



SGX-ST Release

28 September 2018

- (1) THE PROPOSED SHARE PREMIUM REDUCTION
 - (2) THE PROPOSED RE-DOMICILIATION OF THE COMPANY FROM BERMUDA TO THE REPUBLIC OF SINGAPORE
 - (3) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION
 - (4) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE
 - (5) THE PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE
 - (6) THE PROPOSED AUTHORISATION OF DIRECTORS TO ISSUE SHARES PURSUANT TO THE SCRIP DIVIDEND SCHEME
- ((1) to (6) is collectively the “Proposed Resolutions”, and (2) to (3) is collectively the “Proposed Re-domiciliation Related Resolutions”)

1. INTRODUCTION

The board of directors (“**Directors**”, “**Board**” or “**Board of Directors**”) of Global Investments Limited (the “**Company**”) wishes to announce that the Company is intending to propose at a forthcoming special general meeting (“**SGM**”):

- 1) by way of an ordinary resolution (“**Ordinary Resolution**”), to undertake a share premium reduction exercise for the purpose of setting-off against the accumulated losses of the Company up till 31 December 2009 and the losses in the capital reserve of the Company;
- 2) by way of an Ordinary Resolution, to transfer the domicile of the Company from Bermuda to Singapore by way of a discontinuance out of Bermuda and continuance and registration in Singapore (“**Re-domiciliation**”) subject to the shareholders’ (“**Shareholders**”) approval of the Proposed Adoption of the New Constitution (as defined below);
- 3) by way of a special resolution (“**Special Resolution**”), to adopt a new constitution (“**New Constitution**”) subject to the Shareholders’ approval of the Proposed Re-domiciliation (as defined below);
- 4) by way of an Ordinary Resolution, to adopt a new share buyback mandate (“**Share Buyback Mandate**”) of the Company, subject to the Shareholders’ approval of the Proposed Re-domiciliation Related Resolutions;
- 5) by way of an Ordinary Resolution, to adopt a new share issuance mandate (“**Share Issuance Mandate**”) of the Company, subject to the Shareholders’ approval of the Proposed Re-domiciliation Related Resolutions; and
- 6) by way of an Ordinary Resolution, to authorise the Directors to issue Shares (as defined below) pursuant to the Scrip Dividend Scheme (as defined below) subject to the Shareholders’ approval of the Proposed Re-domiciliation Related Resolutions.

2. THE PROPOSED SHARE PREMIUM REDUCTION

2.1. Background

The Company was incorporated in 2006 as Babcock & Brown Structured Finance Fund. Babcock & Brown Structured Finance Management Pty Ltd was the manager of the Company from 2006 to 24 November 2009. As at 31 December 2009, the Company had incurred accumulated losses amounting to S\$236,687,760.52 up to 31 December 2009. The losses arose mainly from the impairment of the Company's subsidiaries following the impairment of the underlying investments in 2008 and 2009 during the global financial crisis.

ST Asset Management Ltd took over as the manager of the Company on 25 November 2009 followed by Singapore Consortium Investment Management Limited from 29 April 2016 till present. From 1 January 2010 to 30 June 2018, the Company has generated a total profit of S\$193,301,601.42 out of which S\$126,578,849.85 has been distributed out as dividends.

On 1 January 2012, the Company changed its functional currency from United States Dollar ("US\$") to the Singapore Dollar ("S\$"). The losses of S\$65,846,112.49 in the Company's capital reserve represents the cumulative foreign currency translation differences on share capital denominated in S\$ up to the date of change in functional currency.

Accordingly, the Company intends to seek Shareholders' approval for the Proposed Share Premium Reduction (as defined below) to reduce the Company's share premium amount by cancelling the sum of S\$302,533,873.01 therefrom for the purpose of setting-off against the Company's accumulated losses up till 31 December 2009 and the losses in the Company's capital reserve as described above at the forthcoming SGM.

2.2. Structure of the Proposed Share Premium Reduction

The proposed share premium reduction will involve the following:-

- (a) the reduction of the Company's share premium amount by S\$302,533,873.01 from S\$552,826,454.04 to S\$250,292,581.03;
- (b) the sum of S\$236,687,760.52 arising from the abovesaid reduction in the share premium amount be utilised to be set-off against the accumulated losses of the Company up to 31 December 2009 amounting to S\$236,687,760.52; and
- (c) the remaining sum of S\$65,846,112.49 arising from the abovesaid reduction in the share premium amount be utilised to be set-off against the losses in the Company's capital reserve amounting to S\$65,846,112.49;

with effect from the date of the SGM or such other date as the Directors of the Company may determine

(collectively, the "**Proposed Share Premium Reduction**").

2.3. Effect of the Proposed Share Premium Reduction

The Proposed Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company, nor does it involve the diminution of any liability in respect of unpaid share capital or the payment to any Shareholder of any paid up share capital of the Company.

The Proposed Share Premium Reduction will also not result in any change in the number of shares ("**Shares**") held by any Shareholder. Each Shareholder will hold the same number of Shares before and immediately after the Proposed Share Premium Reduction. The Proposed

Share Premium Reduction will also provide retained profits that can be distributed as dividends to Shareholders upon the Company's Re-domiciliation.

2.4. Rationale for the Proposed Share Premium Reduction

The Board is of the view that the Proposed Share Premium Reduction is beneficial to the Company and the Shareholders as a whole, as it will enable the Company's balance sheet to better reflect its underlying assets and financial position. The Company would also be in a better position to retain profits and enhance its ability to pay future dividends, if appropriate, if the Company's accumulated losses and the losses in the Company's capital reserve are written off, when it re-domiciles to Singapore.

While the Directors will take into consideration the present and future funding needs of the Company and Group before declaring any dividends, shareholders however should note there can be no assurance that a dividend will be declared or paid in future even if the Proposed Share Premium Reduction becomes effective.

2.5. Financial Effects of the Proposed Share Premium Reduction

2.5.1. NAV, Gearing and EPS

The Proposed Share Premium Reduction will not have any impact on the NAV, gearing or EPS of the Group.

2.5.2. Shareholders' Funds and Reserves

The pro forma financial effects of the Proposed Share Premium Reduction on the shareholders' funds and reserves of the Group and Company have been prepared based on the audited consolidated financial statements of the Group, with the financial year ending 31 December 2017 ("**FY2017**") being the most recently completed financial year, and on 30 June 2018, being the end of the most recently completed quarter of the Company as at the date of this announcement ("**Announcement**"). The pro forma financial effects are only for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Company after the completion of the Proposed Share Premium Reduction.

Shareholders should note that the pro forma financial effects set out below are for illustrative purposes only. In particular, it is important to note that the tables below are based on the historical audited consolidated financial statements of the Company and the Group for the FY2017, and the historical unaudited financial statements for the half year ended 30 June 2018 respectively.

Assuming the Proposed Share Premium Reduction had been completed on 31 December 2017, the pro forma financial effects of the shareholders' funds and reserves of the Group and Company for FY2017, based on the audited consolidated financial statements of the Company and the Group for the FY2017, are as follows:

Based on the audited consolidated financial statements for FY2017

	Group		Company	
	Before the Proposed Share Premium Reduction (S\$'000)	After the Proposed Share Premium Reduction (S\$'000)	Before the Proposed Share Premium Reduction (S\$'000)	After the Proposed Share Premium Reduction (S\$'000)
Share capital	16,526	16,526	16,526	16,526
Share premium	547,011	244,477	547,011	244,477
Capital Reserve	(65,846)	-	(65,846)	-
Accumulated losses as at 31 December 2017	(183,545)	53,143	(172,430)	64,258 ⁽¹⁾
Available-for-sale financial asset revaluation reserve	7,631	7,631	7,631	7,631
Foreign currency translation reserve	11,115	11,115	0	0
Equity attributable to equity holders of the Company	332,892	332,892	332,892	332,892

⁽¹⁾ After offsetting against the accumulated losses of S\$236,687,760.52 incurred up to 31 December 2009, the Company will have a retained profit of S\$64,257,228.30 as at 31 December 2017

Assuming the Proposed Share Premium Reduction had been completed on 30 June 2018, the pro forma financial effects of the shareholders' funds and reserves of the Group and Company for the half-year ended 30 June 2018, based on the unaudited financial statements of the Company and the Group for the half year ended 30 June 2018, are as follows:

Based on the unaudited financial statements for the half year ended 30 June 2018

	Group		Company	
	Before the Proposed Share Premium Reduction (S\$'000)	After the Proposed Share Premium Reduction (S\$'000)	Before the Proposed Share Premium Reduction (S\$'000)	After the Proposed Share Premium Reduction (S\$'000)
Share capital	16,963	16,963	16,963	16,963
Share premium	552,826	250,292	552,826	250,292
Capital Reserve	(65,846)	-	(65,846)	-
Accumulated losses as at 30 June 2018	(182,214)	54,474	(169,965)	66,723 ⁽²⁾
Available-for-sale financial asset revaluation reserve ⁽²⁾	-	-	-	-
Foreign currency translation reserve	12,249	12,249	0	0
Equity attributable to equity holders of the Company	333,978	333,978	333,978	333,978

⁽²⁾ With effect from 1 January 2018, the Group adopted International Financial Reporting Standards 9. Financial assets previously held as available-for-sale have been reclassified to financial assets at fair value through profit and loss. Correspondingly, the available-for-sale revaluation reserve related to those financial assets have been reclassified to accumulated losses on 1 January 2018.

⁽³⁾ After offsetting against the accumulated losses of S\$236,687,760.52 incurred up to 31 December 2009, the Company will have a retained profit of S\$66,722,751.57 as at 30 June 2018.

3. THE PROPOSED RE-DOMICILIATION OF THE COMPANY FROM BERMUDA TO THE REPUBLIC OF SINGAPORE

3.1. Background and Rationale

On 10 March 2017, the Companies (Amendment) Act 2017 of Singapore was passed which, amongst other things, enables the inward re-domiciliation of foreign corporate entities to become Singapore-registered companies ("**Re-Domiciliation Regime**"). The Re-Domiciliation Regime came into force on 11 October 2017, allowing foreign corporate entities which meet

the relevant criteria to transfer their domicile to Singapore without having to incorporate a new entity while at the same time retaining their corporate identity and history.

While Section 132G of the Companies Act 1981 of Bermuda (“**Bermuda Companies Act**”) provides that exempted companies may be discontinued in Bermuda and be continued in a jurisdiction outside of Bermuda, Section 132G(2)(e) of the Bermuda Companies Act however requires that the other jurisdiction must be either an appointed jurisdiction or a jurisdiction that is approved by the Minister of Finance, Bermuda upon application. As Singapore was appointed as an appointed jurisdiction in Bermuda only on 22 March 2018 and as gazetted on 24 April 2018, it is clear that it is now possible for Bermuda companies to now discontinue themselves from Bermuda and continue in Singapore.

The Company intends to seek Shareholders’ approval for the transfer of the domicile of the Company from Bermuda to Singapore by way of a discontinuance out of Bermuda and continuance and registration in Singapore pursuant to Part XA of the Companies Act (Chapter 50) of Singapore (the “**Singapore Companies Act**”) (the “**Proposed Re-domiciliation**”) as doing so would:

- (a) Align the Company’s country of registration with its country of listing and where its main operations and business are situated

The Company was first incorporated in 2006 in Bermuda. However, the Company’s operations and business are presently based primarily in Singapore, and its Shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and subject to the applicable Singapore listing rules and regulations. As at the date hereof, the Company has no substantial nexus to Bermuda in respect of its operations and business. The Proposed Re-domiciliation would allow the Company to align its country of registration with its country of listing and where the Company’s main operations and business are situated.

- (b) Increase administrative and operational efficiency

Currently, when the Company contemplates any corporate transaction or undertakes any fundraising exercise, it will need to ensure compliance with both Singapore listing rules, regulations and laws as well as Bermuda laws and regulations (as applicable), which may be administratively cumbersome and costly, as it requires the Company to engage different sets of legal advisors to advise on the applicable laws and regulations and to obtain approvals (where necessary) from the regulatory authorities of both jurisdictions for its corporate transactions.

Upon the completion of the Proposed Re-domiciliation, corporate transactions and exercises undertaken by the Company would need to comply with Singapore listing rules and regulations and Singapore company laws, without the added requirement of compliance with Bermuda laws and regulations. This would result in faster execution and lower costs incurred by the Company to ensure compliance with applicable laws and regulations.

- (c) Increased flexibility for future corporate actions

There are some differences between Bermuda company laws and Singapore company laws. In some cases, the options available to the Company may be limited due to the

limitations imposed, or different considerations necessitated, by Bermuda company laws. Upon completion of the Proposed Re-domiciliation, the Company will be able to fully utilise the options available under Singapore legislation when carrying out future corporate actions.

Accordingly, the Company intends to seek Shareholders' approval for the Proposed Re-domiciliation at the forthcoming SGM.

3.2. Effects of the Proposed Re-domiciliation

The Proposed Re-domiciliation will not alter the underlying assets, investments, management or financial position of the Company (other than as a result of the expenses and professional fees to be incurred) nor the proportionate interests of the Shareholders. The Proposed Re-domiciliation also does not create a new legal entity nor prejudice or affect the identity of the corporate body constituted by the Company or its continuity as a corporate body. It also does not affect the property, or the rights or obligations, of the Company, or render defective any legal proceedings by or against the Company, and any legal proceedings that could have been continued or commenced by or against the Company before its registration in Singapore may be continued or commenced by or against the Company after its registration in Singapore.

Under the Bermuda Companies Act, the Company, being a mutual fund company, may declare or pay a dividend as long as the Company is, or would after such payment be, able to pay its liabilities as they become due. However, as dividends can only be distributed to Shareholders out of the Company's profits under the Singapore Companies Act, the Company will not be allowed to declare dividends if it does not have sufficient profits after its re-domiciliation to Singapore. However, a company in Singapore is not required to apply its current year profits to offset any accumulated losses from past years and may distribute such profits as dividends.

The Proposed Re-domiciliation will not involve the formation of a new company, the withdrawal of listing of the existing Shares, any issue of new Shares, any transfer of assets of the Company or any change in the existing shareholding structure of the Company. The implementation of the Proposed Re-domiciliation will not affect the Company's listing status on the SGX-ST.

The investment policy of the Company, that is, to make investments in a portfolio of assets in different sectors through different means (which include but are not limited to direct asset ownership, swaps, 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) remains unchanged.

The Company will inform the relevant authorities of the changes to its country of registration. The Proposed Re-domiciliation is also not expected to affect any regulatory licences, permits or approvals required for the Company's operations. Pursuant to the confirmations provided by the SGX-ST on 4 July 2018 and the Monetary Authority of Singapore on 31 July 2018 and 24 September 2018, all prior existing waivers, exemptions or otherwise that have been previously granted to the Company, such as the application of the Enhanced-Tier Fund Tax Incentive Scheme and the classification of the Company as a mutual fund company (allowing the Company to, *inter alia*, not be required to comply with the

minimum trading price requirement under Rule 1311 of the Listing Manual), will continue to apply upon the Proposed Re-domiciliation. While consequential changes will have to be made to the Management Agreement upon the Proposed Re-domiciliation to replace references made to the Existing Bye-Laws (as defined below) and Bermuda law with the New Constitution and Singapore law, such changes will not affect the interest of the Shareholders.

At present, the Company's auditor is Ernst & Young LLP (the "**Auditor**") and the Auditor will continue in its appointment upon the Proposed Re-domiciliation.

3.3. Conditions of the Proposed Re-domiciliation

The Proposed Re-domiciliation is conditional upon the following matters:-

- (a) passing of the Ordinary Resolution for the Proposed Re-domiciliation and the Special Resolution for the Proposed Adoption of the New Constitution at the forthcoming SGM;
- (b) compliance with the relevant legal procedures and requirements under the laws of Singapore and the laws of Bermuda in respect of the Proposed Re-domiciliation; and
- (c) obtaining of all necessary approvals from the Accounting and Corporate Regulatory Authority of Singapore, the Bermuda Monetary Authority, the Bermuda Registrar of Companies (the "Bermuda Registrar"), and/or any other relevant regulatory authorities as may be required in respect of the Proposed Re-domiciliation.

(collectively, the "**Conditions**").

3.4. Issue of Share Certificates for the Re-domiciliation

Shareholders should note that, subject to the satisfaction of the Conditions, the Company will, within 60 days from the Re-domiciliation Effective Date (as defined below), have ready for delivery new share certificates ("**New Share Certificates**") to replace the existing share certificates ("**Old Share Certificates**") which have been issued to holders of Shares as at the effective date of the Proposed Re-domiciliation ("**Re-domiciliation Effective Date**"). Upon the delivery of the New Share Certificates to the holders of Shares as at the Re-domiciliation Effective Date, all Old Share Certificates in respect of such Shares shall cease to be operative and cease to have any validity.

4. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

The existing memorandum of association of the Company (the "**Existing Memorandum**") was last altered and registered with the Bermuda Registrar on 1 June 2010, whilst the existing bye-laws of the Company (the "**Existing Bye-Laws**") were adopted on 10 December 2006 and amended at the Company's subsequent general meetings held on 30 April 2010, 5 December 2011, 19 April 2012 and 29 April 2016. In connection with the Proposed Re-domiciliation, the Company will be required to amend its Existing Memorandum and Existing Bye-Laws, which are currently drafted to comply with the provisions of the Bermuda Companies Act, to bring them in line with the provisions of the Singapore Companies Act. The Company will also use this opportunity to update the Existing Memorandum and Existing Bye-Laws such that the provisions are consistent with the listing rules of the SGX-ST prevailing as at the latest practicable date prior to the printing of the circular for the forthcoming SGM and in compliance with Rule 730(2) of the

Listing Manual. In view of the extensive amendments required to be made to the Existing Memorandum and Existing Bye-Laws, the Company intends to adopt a New Constitution instead (“**Proposed Adoption of the New Constitution**”). Accordingly, the Company intends to seek Shareholders’ approval for the Proposed Adoption of the New Constitution at the forthcoming SGM.

The Proposed Adoption of the New Constitution is subject to Shareholders’ approval and will be proposed as a Special Resolution at the forthcoming SGM, and is also conditional on the Proposed Re-domiciliation being approved by the Shareholders and the Conditions being satisfied.

5. THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE

5.1. Background

Under Singapore law, any purchase or acquisition of Shares by the Company upon its Re-domiciliation would have to be made in accordance with, and in the manner prescribed by, the Singapore Companies Act, the listing manual of the SGX-ST (“**Listing Manual**”) and such other laws and regulations as may, for the time being be applicable, and the Company is also required to obtain the approval of the Shareholders at a general meeting if it wishes to purchase or acquire its own Shares.

As the existing share buyback mandate of the Company was approved by the Shareholders on 25 April 2018 pursuant to the Bermuda Companies Act, the Listing Manual, and the Existing Memorandum and Existing Bye-Laws, in connection with the Proposed Re-domiciliation, the Company will be required to adopt a new share buyback mandate that is in line with the provisions of the Singapore Companies Act, the New Constitution, and The Singapore Code on Take-overs and Mergers (“**Take-over Code**”) (the “**Share Buyback Mandate**”) in order for it to be able to continue to purchase or acquire its own Shares upon its Re-domiciliation.

Accordingly, the Company intends to seek Shareholders’ approval for the adoption of the Share Buyback Mandate that is subject to the New Constitution, the Listing Manual, the Take-over Code and the Singapore Companies Act to authorise the Directors to buy back Shares representing up to a maximum of 10% of the issued Shares of the Company (excluding treasury shares) as at the date on which the resolution authorising the same is passed, at a price of up to but not exceeding the maximum price, upon its Re-domiciliation in Singapore (the “**Proposed Adoption of the Share Buyback Mandate**”) at the forthcoming SGM.

The Proposed Adoption of the Share Buyback Mandate is subject to Shareholders’ approval and will be proposed as an Ordinary Resolution at the forthcoming SGM, and is also conditional on the approval of the Proposed Re-domiciliation Related Resolutions by the Shareholders.

5.2. Rationale for the Proposed Adoption of the Share Buyback Mandate

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

- (a) in line with international practice, the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders;
- (b) to the extent that the Company has capital and surplus funds which are in excess of its possible financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (c) the Share Buyback Mandate will provide the Company the flexibility to undertake Share repurchases at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force. The purchases or acquisitions may, depending on market conditions at the relevant time, lead to an enhancement of the net asset value and/or earning per share and would allow the Company to optimally allocate its resources and maximise Share value and is one of the ways through which the return on equity of the Company and its subsidiaries may be enhanced.

The purchase or acquisition of Shares will only be undertaken if beneficial to the Company and the Shareholders. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit as provided under the Singapore Companies Act, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised or at all and no purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position or financial position of the Company or the Group as a whole and/or will affect the listing status of the Company on the SGX-ST.

5.3. Brief Information on the Share Buyback Mandate

- 5.3.1. Only Shares that are issued and fully paid-up may be purchased or acquired by the Company.
- 5.3.2. The maximum number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to such number of shares representing not more than 10% of the issued share capital of the company (excluding treasury shares and subsidiary holdings, if applicable) as at the date of the forthcoming SGM at which the Proposed Adoption of the Share Buyback Mandate is approved (“**Approval Date**”), unless the Company has, at any time during the period commencing from the Approval Date and expiring on the date the next annual general meeting (“**AGM**”) is or is required by law to be held, whichever is the earlier, reduced its share capital in accordance with the applicable provisions of the Singapore Companies Act in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time (the “**Maximum Limit**”). For the avoidance of doubt, Shares which are held as treasury shares will be disregarded for the purposes of computing the aforesaid 10% limit.
- 5.3.3. Any Share purchased or acquired by the Company shall, unless held in treasury or in accordance with the Singapore Companies Act, be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share. On cancellation of a Share, the rights and privileges attached to that Share will expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

- 5.3.4. The Company intends to utilise its internal funds to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.
- 5.3.5. It is not possible for the Company to realistically calculate or quantify the impact of purchase or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS as the resultant effect will depend on, inter alia, how the Shares are purchased or acquired, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.
- 5.3.6. The Proposed Share Buyback Mandate will only be exercised in the best interests of the Company, for example, to enhance the earning per share and/or the net asset value per Share of the Company.
- 5.3.7. For the avoidance of doubt, further information on the Share Buyback Mandate will be provided in the circular which will be despatched to the Shareholders in due course as contemplated under paragraph 0 below.

6. THE PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE

6.1. Introduction

Under Singapore law, any issuance of Shares by the Company upon its Re-domiciliation would have to be made in accordance with, and in the manner prescribed by the Singapore Companies Act, the Listing Manual and such other laws and regulations as may, for the time being applicable.

As the existing share issue mandate of the Company was approved by the Shareholders on 25 April 2018 pursuant to the Bermuda Companies Act, the Listing Manual, and the Existing Memorandum and Existing Bye-laws, in connection with the Proposed Re-domiciliation, the Company will be required to adopt a new share issue mandate that is in line with the provisions of the Singapore Companies Act and the New Constitution instead (the “**Share Issue Mandate**”) in order for the Directors, to be able to issue Shares upon the Company’s Re-domiciliation in Singapore.

Accordingly, the Company intends to seek Shareholders’ approval for the adoption of the Share Issue Mandate that is subject to the New Constitution, the Listing Manual, and the Singapore Companies Act to authorise the Directors to issue Shares, upon its Re-domiciliation in Singapore (“**Proposed Adoption of the Share Issue Mandate**”) at the forthcoming SGM.

The Proposed Adoption of the Share Issue Mandate is subject to Shareholders’ approval and will be proposed as an Ordinary Resolution at the forthcoming SGM, and is also conditional on the approval of the Proposed Re-domiciliation Related Resolutions by the Shareholders.

6.2. Rationale

A general share issue mandate pursuant to Rule 806 of the Listing Manual and Section 161 of the Singapore Companies Act, if granted by Shareholders, will empower the Directors to issue and allot Shares and/or convertible securities within the express limits of the mandate during the validity of such mandate, without seeking any further approval from Shareholders.

A general (as opposed to a specific) approval for the Directors to issue Shares and/or convertible securities of the Company under the Share Issue Mandate will enable the Company to act quickly and take advantage of market conditions upon its Re-domiciliation in Singapore.

6.3. Limits of the Share Issue Mandate

The aggregate number of Shares that may be issued pursuant to the Share Issue Mandate (including Shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any adjustments (“**Adjustments**”), which Adjustment shall be made in compliance with the provisions of the Listing Manual (unless such compliance has been waived by the SGX-ST) and the Singapore Companies Act for the time being in force, and the New Constitution for the time being of the Company), shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the time of passing of the resolution at the forthcoming SGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders of the Company shall not exceed 18% of the total number of issued Shares (excluding treasury shares).

Subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authority), the total number of issued Shares (excluding treasury shares) shall be based on the total issued Shares (excluding treasury shares) as at the time of passing of the resolution at the forthcoming SGM, after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities outstanding;
- (b) new Shares arising from exercising share options or vesting of share awards outstanding and/or subsisting as at the date of forthcoming SGM, provided the share options or share awards (as the case may be) were granted in compliance with the provisions of the Listing Manual, if any; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Additionally, in exercising the authority to issue Shares, the Company will comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and all applicable legal requirements under the Singapore Companies Act and the New Constitution for the time being of the Company.

As at the date of this Announcement, the Company has 1,696,295,038 Shares in issue and the maximum number of Shares that can be issued other than on a pro-rata basis to the Shareholders is 305,333,106 Shares, being 18% of the Shares in issue (assuming no Share is issued or repurchased after the date of this Announcement and up to the passing of the resolution to approve the Share Issue Mandate).

6.4. Duration of the Share Issue Mandate

The Share Issue Mandate, which is intended to be tabled as an Ordinary Resolution at the forthcoming SGM, if approved by Shareholders, shall take force and effect from the Re-domiciliation Effective Date. The Share Issue Mandate shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM is required to

be held by law or the New Constitution of the Company, whichever is earlier, unless prior thereto, the Share Issue Mandate is carried out to the full extent mandated or the Share Issue Mandate is revoked or varied by the Company in a general meeting.

7. THE PROPOSED AUTHORISATION OF DIRECTORS TO ISSUE SHARES PURSUANT TO THE SCRIP DIVIDEND SCHEME

7.1. Introduction

The existing scrip dividend scheme of the Company (“**Existing Scrip Dividend Scheme**“) was last amended on 14 Aug 2012 following the recommendations of the Central Depository (Pte) Limited. (the “**CDP**“) pursuant to, *inter alia*, the Bermuda Companies Act, the Listing Manual, the Existing Memorandum and the Existing Bye-laws. In connection with the Proposed Re-domiciliation and subject to the requisite regulatory approvals, the Company will amend the Existing Scrip Dividend Scheme to be in line with the provisions of the Singapore Companies Act and the New Constitution in order for it to continue to issue Shares in lieu of cash dividend upon the Re-domiciliation of the Company (the “**Scrip Dividend Scheme**“).

Accordingly, the Company intends to seek Shareholders’ approval for the authority to be given to the Directors to allot and issue shares under the Scrip Dividend Scheme with effect from the Re-domiciliation Effective Date, pursuant to Section 161 of the Singapore Companies Act, conditional upon the Company’s Re-domiciliation in Singapore (“**Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme**“).

Regulation 138A of the New Constitution enables Shareholders to elect to receive New Shares credited as fully paid in lieu of all or part only of the cash amount of the dividend to which the Scrip Dividend Scheme applies.

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.

The Proposed Authorisation of Directors to issue Shares pursuant to the Scrip Dividend Scheme is subject to Shareholders’ approval and will be proposed as an Ordinary Resolution at the forthcoming SGM, and is also conditional on the approval of the Proposed Re-domiciliation Related Resolutions by the Shareholders.

Specific details of the amended Scrip Dividend Scheme are provided herein in this Announcement and will be set out in the circular which will be despatched to the Shareholders in due course as contemplated under paragraph 0 below.

7.2. Rationale and Purpose

The Scrip Dividend Scheme will provide Shareholders with the opportunity to make an election to receive dividends in the form of Shares instead of in cash.

The Scrip Dividend Scheme will enable Shareholders to acquire additional Shares without having to incur transaction or other related costs. The Company will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive dividends in the form of Shares, the cash which would otherwise be payable by way of dividends may be retained to fund the continuing growth and expansion of the Company. The retention of cash and the issue of Shares in lieu of all or part

only of the cash dividends under the Scrip Dividend Scheme will also enlarge the Company's share capital base and strengthen its working capital.

7.3. Election to Receive Dividends in the Form of Shares in lieu of Cash

Under the Scrip Dividend Scheme, whenever a dividend has been declared and the Board of Directors have determined that in respect of their entitlement to such dividend, each Shareholder may elect to receive new Shares in lieu of all or part only of the cash amount of any dividend declared on their holding of Shares.

An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular dividend, and in any event, by no later than the market day, being a day on which the SGX-ST is open for trading in securities ("**Market Day**"), immediately following the books closure date for the dividend. Shareholders may only participate in respect of their shareholdings as at the books closure date for any dividend to which the Scrip Dividend Scheme applies to, as determined by the Directors ("**Qualifying Dividend**").

7.4. New Shares Allotted under the Scrip Dividend Scheme

For the purpose of calculating the number of new Shares to be allotted to Shareholders, the issue price of a new Share shall not be set at more than 10% discount to the arithmetic average of the daily volume weighted average price of a Share on the SGX-ST during the price determination period (that is, the period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST and ending on the books closure date in respect of such dividend).

Consequently (where the Scrip Dividend Scheme applies to a particular dividend), it will not be possible until after the close of business on the relevant books closure date to determine the exact number of new Shares to which Shareholders electing to receive new Shares will be entitled. An announcement will be made setting out the issue price of a new Share to be used in the calculation of Shareholders' entitlements to the new Shares in respect of such dividend.

The new Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distribution, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify in their absolute discretion.

7.5. Fractional Entitlements

Fractional entitlements to new Shares will be rounded up to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as acceptable to the SGX-ST.

7.6. Odd Lots

A Shareholder who elects to receive new Shares in lieu of the whole of the cash amount of the Qualifying Dividend may receive such new Shares in odd lots.

7.7. Qualifying Dividend Received in Cash if No Election

Shareholders will receive the Qualifying Dividend in cash if they do not explicitly elect to participate in the Scrip Dividend Scheme.

Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

7.8. Availability of the Scrip Dividend Scheme

Notwithstanding any provisions of the Scrip Dividend Scheme, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any dividend and before the allotment and issue of new Shares in respect of such dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such dividend, the Directors may, in their absolute discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the application of the Scrip Dividend Scheme to such dividend. In such event, the dividend shall be paid in cash to Shareholders in the usual way.

7.9. Eligibility

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Shareholders whose addresses are outside Singapore, as shown on the Register or in the records of CDP, as the case may be (“**Overseas Shareholders**”) (that is, Shareholders with registered mailing addresses outside Singapore and who have not provided to the Company or (as the case may be) CDP, not later than three (3) Market Days prior to the relevant books closure date, mailing addresses in Singapore for the service of notices and documents) more particularly described below, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder’s holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or the New Constitution.

7.10. Overseas Shareholders

The offer of the Scrip Dividend Scheme may be prohibited or restricted (either absolutely or unless various requirements are complied with) in certain jurisdictions under the relevant securities laws.

For practical reasons and to avoid any violation of securities laws applicable in countries outside Singapore where Shareholders may have their registered mailing addresses, the scrip dividend scheme may, at the absolute discretion of the Directors, not be offered to Overseas Shareholders.

7.11. Obligation to extend take-over offer

The attention of Shareholders is drawn to the Take-over Code. In particular, Rule 14 of the Take-over Code provides that, except with the consent of the Securities Industrial Council (“SIC”), a Shareholder may be under an obligation to extend a take-over offer for the Company if:

- (a) he acquires, by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, whether at one time or different times, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires additional Shares by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend or otherwise in any period of six (6) months, thereby increasing such percentage of the voting rights of the Company by more than 1%.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Take-over Code or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Take-over Code as a result of any acquisition of Shares through their participation in the Scrip Dividend Scheme are advised to consult their professional advisers and/or the SIC of Singapore at the earliest opportunity.

7.12. Listing on the Mainboard of the SGX-ST

The Company shall make the necessary application(s) for the listing and quotation of the new Shares to be issued for the purposes of, in connection with or where contemplated by the Scrip Dividend Scheme. Any approval in-principle granted by the SGX-ST for the listing of such new Shares is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the new Shares, the Company, its subsidiaries and their securities.

It is expected that share certificates will be posted at the risk of those entitled or, as the case may be, the new Shares will be credited to the relevant securities accounts of depositors, on or about the payment date for the dividend, which shall be a date not less than thirty (30) Market Days but not more than thirty five (35) Market Days after the relevant books closure date for that dividend.

7.13. Taxation

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Scrip Dividend Scheme or the tax consequences of any election made by the Shareholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Scrip Dividend Scheme Statement which will be despatched to the Shareholders in due course as set out in paragraph 0 below.

Without prejudice to the foregoing paragraph, as a general indication, however, it is



understood that as at the date of this Announcement, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Qualifying Dividends received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme. The Company accepts no responsibility for the correctness or accuracy of any information as to taxation liability set out herein.

7.14. Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated by the Directors as they deem fit on providing notice in writing to all Shareholders, except that no material modifications shall be made without the prior approval of the SGX-ST.

8. DESPATCH OF CIRCULAR

A circular containing, inter alia, the notice of SGM and the details of the Proposed Resolutions will be despatched to the Shareholders in due course.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm that after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

By order of the Board of Directors

Mr. Boon Swan Foo
Chairman

28 September 2018

Further Information:

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About Global Investments Limited

(<http://www.globalinvestmentslimited.com>)

Global Investments Limited (**GIL**) is a mutual fund company incorporated in Bermuda that provides investors access to a diversified portfolio of assets and economic exposures. GIL is managed by Singapore Consortium Investment Management Limited.