic nationalism on the rise, anti-immigration movements across the continent continue to attack the idea that a European Union can be successful and the European parliamentary elections in May 2019 could see significant gains by EU-skeptic parties. This could weaken the impetus to implement much-needed structural reforms aimed at protecting the Eurozone from the next crisis.

Meanwhile, growth in China has been shifting into a lower gear since 2010 and 2019 can be expected to witness a continuation of this trend, especially with the Chinese government's shift over the last few years from a high, debt-fuelled expansion to a more sustainable, broad based quality growth. However, complicating this orderly deleveraging process last year were trade disputes with the US which are entering a critical stage of negotiations in early 2019. Perhaps lost in all the noise surrounding the trade conflict is a fundamental shift in position by Western governments towards

Chairman's Statement

(cont'd)

Beijing's growing geopolitical influence, from one of constructive engagement to strategic containment. This switch seeks to prevent China from building and exploiting a competitive advantage in current and future growth areas like biotech research, artificial intelligence development and 5G communications network buildout in other countries and could complicate China's pursuit of global recognition as an ascendant, technologically advanced, wealthy nation. The showdown has produced enough uncertainties to weaken consumer sentiment and domestic demand, to the extent that the Chinese authorities have responded by easing fiscal and monetary policy to be more supportive of growth, with potentially a corporate tax cut and more spending on local infrastructure in 2019. The Xi administration certainly has its work cut out trying to strike a delicate balance between managing the multi-year deleveraging effort and mounting a robust response to the new challenges, all while maintaining social stability at a time when Chinese consumers are faced with rising prices and slowing growth.

CONCLUSION

2019 looks set to extend the current global economic expansion for another year despite slowing growth momentum, supported by resilient labour markets and consumer spending. However, despite the correction in the markets in 2018, there remains pockets of historically high asset valuations. As synchronisation of central bank policy fades, late economic cycle behaviour and withdrawal of global liquidity means caution and quality should increasingly determine investment decisions. Investors need to approach investments in countries with low rate environments, large structural imbalances and other economic deficits with care. Conversely, amidst the earnings growth deceleration, companies with a low to moderate debt load backed by a good cash generation ability make prime investment candidates. Investors should look to include more defensive equities and move up the credit spectrum in both high yield and investment grade fixed income in their portfolios, and possibly consider increased allocations to cash. Cash is now not only providing a decent return in excess of the dividend yields of some equity markets but can serve as dry powder to take advantage of volatility and uncertainty in the markets, particularly as segments of global markets could be rerated and rally if currently anticipated dire outcomes are averted. A strong bottoms-up security analysis would also enable investments with attractive risk-adjusted

returns to be picked up during these times of uncertainty. Last but not least, the ambivalence surrounding the future policy direction of major central banks should nudge any prudent investor into evaluating the costs and benefits of hedging her portfolio currency exposures. One wildcard that bears close watching is the continued rise in populism and nativist movements across the world that has been slowly chipping away at some of the economic and political institutions that have been the bedrock of market-based economies. These forces have the potential to lead to policy paralysis at the national level but more worryingly, at the international level, can weaken cooperation among governments that would be needed in times of crisis.

YEAR OF TRANSITION

This year will be a year of transition for the Board, as we move to comply with the new Corporate Governance Code 2018 on directors serving beyond 9 years.

Mr Adrian Chan Pengee, who has been with us for more than 10 years, will be stepping down at the 2019 Annual General Meeting to make way for renewal of directors. He has served conscientiously in the capacity as Lead Independent Director, Chairman of the Nomination and Governance Committee and member of the Audit and Risk Management Committee and the Remuneration Committee and has contributed tremendously to our Board. Mr Jason See Yong Kiat will also step down as the Manager Nominated Director during the 2019 Annual General Meeting to make way for election of new directors as part of the board renewal process. We wish them all the best.

We would like to welcome our new directors, Mr Abdul Jabbar Bin Karam Din and Mr Tan Wee Peng Kelvin who will be put up for election during the 2019 Annual General Meeting. Their appointment will bring greater diversity to the Board.



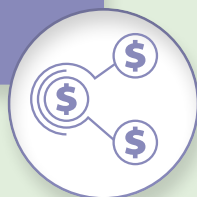
Boon Swan Foo
Chairman
Global Investments Limited
7 March 2019



Financial Highlights

**Net Profit
After Tax**

S\$7.3
Million



**Total
Income**

S\$12.0
Million



**Earnings
Per Share**

0.43
Singapore
Cents



**Return
On Equity**

2.2%



**Dividend
Paid**

S\$18.4
Million



**Dividend
Yield**

9.7%



**Net Asset
Value (NAV)**

S\$322.2
Million



**Dividend
Paid Per Share**

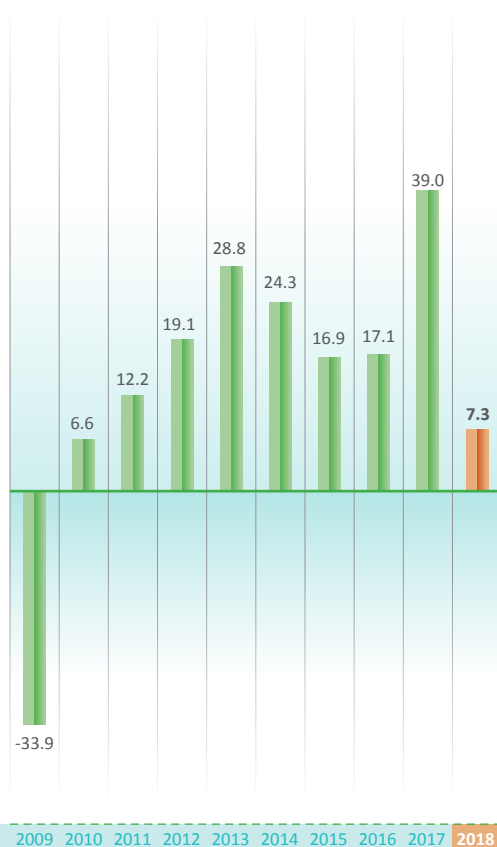
1.10
Singapore
Cents



Financial Highlights

(cont'd)

NET PROFIT AFTER TAX (S\$ million)



Net profit after tax for FY2018 decreased to S\$7.3 million as compared to S\$39.0 million in FY2017.

TOTAL INCOME (S\$ million)

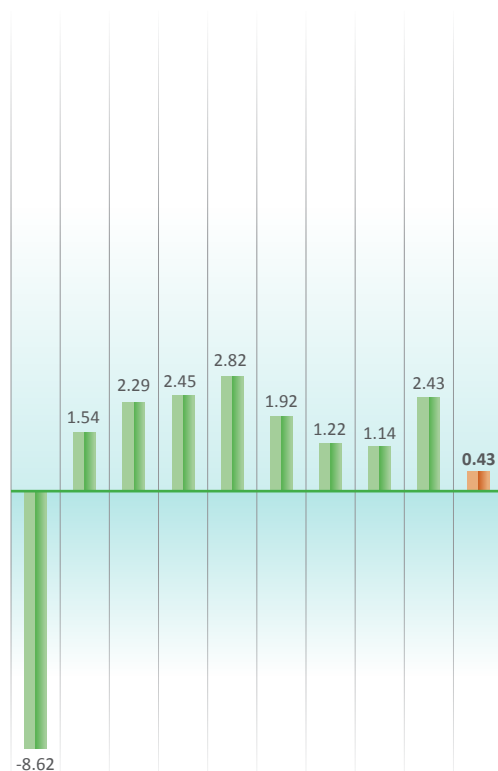


Income for FY2018 was S\$12.0 million as compared to S\$46.7 million recorded last year. The lower income was mainly contributed by a net loss on financial assets at fair value through profit or loss of S\$20.0 million versus a gain of S\$2.5 million recorded in FY2017 and absence of net gain on sale of investments in the current year of S\$25.8 million. However, the lower income recorded during the year was partially cushioned by a net foreign exchange gain of S\$8.6 million and previously announced litigation proceeds of S\$6.8 million.

Financial Highlights

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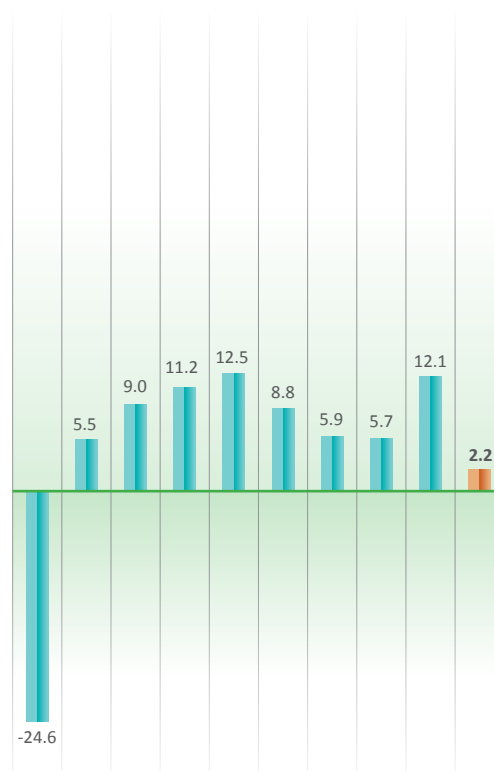
EARNINGS PER SHARE (Singapore cents)



2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

Earnings per share decreased to 0.43 Singapore cents (based on the weighted average number of Shares of 1,688.87 million after taking into account the additional Shares issued pursuant to the Scrip Dividend Scheme) in FY2018 as compared to 2.43 Singapore cents (based on weighted average number of Shares of 1,600.06 million) in FY2017.

RETURN ON EQUITY (%)



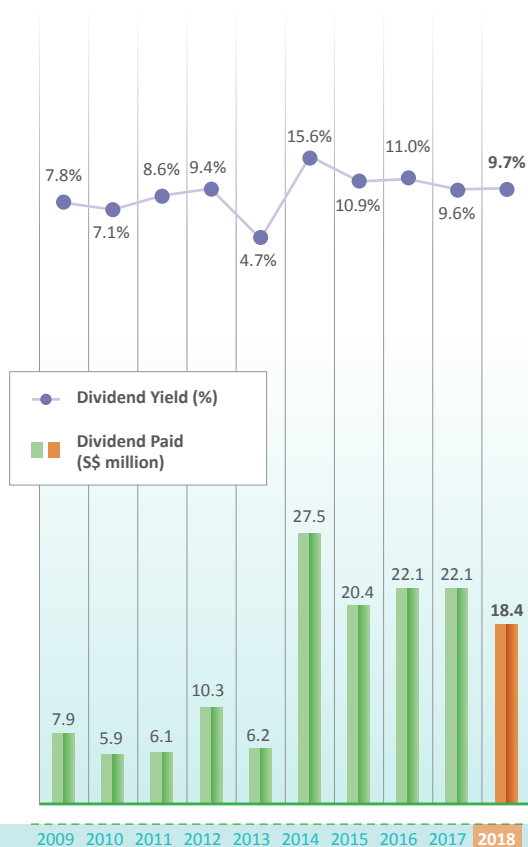
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

Return on equity decreased to 2.2% in FY2018 (computed based on net profit after tax over the average total equity) as compared to 12.1% in FY2017 mainly due to a lower profit after tax.

Financial Highlights

(cont'd)

DIVIDEND PAID & YIELD (S\$ million & %)

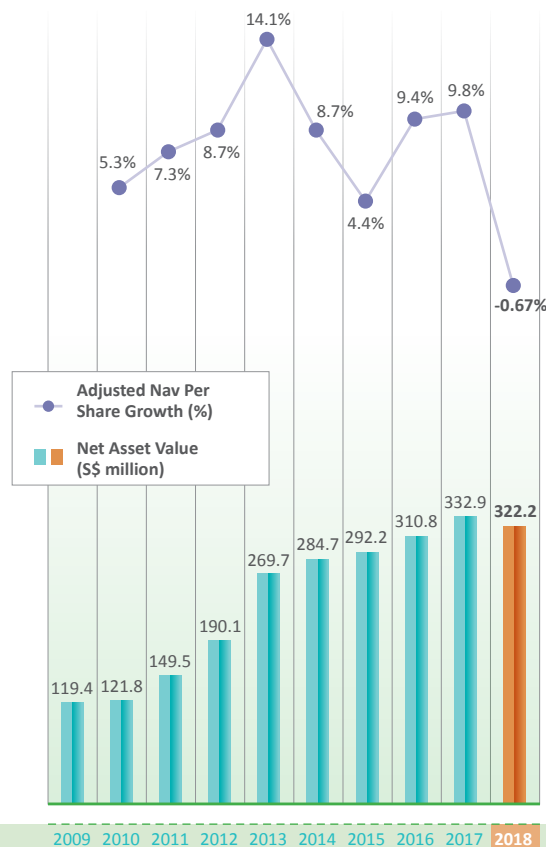


Dividend paid per share totalled 1.10 Singapore cents in FY2018. The total amount of dividend paid decreased by 16.7% to S\$18.4 million in FY2018 from S\$22.1 million in FY2017.

The dividend paid of 1.10 Singapore cents per share for the financial year ended 31 December 2018 represented an annual dividend yield¹ of 9.7%, based on the closing share price of 11.3 Singapore cents as of 31 December 2018.

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

NET ASSET VALUE & ADJUSTED NAV PER SHARE GROWTH² (S\$ million & %)



Net asset value decreased to S\$322.2 million in FY2018. If the 2017 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2017, the net asset value per share as at 31 December 2017 would have been 19.41 Singapore cents instead of 20.14 Singapore cents per share. After adjusting for the 2018 interim dividend and shares relating to the Scrip Dividend Scheme, the net asset value per share as at 31 December 2018 would have been 19.28 Singapore cents and the decrease in net asset value per share would be 0.67%.

² 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.

2018
At A Glance

2018

RE-DOMICILIATION

- In April 2018, GIL began the process to transfer its domicile from Bermuda to Singapore (**Re-domiciliation**).
- The proposed resolutions in relation to the share premium reduction, the Re-domiciliation, the adoption of new constitution, share buyback mandates, share issuance mandates and authorisation of directors to issues shares pursuant to the revised Scrip Dividend Scheme upon Re-domiciliation were approved by shareholders during the Special General Meeting on 31 December 2018.
- The share premium reduction was effective on 31 December 2018.
- GIL was effectively registered in Singapore and discontinued from Bermuda on 7 January 2019.

CHANGE OF COMPANY SECRETARIES

- Ms Lin Moi Heyang and Ms Tang Pei Chan were appointed as the Company Secretaries in place of Ms. Ann M. D. Trott whose resignation took effect from 7 January 2019.
- Horseshoe Corporate Services Ltd has resigned as the Assistant Secretary with effect from 7 January 2019 while Ms Wong Yen Sim remains as Assistant Secretary.

CHANGE OF REGISTERED ADDRESS

- The registered office was changed to 51 Cuppage Road #10-04 Singapore 229469.

2018 DIVIDENDS

- Interim dividend for FY2018 of 0.50 Singapore cents per Share was paid on 12 October 2018.
- The Scrip Dividend Scheme was applied to the interim dividend payment and approximately 42.2% of the total interim dividend amount was issued as new Shares under the scheme. New Shares were listed on 15 October 2018.
- For the final dividend of 2018, the Directors have recommended a payout of 0.50 Singapore cents per Share. This payment is subject to the approval of shareholders at the Annual General Meeting.
- The Scrip Dividend Scheme will be applied to the final dividend payment.
- Based on the closing share price of 11.3 Singapore cents on 31 December 2018, the full year dividend paid of 1.10 Singapore cents per Share represented an annual dividend yield of 9.7%.



2018 At A Glance

(cont'd)

AWARDS AND ACCOLADES

- GIL received a Special Commendation Award at the Singapore Governance and Transparency Forum 2018 held on 6 August 2018. This award, for companies in the small cap category, was given in conjunction with the scores and corporate governance rankings of the Singapore Governance and Transparency Index 2018 (SGTI 2018). The Company was ranked 17th out of 589 listed companies in the SGTI 2018. The Company's base SGTI score was 77 points and was given a further 23 bonus points, totalling up to a final score of 100 points, in comparison to last year's final score of 82 points.
- GIL was awarded the runner up Singapore Corporate Governance Award in the small cap category at the SIAS 19th Investors' Choice Awards Dinner Presentation Ceremony held on 25 September 2018. The selection for the awards was based on the evaluation criteria of SIAS, together with NUS School of Business, Centre of Governance, Institutions & Organisations and Thomson Reuters.

APPOINTMENT OF NEW INDEPENDENT DIRECTORS

- Mr Abdul Jabbar Bin Karam Din was appointed as an Independent Director on 7 January 2019.
- Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019.

EXTENSION OF CONFERMENT OF HONORARY COUNSEL

- Mrs Goh Mui Hong has accepted the extension of the conferment of the title of Honorary Counsel for a further period of two years which commenced from 29 October 2018.

STRIKING-OFF OF DORMANT SUBSIDIARIES

- The Group's dormant wholly-owned subsidiaries, BBSFF Securitisation Limited, GIL Aircraft Lessor No. 1 Ltd, BBSFF Alternative Asset Limited and BBSFF EU Rail Lessor Limited, had been struck off from the Companies Register pursuant to the Companies Law (2010 Revision) of the Cayman Islands.

TAX RESIDENT OF SINGAPORE FOR 2018

- Dividend payments by the Company for FY2018 are exempt from Singapore tax when received by shareholders.



Operating And
Financial Review

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group for the year ended 31 December 2018 S\$'000	Group for the year ended 31 December 2017 ¹ S\$'000
INCOME		
Dividend income	1,643	1,430
Interest income	14,876	16,722
Net foreign exchange gain (net of hedges)	8,607	-
Net gain on sale of investments	-	25,804
Net (loss)/gain on financial assets at fair value through profit or loss	(19,958)	2,470
Other income	6,838	232
Total Income	12,006	46,658
EXPENSES		
Management fees	(2,205)	(2,319)
Incentive fees	-	(4,228)
Net foreign exchange loss (net of hedges)	-	(2,408)
Finance costs	(1)	-
Other operating expenses	(2,387)	(2,116)
Total expenses	(4,593)	(11,071)
Net reversal of impairment expense	-	3,446
Profit before tax	7,413	39,033
Income tax expense	(87)	(81)
Profit after tax	7,326	38,952
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– Fair value gain	-	12,391
– Reclassification to profit or loss	-	(17,756)
Currency translation differences arising from consolidation		
– Loss	(11,115)	(3,478)
Other comprehensive income for the year after tax	(11,115)	(8,843)
Total comprehensive income for the year attributable to shareholders	(3,789)	30,109
Basic earnings per share (cents per share)	0.43	2.43
Diluted earnings per share (cents per share)	0.43	2.43

¹ Comparative figures have not been restated and are still accounted for under International Accounting Standards 39.

Operating And Financial Review

(cont'd)

For the year ended 31 December 2018, the Company and its subsidiaries (the Group) reported a net profit after tax of S\$7.3 million as compared to S\$39.0 million recorded last year.

INCOME

The Group reported a lower income of S\$12.0 million for the year as compared to S\$46.7 million recorded last year. The lower income was mainly contributed by a net loss on financial assets at fair value through profit or loss (FVTPL) of S\$20.0 million versus a gain of S\$2.5 million recorded last year and absence of net gain on sale of investments in the current year of S\$25.8 million. However, the lower income recorded during the year was partially cushioned by a net foreign exchange gain of S\$8.6 million and previously announced litigation proceeds of S\$6.8 million.

EXPENSES

Expenses for the year ended 31 December 2018 of S\$4.6 million was S\$6.5 million lower than S\$11.1 million recorded in last year. The lower expense was mainly due to the absence of incentive fee of S\$4.2 million and a net foreign exchange loss of S\$2.4 million which were recorded last year.

NET REVERSAL OF IMPAIRMENT EXPENSE

There was no impairment expense recognised for financial assets as at 31 December 2018. For the year ended 31 December 2017, a net reversal of impairment expense of S\$3.4 million was recorded from the portfolio of listed equities, other bonds, bank contingent convertibles and collateralised loan obligation notes.

OTHER COMPREHENSIVE INCOME

Other comprehensive income for the year ended 31 December 2018 amounted to a loss of S\$11.1 million due to a translation loss. In the prior year, a loss of S\$8.8 million was recorded 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 and a translation loss of S\$3.5 million. The loss was partially offset by a fair value gain on AFS financial assets of S\$12.4 million.

Total comprehensive income for the year ended 31 December 2018 was a loss of S\$3.8 million versus a gain of S\$30.1 million recorded in the same period last year.

Operating And Financial Review

(cont'd)

STATEMENT OF FINANCIAL POSITION

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 ¹ S\$'000	Company As at 31 December 2017 ¹ S\$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	-	54,296
Loans and receivables	-	-	35,568	35,568
Available-for-sale financial assets	-	-	109,175	109,175
Financial assets at fair value through profit or loss	220,523	220,523	58,969	58,969
	220,523	220,523	203,712	258,008
Current assets				
Cash and cash equivalents	35,363	35,363	88,090	88,090
Available-for-sale financial assets	-	-	38,141	38,141
Financial assets at fair value through profit or loss	63,299	63,299	-	-
Other assets	4,244	4,244	7,348	7,348
	102,906	102,906	133,579	133,579
Total Assets	323,429	323,429	337,291	391,587
LIABILITIES				
Intercompany payables	-	-	-	54,297
Other liabilities	1,216	1,216	4,399	4,398
Total Liabilities	1,216	1,216	4,399	58,695
Net assets attributable to shareholders	322,213	322,213	332,892	332,892
EQUITY				
Share capital	270,837	270,837	563,537	563,537
Capital reserve	-	-	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	-	-	7,631	7,631
Translation reserve	-	-	11,115	-
Retained Earnings/(Accumulated losses)	51,376	51,376	(183,545)	(172,430)
Total Equity	322,213	322,213	332,892	332,892

¹ Comparative figures have not been restated and are still accounted for under International Accounting Standards 39.

Operating And Financial Review

(cont'd)

LOANS AND RECEIVABLES

Following the adoption of International Financial Reporting Standards 9 (IFRS 9) on 1 January 2018, debt securities held as loans and receivables were reclassified to financial assets at FVTPL.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Following the adoption of IFRS 9 on 1 January 2018, listed equities and debt securities held as AFS were reclassified to financial assets at FVTPL.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL as at 31 December 2018 was S\$283.8 million and comprises the entire portfolio of investments held by the Group. This was S\$41.9 million higher than the carrying value of the portfolio of investments of S\$241.9 million as at 31 December 2017. The increase was mainly due to investments in China domestic bonds, bank contingent convertibles and listed equities during the year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents declined significantly to S\$35.4 million as at 31 December 2018 as compared to S\$88.1 million as at 31 December 2017. This was due to the net purchase of investments, mainly China domestic bonds, bank contingent convertibles and listed equities.

NET ASSET VALUE PER SHARE

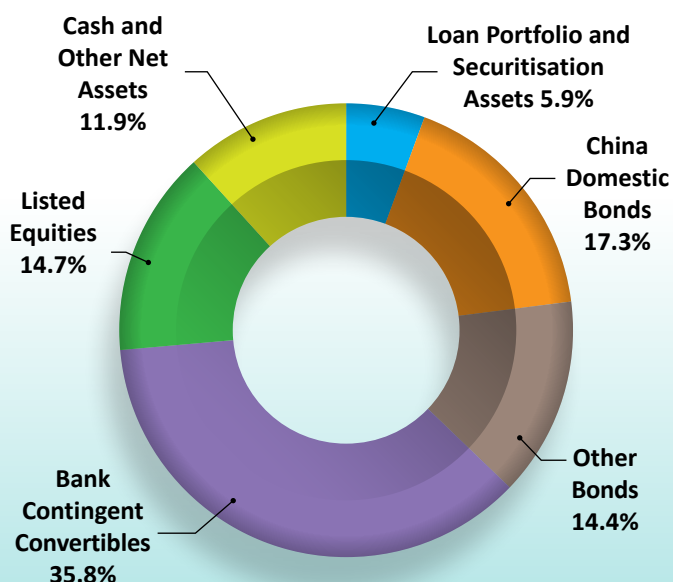
The net asset value per share of the Group as at 31 December 2018 was 18.69 Singapore cents after the payment of 2017 final dividend of 0.60 Singapore cents per share, 2018 interim dividend of 0.50 Singapore cents per share and taking into account the new shares issued pursuant to the Scrip Dividend Scheme. If the 2017 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2017, the net asset value per share as at 31 December 2017 would have been 19.41 Singapore cents instead of 20.14 Singapore cents per share. After adjusting for the 2018 interim dividend and shares relating to the Scrip Dividend Scheme, the net asset value per share as at 31 December 2018 would have been 19.28 Singapore cents and the decrease in net asset value per share would be 0.67%.

RETURN ON EQUITY

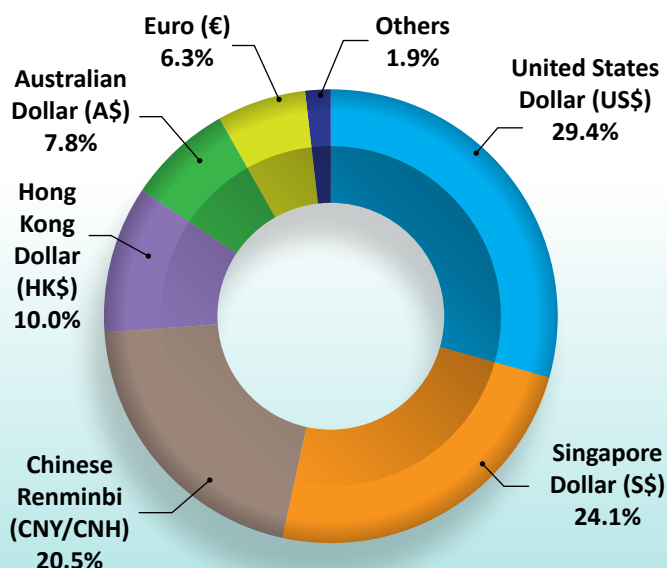
The Group achieved a lower return on equity (computed based on net profit after tax over the average total equity) of 2.2% in 2018 as compared to 12.1% in 2017 due to lower profit after tax.

Portfolio Composition

BREAKDOWN BY ASSET CLASS AND INVESTMENT
as at 31 December 2018



BREAKDOWN BY CURRENCY
as at 31 December 2018



INVESTMENT DESCRIPTION

As at 31 December 2018, NAV decreased to S\$322.21 million from S\$332.89 million as at 31 December 2017 due to the fair value loss from the revaluation of financial assets and distribution of cash dividend of S\$8.6 million.

PORTFOLIO OVERVIEW

The bank contingent convertible portfolio increased to 35.8% in 2018 compared to 32.8% in 2017. This was due to the net purchase of bank contingent convertibles, slightly offset by an overall decrease in bank contingent convertibles prices for the year.

The other bonds portfolio decreased to 14.4% in 2018 compared to 19.2% in 2017, as a result of a net sale of bonds and an overall decrease in bond prices.

Loan portfolio and securitisation assets decreased to 5.9% in 2018 from 9.1% in 2017 due to multiple redemptions throughout the year.

The listed equities portfolio increased to 14.7% in 2018 compared to 11.5% in 2017. As at 31 December 2018, 67.5% of the listed equities portfolio comprised shares listed in Hong Kong, up from 65.9% in 2017.

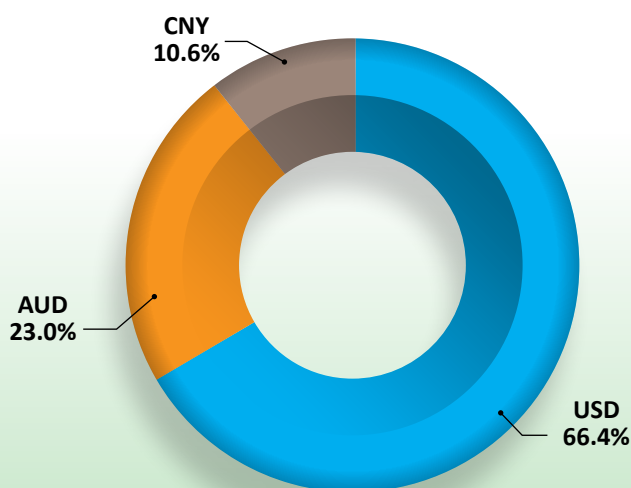
During the year, new positions were established in the China domestic bond market, making up 17.3% of the portfolio.

OUTLOOK

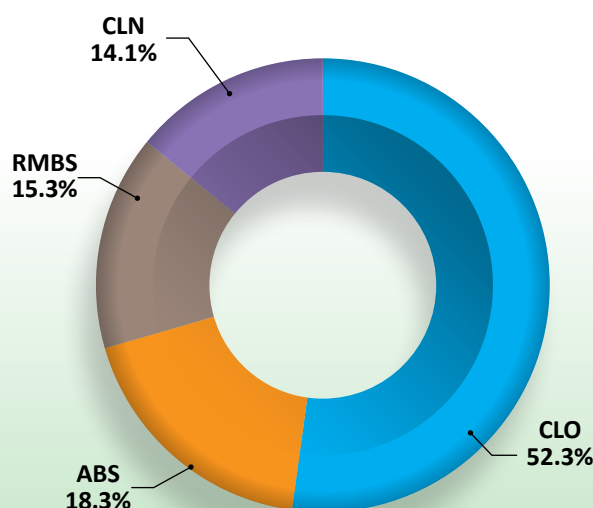
Looking forward, downside risks ranging from full scale trade protectionism, political brinkmanship leading to policy paralysis and uncertainty about future central bank actions should be watched carefully by any wary investor. A positive resolution of any of these issues could give markets a relief rally but given the maturity of the current economic expansion, taking a defensive approach to selecting investments would seem to be most prudent.

Loan Portfolio & Securitisation Assets

PORTFOLIO DISTRIBUTION BY CURRENCY
as at 31 December 2018



PORTFOLIO DISTRIBUTION BY SECURITY TYPE
as at 31 December 2018



INVESTMENT DESCRIPTION

GIL has invested in a portfolio of securitised assets denominated in USD, AUD and CNY, comprising collateralised loan obligation (CLO) notes, a credit-linked note (CLN), residential mortgage-backed securities (RMBS), and asset-backed securities (ABS). The securitised assets are issued by securitisation vehicles that either hold or reference a portfolio of collateral, which currently includes senior secured corporate debt, residential mortgage loans, auto loans and credit card receivables. The portfolio has a carrying value¹ of S\$18.88 million as at 31 December 2018.

ASSET OVERVIEW

As at 31 December 2018, the approximate weighted average coupon² was 7.88% and the approximate weighted average maturity was 11.40 years. Currently, 14.14% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating³ of Ba2.

OUTLOOK

The CLO market started the year strong with a record pace of issuance. Global issuance recorded a high of US\$162.0 billion in 2018, up from US\$141.5 billion in 2017. As the year's end approached, dovish shifts in interest rate expectations and increasing US recessionary risks led to a record outflow from loan funds. CLO debt spreads ended 2018 considerably wider as a result of the US leveraged loan market sell-off. Despite lower CLO supply expected in 2019, CLO debt spreads will face headwinds as investor sentiments remain cautious on late cycle concerns, amid recent broader market volatility.

The Palmer Square CLO Debt Index, which tracks the total return performance of US mezzanine CLO debt tranches, rose marginally by 0.07% in USD terms in 2018.

In the Australia RMBS space, dwelling values nationally fell 4.8% in 2018 as compared to the 4.2% increase in 2017, driven largely by the correction in premium housing values. While previous housing cycles in Australia have generally been driven by interest rate changes, the current slowdown is primarily due to tighter credit availability and reduced investor demand. The decline in housing prices is expected to continue into 2019.

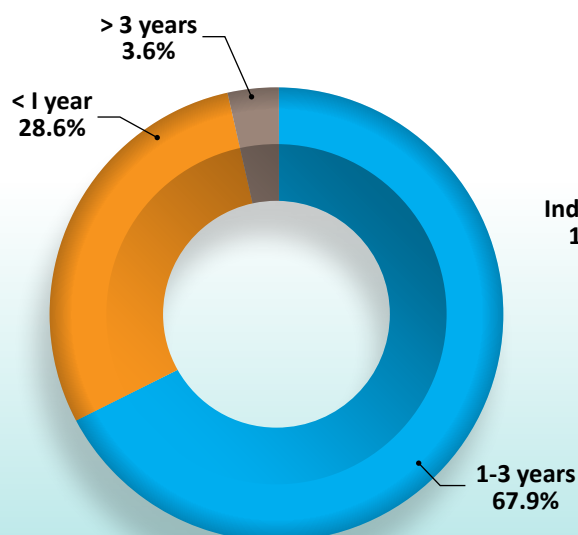
¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² Calculation of weighted average coupon is based on carrying value

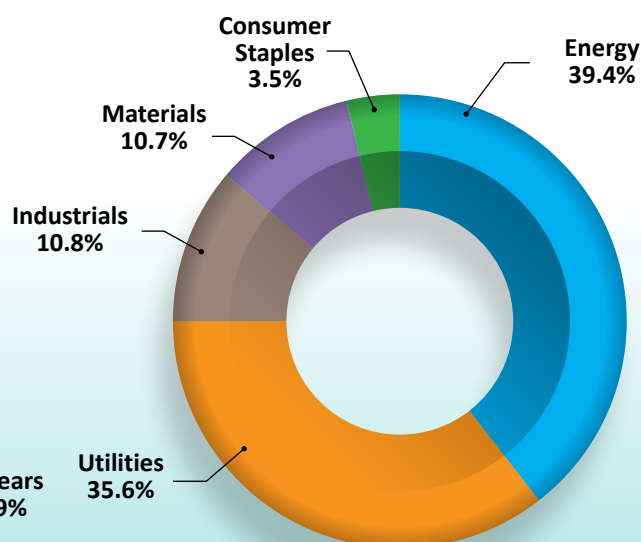
³ Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings.

China Domestic Bonds

PORTFOLIO DISTRIBUTION BY YEARS TO MATURITY
as at 31 December 2018



PORTFOLIO DISTRIBUTION BY SECTOR
as at 31 December 2018



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of China domestic bonds with a carrying value¹ of \$55.62 million as at 31 December 2018.

ASSET OVERVIEW

As at 31 December 2018, the approximate weighted average coupon² was 4.10% and the approximate weighted average maturity was 1.63 years.

The China domestic bonds are rated by China rating agencies and the weighted average domestic rating³ is AAA. None of the securities has an issue rating from international credit rating agencies.

OUTLOOK

The slowing economy and ongoing deleveraging process have exposed strains in the country's debt-fuelled growth model. Defaults on Chinese corporate bonds surged to a record high of CNY 117 billion in 2018. Amidst a slowing economy coupled with the ongoing deleveraging process, the market is expected to see more defaults coming from the domestic bond market. As the scale of defaults is small relative to the size of the credit market, impact on overall bond market and economy should remain limited.

While the central bank's easing policies are intended to support the real economy, fundamentally weaker borrowers are still expected to face increased difficulty in refinancing as the economy cools and the government continues its crackdown on the shadow banking sector.

The Bloomberg Barclays China Aggregate Index, which tracks the bonds listed on the Chinese interbank market, gained 9.46% in CNY terms in 2018.

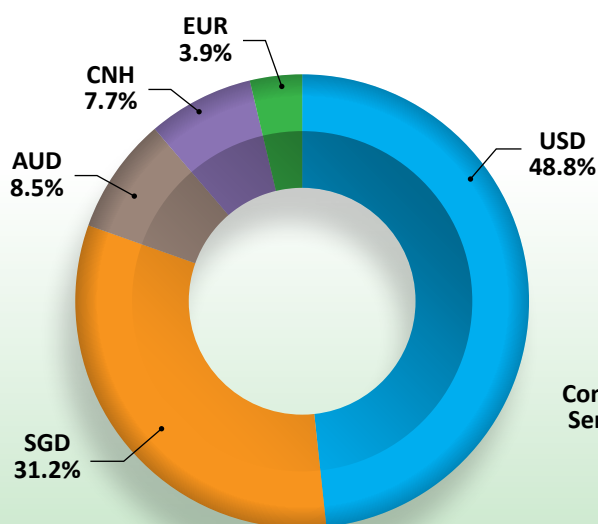
¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² Calculation of weighted average coupon is based on carrying value.

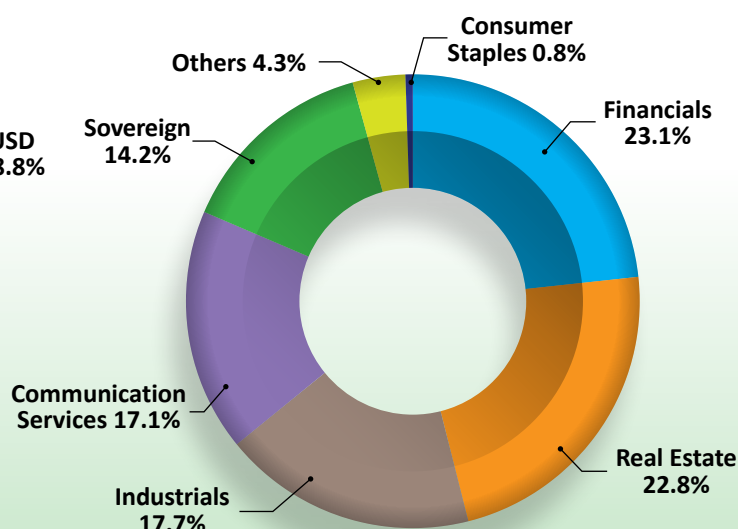
³ The bonds are rated by domestic rating agencies, including China Chengxin, China Lianhe, and Dagong Credit.

Other Bonds

PORTFOLIO DISTRIBUTION BY CURRENCY
as at 31 December 2018



PORTFOLIO DISTRIBUTION BY SECTOR
as at 31 December 2018



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bonds denominated in various currencies with a carrying value¹ of S\$46.39 million as at 31 December 2018.

ASSET OVERVIEW

As at 31 December 2018, the approximate weighted average coupon was 6.31%². The approximate weighted average maturity of the bond portfolio was 9.09 years. Currently, 38.5% of the portfolio is unrated while the rated portion of the portfolio has a weighted average rating³ of B1.

OUTLOOK

Lingering trade war concerns, monetary policies tightening and weaker growth expectations drove the credit markets in 2018. Towards the end of the year, weakness in oil prices and a weaker than expected US corporates' earnings heightened concerns about the US growth engines in a higher interest rate environment. The less than optimistic sentiments triggered a rally in US Treasuries and repriced risk in the broader credit markets.

Pressure on high-yield bonds is expected to rise as the market exhibits more late cycle characteristics throughout 2019. Although the credit markets have seen some technical rebound in January after the sharp correction in December, investors will likely stay cautious and become increasingly selective.

The Bloomberg Barclays Global High Yield Index, which measures the performance of multiple currencies across US, Pan-European, and Emerging Markets high yield bonds, fell 4.06% in USD terms in 2018.

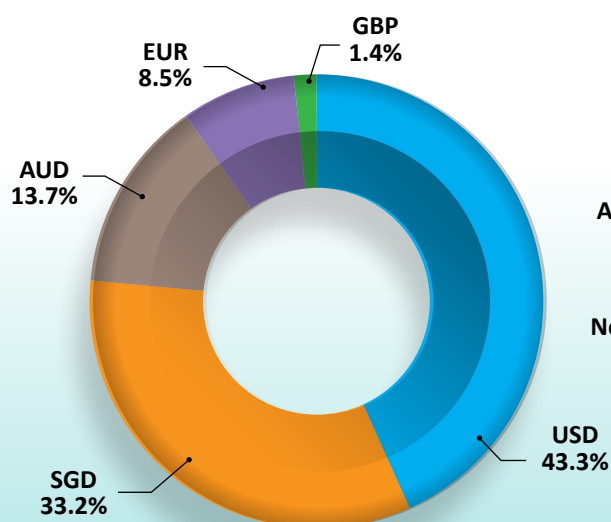
¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² Calculation of weighted average coupon is based on carrying value.

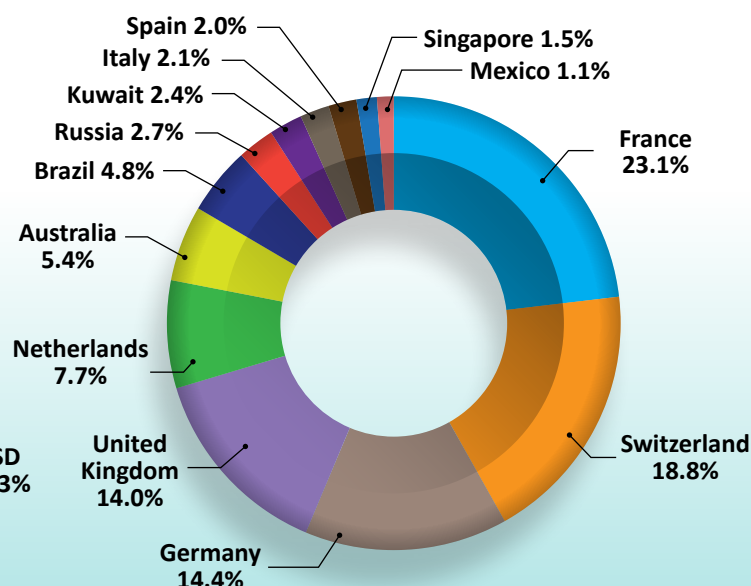
³ Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings.

Bank Contingent Convertibles

PORTFOLIO DISTRIBUTION BY CURRENCY
as at 31 December 2018



PORTFOLIO DISTRIBUTION BY COUNTRY
as at 31 December 2018



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of bank contingent convertibles (CoCos) with a carrying value¹ of S\$115.45 million as at 31 December 2018.

ASSET OVERVIEW

As at 31 December 2018, the approximate weighted average coupon² was 6.32% and the approximate weighted average maturity³ was 6.06 years. Currently, 2.37% of the portfolio is unrated while for the rated portion of the portfolio, it has a weighted average rating⁴ of Ba2.

OUTLOOK

Robust bank capital levels continue to support the fundamentals of the asset class with regard to reducing coupon cut and write-down scenario risks. Various dovish central bank commentaries pushing back further rate hikes in the near term has dimmed the earnings outlook for banks.

Growth concerns, political risk and ongoing reduction of central bank balance sheets will continue to warrant a fairly defensive strategy despite spreads having widened in 2018. With most issuers having fully funded their AT1 requirements, the sector faces lower net supply in 2019. However, spread tightening may be limited as net inflows into CoCos could see declines.

The Bank of America Merrill Lynch Contingent Capital Index, which tracks the global CoCo debt markets, declined 5.75% in USD terms in for the year 2018.

¹ 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.

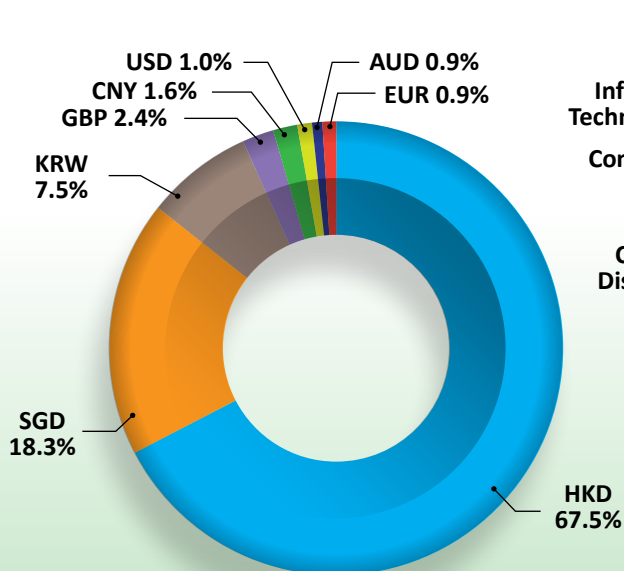
² Calculation of weighted average coupon is based on carrying value.

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

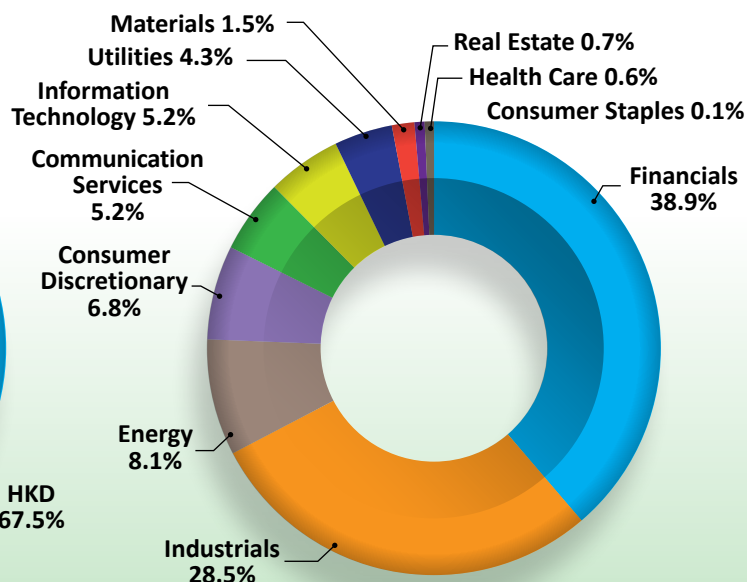
⁴ Calculation of weighted average rating is based on carrying value and the lower of Moody's, S&P and Fitch issue ratings.

Listed Equity

PORTFOLIO DISTRIBUTION BY CURRENCY
as at 31 December 2018



PORTFOLIO DISTRIBUTION BY SECTOR
as at 31 December 2018



INVESTMENT DESCRIPTION

GIL is invested in a portfolio of equities listed on different stock exchanges with a carrying value¹ of S\$47.48 million as at 31 December 2018.

ASSET OVERVIEW

As of 31 December 2018, the 3 biggest sectors were Financials (38.9%), Industrials (28.5%) and Energy (8.1%). The largest foreign currency exposure was in Hong Kong Dollars (67.5%), followed by Singapore Dollars (18.3%).

OUTLOOK

Major equity markets saw a major sell-off towards the end of 2018. Weaker outlook for corporate earnings growth can potentially lead to further compression of price earnings multiples. The ongoing trade dispute on top of a slowing Chinese economy takes away another growth driver for corporate earnings.

However, with the Chinese government stepping in to assuage slowdown concerns via further fiscal and monetary stimulus, as well as restraint by central banks in monetary tightening in view of softening inflationary pressures and recent decline in energy prices, there appears to be some positive support.

The MSCI All Country World Index, which tracks the global equity markets across both developed and emerging markets, decreased by 11.18% in USD terms for the year of 2018.

¹ 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.

The International Monetary Fund, in the latest World Economic Outlook report released in January 2019, revised global growth for 2019 and 2020 downwards to 3.5% and 3.6% respectively, citing weakening financial market sentiment, trade policy uncertainty, and concerns about China's economic outlook. In addition to trade war concerns and a slowing Chinese economy, there are now added worries over geopolitical tensions and slowdown in momentum in the European economy.

The US economy expanded 2.9% in 2018, a significant improvement from 2.2% in 2017. The ISM Manufacturing Purchasing Manager Index (PMI) dropped significantly to 54.3 in December 2018 from 59.4 in December 2017, while the ISM Non-Manufacturing Index rose to 58.0 in December 2018 from 56.3 in December 2017. The labour market continued to tighten as unemployment rate declined, decreasing to 3.9% as of December 2018, from 4.1% as of December 2017. Meanwhile, core inflation increased with the core Personal Consumption Expenditures (PCE) index coming in at 1.9% year-on-year (y-o-y) in December 2018, compared to 1.6% y-o-y in December 2017. With low unemployment boosting household spending, while economic activity had also been rising at a solid rate, inflation remained near the Federal Reserve's (the Fed) target of 2.0%. With that, the Fed raised the Fed Funds Rate four times in 2018, bringing it to a range of 2.25%-2.50%. However, softening economic conditions and muted inflationary pressures towards the end of 2018 have led the Fed to signal a more gradual pace of hikes in 2019 and 2020.

Eurozone GDP growth slowed as full year growth was 1.8% in 2018, compared to 2.4% in 2017. The Markit Eurozone Composite PMI, which tracks sentiment among purchasing managers at manufacturing and service sectors, declined sharply to 51.1 in December 2018 from 58.1 in December 2017. Unemployment rate improved to 7.9% in 2018 from 8.6% in 2017. The Consumer Confidence Indicator decreased to -8.3 in December 2018 from -3.4 in December 2017. Eurozone inflation, measured by the Harmonised Index of Consumer Price increased to 1.6% y-o-y in 2018, from 1.4% y-o-y in 2017. The Governing Council of the European Central Bank (ECB) maintained policy rates at their latest monetary policy meeting, with the view that while supportive financing conditions, tightening labour market and rising wages continued to support inflation, an expansionary

policy had helped to dampen recent uncertainties pertaining to both the growth and inflation outlook in the euro area economy. They also expect key ECB interest rates to remain at present levels at least through the summer of 2019 to bring inflation close to 2.0% over the medium term.

China's economic growth continued to slow, with GDP growth for 2018 at 6.6%, versus 6.8% for 2017. The Caixin Manufacturing PMI reading decreased to 49.7 in December 2018 from 51.5 in December 2017. The Caixin Services PMI reading was unchanged at 53.9 in December 2018, when compared to December 2017. Industrial output was at 5.7% y-o-y in December 2018, lower than the 6.2% y-o-y growth in December 2017. Private consumption also decreased, with retail sales growth at 8.2% y-o-y in December 2018 compared to 9.4% y-o-y in December 2017. A slowing Chinese economy coupled with ongoing US-China trade tensions visibly weighed on trade, as exports contracted 4.4% y-o-y in December 2018, compared to an expansion of 10.9% y-o-y in December 2017, while imports also contracted by 7.6% y-o-y in December 2018 from an expansion of 4.5% y-o-y in December 2017. Inflation accelerated slightly, with the CPI growing at 1.9% y-o-y in December 2018, compared to 1.8% y-o-y in December 2017. China's foreign exchange reserves shrank to US\$3.07 trillion in December 2018, from US\$3.14 trillion in December 2017. The Chinese government has since stepped up fiscal and monetary stimulus through a series of policy announcements, including loosening of financial conditions through a reduction in the reserve requirement ratio, further cuts across both consumption and corporate taxes, and continued investment in infrastructure.

Global economic growth looked to have peaked in the first half of 2018 with the major economies reporting slower growth numbers for consecutive quarters in the second half of the year. The US Fed has been conservative in their guidance on forward monetary policy. Chinese economic growth continued on its downward trend, with recent data indicating a trade war impact, but the Chinese government has stepped up fiscal and monetary stimulus. Meanwhile, Europe economic momentum slowed further owing to ongoing geopolitical tensions.

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

Board Of Directors



from left to right

Jason See Yong Kiat¹ (Manager Nominated Director), **Goh Mui Hong** (Honorary Counsel), **Ronald Seah Lim Siang** (Independent Director), **Adrian Chan Pengee¹** (Lead Independent Director), **Boon Swan Foo** (Chairman, Non-executive Director), **Tan Kok Wee** (Independent Director), **Abdul Jabbar Bin Karam Din²** (Independent Director) and **Tan Wee Peng Kelvin³** (Independent Director)

¹ Mr Jason See Yong Kiat and Mr Adrian Chan Pengee will retire during the 2019 Annual General Meeting without standing for re-election.

² Mr Abdul Jabbar Bin Karam Din was appointed as an Independent Director on 7 January 2019.

³ Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019.

As at 31 December 2018,

the Board consisted 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 independent⁴ directors, namely Mr Adrian Chan Pengee, Mr Ronald Seah Lim Siang and Mr Tan Kok Wee. GIL has no employees or executive officers. In FY2018, the Board met 9 times.

⁴ An "independent" director is one who has no relationship with GIL, its Related Corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of GIL.

Board Of Directors

(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. 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. He 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 ST Asset Management Ltd. (STAM) from April 2010 to December 2011.

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 is a Professor of Practice of the Singapore University of Technology and Design.

Mr Boon's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments¹ as at 7 March 2019 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

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 April 2018.

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, the Executive Council of the Association of Small and Medium Enterprises as its Honorary Secretary and the Council of Law Society of Singapore. He is the Vice Chairman of the Singapore Institute of Directors and a member of the Legal Service Commission, the Pro-Enterprise Panel and Singapore Management University's Enterprise Board.

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 (the manager of Ascendas REIT); Hong Fok Corporation Limited; AEM Holdings Ltd, Best World International

¹ The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active Related Corporations, those appointments should not normally be considered principal commitments.

Board Of Directors

(cont'd)

Limited and Bowsprit Capital Corporation Limited (the Manager of First REIT), 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 Want Want Holdings Ltd and the Temasek subsidiaries, Azalea Asset Management Pte Ltd, Astrea III Pte Ltd and Astrea IV Pte Ltd.

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 7 March 2019 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 7 March 2019 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

MR TAN KOK WEE Independent Director

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

Mr Tan has served in senior executive positions for more than 30 years in fixed income, foreign exchange and derivative markets and last held the position of Managing Director and Head of Fixed Income and Currency (FIC) sales for Asia at Commerzbank AG. Prior to that, between 1994 and 2008, Mr Tan was Senior Managing Director and a member of the board of directors of Bear Stearns Singapore Pte Ltd, a global investment bank and securities trading and brokerage, 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 7 March 2019 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 ABDUL JABBAR BIN KARAM DIN Independent Director

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

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

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

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

Mr Jabbar's list of present chairmanships and directorships, past chairmanships and directorships over a period of approximately the last three years and principal commitments as at 7 March 2019 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

MR TAN WEE PENG KELVIN Independent Director

Mr Tan Wee Peng Kelvin will be appointed to the Board as an Independent Director on 15 March 2019.

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

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

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

Mr Tan's list of present and past directorships over a period of approximately the last three years and principal commitments as at 7 March 2019 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 7 March 2019 is set out in the Chairmanships, Directorships and Principal Commitments section under "Additional SGX-ST Listing Manual Disclosure Requirements".

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MANAGING SUSTAINABILITY

BOARD STATEMENT

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

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

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

The Board will consider sustainability issues which include the material ESG factors in determining GIL's strategic direction and policies.

VISION

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

MISSION

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

CORE VALUES

Good Corporate Governance

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

Responsible Investing

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

Integrity

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

Prudent Risk Taking

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

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ACTIVE STEWARDSHIP AND STAKEHOLDER ENGAGEMENT

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

STAKEHOLDERS AND ENGAGEMENT PLATFORMS






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

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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?
<div>Shareholders</div> <div></div>	Economic performance Corporate governance Risk Management Privacy of Personal Data	The macroeconomic environment. Lack of internal control system and proper risk management.	Refer to investment policy at page 3 Good corporate governance and transparency are the key factors in promoting shareholders’ trust	Refer to investment Strategies at page 3 Refer to corporate governance statement at page 32
<div>Manager</div> <div></div>	Ensuring the health, safety and welfare of the Manager’s employees Training and education Ethics & Integrity	Failure to attract and retain talent with high ethics and integrity impedes GIL’s growth and expansion. Employees risk obsolescence if they are not well-equipped with changing skillsets.	Develop a team of technology and digital savvy employees who are responsive to changes and able to work from anywhere to reap the benefits of increased mobility.	Staff training and development program The Manager sponsored its staff to attend courses and conferences regularly in order to meet the training requirement especially for the licensed representatives.
<div>Regulators</div> <div></div>	Corporate governance Compliance with laws Risk Management	Lack of internal control system and proper risk management The evolving regulatory and reporting landscape give rise to compliance risks	Engage with government authorities and agencies to keep abreast of changes in regulations	Engage with government authorities and agencies to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations Given the geographical diversity of GIL investments, we closely monitor developments in laws and regulations in countries where we have invested.
<div>Suppliers/ Service Providers</div> <div></div>	Risk Management Compliance with laws	Lack of internal control system and proper risk management Changes of laws and regulations in countries we have invested may give rise to compliance risks	Service provider with better internal control system and risk management entails lower compliance risk	Engage with the service providers to keep abreast of changes in regulations to ensure that we comply with all relevant laws and regulations in countries where we have invested. Annual assessment of service provider
<div>Community</div> <div></div>	Environmental sustainability Contribution to the community Socially Responsible Investing	Climate change	Low carbon economies brings new areas of investment Opportunity and business growth	Sustainable sourcing Measure carbon footprint, engage in socially responsible investing and environmental conservation initiatives.

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THE 5 CATEGORIES OF MATERIAL FACTORS

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

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

 Economic Sustainability	 Corporate Governance	 Environmental Sustainability	 Community Development	 Talent Management & Employee Retention
Economic Performance	Corporate Governance Statement	Promoting a Sustainable Environment	Socially Responsible Investing	Health, Safety and Welfare of Employee
	Compliance, Anti-corruption Policy & Engagement with Local and Foreign Regulators	Sustainable Sourcing	Contribution to the Community	Training and Education
	Privacy of Personal Data			Ethics and Integrity
	Protection of Creditors' Rights			
	Risk Management			

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

Importance to Stakeholders	High			Economic Sustainability
				Corporate Governance
	Medium		Environmental Sustainability	Talent Management and Employee Retention
			Community Development	
	Low			
		Low	Medium	High
Importance to Business				

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ECONOMIC SUSTAINABILITY

1. ECONOMIC PERFORMANCE

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

Please refer to Operating and Financial Review on page 13-16.

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.

In 2018, GIL received the Special Commendation Award for small capital companies and was chosen as the runner up of Singapore Corporate Governance Award small cap category by Securities Investors Association (Singapore) as recognition of our relentless effort in strengthening our corporate governance.

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 Singapore Code, where appropriate.

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 Constitution also provides for directors to participate in Board meetings by means of teleconference and video conference.

The Board's key responsibilities include the following:

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

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:

- The Audit and Risk Management Committee (**ARMC**)
- The Nomination and Governance Committee (**NGC**)
- 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 ¹	27 April 2017	n/a	Member	n/a
Mr Adrian Chan Pengee (Lead Independent Director)	5 May 2009 ²	25 April 2018	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	27 April 2017	Chairman	n/a	Member
Mr Jason See Yong Kiat (Manager Nominated Director)	29 April 2016	n/a	n/a	n/a	n/a
Mr Abdul Jabbar Bin Karam Din	7 January 2019	n/a	Member	Member	Member
Mr Tan Wee Peng Kelvin ³	15 March 2019	n/a	Member	-	Member

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

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

³ Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019.

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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 FY2018, a total of nine Board meetings, five ARMC meetings, four NGC meetings and three RC meetings were held. The attendance of the directors of the Board and Board committee meetings held during FY2018 is tabulated below:

	Board Meetings		ARMC Meetings		NGC Meetings		RC Meetings	
Total Number of Meetings	9		5		4		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	9	9	n/a ¹	5*	4	4	n/a ¹	3*
Mr Adrian Chan Pengee	9	9	5	5	4	4	3	3
Mr Ronald Seah Lim Siang	9	9	5	5	4	4	3	3
Mr Tan Kok Wee	9	9	5	5	n/a ¹	4*	3	3
Mr Jason See Yong Kiat	9	9	n/a ¹	5*	n/a ¹	4*	n/a ¹	3*

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

* refers to meeting attended by invitation

Mr Abdul Jabbar Bin Karam Din and Mr Tan Wee Peng Kelvin did not participate in the meetings in FY2018.

Matters for Board Approval

Under GIL's Board Charter, the matters reserved for the Board's approval include²:

- Alterations of the Constitution 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

² Some of these matters may also require shareholder approval.

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. 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 FY2018, no new directors were appointed.

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

During the annual strategic review, the Manager updates the Board on the 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.

Dedicated training sessions (approximately 8 hours) were conducted for Directors in FY2018 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) Risk management, Internal Control and Corporate Governance
- (iv) Sustainability Reporting
- (v) Seven principles of having an honest conversation
- (vi) Industry-related matters including economic outlook of emerging markets with a focus on China and current world view of different asset classes

Directors also attended external seminars and talks individually in FY2018 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% shareholders¹.

¹ The term "5% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

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Assessment of Independence of Directors

As at 31 December 2018 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 Appointment	Independence status under the Code	Less than 5% interest (direct/deemed)	Independent relationship ¹ – including independence from 5% shareholders	Served on the Board for less than 9 years	Immediate family relationship ²
Mr Boon Swan Foo	20 December 2011	No	No	No	Yes	No
Mr Adrian Chan Pengee	5 May 2009	Yes	Yes	Yes	No	No
Mr Ronald Seah Lim Siang	30 April 2010	Yes	Yes	Yes	Yes	No
Mr Tan Kok Wee	30 April 2010	Yes	Yes	Yes	Yes	No
Mr Jason See Yong Kiat	29 April 2016	No	Yes	No	Yes	No
Mr Abdul Jabbar Bin Karam Din	7 Jan 2019	Yes	Yes	Yes	Yes	No
Mr Tan Wee Peng Kelvin ³	15 March 2019	Yes	Yes	Yes	Yes	No

¹ 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).

² 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.

³ Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019.

The independence of a director who has served on the Board beyond nine years will be placed under scrutiny. The said director will recuse himself from the discussion in respect of his own independence. The factors considered in reviewing independence of director who has served beyond nine years include whether the director has:

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

Based on the above criteria, the NGC had carried out enhanced assessment on the independence of Mr Tan Kok Wee and Mr Ronald Seah who will be serving on the Board beyond nine years on 30 April 2019. The NGC was satisfied that both directors had exercised independent judgment in discharging their responsibilities.

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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, finance, investment, risk management, business 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 Company pledges its commitment to promote diversity as a key attribute of a well-functioning and effective Board by harnessing the variety of skills and distinguishing qualities of the members of the Board. Criteria such as skill sets, regional and industry experience, cultural and geographical background, age, tenure, ethnicity, race and gender will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. Details of the Board members' qualifications and experience are set out in the section of "Overview - Board of Director".

The Board believes that the appointment of Mr Abdul Jabbar and Mr Tan Wee Peng Kelvin as Independent Directors will add to the skills, age and race diversity of the Board.

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

Board Renewal

In 2018, the Company had engaged the Singapore Institute of Directors' Board Appointment Service to assist in the sourcing of potential candidates as GIL's independent directors. The Board had also reviewed candidates recommended by fellow directors and conducted six interviews before finalizing the appointment of the 2 new independent directors.

Mr Abdul Jabbar Bin Karam Din has joined the Board on 7 January 2019 and Mr Tan Wee Peng Kelvin will be joining the Board on 15 March 2019. Both of them will be submitting themselves for shareholders' election during the 2019 AGM.

The Manager Nominated Director, Mr Jason See Yong Kiat, and the Lead Independent Director, Mr Adrian Chan Pengee will retire during the 2019 Annual General Meeting without submitting themselves for re-election.

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

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Principle 3: Chairman and Chief Executive Officer

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.

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 13.86% of the shares in GIL as at 6 March 2019. 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 will relinquish his role as the Lead Independent Director on the date of the 2019 AGM. Mr Ronald Seah Lim Siang will be appointed as the Lead Independent Director in place of Mr Adrian Chan Pengee subject to shareholders' approval of his re-election as independent director at the 2019 AGM.

The Lead Independent Director performs the following responsibilities and duties:

- Assisting the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and GIL
- Leading and conducting periodic meetings of the independent directors without the presence of the other directors and providing feedback to the Chairman after such meetings

- Coordinating activities of the non-executive directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity
- Acting as the contact point for shareholders where they have concerns and for which contact through the Chairman or the manager of GIL or the staff or officers of the manager have failed to resolve, or is inappropriate

Principle 4: Board Membership

Nomination and Governance Committee (NGC)

The NGC comprises the four directors below, of which three 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
Mr Abdul Jabbar Bin Karam Din	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

For FY2018, 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 FY2018, 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 as well as the stricter 5% shareholder test for director independence.

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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 six¹. Given the full attendance of all directors at Board and Board committee meetings during FY2018, 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 FY2018.

Alternate Director

Under GIL's Constitution, 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.

Under GIL's Constitution, the directors to retire by rotation in each subsequent AGM shall be those who have been longest in office since their last re-election or appointment, and a retiring director is eligible for re-election. Subject to the provisions of the Constitution, GIL ensures that each 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 37 above and can be found on GIL's website at: 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.

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

In FY2018, 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.

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.

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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.

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

For FY2018, 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.

Access to Company Secretary

For further enquiries, the directors have independent access to the Manager and Company Secretary at all times. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. In the absence of the Company Secretary, 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 FY2018.

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);
6. To review GIL's obligations arising in the event of termination of the executive directors' and key management personnel's (if any) contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

For FY2018, the RC had 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 directors:

Directors	Appointment
Mr Ronald Seah Lim Siang	Chairman
Mr Adrian Chan Pengee	Member
Mr Tan Kok Wee	Member
Mr Tan Wee Peng Kelvin*	Member
Mr Abdul Jabbar Bin Karam Din	Member

* Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019

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

As at 31 December 2018, 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 the remuneration framework of 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, the Manager Nominated Director and three of the non-executive directors are holding shares of GIL. The Manager Nominated Director does not receive any director fees.

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Fee structure for non-Manager Nominated Directors for FY2018:

	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 ¹

¹ 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.

After the Re-domiciliation, Directors' fees have been denominated in Singapore Dollar instead of US Dollar. The revised Directors' fees for 2019 will be proposed for shareholders' approval at the AGM.

Proposed fee structure for non-Manager Nominated Directors for FY2019

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

Remuneration of the Manager

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

The Manager is entitled to a Base fee 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 2016. On 7 Jan 2019, the Company has transferred its domicile from Bermuda to Singapore and the Management Agreement has been amended to reflect the changes arising from the Re-domiciliation.

The Company believes in making full and frank disclosure of the entire formula on the Manager's fee structure, as fully set out at page 136.

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.

For FY2018, 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 FY2018 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 ¹ (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

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

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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, investor relation, risk management and compliance. Hence, there is no employee share scheme in place and no key management personnel for the Company.

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.

The breakdown of Manager fees, other fees and reimbursement of expenses paid to the Manager in 2018 and 2017 is set out in Note 25 (Related Party Transactions) to the Financial Statements at page 118.

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 accessible on GIL's website and physical copies of the annual report will be sent to shareholders upon request. The Manager provides the Board with information to enable the Board to make a balanced and informed assessment of 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

GIL places considerable importance on maintaining a strong control environment to ensure that risks are managed and strategies are executed. Policies and procedures, delegation of authority, internal controls and core values have been defined and put into practice.

The Board is responsible for the overall governance of risks, for maintaining the Enterprise Risk Management Framework so that it could provide a reasonable assurance that GIL's objectives can be achieved and its obligations to stakeholders can be met. 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 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 as of 31 December 2018.

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.

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Principle 12: Audit Committee

While GIL does not have a CEO/CFO, for FY2018, 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 four independent directors:

Directors	Appointment
Mr Tan Kok Wee	Chairman
Mr Adrian Chan Pengee	Member
Mr Ronald Seah Lim Siang	Member
Mr Tan Wee Peng Kelvin*	Member
Mr Abdul Jabbar Bin Karam Din	Member

* Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019

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.

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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 2018
- Reviewed and opined that GIL's risk management and internal control system was adequate and effective for FY2018

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.

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

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

External Audit

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

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

Independence of the External Auditors

For the purposes of the FY2018 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 FY2018, the fees paid to the external auditor for audit services and non-audit services were as follows:

	Fees (S\$)
Audit Services	110,000
Total	110,000

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

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Whistleblowing Policy

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

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

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

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

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

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 Investors Relations Team of the Manager endeavours to respond to shareholder queries promptly and effectively, and usually does so within a week of receiving such queries. It also maintains a register of all queries and responses given by GIL. In addition, shareholders can subscribe for an email alert service to receive GIL's announcements through GIL's contact details at 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. In FY2018, 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 taking into consideration GIL's requirements for future growth.

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

Principle 16: Conduct of Shareholders Meetings

GIL supports active shareholder participation at AGMs. Notice of the meeting (including key rules that govern such meetings such as the rules regarding voting by proxy), meeting agenda and related information will be sent to shareholders in adherence to the requisite period to provide shareholders with sufficient time to review the aforementioned documents and to indicate their attendance. GIL holds its AGM at a central location which is easily accessible by public transportation. GIL allows shareholders who hold shares through nominees to attend the AGMs without being constrained by the two-proxy rule, subject to availability of seats.

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.

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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.

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.

CONFLICTS OF INTEREST POLICY

GIL has adopted a Conflicts of Interests 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 inform the Board about the circumstances giving rise to the conflict
- Abstain from voting on any motion relating to the matter and absents himself or herself from all board deliberations relating to the matter, including receipt of board papers bearing on the matter

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

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

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.

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CODE OF CORPORATE GOVERNANCE 2012

Disclosure of Specific Principles and Guidelines

Principles and guidelines for disclosure	Page reference
Guideline 1.3	
Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 33
Guideline 1.4	
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 34
Guideline 1.5	
The types of material transactions that require board approval	Page 34
Guideline 1.6	
The induction, orientation and training provided to new and existing directors	Page 35
Guideline 2.1	
Proportion of independent director	Page 36
Guideline 2.3	
Directors who are considered to be independent	Page 36
Guideline 2.4	
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	Page 36
Guideline 2.5	
The Board should examine and determine its appropriate size to facilitate effective decision making	Page 37
Guideline 3.1	
Relationship between the Chairman and the CEO where they are immediate family members	N.A.
Guideline 3.3	
Appointment of an independent director to be the lead independent director where the Chairman is not an independent director	Pages 38
Guideline 4.1	
Names of members of NC, key terms of reference which clearly set out its authority and duties delegated by the Board	Pages 39
Guideline 4.4	
The maximum number of listed company board representations which any director may hold.	Page 40
Guideline 4.6	
Description of the process for selection, appointment and re-appointment of directors to the Board	Page 40
Guideline 4.7	
Key information regarding directors such as academic and professional background, shareholdings, chairmanships, directorships and other principal commitments as well as independence of the directors	Pages 41

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Principles and guidelines for disclosure	Page reference
Guideline 5.1	
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	Pages 41-42
Guideline 7.1	
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 43
Principle 9	
Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Page 43
Guideline 9.1	
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 43-46
Guideline 9.2	
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 45
Guideline 9.3	
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
Guideline 9.4	
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
Guideline 9.5	
Details and important terms of employee share schemes.	N.A as GIL has no employee
Guideline 9.6	
Information on the link between remuneration paid to the executive directors and key management personnel, and performance.	N.A as GIL has no employee
Principle 10	
The Board should present a balanced and understandable assessment of the company's performance, position and prospects	Page 46

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Principles and guidelines for disclosure	Page reference
Guideline 11.3	
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 46-48
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	
Guideline 12.1	
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 48
Guideline 12.6	
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 49
Guideline 12.7	
Existence of a whistle-blowing policy and procedures for raising concerns about possible improprieties in matters of financial reporting or other matters	Page 50
Guideline 12.8	
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	Pages 49
Principle 13	
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits	Page 50
Guideline 14.1	
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 50
Guideline 14.2	
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 51
Guideline 15.1	
Investor relations policy to regularly convey pertinent information to shareholders	Page 51
Guideline 15.4	
Steps the Board has taken to solicit and understand the views of the shareholders	Page 51
Guideline 15.5	
Policy on payment of dividends	Page 51

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

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

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

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

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

GIL's Anti-Corruption Policy can be found on GIL's website at: www.globalinvestmentslimited.com.

4. ENSURING PRIVACY OF PERSONAL DATA

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

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

GIL's Personal Data Protection Policy can be found on GIL's website at: www.globalinvestmentslimited.com.

5. PROTECTION OF CREDITORS' RIGHTS

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

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

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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 (ERM) framework is set out in "Risk Management" section of the Corporate Governance Statement on page 46 and 47. The ERM system is designed to provide systematic ways for the Manager to assess the risks GIL is facing and report to the Board through the ARMC. GIL places considerable importance on maintaining a strong control environment to ensure that risks are managed and strategies are executed. Policies and procedures, delegation of authority, internal controls and core values have been defined and put into practice

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 on page 90-105 of this Annual Report.

ENVIRONMENTAL SUSTAINABILITY

7. PROMOTING A SUSTAINABLE ENVIRONMENT

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

Conservation of electricity

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

In addition, the Manager's staff consistently make sure lights, air conditioners and other electronic appliances are always switched off when not in use. 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 to the environment. Proper disposal of hardware reduces the amount of electronic waste accumulated at landfill sites and reduces the amount of raw materials needed to build new devices. Hence, the Manager ensures that all decommissioned phones, desktops and notebooks are sold to recycling vendors who either resell, salvage reusable parts or dispose of them appropriately.

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

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.

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Environmental Data

	2017	2018
Energy Consumption (kWh)	66,012	63,601
Carbon emissions from purchased electricity (kgCO ₂ e) ¹	28,471	27,431

¹ Based on relevant grid emission factor conversion of Singapore

8. SUSTAINABLE SOURCING

The Manager procures products from eco-friendly suppliers, or suppliers who have obtained the Singapore Green Label Certification or relevant ISO Certification for demonstrated environmental management strategies. The Singapore Green Labelling Scheme 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 product and many more. Only purchasing products with these certifications is GIL's way of making certain that its suppliers are playing their part in protecting the environment.

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

Sustainability is one of the 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 takes part in investments that contribute to the well-being of the global community. We invest in clean energy stocks and green stocks. We are glad to support companies which promote clean technology, focus on green industry and 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 being able to support the community in times of need.

In year 2018, GIL contributed S\$25,000 to Eusoff Endowed Bursary, an endowed fund aiming to provide perpetual source of funding to support financially disadvantaged students in National University of Singapore to enable them to benefit from the enriching experience of hall campus life.

Fostering the GIL's culture of community care, the Manager strives to encourage its employees to continuously participate in volunteering activities. On 17 November 2018, the Manager's staff participated in the Heartwarmers Volunteer Group's social assistance programme "Project 100 = 50" at the Sree Narayana Mission Home. "Project 100 = 50" subsidizes underprivileged families that do not qualify for any of the existing government and community assistance schemes to purchase up to \$100 worth of basic household and grocery items at 50% discount.

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TALENT MANAGEMENT AND EMPLOYEE RETENTION

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

11. HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The fundamental focus of the Manager is to ensure that each employee remains healthy and engaged in a safe work environment.

The sustainable healthy lifestyle

Thursday is the “Fruit Day”. To promote a healthy life style, the Manager provides fresh fruits for the staff on each Thursday.

The Manager had in March 2018 arranged and subsidized for the staff’s annual health screening to ensure early detection of harmful disease so that timely treatment can be rendered. To nudge the employees to achieve and maintain good health, the Manager also provides claims on dinner allowance for employees who have to work overtime with the condition that their dinner must be taken before 8 p.m.

On 6 October 2018, the Manager organised a group hiking to the TreeTop Walk at MacRitchie Nature Trail and Reservoir Park. Staff and their family members were invited to enjoy the nature and at the same time bond with their families and colleagues. The hiking ended with a fabulous lunch.

Combating sedentary lifestyle

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

Even though the Manager’s employees are not exposed to any high-risk activities in their daily operations, the Manager recognises that prolonged sitting for at least 8 hours a day is not conducive to good health. To promote workplace health, the Manager provides its staff with the option to install adjustable height desks.

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.

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

The Manager’s staff are also encouraged to register for individual courses to improve their competencies in their respective field. In year 2018, courses sponsored by the Manager include CRS reporting, Corporate Governance and Capital Markets & Financial Advisory Services Examination.

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Employee Training Hours

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

13. ETHICS AND INTEGRITY

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

The Manager endeavours to shape the culture where everyone embraces the virtue of integrity and put organisational interest ahead of individual interest in their day-to day activities beyond the basic compliance indices set out by the regulatory.

On 19 and 26 October 2018, the Manager's employees attended "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 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 cum sustainability report will be printed in limited copies as part of our environmental conservation efforts. The electronic copies are available at: www.globalinvestmentslimited.com

Reporting Period & Standards

This report covers data and information from 1 January 2018 to 31 December 2018 and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Feedback

We welcome feedback.

INVESTOR RELATIONS

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14. GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

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

General standard disclosures

General disclosures	Disclosure requirements	Where have we disclosed this?
Organisational profile		
G102-1	Name of the organisation	Global Investments Limited
G102-2	Activities, brands, products and services	Refer to page 2 Corporate Profile
G102-3	Location of headquarters	Corporate Information
G102-4	Countries of operation	Refer to page 2, Corporate profile
G102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
G102-6	Markets served	Refer to page 2, Corporate profile
G102-7	Scale of the organisation	Refer to page 2, Corporate profile
G102-8	Information on employee and other workers	NA as GIL has no employees
G102-9	Supply chain	Refer to page 59, Sustainable Sourcing
G102-10	Significant changes to the organisation during the reporting period	There were no significant changes to our organisational profile during the reporting period
G102-11	Precautionary approach or principle	Refer to page 46-47, Risk Management and Internal Control
G102-12	External initiatives	We have applied the GRI Sustainability Reporting Guidelines in the preparation of our Annual Report.
G102-13	Membership of associations	Refer to page 61, Ethics and Integrity
Strategy		
G102-14	Statement from senior decision maker	Refer to page 4-6, Chairman's Statement
G102-15	Key impacts, risks, and opportunities	Refer to page 30-31, Materiality Assessment
Ethics and integrity		
G102-16	Values, principles, standards, and norms of behaviour	Refer to page 61, Ethics and integrity
G102-17	Mechanisms for advice and concerns about ethics	Refer to page 50-53
Governance		
G102-18	Governance structure	Refer to page 32-34, Board Matters
G102-19	Delegating authority	Refer to page 33, Delegation of Authority to Board Committees
G102-20	Executive-level responsibility for economic, environmental, and social topics	All GRI aspects identified are applicable to all entities and employees of the Manager.
G102-21	Consulting stakeholders on economic, environmental, and social topics	We consider all GRI aspects applicable to GIL to be relevant to all stakeholder groups identified on page 30.
G102-22	Composition of the highest governance body and its committees	Restatements of information, where applicable, are noted within the relevant data sets.
G102-23	Chair of the highest governance body	Refer to page 25-27, Board of Directors
G102-24	Nominating and selecting the highest governance body	Refer to page 40, Process for Selection, Appointment and Re-election of Directors
G102-25	Conflicts of interest	Refer to page 52, Conflicts of Interest Policy

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General disclosures	Disclosure requirements	Where have we disclosed this?
G102-26	Role of highest governance body in setting purpose, values, and strategy	Refer to page 32-33, Board's Role
G102-27	Collective knowledge of highest governance body	Refer to page 34, Matters for Board's Approval, Induction, Orientation and Training
G102-28	Evaluating the highest governance body's performance	Refer to page 41-42
G102-29	Identifying and managing economic, environmental and social impacts	Refer to page 30-31, Materiality Assessment
G102-30	Effectiveness of risk management processes	Refer to page 46-50, Accountability, Audit and Risk Management
G102-31	Review of economic, environmental, and social topics	Refer to page 28, Board Statement
G102-32	Highest governance body's role in sustainability reporting	Refer to page 28, Board Statement
G102-33	Communicating critical concerns	Refer to page 50-51, Shareholders Rights and Responsibilities
G102-34	Nature and total number of critical concerns	Nil
G102-35	Remuneration policies	Refer to page 43-46, Remuneration
G102-36	Process for determining remuneration	Refer to page 43-46, Remuneration
Stakeholder Engagement		
G102-40	List of stakeholder groups	Refer to page 29, Active Stewardship and Stakeholder Engagement
G102-41	Collective bargaining agreements	NA
G102-42	Identifying and selecting stakeholders	Refer to page 29, Active Stewardship and Stakeholder Engagement
G102-43	Approach to stakeholder engagement	Refer to page 29, Active Stewardship and Stakeholder Engagement
G102-44	Key topics and concerns raised	Refer to page 30, Materiality Assessment
Reporting Practice		
G102-45	Entities included in the consolidated financial statements	Refer to page 119, Controlled Entities
G102-46	Defining report content and topic Boundaries	Refer to page 61, About the Report
G102-47	List of material topics	Refer to page 30-31, Materiality Assessment
G102-48	Restatements of information	Restatements of information where applicable, and noted within the relevant data set
G102-49	Changes in reporting	There are no significant changes in scope and aspect boundaries
G102-50	Reporting period	Refer to page 61, About the Report
G102-51	Date of most recent report	Refer to page 61, About the Report
G102-52	Reporting cycle	Refer to page 61, About the Report
G102-53	Contact point for questions regarding the report	Refer to page 61, About the Report
G102-54	Claims of reporting in accordance with the GRI Standards	Refer to page 61, About the Report
G102-55	GRI content index	Refer to page 62-64
G102-56	External assurance	This report has not been externally assured

Sustainability Report 2018

Topic-Specific Disclosures

Topic-Specific Disclosures	Disclosure requirements	Where have we disclosed this?
Economic		
G103-1-1	Explanation of the material topic and its Boundary	Refer to page 4-6, Chairman's Statement
G103-1-2	The management approach and its components	Refer to page 4-6, Chairman's Statement
G201-1	Direct economic value generated and distributed	Refer to page 7-10, Financial Highlights
G202-2	Proportion of senior management hired from the local community	93% of the Manager's employees are local
G419-1	Non-compliance with laws and regulations in the social and economic area	Nil
Corporate Governance		
G205-2	Communication and training about anti-corruption policies and procedures	Refer to page 57, Compliance, Anti-corruption and Engagement with local and foreign regulators
G418	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Nil
Environmental Sustainability		
G203-2	Significant indirect economic impacts	Refer to page 51, Dividend Policy and page 59, Socially Responsible Investing
G302-1	Energy consumption within the organization	Refer to page 58-59, Managing our Environmental Footprint
G302-4	Reduction of energy consumption	Refer to page 58-59
G305-1	Direct (Scope 1) GHG emissions	Refer to page 58, Managing our Environmental Footprint
G305-5	Reduction of GHG emissions	Refer to page 59
Training and Education		
G404-1	Average hours of training per year per employee	NA as GIL has no employees
Supply Chain and Responsible Procurement		
G103-1-3	Evaluation of the management approach	Refer to page 59, Sustainable Sourcing
G308-1	New suppliers that were screened using environmental criteria	Refer to page 59, Sustainable Sourcing
Community Development		
G413-1	Operations with local community engagement, impact assessments, and development programs	Refer to page 59, Contribution to the Community

Global Investments Limited
And Its Subsidiaries
2018 FINANCIAL REPORT

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067	INDEPENDENT AUDITOR'S REPORT
070	STATEMENT OF FINANCIAL POSITION
071	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
072	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
073	CONSOLIDATED STATEMENT OF CASH FLOWS
074	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 70 to 124 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 2018 and of the financial performance, changes in shareholders' equity and cash flows of the Group for the financial year ended 31 December 2018; 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
Director
Global Investments Limited



TAN KOK WEE
Director
Global Investments Limited

12 March 2019

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 2018, 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 2018 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.

Fair valuation of financial instruments not quoted in an active market

As at 31 December 2018, the Group has investment portfolio which is measured at fair value through profit or loss amounting to S\$283.82 million, representing 87.8% of the Group's total assets.

The valuation for financial assets carried at fair value uses inputs which have been classified using the fair value hierarchy are disclosed in Note 4(G) to the financial statements. As at 31 December 2018, financial assets comprising mainly of collateralised loan obligations (CLO), a credit linked note (CLN) and asset-backed securities (ABS) with carrying value of S\$18.88 million were fair valued using broker quotes or valuation techniques based on inputs which are not quoted in active markets, categorised within Level 3 in the fair value hierarchy. As disclosed in Note 4(G) to the financial statements, there is currently no active market for financial assets CLO, CLN and ABS. Accordingly, management relies on information such as collateral performance and cash flows of underlying portfolio when determining fair value. As the valuation involved a higher degree of management's subjectivity and judgement, this is identified as a key audit matter.

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation 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.

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.

Independent Auditor's Report

(cont'd)

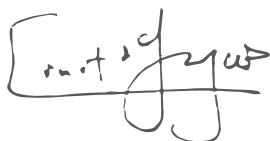
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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 2019

Statement Of Financial Position

	Note	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 ¹ S\$'000	Company As at 31 December 2017 ¹ S\$'000
ASSETS					
Non-current assets					
Investments in subsidiaries	11	–	–	–	54,296
Loans and receivables	12	–	–	35,568	35,568
Available-for-sale financial assets	13	–	–	109,175	109,175
Financial assets at fair value through profit or loss	14	220,523	220,523	58,969	58,969
		220,523	220,523	203,712	258,008
Current assets					
Cash and cash equivalents	15	35,363	35,363	88,090	88,090
Available-for-sale financial assets	13	–	–	38,141	38,141
Financial assets at fair value through profit or loss	14	63,299	63,299	–	–
Other assets	17	4,244	4,244	7,348	7,348
		102,906	102,906	133,579	133,579
Total Assets		323,429	323,429	337,291	391,587
LIABILITIES					
Intercompany payables		–	–	–	54,297
Other liabilities	18	1,216	1,216	4,399	4,398
Total Liabilities		1,216	1,216	4,399	58,695
Net assets attributable to shareholders		322,213	322,213	332,892	332,892
EQUITY					
Share capital	19	270,837	270,837	563,537	563,537
Capital reserve	20	–	–	(65,846)	(65,846)
Available-for-sale financial assets revaluation reserve	21	–	–	7,631	7,631
Translation reserve	22	–	–	11,115	–
Retained earnings/(Accumulated losses)	23	51,376	51,376	(183,545)	(172,430)
Total Equity		322,213	322,213	332,892	332,892

¹ Comparative figures have not been restated and are still accounted for under International Accounting Standards 39.

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 2018 S\$'000	For the year ended 31 December 2017 ¹ S\$'000
INCOME			
Dividend income		1,643	1,430
Interest income		14,876	16,722
Net foreign exchange gain (net of hedges)	16	8,607	—
Net gain on sale of investments	5	—	25,804
Net (loss)/gain on financial assets at fair value through profit or loss	14	(19,958)	2,470
Other income	6	6,838	232
Total Income		12,006	46,658
EXPENSES			
Management fees	25	(2,205)	(2,319)
Incentive fees	25	—	(4,228)
Net foreign exchange loss (net of hedges)	16	—	(2,408)
Finance costs		(1)	—
Other operating expenses	8	(2,387)	(2,116)
Total expenses		(4,593)	(11,071)
Net reversal of impairment expense	7	—	3,446
Profit before tax		7,413	39,033
Income tax expense	9	(87)	(81)
Profit after tax		7,326	38,952
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
— Fair value gain	21	—	12,391
— Reclassification to profit or loss	21	—	(17,756)
Currency translation differences arising from consolidation			
— Loss	22	(11,115)	(3,478)
Other comprehensive income for the year after tax		(11,115)	(8,843)
Total comprehensive income for the year attributable to shareholders		(3,789)	30,109
Basic earnings per share (cents per share)	29	0.43	2.43
Diluted earnings per share (cents per share)	29	0.43	2.43

¹ Comparative figures have not been restated and are still accounted for under International Accounting Standards 39.

Consolidated Statement Of Changes In Shareholders' Equity

Changes in Equity for the year ended 31 December 2018	Note	Share capital S\$'000	Capital reserve S\$'000	Available- for- sale financial assets revaluation reserve S\$'000	Translation reserve S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total S\$'000
As at 1 January 2018		563,537	(65,846)	7,631	11,115	(183,545)	332,892
Adjustment due to adoption of IFRS 9		–	–	(7,631)	–	9,303	1,672
As at 1 January 2018 (restated)		563,537	(65,846)	–	11,115	(174,242)	334,564
Total comprehensive income for the year							
Profit for the year		–	–	–	–	7,326	7,326
Other comprehensive income		–	–	–	(11,115)	–	(11,115)
		–	–	–	(11,115)	7,326	(3,789)
Transactions with equity holders in their capacity as equity holders:							
Share capital reduction	19	(302,534)	65,846	–	–	236,688	–
Issuance of new shares pursuant to Scrip Dividend Scheme	19	9,834	–	–	–	–	9,834
Dividends	10	–	–	–	–	(18,396)	(18,396)
Total transactions with equity holders		(292,700)	65,846	–	–	218,292	(8,562)
As at 31 December 2018		270,837	–	–	–	51,376	322,213

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
Total comprehensive income for the year							
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

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 2018 S\$'000	For the year ended 31 December 2017 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating costs paid		(5,462)	(9,723)
Interest income received		14,299	17,073
Dividend income received		1,571	1,386
Settlement of forward contracts		2,357	(1,315)
Other income received		6,838	232
Income tax paid		(87)	(80)
Net cash flows from operating activities		19,516	7,573
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets		(142,505)	(98,578)
Redemption/maturity of financial assets		41,196	35,207
Net proceeds from disposal of financial assets		37,780	130,120
Net cash flows (used in)/generated from investing activities		(63,529)	66,749
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(8,562)	(7,988)
Net cash flows used in financing activities		(8,562)	(7,988)
Net (decrease)/increase in cash and cash equivalents		(52,575)	66,334
Cash and cash equivalents at beginning of year		88,090	21,889
Effects of exchange rate changes on cash and cash equivalents		(152)	(133)
Cash and cash equivalents at end of year	15	35,363	88,090

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

Notes To The Financial Statements

1. GENERAL

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

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

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

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

These financial statements were authorised for issue in accordance with a Directors' Resolution dated 12 March 2019.

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 except as disclosed in the accounting policies below. The consolidated financial statements are expressed in Singapore Dollar (SGD) and rounded to the nearest thousand.

The preparation of financial statements in conformity with 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 2019.

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 2018. 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 fair value at the acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and 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 ABS (comprising Australian Residential Mortgage Backed Securities (RMBS), Australian Credit Card ABS and Chinese Auto ABS), collateralised loan obligation (CLO) notes and a credit linked note (CLN) to be an interest in unconsolidated structured entities as it does not have any power over these entities such that its involvement will vary its returns from these entities.

(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.

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

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

(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 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

On 1 January 2018, the Group adopted IFRS 9 Financial Instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of IFRS 9 have been applied retrospectively. The Group has not restated comparative information in the year of initial application. The impact arising from IFRS 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of IAS 39.

Classification and measurement

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

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

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

Notes To The Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) FINANCIAL ASSETS (CONTINUED)

Classification and measurement (continued)

The Group has assessed which business model apply to the financial assets held by the Group at 1 January 2018 and has classified its financial instruments into the appropriate categories in accordance with IFRS 9. The effects are as follows:

	IAS 39 Carrying amount as at 31 December 2017 S\$'000	Re- classification S\$'000	Re- measurement S\$'000	IFRS 9 Carrying amount as at 1 January 2018 S\$'000	Retained earnings effect on 1 January 2018 S\$'000	Fair value reserves effect on 1 January 2018 S\$'000
Fair value through profit or loss						
Opening balance	58,969	–	–	58,969	–	–
From available- for-sale	–	147,316	–	147,316	7,631	(7,631)
From loans and receivables	–	35,568	1,115	36,683	1,672	–
Total fair value through profit or loss	58,969	182,884	1,115	242,968	9,303	(7,631)
Available-for-sale						
Opening balance	147,316	–	–	147,316	–	–
To fair value through profit or loss	–	(147,316)	–	(147,316)	–	–
Total available-for- sale	147,316	(147,316)	–	–	–	–
Loans and receivables						
Opening balance	35,568	–	–	35,568	–	–
To fair value through profit or loss	–	(35,568)	–	(35,568)	–	–
Total loans and receivables	35,568	(35,568)	–	–	–	–

Notes To The Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) FINANCIAL ASSETS (CONTINUED)

Initial recognition and measurement

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

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

(i) Available-for-sale financial assets (Applicable before 1 January 2018)

Available-for-sale (AFS) 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 if the Manager intends to dispose of the assets within 12 months after the balance sheet date.

AFS financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values of AFS 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 AFS 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 AFS financial assets are recognised separately in income.

Following the adoption of IFRS 9 on 1 January 2018, financial assets held as AFS were reclassified to financial assets at FVTPL.

(ii) Loans and receivables (Applicable before 1 January 2018)

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.

Following the adoption of IFRS 9 on 1 January 2018, investments held as loans and receivables were reclassified to financial assets at FVTPL.

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 FVTPL at inception or are mandatorily required to be measured at fair value under IFRS 9. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at FVTPL at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as effective hedging instruments as defined by 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 FVTPL are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Changes in the fair values of financial assets at FVTPL including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

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

Following the adoption of IFRS 9 on 1 January 2018, financial assets held at fair value through profit or loss are continued to be measured at fair value.

(iv) Financial assets measured at amortised cost

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

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

Derecognition

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

(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.

Notes To The Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) FINANCIAL LIABILITIES (CONTINUED)

(i) Initial recognition and measurement (continued)

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

(H) IMPAIRMENT OF FINANCIAL ASSETS

(i) Expected credit losses

The group is required to revise its impairment methodology under IFRS 9 for each class of financial assets.

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

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

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

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

Notes To The Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(ii) Assets carried at amortised cost (Applicable before 1 January 2018)

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.

(iii) Assets classified as available-for-sale (Applicable before 1 January 2018)

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 AFS, 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 AFS 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 AFS financial assets revaluation reserve in equity. If, in a subsequent period, the fair value of a debt instrument classified as AFS 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, deposits with financial institutions, short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates to their fair 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 2018 and 31 December 2017, 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

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

(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 loans and receivable

Prior to the adoption of IFRS 9 on 1 January 2018, 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.

Following the adoption of IFRS 9 on 1 January 2018, loan portfolio and securitisation assets were reclassified to financial assets at FVTPL. Gains or losses arising from changes in the fair value are presented in the profit or loss within 'Net (loss)/gain on financial assets at FVTPL' in the period in which they arise.

(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. Prior to the adoption of IFRS 9 on 1 January 2018, a few of such investments are measured at amortised cost. 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, or valuation techniques based on inputs which are not quoted in active markets. These financial assets were categorised within Level 3 in the fair value hierarchy.

Notes To The Financial Statements

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iii) Fair value of securities not quoted in an active market (continued)

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

As at 31 December 2018, these financial assets comprised of CLO, CLN and ABS with carrying value of S\$18.88 million. Please refer to Note 4(G) for the disclosures related to fair value of securities not quoted in an active market.

4. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

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

(A) INTEREST RATE RISK

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

Notes To The Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) INTEREST RATE RISK (CONTINUED)

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

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

Exposure to interest rate risks

The table below sets out the Group and the Company's exposure to interest rate risks as at 31 December 2018 and 31 December 2017. Included in the table are the key interest-bearing financial assets of the Group and the Company at their carrying amount.

	Group		Company	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
ASSETS				
Financial assets at fair value through profit or loss				
- Fixed rate instruments ¹	211,462	58,889	211,462	58,889
- Variable rate instruments ²	24,881	80	24,881	80
Available-for-sale financial assets				
- Fixed rate instruments ¹	—	102,700	—	102,700
- Variable rate instruments ²	—	6,475	—	6,475
Loans and receivables				
- Fixed rate instruments ¹	—	5,166	—	5,166
- Variable rate instruments ²	—	30,402	—	30,402
	236,343	203,712	236,343	203,712

¹ Fixed rate instruments include S\$75.05 million (2017: S\$85.60 million) of other bonds and bank contingent convertibles with perpetual maturity. The maturity dates of the remaining fixed rate instruments range from 2 months to 29 years (2017: 1 month to 30 years). Interest on fixed rate financial instruments is fixed until the maturity of the instrument or till its next call date.

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

	Group		Company	
	Other Comprehensive Income S\$'000	Profit before tax S\$'000	Other Comprehensive Income S\$'000	Profit before tax S\$'000
ASSETS				
31 December 2018				
Financial assets at fair value through profit or loss	–	(6,340)	–	(6,340)
31 December 2017				
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) 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.

Notes To The
Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FOREIGN CURRENCY RISK (CONTINUED)

The tables below set out the Group's and the Company's currency exposure arising from monetary items as at 31 December 2018 and 31 December 2017.

GROUP	United States Dollar	Chinese Renminbi	Hong Kong Dollar	Australian Dollar	Euro	Others	Total
31 December 2018	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Cash and cash equivalents	7,403	2,924	350	27	8,147	–	18,851
Financial assets at fair value through profit or loss	85,612	61,974	32,035	24,504	11,964	6,253	222,342
Other assets	1,759	1,233	–	472	63	4	3,531
Total Assets	94,774	66,131	32,385	25,003	20,174	6,257	244,724
LIABILITIES							
Other liabilities	(118)	–	–	–	–	–	(118)
Total Liabilities	(118)	–	–	–	–	–	(118)
Net Exposure	94,656	66,131	32,385	25,003	20,174	6,257	244,606
COMPANY							
31 December 2018	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Cash and cash equivalents	7,403	2,924	350	27	8,147	–	18,851
Financial assets at fair value through profit or loss	85,612	61,974	32,035	24,504	11,964	6,253	222,342
Other assets	1,759	1,233	–	472	63	4	3,531
Total Assets	94,774	66,131	32,385	25,003	20,174	6,257	244,724
LIABILITIES							
Other liabilities	(118)	–	–	–	–	–	(118)
Total Liabilities	(118)	–	–	–	–	–	(118)
Net Exposure	94,656	66,131	32,385	25,003	20,174	6,257	244,606

Notes To The
Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FOREIGN CURRENCY RISK (CONTINUED)

GROUP	United States Dollar	Chinese Renminbi	Hong Kong Dollar	Australian Dollar	Euro	Others	Total
31 December 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Cash and cash equivalents	22,319	256	1,835	69	44,736	7,700	76,915
Financial assets at fair value through profit or loss	5,343	3,677	–	–	11,087	–	20,107
Available-for-sale financial assets	77,175	–	25,129	22,182	4,684	4,745	133,915
Loans and receivables	26,806	–	–	4,264	4,498	–	35,568
Other assets	1,689	36	–	588	2,235	5	4,553
Total Assets	133,332	3,969	26,964	27,103	67,240	12,450	271,058
LIABILITIES							
Other liabilities	(2,802)	–	–	–	–	–	(2,802)
Total Liabilities	(2,802)	–	–	–	–	–	(2,802)
Less: currency forwards	(39,829)	–	–	–	–	–	(39,829)
Net Exposure	90,701	3,969	26,964	27,103	67,240	12,450	228,427
COMPANY							
	United States Dollar	Chinese Renminbi	Hong Kong Dollar	Australian Dollar	Euro	Others	Total
31 December 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Cash and cash equivalents	22,319	256	1,835	69	44,736	7,700	76,915
Financial assets at fair value through profit or loss	5,343	3,677	–	–	11,087	–	20,107
Available-for-sale financial assets	77,175	–	25,129	22,182	4,684	4,745	133,915
Loans and receivables	26,806	–	–	4,264	4,498	–	35,568
Other assets	1,689	36	–	588	2,235	5	4,553
Total Assets	133,332	3,969	26,964	27,103	67,240	12,450	271,058
LIABILITIES							
Other liabilities	(2,802)	–	–	–	–	–	(2,802)
Total Liabilities	(2,802)	–	–	–	–	–	(2,802)
Less: currency forwards	(39,829)	–	–	–	–	–	(39,829)
Net Exposure	90,701	3,969	26,964	27,103	67,240	12,450	228,427

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.

	Group		Company	
	Other Comprehensive Income S\$'000	Profit before tax S\$'000	Other Comprehensive Income S\$'000	Profit before tax S\$'000
31 December 2018				
United States Dollar	–	(4,733)	–	(4,733)
Chinese Renminbi	–	(3,307)	–	(3,307)
Hong Kong Dollar	–	(1,619)	–	(1,619)
Australian Dollar	–	(1,250)	–	(1,250)
Euro	–	(1,009)	–	(1,009)
Others	–	(313)	–	(313)
31 December 2017				
United States Dollar	(171)	(4,364)	(171)	(4,364)
Chinese Renminbi	–	(198)	–	(198)
Hong Kong Dollar	(1,256)	(92)	(1,256)	(92)
Australian Dollar	(70)	(1,285)	(70)	(1,285)
Euro	(68)	(3,294)	(68)	(3,294)
Others	(148)	(474)	(148)	(474)

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 China domestic bonds, other bonds and bank contingent convertibles) and loan portfolio and securitisation assets (comprising ABS, CLN and CLO notes). The Group is also exposed to counterparty credit risk on cash and cash equivalents and other assets.

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

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

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

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

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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:

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Cash and cash equivalents	35,363	35,363	88,090	88,090
Loans and receivables	—	—	35,568	35,568
Financial assets at fair value through profit or loss ¹	236,343	236,343	58,969	58,969
Available-for-sale financial assets ¹	—	—	109,175	109,175
Other assets	4,174	4,174	7,258	7,258
Total	275,880	275,880	299,060	299,060

¹ Relates only to investments in China domestic bonds, other bonds and bank contingent convertibles.

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

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Europe	97,962	97,962	112,414	112,414
Australia	14,708	14,708	19,233	19,233
North America	27,277	27,277	40,458	40,458
Asia	114,555	114,555	106,353	106,353
Others	21,378	21,378	20,602	20,602
Total	275,880	275,880	299,060	299,060

There was no impairment expense recognised for financial assets as at 31 December 2018. Impairment of financial assets as at 31 December 2017 include investment in other bonds with a carrying value of S\$2.95 million.

At 31 December 2018 and 31 December 2017, 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 2018 and 31 December 2017. Included in the table are the financial assets of the Group and the Company at their carrying amount.

	Group 2018 S\$'000	Group 2017 S\$'000	Company 2018 S\$'000	Company 2017 S\$'000
Available-for-sale financial assets				
- Listed equities	–	38,141	–	38,141
Fair value through profit or loss				
- Listed equities	47,479	–	47,479	–
	47,479	38,141	47,479	38,141

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
31 December 2018				
Fair value through profit or loss				
- Listed equities	–	4,748	–	4,748
31 December 2017				
Available-for-sale financial assets				
- Listed equities	3,814	–	3,814	–

(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 2018 and 31 December 2017 into relevant maturity groupings based on the contractual non-discounted cash flows.

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

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

Notes To The Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(E) LIQUIDITY RISK (Continued)

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

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

(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.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS

(i) Classification of financial instruments

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

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

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

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

Notes To The Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

Group	Level 1	Level 2	Level 3	Total
As at 31 December 2017	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Financial assets at fair value through profit or loss				
- Other bonds	28,804	—	—	28,804
- Bank contingent convertibles	30,165	—	—	30,165
Available-for-sale financial assets				
- Other bonds	30,006	—	—	30,006
- Bank contingent convertibles	79,169	—	—	79,169
- Listed equities	38,141	—	—	38,141
	206,285	—	—	206,285
Company				
As at 31 December 2017	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Financial assets at fair value through profit or loss				
- Other bonds	28,804	—	—	28,804
- Bank contingent convertibles	30,165	—	—	30,165
Available-for-sale financial assets				
- Other bonds	30,006	—	—	30,006
- Bank contingent convertibles	79,169	—	—	79,169
- Listed equities	38,141	—	—	38,141
	206,285	—	—	206,285

During the year, the Group transferred financial assets amounting to S\$4.44 million of other bonds from Level 1 to Level 2 due to adjustment made to broker prices.

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

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

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

Notes To The
Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

(ii) Loan Portfolio and Securitisation Assets

Following the adoption of IFRS 9 on 1 January 2018, ABS and CLO investments previously held as loans and receivables have been measured at FVTPL and classified within Level 3. As there is currently no active market and observable prices are not available for these investments, the Group has used broker or dealer quotes, which may be indicative and not executable or binding, to estimate their fair value.

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

As a result of the assessment above, these investments were valued at the lower of broker quotes or internal valuation calculated at S\$18.88 million.

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2018 and 31 December 2017.

Group	Level 3 S\$'000
At 1 January 2018	–
Adjustment due to adoption of IFRS 9	31,460
At 1 January 2018 (restated)	31,460
Exchange differences	(12)
Additions	5,844
Disposals/redemptions	(17,235)
Net loss on financial assets at fair value through profit or loss	(1,176)
At 31 December 2018	18,881
Total gain for the year included in profit or loss for assets held at the end of the year	(1,188)

Group	Level 3 S\$'000
At 1 January 2017	1,087
Exchange differences	44
Disposals/redemptions	(2,774)
Net gain on financial assets at fair value through profit or loss	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

Notes To The Financial Statements

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(G) FAIR VALUE MEASUREMENTS (CONTINUED)

(iii) Effects of changes in significant unobservable inputs

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

As at 31 December 2018, S\$14.21 million of these investments were valued at broker quotes. Assuming a 5% increase (decrease) in broker quotes for investments valued based on broker quotes, the fair value will increase (decrease) by S\$0.71 million.

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

(H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

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

The Group's exposure to investments in unconsolidated structured entities as at 31 December 2018 and 31 December 2017 are disclosed in the following tables. These investments were previously presented as 'Loans and receivables' in the statement of financial position prior to the adoption of IFRS 9 and reclassified to 'Financial assets at fair value through profit or loss' with effect from 1 January 2018.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(H) INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

Group as at 31 December 2018

Investment	Number of Investments	Total Portfolio Size ¹ (S\$'000)	Carrying Amount of Securities Rated B3 / B- / B- ² and above (S\$'000)	Carrying Amount of Securities Rated below B3 / B- / B- ² or unrated (S\$'000)	Carrying Amount as at 31 December 2018 (S\$'000)
Asset-Backed Securities	6	5,822,662	6,344	—	6,344
USD-denominated CLO/CLN notes	3	6,441,591	9,867	2,670	12,537

¹ Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2018.

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

Group as at 31 December 2017

Investment	Number of Investments	Total Portfolio Size ¹ (S\$'000)	Carrying Amount of Securities Rated B3 / B- / B- ² and above (S\$'000)	Carrying Amount of Securities Rated below B3 / B- / B- ² or unrated (S\$'000)	Carrying Amount as at 31 December 2018 (S\$'000)
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

¹ Portfolio size is based on the aggregate principal amount of collateral and cash, or the notional portfolio amount, in the respective investments extracted from the available unaudited trustee reports which are dated closest to 31 December 2017.

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

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

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

The Group's investment strategy seeks to acquire investments that provide attractive returns adjusted for the risk associated with the investment and which enhance the overall portfolio owned by the Group. Total purchases in CLN and ABS during the year ended 31 December 2018 was S\$5.84 million (2017: S\$2.11 million). The Group intends to continue acquiring new assets and selling assets in line with the Group's active portfolio management strategy.

Notes To The Financial Statements

5. NET GAIN ON SALE OF INVESTMENTS

	Group For the year ended 31 December 2018 S\$'000	Group For the year ended 31 December 2017 S\$'000
<u>DISPOSAL OF INVESTMENTS</u>		
AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Net gain on sale of listed equities	—	9,165
Net gain on sale of other bonds	—	4,646
Net gain on sale of bank contingent convertibles	—	6,712
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net gain on sale of other bonds	—	696
Net gain on sale of bank contingent convertibles	—	1,014
	—	22,233
<u>REDEMPTION OF INVESTMENTS</u>		
Other bonds	—	362
Bank Contingent Convertibles	—	(19)
CLO & ABS notes	—	3,228
	—	3,571
Net gain on sale of investments	—	25,804

Following the adoption of IFRS 9 on 1 January 2018, realised gain/(loss) on sale of financial assets at fair value through profit or loss were recorded in 'Net (loss)/gain on financial assets at FVTPL' (Note 14).

6. OTHER INCOME

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

Other income for the financial year ended 31 December 2017 relates to consent fee of S\$0.23 million received from other bonds.

Notes To The Financial Statements

7. NET REVERSAL OF IMPAIRMENT EXPENSES

	Group For the year ended 31 December 2018 S\$'000	Group For the year ended 31 December 2017 S\$'000
IMPAIRMENT EXPENSE		
Other bonds	–	(3,434)
Listed equities	–	(1,782)
	–	(5,216)
REVERSAL OF IMPAIRMENT EXPENSE		
Avoca CLO PLC VI Class M	–	61
Avoca CLO PLC VII Class F	–	1,256
Avoca CLO PLC VII Class G	–	1,653
Other bonds	–	2,933
Bank Contingent Convertibles	–	2,759
	–	8,662
Net reversal of impairment expense	–	3,446

Following the adoption of IFRS 9 with effect from 1 January 2018, no net impairment expense or reversal of impairment expense will be recognised going forward as all financial assets held are classified as financial assets at FVTPL.

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, other bonds and bank contingent convertibles. The reversal of impairment was partially offset by an impairment of other bonds and listed equities of S\$5.2 million. Total interest income recorded from the remaining impaired financial assets amounted to S\$0.38 million.

8. OTHER OPERATING EXPENSES

	Group For the year ended 31 December 2018 S\$'000	Group For the year ended 31 December 2017 S\$'000
OPERATING EXPENSES		
Professional fees	1,439	1,175
Investor relations expenses	376	333
Directors' fees	366	372
Other expenses	206	236
Total Other Operating Expenses	2,387	2,116

Notes To The Financial Statements

9. INCOME TAX EXPENSE

	Group For the year ended 31 December 2018 S\$'000	Group For the year ended 31 December 2017 S\$'000
INCOME TAX EXPENSE		
Current tax	87	81
Total Income Tax Expense	87	81
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	7,413	39,033
Tax at the Bermuda tax rate of 0%	—	—
Withholding tax	87	81
Income Tax Expense	87	81

For the financial years ended 31 December 2018 and 31 December 2017, income tax expense arose 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

For the financial year ended 31 December 2018, the Directors have recommended the payment of a final dividend of 0.50 Singapore cents per share. The final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 25 April 2019. This dividend will be paid on and about 21 June 2019.

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

The 2017 final dividend of 0.60 Singapore cents per share amounting to S\$9.92 million was distributed on 24 April 2018. S\$3.66 million was paid in cash and S\$6.26 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

The 2017 interim dividend of 0.65 Singapore cents per share amounting to S\$10.46 million was distributed on 16 October 2017. S\$4.06 million was paid in cash and S\$6.40 million was paid in the form of shares issued pursuant to the Scrip Dividend Scheme.

For the financial year ended 31 December 2018, the Company has obtained the Inland Revenue Authority of Singapore's confirmation that it is a tax resident of Singapore.

The Company has also received confirmation from the Inland Revenue Authority of Singapore that it is a tax resident of Singapore for financial year 2019.

Dividends paid in 2018 and 2019 are exempt from tax (one-tier) when received in the hands of shareholders.

Notes To The Financial Statements

11. INVESTMENTS IN SUBSIDIARIES

	Company As at 31 December 2018 S\$'000	Company As at 31 December 2017 S\$'000
EQUITY INVESTMENTS AT COST		
Beginning of financial year	54,296	92,435
Return of capital	(46,949)	–
Impairment	(7,347)	(38,139)
Closing Balance	–	54,296

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.

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

12. LOANS AND RECEIVABLES

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Asset-Backed Securities	–	–	4,264	4,264
Other bonds	–	–	5,166	5,166
Euro-denominated CLO notes	–	–	4,498	4,498
USD-denominated CLO notes	–	–	21,640	21,640
Total Loans and Receivables	–	–	35,568	35,568

Following the adoption of IFRS 9 on 1 January 2018, financial instruments held as loans and receivables were reclassified to financial assets at FVTPL.

For the year ended 31 December 2017, interest income of S\$3.50 million and reversal of impairment expense of S\$2.84 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 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Beginning of financial year	147,316	147,316	173,921	170,006
Exchange differences	–	–	(4,127)	(4,127)
Transfer to FVTPL following adoption of IFRS 9	(147,316)	(147,316)	–	–
Additions	–	–	82,873	82,873
Disposals/redemptions	–	–	(117,742)	(113,834)
Fair value gain (Note 21)	–	–	12,391	12,398
Closing Balance	–	–	147,316	147,316

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

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Non-current:				
Bank contingent convertibles	–	–	79,169	79,169
Other bonds	–	–	30,006	30,006
	–	–	109,175	109,175
Current:				
Listed equities	–	–	38,141	38,141
Other bonds	–	–	–	–
	–	–	38,141	38,141
Total Available-for-Sale Financial Assets	–	–	147,316	147,316

Following the adoption of IFRS 9 on 1 January 2018, financial instruments held as AFS were reclassified to financial assets at FVTPL.

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
FINANCIAL ASSETS AT FAIR VALUE ON INITIAL RECOGNITION				
Non-Current:				
Loan portfolio and securitisation assets	18,881	18,881	—	—
China domestic bonds	39,800	39,800	—	—
Other bonds	46,392	46,392	28,804	28,804
Bank contingent convertibles	115,450	115,450	30,165	30,165
	220,523	220,523	58,969	58,969
Current:				
China domestic bonds	15,820	15,820	—	—
Listed equities	47,479	47,479	—	—
	63,299	63,299	—	—
Total Financial Assets at Fair Value through Profit or Loss	283,822	283,822	58,969	58,969
	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Net (loss)/gain on financial assets at fair value through profit or loss				
- Realised	622	622	—	—
- Unrealised	(20,580)	(20,580)	2,470	2,470
Total (loss)/gain	(19,958)	(19,958)	2,470	2,470

Following the adoption of IFRS 9 on 1 January 2018, realised gain/(loss) on sale of financial assets at fair value through profit or loss were recorded in 'Net (loss)/gain on financial assets at FVTPL'.

Notes To The Financial Statements

15. CASH AND CASH EQUIVALENTS

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Cash at bank	17,499	17,499	63,287	63,287
Short-term deposits	17,864	17,864	24,803	24,803
Total Cash and Cash Equivalents	35,363	35,363	88,090	88,090

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between one day and two months (2017: six days and six months) and earn interest on short-term deposit rates varying 0.33% to 5.49% (2017: 0.08% to 1.05%).

16. DERIVATIVE FINANCIAL INSTRUMENTS

		Group <u>Fair Value</u>			Company <u>Fair Value</u>		
	Contract notional amount S\$'000	Asset S\$'000	Liability S\$'000		Contract notional amount S\$'000	Asset S\$'000	Liability S\$'000
2017	Currency forwards	39,829	2,023	–	39,829	2,023	–

As at 31 December 2018, there are no outstanding currency forward contracts.

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. The fair value mark to market asset position have been recorded in "Other receivables" (Note 17) and a net gain of S\$4.79 million was recorded and included within net foreign exchange difference (net of hedges) in profit or loss.

Notes To The Financial Statements

17. OTHER ASSETS

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Interest Receivables	4,048	4,048	2,993	2,993
Prepayment	15	15	45	45
Deposit	37	37	26	26
Other receivables	144	144	2,107	2,107
Redemption proceeds	–	–	2,177	2,177
Total Other Assets	4,244	4,244	7,348	7,348

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 2018, there are no outstanding currency forward contracts.

The carrying value of other assets as at 31 December 2018 and 31 December 2017 approximate their fair value due to the short-term nature.

18. OTHER LIABILITIES

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Base management fees payable to SICIM	474	474	604	604
Other payables	742	742	3,795	3,794
Total Other Liabilities	1,216	1,216	4,399	4,398

The carrying values of other liabilities as at 31 December 2018 and 31 December 2017 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
AUTHORISED SHARE CAPITAL			
Total available authorised share capital for issue as at 1 January 2017	68,448,225		684,481
Movements during the year	(100,800)	0.01	(1,008)
Total Available Authorised Share Capital for Issue as at 31 December 2017	68,347,425		683,473
Movements in during the year	(71,267)	0.01	(712)
Total Available Authorised Share Capital for Issue as at 31 December 2018	68,276,158		682,761

Company	Number of Shares '000	Share Capital at Par Value S\$'000	Share Premium Reserve S\$'000	Share capital S\$'000
ISSUED AND FULLY PAID SHARES				
Total Share Capital as at 1 January 2017	1,551,775	15,518	533,914	549,432
Movements during the year	100,800	1,008	13,097	14,105
Total Share Capital as at 31 December 2017	1,652,575	16,526	547,011	563,537
Issuance of new shares pursuant to Scrip Dividend Scheme, net of share issuance expenses	71,267	712	9,122	9,834
Share premium reduction	–	–	(302,534)	(302,534)
Total Share Capital as at 31 December 2018	1,723,842	17,238	253,599	270,837

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

All shares issued rank pari passu with previously issued shares. Details of the dividends can be found in Note 10.

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

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

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

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.

Notes To The
Financial Statements

20. CAPITAL RESERVE

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Beginning of financial year	(65,846)	(65,846)	(65,846)	(65,846)
Movement during the year	65,846	65,846	–	–
Closing Balance	–	–	(65,846)	(65,846)

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

On 31 December 2018, the losses in the capital reserve was set-off against the reduction in share premium.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS REVALUATION RESERVE

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Beginning of financial year	7,631	7,631	12,996	10,357
Adjustment due to adoption of IFRS 9	(7,631)	(7,631)	–	–
Beginning of financial (restated)	–	–	12,996	10,357
Transfer to profit or loss for assets disposed	–	–	(17,148)	(14,577)
Net reversal of impairment (Note 7)	–	–	(608)	(547)
Reclassification to profit or loss	–	–	(17,756)	(15,124)
Fair value gain (Note 13)	–	–	12,391	12,398
Closing Balance	–	–	7,631	7,631

22. TRANSLATION RESERVE

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Beginning of financial year	11,115	–	14,593	–
Translation loss	(11,115)	–	(3,478)	–
Closing Balance	–	–	11,115	–

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. RETAINED EARNINGS/ACCUMULATED LOSSES

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Beginning of financial year	(183,545)	(172,430)	(200,404)	(183,172)
Adjustment due to adoption of IFRS 9	9,303	9,303	–	–
Beginning of financial year (restated)	(174,242)	(163,127)	(200,404)	(183,172)
Net profit for the year	7,326	(3,789)	38,952	32,835
Dividends paid	(18,396)	(18,396)	(22,093)	(22,093)
Share premium reduction	236,688	236,688	–	–
Closing Balance	51,376	51,376	(183,545)	(172,430) ¹

¹ 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

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
NET ASSET VALUE				
Total net asset value (S\$'000)	322,213	322,213	332,892	332,892
Total number of ordinary shares on issue used in calculation of net asset value per ordinary share ('000)	1,723,842	1,723,842	1,652,575	1,652,575
Net Asset Value per Ordinary Share (S\$ per Share)	0.1869	0.1869	0.2014	0.2014

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

Notes To The Financial Statements

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.

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 ¹

¹ 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 2018 amounted to S\$0.37 million (US\$0.27 million) (2017: 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:

	Group 2018 S\$'000	Group 2017 S\$'000
Transactions with SICIM		
Base management fees	2,205	2,319
Incentive fees	–	4,228
Fixed management fees	650	650
Other fees and reimbursement of expenses to SICIM	479	330
Divestment fees	354	1,153
Total	3,688	8,680

	Group As at 31 December 2018 S\$'000	Company As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000	Company As at 31 December 2017 S\$'000
Balances with SICIM				
Accrued base management fees	474	474	604	604
Accrued fixed management fees	164	164	164	164
Accrued other fees and reimbursement of expenses to SICIM	82	82	60	60
Accrued divestment fees	127	127	577	577
Total Payable to the Manager	847	847	1,405	1,405

Transactions with other related parties

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

During the financial year ended 31 December 2017, the Group obtained legal and professional services from an entity in which a director has an interest in amounting to less than S\$1,000.

Notes To The
Financial Statements

26. CONTROLLED ENTITIES

The following table sets out the entities that were controlled by the Group as at 31 December 2018.

Name of Entity	Principal Activities	Country of Incorporation	% of equity held by the Group 2018	% of equity held by the Group 2017	Reporting Date
BBSFF Asset Holdings Ltd ^{1, 2}	Holding company	Cayman Islands	–	100%	31 December
BBSFF Operating Lease Limited ¹	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Loan Portfolio & Securitisation Limited ¹	Holding company	Cayman Islands	100%	100%	31 December
BBSFF Alternative Assets Limited ^{1, 3}	Holding company	Cayman Islands	–	100%	31 December
BBSFF EU Rail Lessor Limited ^{1, 3}	Investments in operating lease assets	Cayman Islands	–	100%	31 December
BBSFF Rail Fund No. 1 Limited ¹	Investments in operating lease assets	Cayman Islands	100%	100%	31 December
GIL Aircraft Lessor No. 1 Ltd ^{1, 3}	Holding company	Cayman Islands	–	100%	31 December
BBSFF Securitisation Limited ^{1, 3}	Investments in loan portfolio and securitisation assets	Cayman Islands	–	100%	31 December
GIL (Labuan) Company Limited ¹	Investment in operating lease assets	Malaysia	100%	100%	31 December

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

² Company is in the process of being struck-off by the General Registry of Cayman Island.

³ Struck-off during the financial year.

Notes To The Financial Statements

27. SEGMENT REPORTING

The Board has determined the operating segments of the Group from an asset class perspective namely loan portfolio and securitisation assets, China domestic bonds, other bonds, bank contingent convertibles and listed equities. Geographical classification is assessed by reference to the country of exposure for the year ended 31 December 2018.

	Loan Portfolio and Securitisation Assets				China Domestic Bonds	Other Bonds				Bank Contingent Convertibles				Listed Equities				Others ¹ (mainly Singapore)	Total			
	Europe	Asia	North America	Australia	Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia	Others	Europe	Asia	North America	Australia				
2018	\$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	\$S'000			
For the year ended 31 December 2018																						
Total segment revenue	432	(65)	1,413	(51)	1,919	478	(887)	115	(147)	567	(372)	38	(39)	(479)	924	(1,047)	(8,454)	(259)	(171)	18,091	12,006	
Segment profit/(loss) before tax	432	(65)	1,412	(51)	1,919	478	(887)	115	(147)	567	(375)	37	(39)	(479)	923	(1,047)	(8,454)	(259)	(171)	13,504	7,413	
Included segment items																						
Dividend income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	80	1,511	–	52	–	1,643	
Interest income	247	83	1,674	303	2,244	555	460	1,286	219	799	5,130	70	103	424	1,002	–	–	–	–	277	14,876	
Net (loss)/gain on financial assets at fair value through profit or loss	254	(34)	(751)	(25)	1,814	17	(1,223)	(1,417)	(39)	(481)	(5,362)	(32)	(174)	(508)	(450)	(1,127)	(9,938)	(259)	(223)	–	(19,958)	
Net foreign exchange gain/(loss) (net of hedges)	(69)	(114)	490	(329)	(2,139)	(94)	(124)	246	(327)	249	(140)	–	32	(395)	372	–	(27)	–	–	10,976	8,607	
Other income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6,838	6,838	
As at 31 December 2018																						
Total segment assets	–	4,704	10,052	4,348	56,817	1,807	15,789	15,886	3,985	9,914	96,153	1,771	1,340	6,367	11,463	1,560	45,028	468	442	35,535	323,429	
Total segment liabilities (116)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(11)	–	–	(1,089)	(1,216)

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

Notes To The
Financial Statements

27. SEGMENT REPORTING (CONTINUED)

	Loan Portfolio and Securitisation Assets				Other Bonds				Bank Contingent Convertibles				Listed Equities				Others' (mainly Singapore)	Total	
	Europe S\$'000	North America S\$'000	Australia S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Others S\$'000	Europe S\$'000	Asia S\$'000	North America S\$'000	Australia S\$'000			
2017																			
For the year ended 31 December 2017																			
Total segment revenue	4,690	1,894	153	1,182	4,337	3,603	459	2,165	15,919	115	50	344	1,113	653	7,216	2,694	32	39	46,658
Segment profit/(loss) before tax	8,175	(208)	148	294	2,229	3,679	392	2,242	14,302	115	75	304	3,514	633	6,260	2,276	31	(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)	197	2,304	1,325	223	1,634	7,414	–	–	–	314	506	5,965	2,694	–	–	25,804
Net gain/(loss) on financial assets at fair value through profit or loss	–	–	–	79	729	612	–	–	1,005	45	–	–	–	–	–	–	–	–	2,470
Net reversal of impairment expense/ (Net impairment expense)	2,970	–	–	(876)	(891)	1,265	–	–	–	–	–	–	2,760	–	(1,364)	(418)	–	–	3,446
Net foreign exchange (loss)/gain (net of hedges)	515	(2,102)	(5)	(12)	(1,215)	(1,187)	(67)	77	(1,616)	–	25	(40)	(358)	(20)	409	–	(1)	3,190	(2,407)
Other income	–	–	–	–	–	232	–	–	–	–	–	–	–	–	–	–	–	–	232
As at 31 December 2017																			
Total segment assets	6,675	21,640	4,264	16,409	17,444	17,298	4,351	10,414	89,329	1,803	1,521	10,618	9,136	2,688	34,081	727	665	88,228	337,291
Total segment liabilities	–	(54)	–	–	(41)	(41)	–	(35)	(249)	–	–	(2,708)	–	(20)	(137)	–	–	(1,114)	(4,399)

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

Notes To The Financial Statements

28. COMMITMENTS

Operating lease commitments – Company as a lessee

The future aggregate minimum lease payments under non-cancellable operating lease at the end of the reporting period is as follows:

	Group As at 31 December 2018 S\$'000	Group As at 31 December 2017 S\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	102	102
Later than one year but not later than five years	12	12
Total	114	114

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.

	2018	2017
Earnings used in calculation of basic earnings per share (S\$'000)	7,326	38,952
Weighted average number of ordinary shares in issue used in calculation of basic earnings per share ('000)	1,688,873	1,600,058
Basic earnings per share (cents per share)	0.43	2.43

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares for the year.

	2018	2017
Earnings used in calculation of diluted earnings per share (S\$'000)	7,326	38,952
Weighted average number of ordinary shares in issue used in calculation of diluted earnings per share ('000)	1,688,873	1,600,058
Diluted earnings per share (cents per share)	0.43	2.43

Notes To The Financial Statements

30. REMUNERATION OF AUDITORS

	Group For the year ended 31 December 2018 S\$'000	Group For the year ended 31 December 2017 S\$'000
Amounts payable /paid to auditors for:		
Audit services	110	105

Fee payable to the auditors for non-audit services in 2018 is Nil (2017: Nil).

31. EVENTS OCCURRING AFTER BALANCE SHEET DATE

During the Special General Meeting held on 31 December 2018, the shareholders approved the re-domiciliation of the Company from Bermuda to Singapore. On 7 January 2019, the Company was successfully registered in Singapore.

32. NEW ACCOUNTING STANDARDS AND IFRIC INTERPRETATIONS

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 2019 or later periods and which the Group has not early adopted:

(i) IFRS 16, 'Leases'

IFRS 16 requires lessees to recognize most leases on balance sheet. Then standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. IFRS 16 is effective for annual period beginning on or after 1 January 2019. At commencement date of the lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt IFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of IFRS 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) Its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019

Notes To The Financial Statements

32. NEW ACCOUNTING STANDARDS AND IFRIC INTERPRETATIONS (CONTINUED)

In addition, the Group plans to elect the following practical expedients:

- Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply IFRS 16 to all contracts that were previously identified as leases
- To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts IFRS 16 in 2019.

On the adoption of IFRS 16, the Group expects to recognise right-of-use assets and corresponding lease liabilities for its leases previously classified as operating leases.

Additional SGX-ST Listing
Manual Disclosures

1. DIRECTORS

(A) DIRECTORS

The following persons are directors of the Company as at 12 March 2019, being the date of this Annual Report:

		Date of Appointment	Date of last re-election
Mr Boon Swan Foo	Chairman	20 December 2011 ¹	27 April 2017
Mr Adrian Chan Pengee ²	Director	5 May 2009	25 April 2018
Mr Ronald Seah Lim Siang ²	Director	30 April 2010	29 April 2016
Mr Tan Kok Wee ²	Director	30 April 2010	27 April 2017
Mr Jason See Yong Kiat	Manager Nominated Director	29 April 2016	n/a
Mr Abdul Jabbar Bin Karam Din ²	Director	7 January 2019	n/a
Mr Tan Wee Peng Kelvin ²	Director	15 March 2019 ³	n/a

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

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

³ Mr Tan Wee Peng Kelvin will be appointed as an Independent Director on 15 March 2019

(B) DIRECTORS' REMUNERATION¹

Remuneration bands	Number of Directors for the year ended 31 December 2018 ²	Number of Directors for the year ended 31 December 2017
Between S\$50,000 – S\$100,000	4	4
Below S\$50,000	0	0
Total	4	4

¹ For exact remuneration of directors, please refer to the Corporate Governance section on page 45.

² Mr Jason See Yong Kiat, who was appointed as Manager Nominated Director on 29 April 2016, was not entitled to any directors' 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 21 JANUARY 2019

Director	Direct Interests Number of Shares held	Deemed Interests Number of Shares held	Total
Mr Boon Swan Foo	237,935,707	–	237,935,707
Mr Adrian Chan Pengee	–	40,585 ¹	40,585
Mr Ronald Seah Lim Siang	63,088	–	63,088
Mr Jason See Yong Kiat	9,082,061	–	9,082,061
Total	247,080,856	40,585	247,121,441

¹ Mr Adrian Chan Pengee is deemed to be interested in the 40,585 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	2,205
Fixed management fees	650
Other fees and reimbursement of expenses to SICIM	479
Divestment fees	354

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 2018

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Net Book Value million	Carrying Value S\$' million	Income/ Underlying Earning S\$' million	Unrealised Gain/ (Loss) S\$' million
UBS Group 5.875%	Bank contingent convertible	Nil	S\$10.0	S\$10.0	10.0	0.1	–
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	7.8	0.6	(0.3)
Commerzbank 4.2%	Bank contingent convertible	Nil	S\$7.5	S\$7.5	7.4	0.1	(0.1)
Barclays PLC 8%	Bank contingent convertible	Nil	€4.0	€4.0	6.6	0.6	0.4
TV Azteca 8.25%	Other bond	Nil	US\$5.0	US\$5.0	6.5	0.6	(0.3)
Commerzbank 4.875%	Bank contingent convertible	Nil	S\$6.3	S\$6.3	6.3	0.3	0.1
Jinneng Group 6.16%	China domestic bond	Nil	¥30.0	¥30.0	6.1	0.3	0.2
Petrochina 3.85%	China domestic bond	Nil	¥29.0	¥29.0	5.9	0.2	0.2
GD Power Development 2.94%	China domestic bond	Nil	¥28.9	¥28.9	5.9	0.2	0.2

Additional SGX-ST Listing Manual Disclosures

4. INVESTMENTS (CONTINUED)

31 December 2017

Interest in investments	Asset Class	Percentage shareholding %	Cost million	Net Book Value million	Carrying Value S\$' million	Income/ Underlying Earning S\$' million	Unrealised Gain/ (Loss) S\$' million
Unicredit SPA	Other bond	Nil	S\$14.9	S\$14.9	15.6	0.9	0.7
Barclays PLC 8%	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%	Other 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%	Other bond	Nil	S\$5.7	S\$5.7	5.9	0.1	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” (Principles 11), on page 47 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 7 March 2019 of each of the Company’s directors are as follows:

Boon Swan Foo

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
	InTouch Plc (formerly known as Shin Corporation Plc) (Thailand) - Non-executive director
Unlisted	
Singapore Consortium Investment Management Limited - Chairman, CEO	Dongfeng Motor Corporation (China) - Non-executive director
Allgrace Investment Management Private Limited - Chairman	
China National Offshore Oil Corporation (China) - Non-executive director	
China Huadian Corporation (China) - Non-executive director	
Principal Commitments	
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
Listed	
Ascendas Funds Management (S) Limited - Non-executive director	Biosensors International Group, Ltd - Chairman, non-executive director
Hong Fok Corporation Limited - Non-executive director	Nobel Design Holdings Ltd - Non-executive director
Yoma Strategic Holdings Ltd - Non-executive director	
AEM Holdings Ltd - Non-executive director	
Best World International Limited - Non-executive director	
Bowsprit Capital Corporation Limited - Non-executive director	
Unlisted	
Hogan Lovells Lee & Lee - Non-executive director	
Shared Services for Charities Limited - Non-executive director	
Azalea Asset Management Pte Ltd - Non-executive director	
Astrea III Pte Ltd - Non-executive director	
Astrea IV Pte Ltd - Non-executive director	
Want Want Holdings Ltd - Non-executive director	
Singapore Institute of Directors - Vice chairman, non-executive director	
Principal Commitments	
Lee & Lee	Senior Partner – Head of Corporate Department
Law Society of Singapore	Council member
Association of Small and Medium Enterprises	Honorary Secretary, Executive Council
Accounting and Corporate Regulatory Authority	Board Member
Legal Service Commission	Member
Singapore Management University's Enterprise Board	Member
Pro-Enterprise Panel	Member

Additional SGX-ST Listing
Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Ronald Seah Lim Siang

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

Tan Kok Wee

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

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Jason See Yong Kiat

Present Chairmanships / Directorships	Past Chairmanships / Directorships
Listed	
NIL	NIL
Unlisted	
BBSFF Asset Holdings Ltd - Alternate director to Tan Mui Hong (Non-executive director)	AF Trustees Ltd (<i>formerly known as AF Trustees Pte Ltd</i>) - Non-executive director
BBSFF Loan Portfolio & Securitisation Limited - 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)
BBSFF Operating Lease Limited - Alternate director to Tan Mui Hong (Non-executive director)	Tessolve Semiconductor Private Limited (<i>fka Tessolve Services Private Limited</i>) - Non-executive director
BBSFF Rail Fund No.1 Limited - Non-executive director	Industrial & Economic Advisory Pte Ltd (<i>Dissolved - voluntary winding up</i>) - Non-executive director
GIL (Labuan) Company Limited - Non-executive director	Ansu Wellness Pte Ltd - Non-executive director
Kellock Europe Fund Pte. Ltd. - Executive director	BBSFF EU Rail Lessor Limited (<i>Struck-off</i>) - Alternate director to Tan Mui Hong (Non-executive director)
Kellock Fund Investments Pte. Ltd. - Executive director	BBSFF Alternative Assets Limited (<i>Struck-off</i>) - Alternate director to Tan Mui Hong (Non-executive director)
Kellock Fund Investments II Pte. Ltd. - Executive director	BBSFF Securitisation Limited (<i>Struck-off</i>) - Alternate director to Tan Mui Hong (Non-executive director)
Kellock Fund Investments III Pte. Ltd. - Executive director	GIL Aircraft Lessor No. 1 Ltd (<i>Struck-off</i>) - Alternate director to Tan Mui Hong (Non-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. (<i>fka Temasek Management Services Consultancy (Beijing) Co., Ltd.</i>) - Executive director	
Principal Commitments	
ST Asset Management Ltd	Managing Director (Fund Management)

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Abdul Jabbar Bin Karam Din

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

Additional SGX-ST Listing Manual Disclosures

9. CHAIRMANSHIPS, DIRECTORSHIPS AND PRINCIPAL COMMITMENTS (CONTINUED)

Tan Wee Peng Kelvin (will be appointed as an Independent Director on 15 March 2019)

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

Shareholder
Information

As At 6 March 2019

Number of Issued Shares:	1,723,842,446
Number of Issued Shares excluding Treasury Shares:	1,716,483,146
Class of Shares:	Ordinary
Voting Rights (excluding Treasury Shares):	One vote per share

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
Boon Swan Foo	237,935,707	—

DISTRIBUTION OF SHAREHOLDINGS*

Range of Holdings	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1-99	278	3.89	10,256	0.00
100 – 1,000	532	7.45	456,012	0.03
1,001 – 10,000	1,451	20.31	7,925,808	0.46
10,001 – 1,000,000	4,688	65.61	594,252,726	34.62
1,000,001 and above	196	2.74	1,113,838,344	64.89
Total	7,145	100.00	1,716,483,146	100.00

* The information in this table does not take into account the 7,359,300 shares purchased by the Company from the market held as treasury shares.

TOP 20 SHAREHOLDER LIST

No.	Name	Number of Shares held	Percentage (%)**
1	BOON SWAN FOO	237,935,707	13.86
2	DBS NOMINEES (PRIVATE) LIMITED	90,669,478	5.28
3	GOH SI HUI (WU SIHUI)	59,847,242	3.49
4	GOH SI KAI (WU SIKAI)	59,845,742	3.49
5	CITIBANK NOMINEES SINGAPORE PTE LTD	50,264,481	2.93
6	RAFFLES NOMINEES (PTE.) LIMITED	45,190,050	2.63
7	PHILLIP SECURITIES PTE LTD	37,963,893	2.21
8	OCBC SECURITIES PRIVATE LTD	20,390,162	1.19
9	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	20,228,183	1.18
10	SEE BENG LIAN JANICE	18,757,743	1.09
11	SNG KAY BOON TERENCE	17,044,223	0.99
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	15,493,378	0.90
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,978,485	0.81
14	ATMA SINGH S/O NAND SINGH	13,566,025	0.79
15	DB NOMINEES (SINGAPORE) PTE LTD	11,142,958	0.65
16	MAYBANK KIM ENG SECURITIES PTE.LTD.	9,437,550	0.55
17	YIM CHEE CHONG	8,621,930	0.50
18	UOB KAY HIAN PRIVATE LIMITED	7,691,558	0.45
19	SEE YONG KIAT	7,330,762	0.43
20	FRED BAEY LIAN CHOO @ BAUY LIAN CHOO	7,000,000	0.41
Total		752,399,550	43.83

** Percentage is calculated based on 1,716,483,146 shares (excluding treasury shares of the Company).

Based on information available, as at 6 March 2019, the directors and substantial Shareholder collectively hold 14.40% of the issued Shares of GIL and the balance is held by the public. Therefore, Listing Rule 723 has been 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	
Base fee	1.0% of Net Investment Value up to S\$1.5 billion and 1.5% of Net Investment Value in excess of S\$1.5 billion.
Incentive fee ¹	<ul style="list-style-type: none"> 20.0% of excess Share Return over Benchmark Return after recovering any Deficit carried forward from previous periods. Share Return is an amount computed based on AMCIF multiplied by the movement in the Share Accumulation Index (SAI) which measures the accumulated SGX-ST traded value of the Company's Shares. Any dividend payment will have an impact on the calculation of the SAI. Benchmark Return is computed based on AMCIF multiplied by an annualised return of 8%.
Fixed fee	<ul style="list-style-type: none"> Fixed fee of S\$0.65 million per annum. Third party expenses reimbursed by GIL.
Acquisition fee	<ul style="list-style-type: none"> 1.0% of: <ul style="list-style-type: none"> Total risk capital invested by GIL in the investment; and Percentage interest in the investment acquired by GIL multiplied by the quantum of debt facilities of the investment arranged by SICIM in relation to the acquisition (but excluding debt provided by GIL).
Divestment fee	<ul style="list-style-type: none"> Only for assets acquired after 25 November 2009. 3.0% on net disposal proceeds, subject to profit after divestment being greater than zero. <p>Note: If the divestment fee payable is greater than GIL's profit after divestment, the divestment fee shall equal GIL's profit after divestment.</p>
Debt raising fee	<ul style="list-style-type: none"> 0.5% of senior debt raised. 0.7% of subordinated or mezzanine debt raised. <p>Note: The fee payable is only applicable to debt raised at GIL level and/or at any investee entities' level for which the relevant creditor has recourse to GIL, including debt raised from any SICIM Associate.</p>
Payment of fees	<ul style="list-style-type: none"> The Board has the sole discretion to pay up to 100% of SICIM's fees in the form of shares rather than cash.

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

Fees that are paid and payable to the Manager and its associates are disclosed in Note 25 of the financial statements included within this report. The details of the incentive fees are found on page 137.

Computation Of Incentive Fee

		1H 2018	2H 2018
	Number of Days in the Relevant Half Year	181	184
	ATPIF	\$0.144977	\$0.138771
	ANIF	1,652,574,643	1,696,295,038
A	AMCIF = (ATPIF * ANIF)	S\$239,585,314	S\$235,396,559
B	Average SAI in the preceding Half Year	S\$0.3110	S\$0.3098
C	Average SAI in the Relevant Half Year	S\$0.3098	S\$0.2533
D	Benchmark rate of return for the Half Year	3.89018505%	3.95592225%
E	Deficit from previous period	NIL	S\$3,042,482
	New Shares Issuance		
F	Number of Days from issue date to end of Relevant Half Year	68	81
G	Issue Price	S\$0.143	S\$0.130
H	Additional number of Shares issued	43,720,395	27,547,408
I	G * H	S\$6,252,016	S\$3,581,163
J	Benchmark rate of return for the issue period	1.4441229%	1.7225706%
	Share Return for the Relevant Half Year = A * (C-B)/B + H * (C-G)	S\$6,368,117	(S\$39,534,023)
	Benchmark Return for the Relevant Half Year = A * D + I * J	S\$9,410,599	S\$9,373,793
	Share Return-Benchmark Return - Deficit	(S\$3,042,482)	(S\$51,950,298)
	Deficit Carried Forward	S\$3,042,482	S\$51,950,298
	Manager Incentive Fee @ 20%	—	—

Glossary

Term	Meaning
ABS	Asset-Backed Securities
AGM	Annual General Meeting
AMCIF	In respect of a Half Year: $ATPIF \times ANIF$
ANIF	The average closing number of the Company's Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year, provided that for the purposes of computing the incentive fee when it shall first become payable, it shall mean the average closing number of Shares that are issued and to be issued as fully paid (whether or not officially quoted by the SGX-ST) over the last 20 SGX-ST trading days of Shares in the Relevant Half Year.
ARMC	Audit and Risk Management Committee
ATPIF	In relation to a Half Year, the average of the daily Volume Weighted Average Price over the last 20 SGX-ST trading days of Shares in the Half Year preceding the Relevant Half Year.
AUD	Australian Dollar
Board	GIL's Board of Directors
Benchmark Return	For the Shares that are included in AMCIF for a Half Year: <ul style="list-style-type: none"> the AMCIF; multiplied by BRI. <p>To the extent that additional Shares are issued during the Relevant Half Year, the Benchmark Return will also include the return for those additional Shares. For this purpose, the return for those additional Shares will be calculated as the number of additional Shares issued, multiplied by the issue price of such Shares; multiplied by the BRI.</p>
BRI	An annualised return of 8%.
CDP	The Central Depository (Pte) Limited
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.
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

Glossary

Term	Meaning
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>
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> <p>(a) the beginning of the first half year ended 30 June 2010;</p> <p>(b) the commencement of the sixth Half Year preceding that first-mentioned Half Year; and</p> <p>(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.</p>
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.

Glossary

Term	Meaning
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>
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 2019 Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of Global Investments Limited (**Company**) will be held at Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616, on Thursday, 25 April 2019 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

- | | | |
|----|---|------------------------------|
| 1. | To receive and adopt the Audited Financial Statements and the Directors' Statement and Auditors' Reports for the financial year ended 31 December 2018. | Ordinary Resolution 1 |
| 2. | To declare a final tax exempt one-tier dividend of 0.50 Singapore cents per ordinary share for the financial year ended 31 December 2018. | Ordinary Resolution 2 |
| 3. | To note the retirement of Mr Adrian Chan Pengee. | |
| 4. | To note the retirement of Mr Jason See Yong Kiat. | |
| 5. | To elect Mr Abdul Jabbar Bin Karam Din who is retiring under Regulation 107 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. | Ordinary Resolution 3 |
| 6. | To elect Mr Tan Wee Peng Kelvin who is retiring under Regulation 107 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. | Ordinary Resolution 4 |
| 7. | To re-elect Mr Ronald Seah Lim Siang who is retiring under Regulation 103 of the Constitution of the Company and who, being eligible, is offering himself for re-election as a Director of the Company. | Ordinary Resolution 5 |
| 8. | To approve the payment of Directors' fees of up to S\$365,620.00 for the financial year ending 31 December 2019 (2018: S\$365,620.00). | Ordinary Resolution 6 |
| 9. | To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 7 |

SPECIAL BUSINESS

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

- | | |
|---|------------------------------|
| Proposed Share Issue Mandate | Ordinary Resolution 8 |
| 10. That, pursuant to Section 161 of the Companies Act, Chapter 50 (Companies Act), and the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:- | |
| (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or | |

Notice Of 2019 Annual General Meeting

- (b) make or grant offers, agreements or options (collectively, **Instruments**) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible or exchangeable into shares; and/or
- (c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:-

- (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed 50% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;
- (b) for the purpose of determining the aggregate number of shares that may be issued under this paragraph, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of this Resolution is passed, after adjusting for:
 - (i) New shares arising from the conversion or exercise of any convertible securities outstanding;
 - (ii) New shares arising from the conversion or exercise of convertible securities or employee share options on issue as at the time this Resolution is passed; and
 - (iii) Any subsequent consolidation or sub-division of shares.
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing manual of the SGX-ST (**Listing Manual**) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (d) Unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting (**AGM**) of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

Notice Of 2019 Annual General Meeting

Proposed Renewal of the Share Buyback Mandate

Ordinary Resolution 9

11. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-
 - (i) on-market purchase(s) transacted on the SGX-ST through the ready market of the SGX-ST and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) otherwise than on the SGX-ST, in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act and as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual,

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

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which Share Buyback Mandate has been carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied,

whichever is the earliest.

- (c) in this Resolution:

Maximum Percentage means the number of issued ordinary shares representing 10% of the total number of issued shares as at the date of the passing of this Resolution (excluding the shares which are held as treasury shares as at that date); and

Maximum Price in relation to a share to be purchased or acquired, means the purchase price (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not be more than:-

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

Notice Of 2019 Annual General Meeting

- (ii) in the case of an off-market purchase(s) of a share, 20% above the average of the closing market prices of the shares over the last five market days on which transactions in the shares were recorded before the date on which the Company makes an announcement of an offer under the off-market purchase scheme, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the off-market purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period; and
- (d) the Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

Proposed Authorisation of Directors to issue shares pursuant to the Scrip Dividend Scheme

Ordinary Resolution 10

12. That authority be and is hereby given to the Directors of the Company to:-
- (a) allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme pursuant to Section 161 of the Companies Act; and
 - (b) to complete and do all acts and things (including executing such documents as may be required in connection with the Scrip Dividend Scheme) as they may consider desirable, necessary or expedient to give full effect to this Resolution and the Scrip Dividend Scheme.
13. To transact any other business that may be transacted at an annual general meeting.

By Order of the Board

GLOBAL INVESTMENTS LIMITED

Lin Moi Heyang
Company Secretary
28 March 2019

Notice Of 2019 Annual General Meeting

NOTES:

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

EXPLANATORY NOTES:

AGENDA ITEMS 3 AND 4:

Mr Adrian Chan Pengee and Mr Jason See Yong Kiat retire from office without seeking re-election. Accordingly, Mr Adrian Chan Pengee will relinquish his position as the Lead Independent Director, the Chairman of the Nomination and Governance Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee. Mr Jason See Yong Kiat will relinquish his position as the Manager Nominated Director of the Company.

ORDINARY RESOLUTION 3:

The key information of Mr Abdul Jabbar Bin Karam Din can be found in the Annual Report. Mr Abdul Jabbar Bin Karam Din will upon election cease to be a member of the Audit and Risk Management Committee. He will serve as the Chairman of the Nomination and Governance Committee and a member of the Remuneration Committee of the Company. He is considered an independent director.

ORDINARY RESOLUTION 4:

The key information of Mr Tan Wee Peng Kelvin can be found in the Annual Report. Mr Tan Wee Peng Kelvin will upon election serve as a member of the Audit and Risk Management Committee and the Remuneration Committee of the Company. He is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Notice Of 2019 Annual General Meeting

ORDINARY RESOLUTION 5:

The key information of Mr Ronald Seah Lim Siang can be found in the Annual Report. Mr Ronald Seah Lim Siang will upon re-election cease to be a member of the Nomination and Governance Committee. He will continue to serve as the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee of the Company. He will also be appointed as the Lead Independent Director in place of Mr Adrian Chan Pengee. He is considered an independent director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

ORDINARY RESOLUTION 8:

The ordinary resolution 8 seeks to authorise the Directors of the Company from the date of the AGM until the next AGM to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of total number of shares of the Company (excluding treasury shares and subsidiary holdings), of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

If ordinary resolution 8 is passed, shares issued pursuant to the Scrip Dividend Scheme will not be treated as shares issued pursuant to the Share Issue Mandate.

ORDINARY RESOLUTION 9:

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

ORDINARY RESOLUTION 10:

The ordinary resolution 10, if passed, will provide the Directors, from the date of the AGM, the authority to issue shares pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of all or part of the cash amount of that qualifying dividend. Shares issued pursuant to the Scrip Dividend Scheme will not be subject to the limits on the aggregate number of shares that may be issued pursuant to the Share Issue Mandate.

PERSONAL DATA PRIVACY

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

Additional Information On Directors Seeking Re-Election

Mr Ronald Seah Lim Siang, Mr Abdul Jabbar Bin Karam Din and Mr Tan Wee Peng Kelvin (collectively, the Retiring Directors) are the Directors seeking re-election/election at the forthcoming annual general meeting of the Company on 25 April 2019 (AGM).

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

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
Date of Appointment	30 April 2010	7 January 2019	15 March 2019
Date of last re-appointment	29 April 2016	Not Applicable	Not Applicable
Age	71	50	55
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the recommendation of the Nomination and Governance Committee and after having reviewed Mr Seah's qualification and experience, was confident that he will be able to contribute to the growth of the Company.	The Board has considered the recommendation of the Nomination and Governance Committee and was confident that Mr Jabbar's qualifications and work experience will enhance the composition of the Board and will be beneficial to the Company.	The Board has considered the recommendation of the Nomination and Governance Committee and was confident that Mr Tan's qualification and experience will enhance the composition of the Board and will be beneficial to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Remuneration Committee and member of the Audit and Risk Management Committee	Chairman of Nomination and Governance Committee and member of Remuneration Committee	Independent Director, member of the Audit and Risk Management Committee and the Remuneration Committee
Professional qualifications	Bachelor of Art and Social Science (Second Class Honours (Upper)) in Economics from University of Singapore in 1975	Bachelor of Laws (Honours) from National University of Singapore in 1994	1) Bachelor of Accountancy (First Class Honours) from National University of Singapore in 1987 2) Fellow of Institute of Singapore Chartered Accountants

Additional Information On Directors Seeking Re-Election

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
Working experience and occupation(s) during the past 10 years	1) Chairman of Nucleus Connect Pte Ltd 2) Director of M&C REIT Management Limited and M&C Business Trust Management Limited 3) Independent director on several public listed companies	1) Partner of Rajah & Tann Singapore LLP 2) Independent director of Chip Eng Seng Corporation Ltd which is listed on SGX-ST.	1) Managing Director of GBE Holdings Pte Ltd 2) Adjunct Associate Professor of the National University of Singapore Business School 3) Independent director on several public listed companies on SGX-ST
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 63,088	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships for the last 5 years	See page 131	See page 133	See page 134
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

Additional Information On Directors Seeking Re-Election

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Additional Information On Directors Seeking Re-Election

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Additional Information On Directors Seeking Re-Election

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

Additional Information On Directors Seeking Re-Election

	RONALD SEAH LIM SIANG	ABDUL JABBAR BIN KARAM DIN	TAN WEE PENG KELVIN
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	Yes, see page 131	Yes, see page 133	Yes, see page 134
If yes, please provide details of prior experience.			

Proxy Form

GLOBAL INVESTMENTS LIMITED

Registered in Singapore
(Co Reg No. 201900747E)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181(1C) of the Companies Act, Chapter 50 of Singapore (**Act**) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For SRS investors who have used their SRS monies to buy GIL shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors who hold GIL shares through SRS Operators should contact their respective SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 March 2019.

I/We, (Name)
..... (NRIC/Passport Number/Company Registration Number)
of (address)
being a member/members of Global Investments Limited (the Company or GIL), hereby appoint:

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

and / or (delete as appropriate)

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or failing the person, or either or both the persons, referred to above, the Chairman of the Annual General Meeting of the Company (**AGM**), as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf, at the AGM to be held at **Holiday Inn Singapore Orchard City Centre, Crystal Suite, Level 2, 11 Cavenagh Road, Singapore 229616 on Thursday, 25 April 2019 at 10.00 a.m.**, and at any adjournment thereof:

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

Voting will be conducted by poll.

ORDINARY BUSINESS

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements and the Directors' Statement and Auditors' Report for the financial year ended 31 December 2018.		
2.	To declare a final tax exempt one-tier dividend of 0.50 Singapore cents per ordinary share.		
3.	To elect Mr Abdul Jabbar Bin Karam Din as a Director.		
4.	To elect Mr Tan Wee Peng Kelvin as a Director.		
5.	To re-elect Mr Ronald Seah Lim Siang as a Director.		
6.	To approve Directors' fees of up to S\$365,620.00 for the financial year ending 31 December 2019.		
7.	To re-appoint Ernst & Young LLP as the Auditors and to authorise the Directors to fix their remuneration.		

SPECIAL BUSINESS

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

If you wish to exercise all your votes For or Against, please indicate an "X". Alternatively, please indicate the number of votes For or Against each resolution.

Dated this day of 2019.

Total number of Shares held

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

Important: Please read notes on the reverse side.

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Notes:

1. a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

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

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Please affix
postage
stamp

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

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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
Abdul Jabbar Bin Karam Din
(Appointed on 7 January 2019)
Tan Wee Peng Kelvin
(Will be appointed on 15 March 2019)

HONORARY COUNSEL

Goh Mui Hong

NOMINATION AND GOVERNANCE COMMITTEE

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Lin Moi Heyang
Tang Pei Chan

ASSISTANT SECRETARY

Wong Yen Sim

REGISTERED OFFICE

51 Cuppage Road, #10-04
Singapore 229469

COMPANY REGISTRATION NUMBER

201900747E

SHARE TRANSFER AGENT

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

AUDITOR

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

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

THE MANAGER & FUND ADMINISTRATOR

Singapore Consortium Investment Management Limited
51 Cuppage Road, #10-04
Singapore 229469
Telephone: +65 6908 4477
Facsimile: +65 6908 4478
Email: contact@sicim.com.sg
Website: www.sicim.com.sg

INVESTOR RELATIONS

Telephone: +65 6908 4477
Facsimile: +65 6908 4478
Email: ir@globalinvestmentslimited.com
Website: www.globalinvestmentslimited.com

Global Investments Limited

Managed by

Singapore Consortium Investment Management Limited

51 Cuppage Road, #10-04

Singapore 229469

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www.globalinvestmentslimited.com